

# SUSTAINABILITY REPORT

## BOARD STATEMENT

JB Foods Limited (“**JB Foods**” or the “**Company**”), together with its subsidiaries (the “**Group**” or “**We**”), is pleased to present its sustainability report (“**Report**”) for the financial year (“**FY**”) ended 31 December 2023 (“**FY2023**” or “**Reporting Period**”).

The Board of Directors (“**Board**”) oversees the management and monitoring of our key sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively referred to as “**Sustainability Factors**”) and considers them in determining our strategic direction and policies. Having considered the Group’s sustainability issues as part of its strategic formulation and business strategies, the Board determines the key Sustainability Factors, reviews the key Sustainability Factors annually and ensures that they stay relevant and current for the business. On top of that, the Board oversees the management in monitoring of the key Sustainability Factors.

Our sustainability framework is primarily driven by our key stakeholders’ concerns and it communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“**SDGs**”). We work closely with our stakeholders in our value chain and their inputs drive our sustainability focus on the SDGs and key Sustainability Factors as follows:



# SUSTAINABILITY REPORT

## 1. SUSTAINABILITY PERFORMANCE AT A GLANCE

A summary of our key sustainability performance in FY2023 is as follows:

| Sustainability Pillar | Performance Indicator   | Sustainability Performance |        |
|-----------------------|---|----------------------------|--------|
|                       |   | FY2023                     | FY2022 |
| Economic              | Economic value generated (USD million) <sup>1</sup>                                       | <b>598.27</b>              | 510.75 |
|                       | Operating costs (USD million) <sup>2</sup>  | <b>539.84</b>              | 476.82 |
|                       | Employee benefits expenses (USD million)  | <b>14.00</b>               | 13.18  |
|                       | Payments to providers of capital (USD million) <sup>3</sup>                               | <b>19.56</b>               | 10.01  |
|                       | Income taxes to governments (USD million)   | <b>3.99</b>                | 6.17   |
|                       | Percentage of customers who gave a positive feedback rating for overall satisfaction (%)  | <b>&gt;90</b>              | >90    |
| Environmental         | Water consumption (m <sup>3</sup> ) per metric tonne ("MT") of cocoa bean processed       | <b>2.03</b>                | 2.12   |
|                       | Percentage of wastewater treated to remove pollutants before releasing into waterways (%) | <b>100</b>                 | 100    |
|                       | Greenhouse gas ("GHG") emissions (tonnes CO <sub>2</sub> e)                               | <b>60,822</b>              | 56,661 |
|                       | GHG emissions intensity (tonnes CO <sub>2</sub> e/MT of bean processed)                   | <b>0.35</b>                | 0.37   |
|                       | Non-hazardous waste generated (MT) per MT of cocoa bean processed                         | <b>0.106</b>               | 0.107  |
| Social                | Number of workplace fatalities or high consequence work-related injuries <sup>4</sup>     | <b>–</b>                   | –      |
|                       | Number of recordable work-related injuries  | <b>1</b>                   | 5      |
|                       | Number of recordable work-related ill health cases <sup>5</sup>                           | <b>7</b>                   | –      |
|                       | Average training hours per employee   | <b>14</b>                  | 31     |
|                       | Number of product returns due to food safety issues raised by customers                   | <b>3</b>                   | 1      |
|                       | Number of reported incidents of unlawful discrimination against employees <sup>6</sup>    | <b>–</b>                   | –      |
| Governance            | Number of incidents of serious offence ("Corruption Incident") <sup>7</sup>               | <b>–</b>                   | –      |
|                       | Number of cyber security breaches resulting in losses of business data                    | <b>–</b>                   | –      |

<sup>1</sup> Economic value generated includes revenue, other income and interest income, net of government grants and any unrealised gains.

<sup>2</sup> Operating costs include cost of sales, selling and distribution costs, administrative expenses, other expenses, net of depreciation, (write back of)/ impairment loss and write-off of property, plant and equipment, right-of-use asset and employee-related costs.

<sup>3</sup> Payments to providers of capital include interest payments made to providers of financing and dividends paid to shareholders (if any).

<sup>4</sup> High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within six months.

<sup>5</sup> Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

<sup>6</sup> An unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

<sup>7</sup> A Corruption Incident is defined as a serious offence that involves fraud or dishonesty and is being or has been committed against a company by its officers or employees. Such a serious offence is punishable by imprisonment for a term of not less than two years and the offence amounts to not less than S\$100,000.

# SUSTAINABILITY REPORT

## 2. OUR BUSINESS

We are principally involved in the production and sale of cocoa ingredient products, comprising cocoa butter, cocoa powder, cocoa mass and cocoa cake, under the brand name of JB Cocoa. Our value chain is detailed as follows:



## 3. OUR PHILOSOPHY, VISION AND CORE VALUES

### Our Philosophy

A discerning, progressive and committed cocoa ingredients producer that inspires and enables creativity, honouring and caring for the communities and environment

### Our Vision

To be a World Class Premium Cocoa Manufacturer

### Our Core Values

At JB Foods, the bedrock of our current business methodologies lies in 'TRUST' which forms the acronyms of our five Core Values 'Team-Minded', 'Respect', 'United', 'Sustainability' and 'Trustworthy'. 'TRUST' is the foundation of how we do our business today and their impact is evident across the various sections of this Report.



### Team-Minded

embrace collective thinking, encourage engagement and collaboration to spur one another to greater growth.



### Respect

that is open, consistent and two-way.



### United

one mind and heart, working to the best of our organizational interest as one team, dedicated to collectively delivering value and impact to all stakeholders.



### Sustainability

that is founded on the pillars of economic, environmental and social.



### Trustworthy

committed to a culture of trust and collective ownership, firmly believing that.

# SUSTAINABILITY REPORT

## 4. REPORTING PERIOD AND SCOPE

This Report is applicable for FY2023 and covers the following key operating entities<sup>8</sup> within the Group which contributed to more than 90% (FY2022: more than 90%) of the Group's revenue for the Reporting Period:

| S/N | Entity                           | S/N | Entity                          |
|-----|----------------------------------|-----|---------------------------------|
| 1   | JB Foods                         | 7   | JB Cocoa Foods (China) Co., Ltd |
| 2   | JB Foods Global Pte Ltd ("JBFG") | 8   | JB Cocoa AG                     |
| 3   | JB Cocoa Sdn Bhd ("JBCM")        | 9   | JB Cocoa CI                     |
| 4   | PT Jebe Koko ("JBKK")            | 10  | JB Sourcing CI                  |
| 5   | PT Jebe Trading Indonesia        | 11  | JBC Europe OU                   |
| 6   | JB Cocoa, Inc.                   |     |                                 |

## 5. REPORTING FRAMEWORK

This Report is prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules and with reference to the Global Reporting Initiative ("GRI") Standards for the Reporting Period. We chose to report using the GRI framework as it is an internationally recognised reporting framework. Refer to Appendix 1 of this Report for the GRI content index.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("UN Sustainability Agenda"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the 11 recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

We relied on internal data monitoring and verification to ensure accuracy for this Report. An internal review was performed as part of our internal audit plan and we will work towards external assurance for our future sustainability reports.

## 6. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: [responsiblebusiness@jbcocoa.com](mailto:responsiblebusiness@jbcocoa.com).

## 7. STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we identified and prioritised our engagements with key stakeholder groups. Key stakeholders are determined for each identified key Sustainability Factor and they include individuals or groups which could affect or could be affected by our activities.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders which include associations, the Board, communities, customers, employees, financial institutions, non-governmental organisations ("NGOs"), regulators, shareholders and suppliers.

<sup>8</sup> Each of the entities not covered has immaterial contribution to the Group's revenue.

# SUSTAINABILITY REPORT

We actively engage our key stakeholders through the following channels:

| S/N | Stakeholder            | Engagement Channel   | Engagement Frequency | Key Concern   |
|-----|------------------------|--|----------------------|---|
| 1   | Associations           | <ul style="list-style-type: none"> <li>Community initiatives</li> <li>Company's website (<a href="https://www.jbcocoa.com">https://www.jbcocoa.com</a>)</li> <li>Events such as exhibitions, seminars and conferences</li> </ul> | Ongoing              | <ul style="list-style-type: none"> <li>Traceability and sustainable supply chain practices</li> <li>Climate change</li> <li>Biodiversity</li> <li>Human rights</li> </ul> |
| 2   | Board                  | Board meetings   | Quarterly            | <ul style="list-style-type: none"> <li>Sustainable business performance</li> <li>Corporate governance</li> </ul>  |
| 3   | Communities            | <ul style="list-style-type: none"> <li>Community initiatives</li> <li>Company's website</li> </ul>   | Ongoing              | Sustainable agricultural and business practices   |
| 4   | Customers              | <ul style="list-style-type: none"> <li>Meetings</li> <li>Events such as exhibitions</li> <li>Email communications</li> <li>Phone calls</li> <li>Customer surveys</li> </ul>  | Ad hoc               | <ul style="list-style-type: none"> <li>Product quality and reliability</li> <li>Customer service standards</li> </ul>   |
| 5   | Employees              | <ul style="list-style-type: none"> <li>Email communications</li> <li>Company activities</li> </ul>   | Ad hoc               | <ul style="list-style-type: none"> <li>Equal employment opportunity</li> <li>Workplace safety and health</li> <li>Job security</li> <li>Remuneration</li> </ul>           |
|     |                        | Internal newsletters   | Bi-monthly           |   |
|     |                        | Staff evaluation sessions  | Half-yearly          |   |
|     |                        | Company Surveys  | Annually             |   |
| 6   | Financial institutions | <ul style="list-style-type: none"> <li>Meetings</li> <li>Email communications</li> <li>Phone calls</li> </ul>  | Ad hoc               | <ul style="list-style-type: none"> <li>Sustainable business performance</li> </ul>  |
| 7   | NGOs                   | <ul style="list-style-type: none"> <li>Community initiatives</li> <li>Company's website</li> </ul>   | Ongoing              | <ul style="list-style-type: none"> <li>Traceability and sustainable supply chain practices</li> <li>Climate change</li> <li>Biodiversity</li> <li>Human rights</li> </ul> |
| 8   | Regulators             | Consultations and briefings organised by key regulatory bodies such as Singapore Exchange and relevant government agencies/bodies  | Ad hoc               | <ul style="list-style-type: none"> <li>Health, safety and environmental compliance</li> <li>Corporate governance</li> </ul>   |
| 9   | Shareholders           | <ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Annual reports</li> </ul>  | Annually             | <ul style="list-style-type: none"> <li>Sustainable business performance</li> <li>Market valuation</li> <li>Dividend payment</li> <li>Corporate governance</li> </ul>      |
|     |                        | <ul style="list-style-type: none"> <li>Result announcements on SGXNet</li> </ul>   | Half-yearly          |   |
|     |                        | <ul style="list-style-type: none"> <li>Material announcements on SGXNet</li> <li>Company's website</li> <li>Business publications</li> <li>Investor relations events</li> </ul>  | Ongoing              |   |
| 10  | Suppliers              | <ul style="list-style-type: none"> <li>Meetings</li> <li>Supplier evaluations</li> <li>Feedback sessions</li> <li>Email communications</li> </ul>  | Ad hoc               | <ul style="list-style-type: none"> <li>Traceability, and sustainable supply chain practices</li> <li>Order volatility</li> </ul>  |

Through the above channels, we seek to understand the views of our key stakeholders in an effort for effective communication and prompt response to their concerns.

# SUSTAINABILITY REPORT

## 8. POLICY, PRACTICE AND PERFORMANCE REPORTING

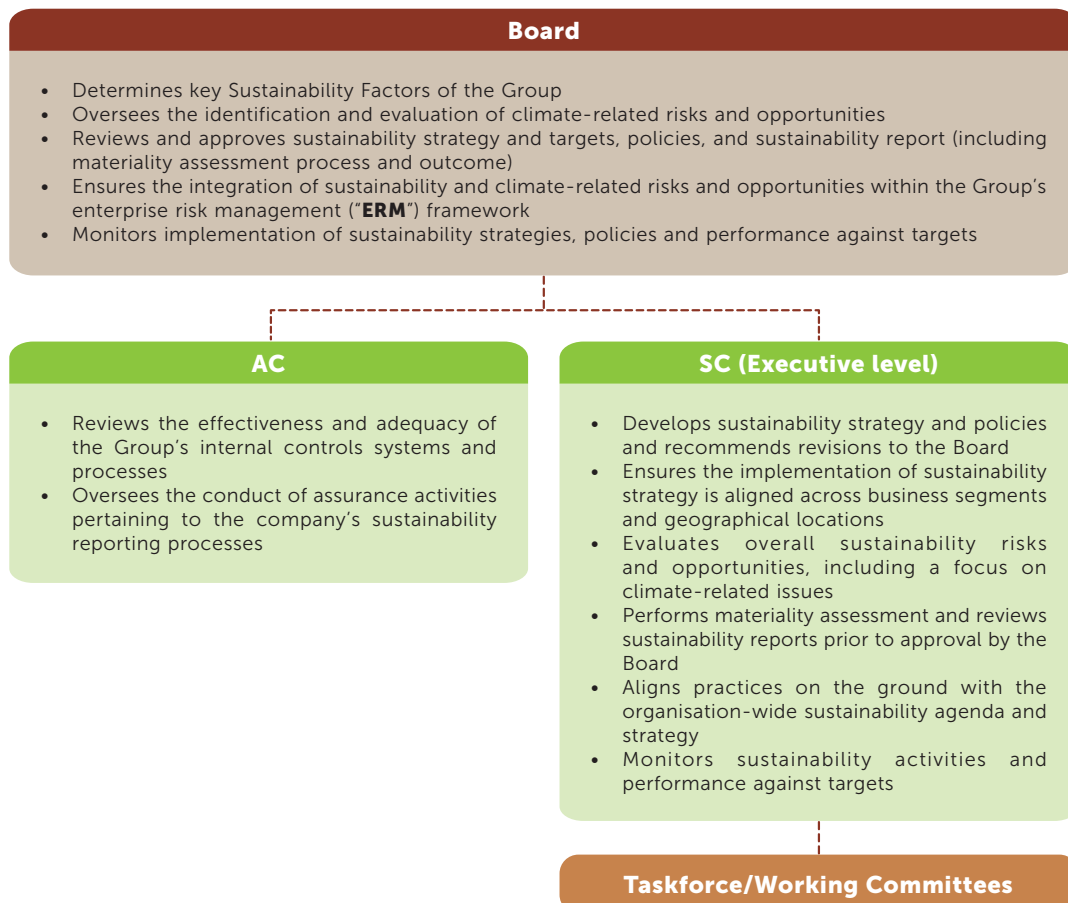
A sustainability reporting policy ("**SR Policy**") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting. Under this policy, we monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback obtained from the engagement with our stakeholders as well as internal and external organisational developments. A sustainability report is published annually in accordance with our SR Policy.

### 8.1 Sustainability Governance Structure

The Board advises and provides oversight over the development of our sustainability strategy and performance targets. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of SGX-ST Listing Rule 720 (7), we confirm that 100% of our directors attended one of the approved sustainability training courses.

Our sustainability strategy is spearheaded by an executive level sustainability committee ("**SC**"), led by our Chief Executive Officer ("**CEO**") and comprises senior management executives and managerial representatives from various functions. The SC is responsible for on-going communication with the Board and is tasked with developing the sustainability strategy and progress, performing materiality assessment (including climate-related risks and opportunities), considering stakeholders' priorities, setting goals and targets on how the Group can better implement sustainability initiatives and contribute to our decarbonisation journey. Our sustainability working committees from various functions are responsible for the day-to-day implementation of sustainability-related tasks and initiatives.

Besides the SC, the Board is also supported by the Audit Committee ("**AC**") on specific sustainability matters under their respective terms of reference. Our sustainability governance structure and the responsibilities of component parties are detailed as follows:



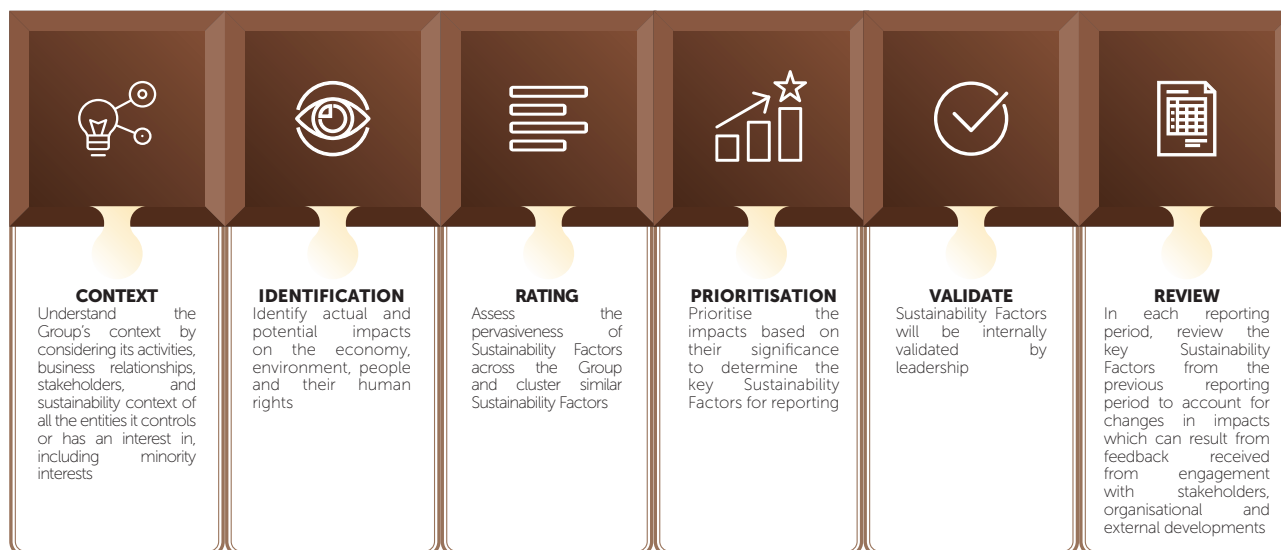
As we are still refining our sustainability performance indicator measuring, tracking and target setting mechanism, we will link key executives' remuneration to sustainability performance when the mechanism is more mature and stable.

# SUSTAINABILITY REPORT

## 8.2 Sustainability Reporting Processes

Under our SR policy, our sustainability reporting process begins with an understanding of the Group’s context. This is followed by the ongoing identification and assessment of the Group’s impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Processes involved are as shown in the chart below:



## 8.3 Materiality Assessment

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of the occurrence of actual and potential negative and positive impacts; and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.

## 8.4 Performance Tracking and Reporting

We track the progress of our key Sustainability Factors by identifying the relevant performance indicator, measuring and monitoring them systematically. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused on our path to sustainability. We are committed to consistently enhance our performance-monitoring processes and improve our data capturing systems. We believe that there is always room for improvement in sustainability performance and we continuously seek improvement in our sustainability journey.

# SUSTAINABILITY REPORT

## 9. KEY SUSTAINABILITY FACTORS

In FY2023, a stakeholder engagement session<sup>9</sup> and materiality assessment were conducted by the SC to understand the concerns and expectations of our stakeholders. Through the engagement session and materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were updated in this Report.

In this Report, we also reported our progress in managing these factors and set related targets to improve our sustainability performance. Our key Sustainability Factors are presented in the table below:

| S/N                  | Key Sustainability Factor                              | SDG                                    | Key Stakeholder   |
|----------------------|--|--|---|
| <b>Economic</b>      |  |  |   |
| 1                    | Business Development and Expansion                     | Decent work and economic growth        | <ul style="list-style-type: none"> <li>• Board</li> <li>• Shareholders</li> <li>• Financial institutions</li> </ul>                               |
| 2                    | Customer Satisfaction                                  | Decent work and economic growth        | Customers   |
| 3                    | Sustainable Manufacturing                              | Responsible consumption and production | <ul style="list-style-type: none"> <li>• Communities</li> <li>• Shareholders</li> </ul>   |
| <b>Environmental</b> |  |  |   |
| 4                    | Water Stewardship                                      | Clean water and sanitation             | <ul style="list-style-type: none"> <li>• Communities</li> <li>• Shareholders</li> </ul>   |
| 5                    | Energy Consumption, Climate Change and GHG Emissions   | Affordable and clean energy            | <ul style="list-style-type: none"> <li>• Associations</li> <li>• Communities</li> <li>• NGOs</li> <li>• Regulators</li> </ul>                     |
| 6                    | Traceability and Sustainable Supply Chain Practices    | Responsible consumption and production | <ul style="list-style-type: none"> <li>• Associations</li> <li>• Communities</li> <li>• Customers</li> <li>• NGOs</li> <li>• Suppliers</li> </ul> |
| 7                    | Waste Management and Optimisation                      | Responsible consumption and production | <ul style="list-style-type: none"> <li>• Communities</li> <li>• Regulators</li> </ul>   |
| 8                    | Deforestation and Biodiversity                         | Life on land                           | <ul style="list-style-type: none"> <li>• Associations</li> <li>• Communities</li> <li>• NGOs</li> <li>• Regulators</li> </ul>                     |
| <b>Social</b>        |  |  |   |
| 9                    | Safe Work and Well-Being                               | Good health and well-being             | <ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulators</li> </ul>   |
| 10                   | Talent Development                                     | Quality education                      | <ul style="list-style-type: none"> <li>• Employees</li> </ul>   |
| 11                   | Food Safety, Product Quality and Nutrition             | Decent work and economic growth        | <ul style="list-style-type: none"> <li>• Customers</li> <li>• Suppliers</li> </ul>  |
| 12                   | Human Rights, Workplace Diversity and Labour Standards | Peace, justice and strong institutions | <ul style="list-style-type: none"> <li>• Associations</li> <li>• Employees</li> <li>• Regulators</li> <li>• NGOs</li> </ul>                       |
| 13                   | Community Development                                  | Responsible consumption and production | <ul style="list-style-type: none"> <li>• Associations</li> <li>• Communities</li> <li>• Customers</li> <li>• NGOs</li> <li>• Suppliers</li> </ul> |

<sup>9</sup> We engaged the stakeholders of customers, employees and suppliers for our materiality assessment.



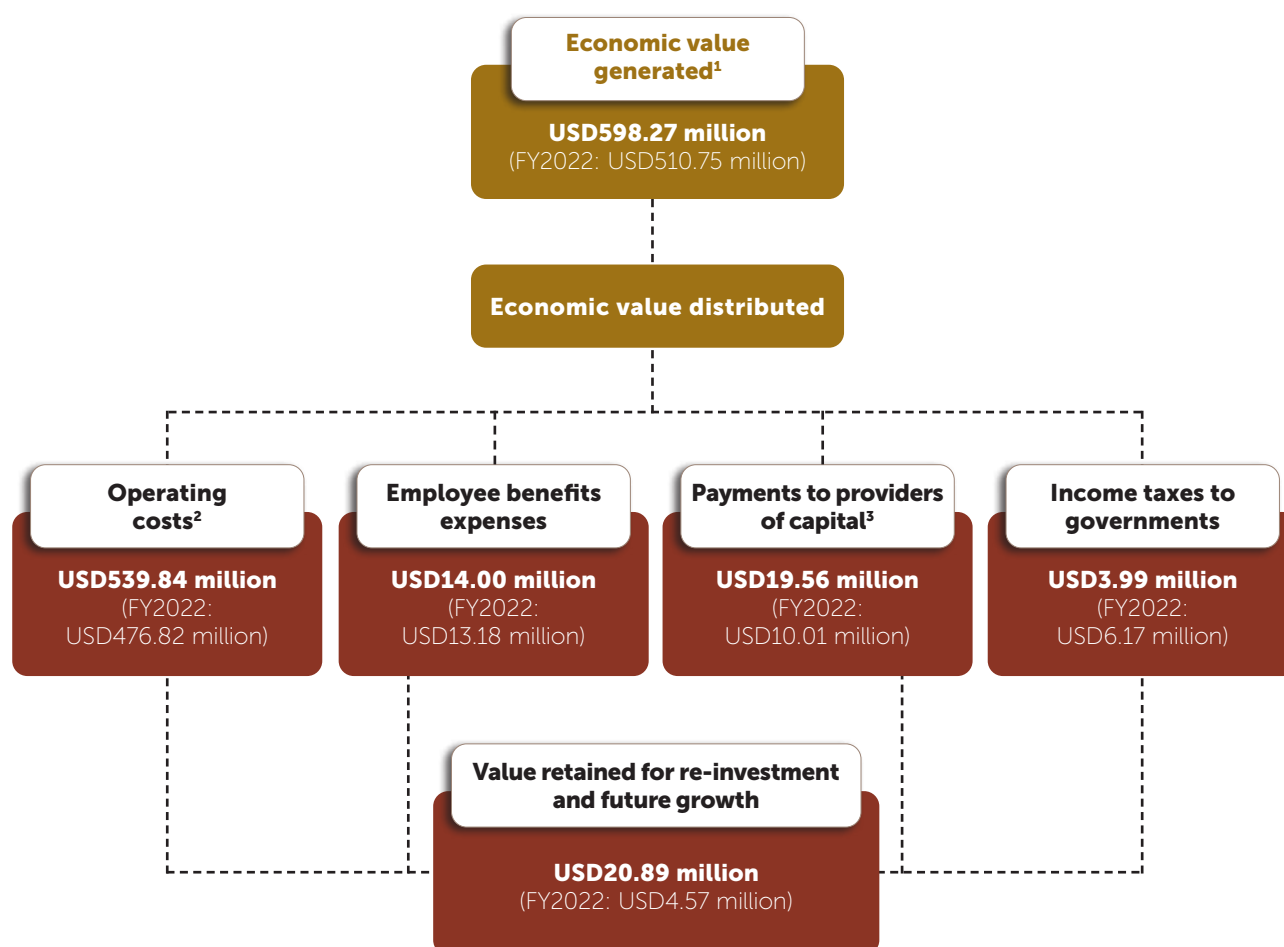
# SUSTAINABILITY REPORT

| S/N               | Key Sustainability Factor          | SDG                                    | Key Stakeholder  |
|-------------------|------------------------------------|--|--|
| <b>Governance</b> |                                    |  |  |
| 14                | Ethics and Integrity               | Peace, justice and strong institutions | <ul style="list-style-type: none"> <li>• Board</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>  |
| 15                | Cyber Security and Data Protection | Peace, justice and strong institutions | <ul style="list-style-type: none"> <li>• Customers</li> <li>• Regulators</li> <li>• Employees</li> </ul> |

We update the key Sustainability Factors on an annual basis to reflect changes in business operations, the environment, stakeholders’ feedback and sustainability trends. The details of each key Sustainability Factor are presented as follows:

## 9.1 Business Development and Expansion

We are committed to creating long-term economic value for various stakeholders while exploring opportunities to develop and expand our business. In line with this commitment, value created in FY2023 was distributed as follows to enable a more sustainable future.



Further details of the Group’s economic performance are disclosed in the financial contents and audited financial statements of this Annual Report.

# SUSTAINABILITY REPORT

## 9.2 Customer Satisfaction

Building on the strength of our value proposition and customer-focused business model, we established a strong relationship with our key customers including Mars, Nestle, Hershey and Mondelez.

### Our Product Portfolio



**Cocoa Mass**



**Cocoa Butter**



**Cocoa Powder**

### Provide High Quality and Safe Products

We adopt market standards and best practices in our operations to ensure the quality and safety of our products and services. We attained Hazard Analysis and Critical Control Point ("**HACCP**"), Food Safety System Certification ("**FSSC**") 22000, Halal and Kosher certifications. This allows us to expand our customer reach to deliver products in compliance with customers' dietary requirements and food safety requirements. For further details on how we maintain product safety and consistency in quality, refer to Section 9.11.

### Maintain Presence and Proximity to Whom We Serve

Through our presence in Singapore, Malaysia, Indonesia, United States of America, China, Estonia and Ivory Coast, we are able to better serve our customers through:

- Deeper understanding of our customers' requirements, shorter turnaround time and responsive after-sales services; and
- Demonstration of our capability to develop and customise cocoa ingredient products to meet the varying and exacting requirements of globally diversified customers.

### Proactively Gather Customer Feedback for Improvements and to Develop Strategies

We collect customer feedback from various touchpoints, such as reviews from the sales teams and customer satisfaction surveys. Customer feedback obtained through customer satisfaction surveys is analysed to gather valuable insights into current and future customer requirements. Insights gathered are discussed during regular management meetings to drive product and service improvements, enhance operational levels and provide inputs for strategies. During the Reporting Period, more than 90% (FY2022: more than 90%) of our customers gave us a positive feedback rating for overall satisfaction.

## 9.3 Sustainable Manufacturing

We are driven by our commitment to improve our operational and cost efficiency, whilst striking a balance with sustainability considerations.

In line with our commitment to sustainable manufacturing, we utilise technological advancements to improve our operational effectiveness and efficiency to reduce our impact on the environment with the following measures and initiatives:

- A biomass boiler is in place at our factory in Malaysia to convert discarded cocoa shells to renewable energy ("**Biomass Boiler**");
- A steam-operated cocoa bean dryer that utilises steam produced by the Biomass Boiler is installed;
- Solar photovoltaic modules ("**Solar PV**") are installed at our factory in Malaysia to generate clean energy;
- A systematic maintenance program is in place to maintain energy and water efficiencies for our operating equipment;
- Wastewater generated is treated to remove pollutants before releasing into the waterways; and
- Business processes are automated, where applicable, to improve operational efficiency and reduce manpower needs.

You may refer to sections '9.4 Water Stewardship' and '9.5 Energy Consumption, Climate Change and GHG Emissions' for details on our initiatives to optimise energy and water consumption.

# SUSTAINABILITY REPORT

## 9.4 Water Stewardship

We recognise the importance of managing water resources effectively. To this end, we adopted a two-pronged approach in water management by optimising consumption and properly managing wastewater treatment.

We use water resources in our factory operations, primarily in the following processes:



### Steam Generation

Water is heated to generate steam for production purposes.



### Cooling

Water is used to reduce heat generated from various production processes.

Wastewater generated from the above processes is treated in order to prevent pollution to the environment. Details of our water management approach are as follows:

### Water Consumption

Key statistics on water consumption and water consumption intensity during the Reporting Period are as follows:

| Performance Indicator       | Unit of Measurement                        | FY2023  | FY2022  |
|-----------------------------|--|---------|---------|
| Water consumption           | m <sup>3</sup>                             | 338,755 | 321,021 |
| Water consumption intensity | m <sup>3</sup> /MT of cocoa bean processed | 2.03    | 2.12    |

Our water consumption intensity reduced due to our increased efforts in controlling water consumption and constant reminders to our employees.

Water conservation measures implemented by our factories include the following:

- A systematic maintenance program is implemented for operating equipment to maintain water efficiency; and
- Regular tracking and analysis of water consumption trends, followed by responding corrective actions when there are unusual consumption patterns.

### Water Quality Management

Key statistics on effluent generated and effluent generated intensity during the Reporting Period are as follows:

| Performance Indicator        | Unit of Measurement                        | FY2023 | FY2022 |
|------------------------------|--|--------|--------|
| Effluent generated           | m <sup>3</sup>                             | 43,315 | 36,343 |
| Effluent generated intensity | m <sup>3</sup> /MT of cocoa bean processed | 0.26   | 0.24   |

During the Reporting Period, 100% (FY2022: 100%) of wastewater generated was treated by our internal water treatment plants in Malaysia and Indonesia to remove pollutants before being released into the waterways. The increase in volume of effluent generated was due to an increase in our production level at our Malaysia plant.

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## 9.5 Energy Consumption, Climate Change and GHG Emissions

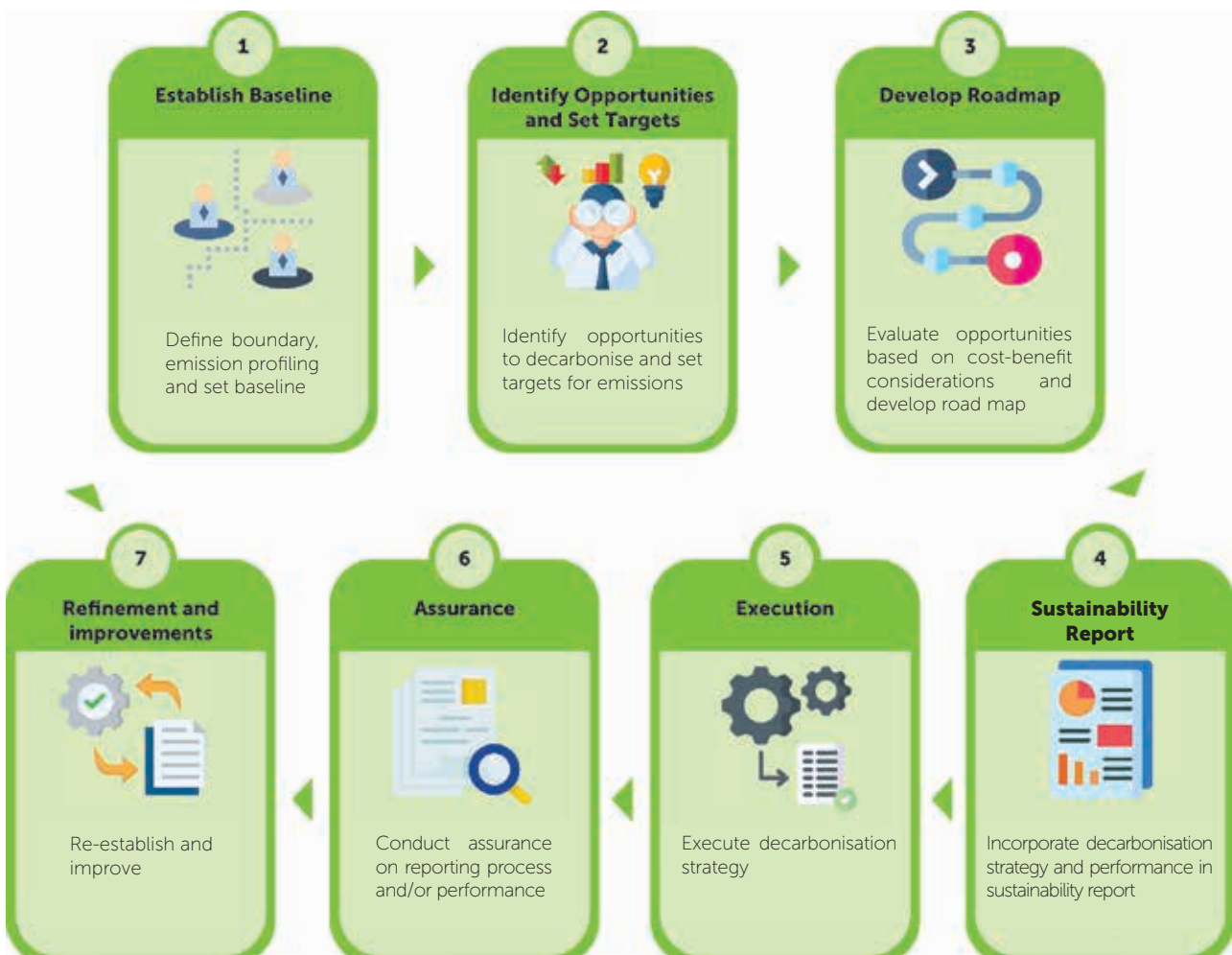
### Our Commitment

We acknowledge that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we transition to become a low-carbon organisation.

### Our Approach

We aim to reduce our carbon footprint and at the same time, establish operational resilience in delivering long-term and sustainable value to our stakeholders of communities, shareholders, employees, customers and suppliers. We adopted a balanced approach in effectively managing and minimising the impacts arising from our business operations.

To achieve our decarbonisation goals, we set up a seven-step continuous circular process for our decarbonisation efforts as follows:



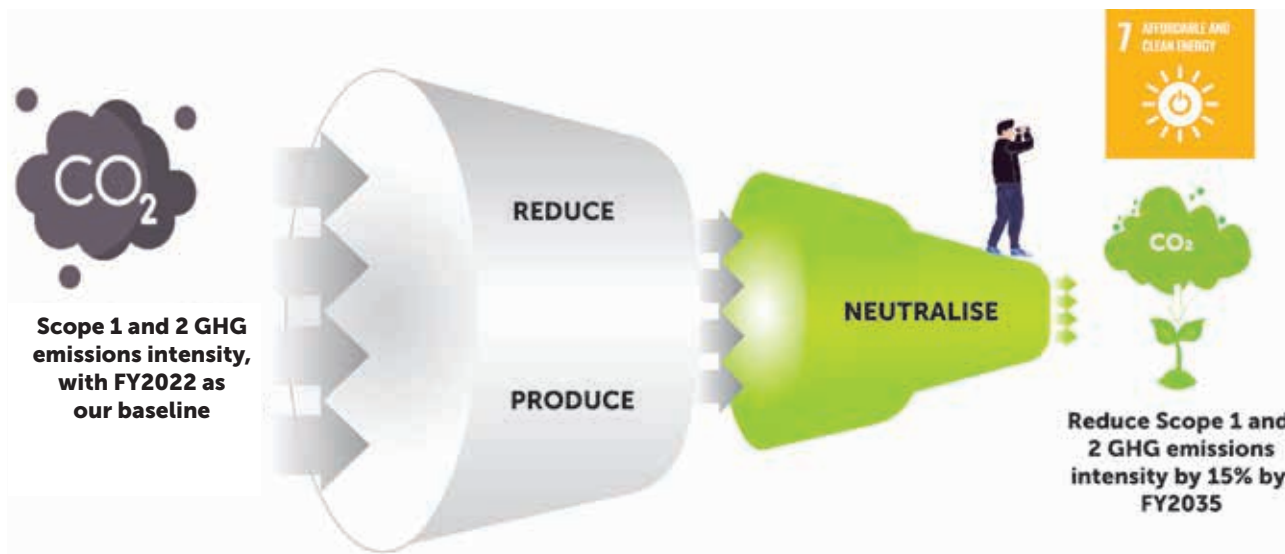
This year, we conducted a GHG emission profiling exercise for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We track and monitor our Scope 1, 2 and applicable categories of Scope 3 GHG emissions closely while developing a mechanism to track their GHG emissions. We developed a climate change transition plan and will refine and improve our climate change transition plan as we progressively implement the plan, by considering changes in business operations, environment and market trends. Progress updates and performances will be provided in our sustainability reports with assurance on the reporting process covered by an internal review.

# SUSTAINABILITY REPORT

## Climate Change Transition Plan

Our climate change transition plan steers us toward decarbonisation journey. Under this plan, we commit to reduce our Scope 1 and 2 GHG emissions intensity by 15% and by FY2035, with FY2022 as our baseline<sup>10</sup>. Our climate change transition plan is focused on three strategic levers of reduce, produce and neutralise as follows:

### Climate Change Transition Plan



Details of our strategic levers are as follows:

| Lever       | Reduce   | Produce   | Neutralise  |
|-------------|--|---|---|
| Description | <ul style="list-style-type: none"> <li>Reduce GHG emissions intensity first within our operations and followed by our supply chain</li> <li>Replace existing energy source with low or zero-carbon sources to reduce GHG emissions</li> </ul>                          | On-site generation of green or renewable energy                                 | Neutralise unavoidable residual GHG emissions   |
| Focus area  | <ul style="list-style-type: none"> <li>Energy efficiency                             <ul style="list-style-type: none"> <li>– Machinery &amp; Equipment</li> <li>– Lighting</li> <li>– Cooling</li> </ul> </li> <li>Electric vehicles</li> <li>Clean energy</li> </ul> | <ul style="list-style-type: none"> <li>Solar energy</li> <li>Biomass</li> </ul> | <ul style="list-style-type: none"> <li>Renewable energy certificates (“REC”)</li> <li>Carbon credits</li> </ul> |

<sup>10</sup> FY2022 baseline covers the operations in Malaysia and Indonesia’s disclosed in the reporting scope of our sustainability report for FY2022.

# SUSTAINABILITY REPORT

In line with our commitment to reduce GHG emissions and combat climate change, we continuously strive to improve our energy use and efficiency through the following key initiatives:

| Lever      | Key Initiative  | Description  |
|------------|---|--|
| Reduce     | Reduction in energy consumption through efficient machinery and equipment         | Our initiatives on this front include: <ul style="list-style-type: none"> <li>• Maintain machinery and equipment in good working condition to optimise energy efficiency;</li> <li>• Regular cleaning of filters for air-conditioning systems to reduce air flow resistance;</li> <li>• Adopt greener work practices such as switching off appliances when not in use and enabling power saving modes; and</li> <li>• Install chillers of higher energy efficiency.</li> </ul> |
|            | Reduction in energy consumption through energy efficiency – Lighting              | Our initiatives on this front include: <ul style="list-style-type: none"> <li>• Switching to energy-saving light emitting diode lighting where possible; and</li> <li>• Exploring the use of motion sensors in lighting systems to reduce energy consumption.</li> </ul>   |
|            | Reduce in energy consumption with steam powered machine                           | A bean dryer system fuelled by steam produced from biomass boiler, is installed to complement our existing liquefied petroleum gas (“LPG”) operated bean dryer. This enhances the energy efficiency of the Biomass Boiler while creating more energy-saving opportunities when converting cocoa shells to cleaner energy.  |
|            | Replace diesel fuelled vehicles with electric vehicles                            | Our motor vehicles and forklifts are currently powered by diesel which emit more carbon dioxide than electric vehicles (“EVs”) per unit of distance travelled. We are exploring the adoption of EVs where practicable.   |
|            | Reduction through switching to renewable energy source                            | We are constantly exploring other opportunities to tap clean and green energy sources available in the operations.   |
| Produce    | Generation of renewable energy from cocoa shells                                  | A biomass boiler is installed at our factory in Malaysia and generates renewable energy converted from discarded cocoa shells. This reduces our reliance on carbon-intensive energy source such as diesel fuel, resulting in a reduction in consumption of approximately 3.7 million litres (FY2022: 3.5 million litres) yearly. During the Reporting Period, 91% (FY2022: 93%) of steam consumed by our factory in Malaysia is produced by the biomass boiler.                |
|            | Generation of renewable energy from Solar PV                                      | To achieve energy optimisation at our factory in Malaysia, we installed Solar PV to generate clean energy to fuel our operations. The solar power generated amounts to 1,145,256 kWh (FY2022: 1,391,703 kWh) and contributed to approximately 3% (FY2022: 3%) of the electricity consumed by our factory in Malaysia.  |
| Neutralise | <ul style="list-style-type: none"> <li>• REC</li> <li>• Carbon credits</li> </ul> | We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.  |

# SUSTAINABILITY REPORT

## Our Performance

We are one of the major cocoa ingredient producers in the region with two operating factories located in Malaysia and Indonesia. To run our factory operations, we rely mainly on the following energy sources:

- Diesel for operating motor vehicles;
- LPG and natural gas for operating machinery utilised for bean drying and roasting; and
- Electricity for operating production and office equipment such as lighting, offices and cooling.

The energy consumption and energy consumption intensity during the Reporting Period are as follows:

| Performance Indicator        | Unit of Measurement           | FY2023  | FY2022  |
|------------------------------|-------------------------------|---------|---------|
| Energy consumption           | gigajoule ("GJ")              | 485,298 | 469,256 |
| Energy consumption intensity | GJ/MT of cocoa bean processed | 2.91    | 3.10    |

The reduction in energy consumption intensity is mainly attributed to the improvement in energy efficiency of our gas boiler in the plant at Indonesia. We will continue to monitor our usage, perform regular tracking, analyse electricity consumption trends and take corrective actions when there are unusual consumption patterns so as to ensure sustainable consumption of energy resources.

Key statistics on our GHG emissions during the Reporting Period are as follows:

| Performance Indicator                          | Unit of Measurement                           | FY2023 | FY2022           |
|--|---|--------|------------------|
| <b>GHG emissions</b>                           |   |        |                  |
| Direct GHG emissions (Scope 1) <sup>11</sup>   | tonnes CO <sub>2</sub> e                      | 19,161 | 18,321           |
| Indirect GHG emissions (Scope 2) <sup>12</sup> | tonnes CO <sub>2</sub> e                      | 41,070 | 38,340           |
| Indirect GHG emissions (Scope 3) <sup>13</sup> | tonnes CO <sub>2</sub> e                      | 584    | NA <sup>14</sup> |
| Total GHG emissions                            | tonnes CO <sub>2</sub> e                      | 60,822 | 56,661           |
| GHG emissions intensity                        | tonnes CO <sub>2</sub> e/MT of bean processed | 0.35   | 0.37             |

<sup>11</sup> Direct GHG emissions (Scope 1) mainly arise from consumption of diesel, LPG and natural gas controlled by the Company and they are calculated based on the GHG Emissions Measurement and Reporting Guidelines published by the National Environment Agency of Singapore.

<sup>12</sup> GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

<sup>13</sup> Data for our indirect Scope 3 GHG emissions are limited to employee commuting (category 7) for JBFG, JBCM and JBKK.

<sup>14</sup> No comparative data is available as we started to disclose Scope 3 GHG emissions in FY2023.

# SUSTAINABILITY REPORT

## 9.6 Traceability and Sustainable Supply Chain Practices

We are committed to ensuring that our dealings with our suppliers are conducted with a high level of transparency, corporate and industry ethical standards and fairness to improve traceability in our supply chain and monitor the origins of raw materials used in our production process.

In keeping with our commitment to traceability and sustainable supply chain practices, a traceability framework is in place and focuses on the following areas:

- Setting Expectations**  
 A supplier code of conduct which focuses on good social and environmental practices among the suppliers is circulated and acknowledged by key suppliers. In addition, a deforestation free policy is in place to communicate and reinforce to our suppliers our commitment to end deforestation in our cocoa supply chain. Currently, 75% of our suppliers signed the supplier code of conduct to ensure ethical conduct in the workplace.
- Incorporating Environment, Social and Governance Considerations into Supplier Performance Checks**  
 We conduct questionnaire audits and site audits minimally every three years on our key suppliers to evaluate their performance against our policies and expectations. We incorporated sustainability-related criteria into a supplier assessment scorecard, such as ethical trading initiatives, employee safety and health as well as energy, water, climate and waste management. We are committed to further enhance our supplier performance checks based on sustainability-related criteria.
- Adoption of Market Standards**  
 To maintain sustainable cocoa supply chain, we ensure that our products are sourced from producers who are certified under the following internationally recognised certifications:

| Certification                       | Focus of Relevant Certification  |
|-------------------------------------|--|
| Rainforest Alliance certificate     | Ensure that our products are physically and administratively related to Rainforest Alliance certified producers who adopt sustainable farming practices and working conditions |
| Fairtrade International certificate | Ensure that our products are physically and administratively related to Fairtrade certified producers who adopt sustainable practices  |
| Fairtrade USA certificate           |  |

- Remediation and Capability Building**  
 We request key suppliers to address issues of poor performance through proper training and investing resources to improve sustainability management and performance.

## 9.7 Waste Management and Optimisation

We believe that effective waste management and optimisation will preserve the environment and create long-term economic value to shareholders. Key types of waste generated in our operations are as follows:

- Hazardous waste which includes sludge generated from wastewater treatment plant and hydraulic oil generated from plant maintenance; and
- Non-hazardous waste which includes cocoa shells and general waste such as broken pallets, torn gunny sacks, plastic, paper and food waste.

Key statistics on the amount of waste generated during the Reporting Period are as follows:

| Performance indicator   | FY2023 | FY2022 |
|---|--------|--------|
| Amount of hazardous waste generated (MT)                          | 307    | 310    |
| Hazardous waste generated (MT) per MT of cocoa bean processed     | 0.002  | 0.002  |
| Amount of non-hazardous waste generated (MT)                      | 17,670 | 16,193 |
| Non-hazardous waste generated (MT) per MT of cocoa bean processed | 0.106  | 0.107  |



# SUSTAINABILITY REPORT

Under our commitment to waste management and optimisation, various measures and initiatives implemented include:

## **Proper Management of Waste**

In line with our commitment to be environmentally friendly, we engaged licensed waste collectors to ensure that 100% (FY2022: 100%) of our hazardous waste is properly treated before disposal. We segregate our general waste into non-recyclable waste and recyclable waste for recycling prior to disposal at designated facilities near our operating factories located in Malaysia and Indonesia.

## **Conversion of Cocoa Shell into Renewable Energy**

A biomass boiler is in place at our Malaysian factory to convert discarded cocoa shells to renewable energy and reduce our reliance on take out diesel fuel. You may refer to section 9.3 and 9.5 for further details on this initiative.

## **Use of Cocoa Shells for Animal Feed**

As cocoa shells are rich in protein, cocoa shells from our Indonesian operations are sold to local poultry farmers as animal feed, as a form of recycling. Such an arrangement generated approximately USD405k (FY2022: USD361k) of income during the Reporting Period.

The increase in income generated from sale of cocoa shells is mainly due to an increase in cocoa beans processed in our Indonesian factory.

## **9.8 Deforestation and Biodiversity**

The prevalence of low income amongst smallholder farmers in developing countries drives this specific group of farmers to seek more land for growing cocoa, which as a result leads to increased deforestation and reduced biodiversity.

In line with our commitment to zero deforestation and biodiversity protection, we adopted the following measures and initiatives:

- A deforestation free policy is in place, aligned with our core commitment to zero deforestation of natural forests or areas of High Conservation Value ("HCV")<sup>15</sup> or High Carbon Stock ("HCS")<sup>16</sup>, and the promotion of effective restoration and long-term conservation of protected areas, as well as areas of special environmental interest, including forests and ecosystems within or adjoining the cocoa landscape;
- Regular review and enhancement of our supplier's code of conduct to reinforce and communicate our commitment to zero deforestation to our suppliers; and
- As a partner of the Cocoa & Forest Initiative<sup>17</sup>, we are committed to strengthening transparency and ensuring accountability in our cocoa supply chain at Ivory Coast by implementing activities related to forest protection, restoration, sustainable cocoa production, improvement of farmers' livelihoods, community engagement and social inclusion.

## **9.9 Safe Work and Well-Being**

A safe working environment allows our employees to work safely without the fear of getting injured. This helps to build loyalty among our employees and support the sustainability of the Group. To build a safe working environment, we prioritise a culture of safety and security consciousness among our employees.

During the Reporting Period, we recorded zero workplace fatalities, zero high-consequence work-related injuries<sup>4</sup>, one recordable work-related injury, and seven recordable work-related ill health cases<sup>5</sup>. (FY2022: zero workplace fatalities, zero high consequences work-related injuries, five recordable work-related injuries and zero recordable work-related ill-health cases). The workplace work-related ill health cases were mainly associated with occupational noise induced hearing loss. We implemented several mitigation measures such as noise safety awareness campaign, enforcement of wearing hearing protective devices as well as the controlling of noise exposure for the employees.

<sup>15</sup> As defined by HCV Network, HCV areas refer to natural habitats with biological, ecological, social or cultural values of outstanding significance at the national, regional or global level or of critical significance at the local level.

<sup>16</sup> HCS areas refer to natural forests that store large amount of carbon and biodiversity. The conservation of HCS areas helps to reduce GHG emissions.

<sup>17</sup> The Cocoa & Forest Initiative is a public-private partnership bringing together governments of Ivory Coast and Ghana and chocolate and cocoa companies to end deforestation and promote forest restoration and protection in the cocoa supply chain.

# SUSTAINABILITY REPORT

Key measures adopted to manage health and safety in the working environment include:

- A set of safety rules and regulations is in place;
- Safety committees are in place and safety audits are performed regularly;
- New employees are briefed on safety procedures during orientation;
- Visual signs on safety are displayed at strategic locations within operating premises;
- Briefings and talks on occupational safety are organised regularly;
- Monthly management meetings are conducted to discuss occupational health and safety matters;
- Accidents are tracked and monitored regularly;
- Employees are provided with adequate health and safety training; and
- Regular safety communication via emails are sent to employees to raise awareness on various safety topics.

## 9.10 Talent Development

Our people are our most valuable asset and key in ensuring that we remain competitive. We continue to invest in talent development and leadership competency as well as reinforcing shared values to boost organisational excellence.

Key initiatives taken to develop and retain our employees are as follows:

### Nurture a Team of Highly Trained and Experienced Employees

We believe that effective training programs are vital to our long-term business sustainability. Our Human Resource ("HR") Department analyses the needs of various departments and compile them to develop an annual training plan. Internal and external training programs and briefings are conducted regularly for relevant employees to improve their competencies and soft skills. Such training covers areas such as food safety, employee health and safety, cyber security, problem solving, decision-making and business communication skills. Key statistics on training hours provided for our full-time employees are as follows:

| Disclosure                          | FY2023 | FY2022 |
|-------------------------------------|--------|--------|
| <b>Overall</b>                      |        |        |
| Total training hours                | 11,469 | 22,642 |
| Average training hours per employee | 14     | 31     |
| <b>Gender (Male)</b>                |        |        |
| Total training hours                | 8,670  | 20,300 |
| Average training hours per employee | 14     | 35     |
| <b>Gender (Female)</b>              |        |        |
| Total training hours                | 2,799  | 2,342  |
| Average training hours per employee | 17     | 16     |
| <b>Senior Management</b>            |        |        |
| Total training hours                | 1,100  | 2,190  |
| Average training hours per employee | 14     | 28     |
| <b>Middle management</b>            |        |        |
| Total training hours                | 4,160  | 7,355  |
| Average training hours per employee | 24     | 47     |
| <b>Staff</b>                        |        |        |
| Total training hours                | 6,210  | 13,097 |
| Average training hours per employee | 11     | 27     |

# SUSTAINABILITY REPORT

Due to circuit breakers and lock downs arising from the Coronavirus disease, backlog training for FY2021 were delayed till FY2022, resulting in an overall increase in training hours recorded for FY2022. The nature of our training is cyclical, with training required conducted every two to three years. Accordingly, the total training hours declined for the Reporting Period.

The continued success of our business relies on a team of professional, skilled and experienced employees. The Group is led by an experienced and dedicated management team spearheaded by our CEO. We believe that our team possesses an appropriate mix of multi-disciplinary skills and experience necessary for us to compete in the cocoa processing industry.

Key statistics on employee turnover and new hire rates of our full-time employees are as follows:

## Turnover Rate

| Disclosure     | FY2023 | FY2022 |
|----------------|--------|--------|
| <b>Overall</b> |        |        |
| Turnover rate  | 8%     | 14%    |
| <b>Gender</b>  |        |        |
| Male           | 7%     | 13%    |
| Female         | 11%    | 15%    |
| <b>Age</b>     |        |        |
| Below 30       | 10%    | 15%    |
| 30 to 50       | 7%     | 13%    |
| Above 50       | 7%     | 4%     |

We will continue to work towards improving our turnover rate.

## New Hire Rate

| Disclosure     | FY2023 | FY2022 |
|----------------|--------|--------|
| <b>Overall</b> |        |        |
| New hire rate  | 17%    | 25%    |
| <b>Gender</b>  |        |        |
| Male           | 17%    | 22%    |
| Female         | 17%    | 36%    |
| <b>Age</b>     |        |        |
| Below 30       | 28%    | 34%    |
| 30 to 50       | 12%    | 20%    |
| Above 50       | 11%    | 22%    |

# SUSTAINABILITY REPORT

## Undertake Employee Performance Appraisal and Career Development Review

Our employees receive regular feedback on their performance and career development. This encourages them to take self-initiated actions to improve their competencies. Key statistics on employees who received performance and career development reviews are as follows:

| Disclosure                   | FY2023     | FY2022     |
|------------------------------|------------|------------|
| <b>Overall</b>               | <b>92%</b> | <b>99%</b> |
| <b>Gender</b>                |            |            |
| Male                         | 93%        | 100%       |
| Female                       | 86%        | 99%        |
| <b>Management categories</b> |            |            |
| Senior management            | 94%        | 97%        |
| Middle management            | 92%        | 100%       |
| Staff                        | 92%        | 100%       |

## Provide Competitive Employee Benefits

We care for our employees' well-being, family relationships and work-life balance through employee benefits for confirmed full-time employees, which include reimbursement of medical costs, maternity leave, paternity leave, continuous salary payment (with conditions) if employees are certified by designated doctors for prolonged illnesses or injuries.

## Parental Leave

Key statistics on parental leave taken by eligible employees are as follows:

| Disclosure  | FY2023 |        | FY2022        |               |
|---|--------|--------|---------------|---------------|
|   | Male   | Female | Male          | Female        |
| Number of employees entitled to parental leave  | 37     | 12     | 46            | 11            |
| Number of employees who took parental leave   | 37     | 12     | 46            | 11            |
| Number of employees who returned to work after parental leave ended                   | 37     | 11     | 46            | 11            |
| Number of employees who continued to be with us 12 months after they returned to work | 45     | 10     | 35            | 6             |
| Return to work rate of employees who took parental leave                              | 100%   | 92%    | 100%          | 100%          |
| Retention rate of employees who took parental leave                                   | 98%    | 91%    | Not available | Not available |

# SUSTAINABILITY REPORT

## 9.11 Food Safety, Product Quality and Nutrition

Food safety, product and nutritional quality are fundamental to our customers' health and safety. We affirm our commitment to food safety and quality in the supplier code of conduct circulated by our customers. In line with our commitment to deliver quality products to our customers and for long-term business sustainability, we adopted various policies and procedures to ensure that our factories comply with our customers' requirements, and relevant food safety requirements of the following internationally recognised standards:

| Standard/Certification | Focus of Relevant Standard/Certification                            |
|------------------------|---|
| HACCP certificate      | Manage the food hygiene and safety procedures in our operations     |
| FSSC 22000             |   |
| HALAL certificate      | Ensure that our operations comply with Islamic dietary requirements |
| Kosher certificate     | Ensure that our operations comply with Kosher requirements          |

Under the requirements of the above standards/certifications, we undertake the following actions to ensure food safety, product quality and nutrition:

- Circulate questionnaire to or perform site audits on key service contractors for external warehouses, key cocoa beans suppliers, key suppliers for direct materials, key suppliers for outsourced materials such as cocoa powder, cocoa mass and cocoa butter;
- Monitor the number of defects in finished goods, including cocoa mass, cocoa butter and cocoa powder;
- Track, investigate and take corrective actions on customer complaints and product returns that are related to food safety;
- Maintain a set of crisis management procedures and a contamination response team to handle food contamination caused by pathogens, malicious contamination and sabotage;
- Conduct regular training to familiarise employees with food handling, quality and food safety, HALAL, FSSC 22000 and Good Manufacturing Practices; and
- Conduct food safety briefings regularly to raise awareness on food safety risks and reinforce food safety standards.

In addition, we stay abreast of customers' demands and preferences and explore ways to enhance nutritional content or improve the ingredient content of products. During the Reporting Period, there were three (FY2022: one) product returns due to food safety issues raised by customers.

The three cases occurred primarily due to the degradation of ingredients used. An in-depth investigation was conducted to identify the root cause and mitigating actions were established and implemented to prevent reoccurrence. All three cases were clearly documented and lessons learnt were disseminated to our teams.

## 9.12 Human Rights, Workplace Diversity and Labour Standards

We acknowledge the importance of upholding human rights and understand that stringent human rights practices reinforce our reputation as a responsible organisation. Accordingly, we strive to address any form of forced and child labour across our supply chain by developing policies and measures to support integrity, fairness and a safe working environment for both our employees and personnel involved in our supply chain:

### Human Rights

Our initiatives on this front include:

- A supplier code of conduct is circulated and acknowledged by our key suppliers which require them to pay living wages that are adequate to meet basic needs. They are also provided with guidance on alignment with our commitment of no forced labour and child labour, discrimination, harsh or inhumane labour treatment and excessive working hours;
- We are committed to uphold human rights under the supplier code of conduct circulated by our key customers;
- A modern slavery policy is in place to communicate our commitment to respect human rights;
- We registered ourselves as a Supplier Ethical Data Exchange ("Sedex")<sup>18</sup> member and our Malaysian and Indonesian operations are audited by external auditors on compliance with the relevant requirements on labour standards, health and safety, environment and business ethics; and
- We assess suppliers based on employee health and safety criteria and labour practice guidelines of the Ethical Trade Initiative ("ETI") Base Code<sup>19</sup>, by sending questionnaires to them for completion or conducting site audits at their operating premises.

<sup>18</sup> Sedex is a leading ethical trade membership organisation that works with businesses to improve working conditions in global supply chain.

<sup>19</sup> ETI Base Code is founded on the conventions of the International Labour Organisation and its guidelines encompass no forced labour and child labour, no discrimination, no excessive working hours, freedom of association and right to collective bargaining, safe and hygienic working conditions and payment of living wages.

# SUSTAINABILITY REPORT

## Child Labour

Our initiatives on this front include:

- A child safeguarding policy is in place to provide our business partners with procedures on engaging with children, young people and vulnerable adults; and
- We conduct training and sensitisations for child labour awareness, survey and visit farmers to identify and monitor child labour cases in Ivory Coast and Nigeria. You may refer to section '9.13 Community Development' for further details on our initiatives to respect human rights.

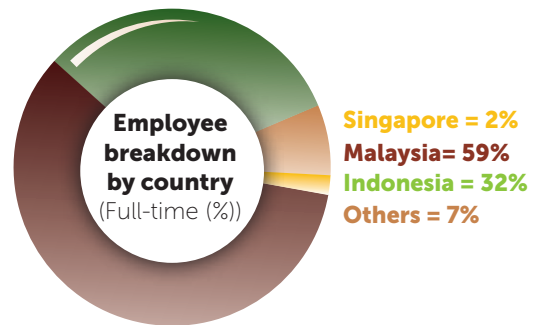
During the Reporting Period, there were zero (FY2022: zero) reported incidents of non-compliance with labour standards assessed by the authorities and no (FY2022: zero) child labour below 18 years old were hired.

## Workplace Diversity

We recognise that workplace diversity and equality form a prominent part of human rights. Accordingly, we aim to provide a work environment for employees that fosters fairness, equality and respect for social and cultural diversity, regardless of take out gender, age and educational background.

As at 31 December 2023, the Group has a total of 802 full-time employees and the majority of our employees are based in Malaysia with the following breakdown:

| Employee type | Singapore | Malaysia | Indonesia | Others | Total |
|---------------|-----------|----------|-----------|--------|-------|
| Full-time     | 13        | 474      | 255       | 60     | 802   |
| %             | 2%        | 59%      | 32%       | 7%     | 100%  |



## Gender Diversity (%)

On gender diversity, we view diversity at the Board level as an essential element in supporting sustainable development and have female representation of one (FY2022: one) out of six on the Board or 17% (FY2022: 17%) of the Board. Key statistics on gender diversity of our employees are as follows:

| Disclosure                 | FY2023 |        | FY2022 |        |
|----------------------------|--------|--------|--------|--------|
|                            | Male   | Female | Male   | Female |
| <b>Employee categories</b> |        |        |        |        |
| Senior management          | 67%    | 33%    | 72%    | 28%    |
| Middle management          | 51%    | 49%    | 48%    | 52%    |
| Staff                      | 91%    | 9%     | 90%    | 10%    |
| <b>Employment type</b>     |        |        |        |        |
| Full-time                  | 80%    | 20%    | 79%    | 21%    |

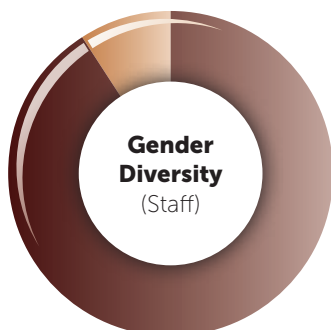
# SUSTAINABILITY REPORT



Male = 67%  
Female = 33%



Male = 51%  
Female = 49%



Male = 91%  
Female = 9%



Male = 80%  
Female = 20%

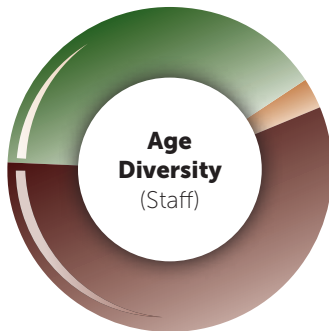
As our business is principally manufacturing in high heat environment, the gender ratio is geared towards male employees at the staff level which include operators.

### Age Diversity (%)

On age diversity, mature workers are valued for their experience, vast knowledge and skills. Key statistics on age diversity of our employees are as follows:

| Disclosure                 | FY2023   |         |          | FY2022   |         |          |
|----------------------------|----------|---------|----------|----------|---------|----------|
|                            | Below 30 | 30 – 50 | Above 50 | Below 30 | 30 – 50 | Above 50 |
| <b>Employee categories</b> |          |         |          |          |         |          |
| Senior management          | 4%       | 82%     | 14%      | 5%       | 82%     | 13%      |
| Middle management          | 24%      | 73%     | 3%       | 26%      | 71%     | 3%       |
| Staff                      | 40%      | 57%     | 3%       | 47%      | 51%     | 2%       |
| <b>Employment type</b>     |          |         |          |          |         |          |
| Full-time                  | 33%      | 64%     | 3%       | 38%      | 59%     | 3%       |

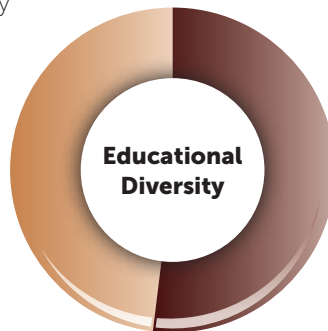
# SUSTAINABILITY REPORT



### Educational Diversity (%)

On diversity of educational background, we seek to create an inclusive environment for employees from different educational backgrounds. The distribution of employees by educational level is as follows:

| Education qualification | FY2023 | FY2022 |
|-------------------------|--------|--------|
| Tertiary                | 52%    | 55%    |
| Non-tertiary            | 48%    | 45%    |



To promote equal opportunity, the following HR related processes are in place:

- A formal interview assessment process is in place to guide interviewers to assess employees based on merit and competency so as to recruit the right candidate with appropriate knowledge and expertise to contribute to the growth of our business;
- Staff assessment is performed regularly to evaluate the performance of employees and adjust their remuneration where justifiable to build a conducive and harmonious working environment; and
- Staff recruitment advertisements do not state age, race, gender or religious preferences as a requirement so as to ensure our hiring practices are fair, merit-based, and non-discriminatory.

During the Reporting Period, we maintained zero incidents of unlawful discrimination against employees (FY2022: zero incident).

### 9.13 Community Development

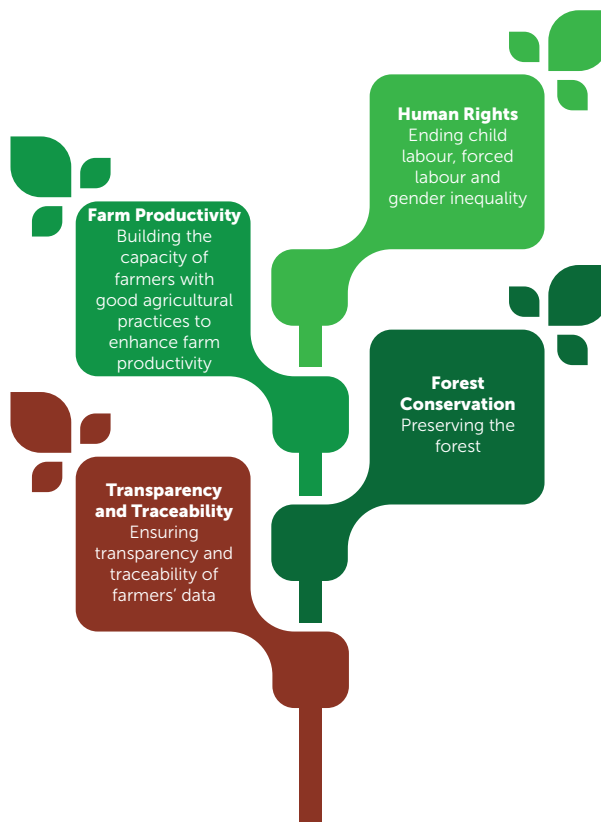
We are committed to creating long-term positive impacts in the community through our community engagement initiatives. These initiatives reflect our commitment to giving back to society while ensuring sustainable business growth and enriching the lives of the local communities, farmers and small landholders within the origin countries of our cocoa bean supply, comprising Ivory Coast, Nigeria, Indonesia and Ecuador ("**Origin Countries**").



# SUSTAINABILITY REPORT

In keeping with our strong commitment to sustainable cocoa, we team up with business partners to promote the following programs across the Origin Countries (collectively as “**Community Programs**”), focusing on four key areas (“**Focus Areas**”):

## Geographical Presence of our Community Programs



## Focus Areas of our Community Programs

# SUSTAINABILITY REPORT

## a. Transparency and Traceability

Transparency and traceability are at the heart of our approach to improve the well-being of cocoa communities, meet customers' demand for responsibly sourced products and preservation of forests. Our initiatives on this Focus Area are as follows:

### **Digitisation of Payments to Advance Financial Inclusion of Farmers**

A key struggle faced by cocoa farmers is a lack of access to funds for financing investments in their farms and improving their quality of lives. Under our Community Programs, farmers receive premiums as an incentive for each MT of cocoa beans delivered. Official receipts are issued to them and digital records of the premiums paid are recorded in a traceability software to provide credible income records.

### **Cocoa Traceability**

We trace the sustainable cocoa beans purchased directly from cocoa farmers under our Community Programs with the location mapping feature of our software. The location mapping feature utilises a global positioning system to accurately map the boundaries of the farms ("**Polygons**"). For further details on Polygons, you may refer to our Focus Area on forest conservation. During the Reporting Period, 100% of our sustainable cocoa beans purchased are traceable from farm to factory (FY2022: 100%).

## b. Farm Productivity

We believe that training farmers on good agricultural practices can help in enhancing farmers' farm productivity and increasing their income to improve their quality of lives. In order to train farmers on good agricultural practices, we adopted the following initiatives around this Focus Area:

### **Provision of Farmer Training Programs**

We adopted a Farmer Field School and peer learning approach to conduct training on good agricultural and environmental practices for the farmers under our Community Programs. The training approach involves on-farm training and hands-on group learning for small-scale farmers to learn how to solve common farming problems through sustainable agriculture. Based on their level of commitment to our Community Programs' activities, level of training attendance and adoption of good agricultural and environmental practices, 'best-in-class' farmers are selected to become trainers of subsequent training programs.

### **Coaching on Good Agricultural and Environmental Practices**



### **Provision of Coaching for Farmers**

Under our Community Programs, farmers receive personal coaching on good agricultural and environmental practices when enrolled in Farmer Development Plans ("**FDP**")<sup>20</sup>. The FDP aims to improve farmers' income by increasing farm productivity in a sustainable way. Each farmer selected for the FDP is visited regularly by the field agents of our farmer organisations ("**Farmer Organisation Field Agents**"). During the farm visits, farmers are assessed on their agricultural and environmental practices and their socio-economic situation. Our farmer organisation Field Agents provide the farmers with recommendations to improve agricultural practices and farms' conditions and continuously monitor their progress.

<sup>20</sup> FDP refers to an internationally recognised farm investment plan that looks at the current activities of farmers and their households.

# SUSTAINABILITY REPORT

## Adoption of Cocoa Grafting Method in Indonesia



## Cocoa Farms Renovation and Rehabilitation

Under our Community Programs, when farm productivity declines due to ageing trees, climate change effects or poor farm management which lead to pests, diseases and depleted soils, we recommend farmers to adopt farm rehabilitation practices such as pruning or grafting methods. We assess farm conditions and farmer's agricultural practices before providing practical recommendations. Planting new cocoa trees for farm renovation is also recommended as long as the trees are planted in the same cultivated area. During the Reporting Period, we provided more than 110,000 (FY2022: 70,000) cocoa seedlings to our farmers in Nigeria and Indonesia for the planting of new cocoa trees. We strongly promote the use of highly productive clones and multi-clones in the farms to increase their cocoa yields and to minimise the need to expand farmed areas which may result in deforestation. The cocoa seedlings are purchased from farmer nurseries set up through funds received through our Community Programs as well as from budwood gardens which are nurseries where sturdy and improved versions of plant varieties are tended for their buds to be used in plant propagation, particularly grafting. Our involvement also includes providing training to the farmer nursery operators for the improvement of nursery productivity.

### c. Human Rights

Human rights risks such as child labour and gender inequality are higher with the prevalence of poverty amongst our cocoa farmers. In line with our commitment to respect human rights across our cocoa supply chain, we adopted the following initiatives on this Focus Area:

#### Child Labour Monitoring and Remediation Systems ("CLMRS")

A child safeguarding policy is in place based on a methodology promoted by Rainforest Alliance and based on our on-the-ground experience. A supplier code of conduct is in place that states our position on human rights, including child and forced labour.

During the Reporting Period, the farmers in our Community Programs in Ivory Coast and Nigeria are covered by CLMRS, which is an approach adopted to identify and monitor child labour cases. We also conduct child labour awareness training and sensitisations for the farmers. In Ivory Coast, a Child Protection Committee is set up in each farmer cooperative. The Child Protection Committee comprises administrator of each farmer cooperative, some members of the farming communities, our staff and members from a third-party NGO. We conduct regular monitoring visits and the findings from the monitoring visits are presented to the Child Protection Committee to discuss on appropriate measures that are required to tackle child labour cases that are identified. If immediate remedial actions are needed, each child labour case is studied by the Child Protection Committee to design a suitable action plan upon discussion with the farming communities.

# SUSTAINABILITY REPORT

## Empowering Women through Financial Inclusion

Under our Community Programs in Ivory Coast, we organise income generating activities for women from the farming communities to provide them with opportunities to diversify their sources of income. Women associations are set up in each farmer cooperative and each association is formed with a maximum of 35 women, united around the same income generating activity ("**Women Associations**").

In setting up each Women Association, we first assess and monitor the needs of its members. The aim of this assessment is to identify the income generating activity in which the women want to get involved in, study the profitability of the income generating activity, identify the existing resources they have to commence the activity and the additional investments and resources that would be required. Based on this needs assessment, we support the implementation of selected activities by providing training on agricultural techniques, materials, gear and input needed for the activities.

## Empowering Women Through Gender Action Learning System ("GALS")

Our team members in Ivory Coast are trained on GALS for women empowerment in rural communities. GALS is a participatory methodology that aims to promote transformation and gender inclusion in all areas and rural contexts by supporting women in designing projects like income-generating activities, encouraging women to describe their vision by drawing and expressing themselves in local language upon which our trainers will develop plans for them to reach their vision. This methodology is suitable for rural communities where the illiteracy rate is high and it provides women with the opportunity to empower themselves through participating in visioning and planning processes and strengthening of social networks.

## Empowering Women Through Training Programs

In Ecuador, female cocoa farmers' participation in cocoa production systems often faces situations of inequality and inequity, in key farming activities and income from cocoa production. They are usually not entitled to the same benefits as men in matters such as land tenure, education, technical assistance and credits that would allow them to develop a successful cocoa business.

To improve the socio-economic conditions of the female cocoa farmers in Ecuador, we assess the socio-economic situation of women and train female cocoa farmers as part of the "Women cocoa entrepreneurs" project. The training includes gender equity awareness training for both women and men on the importance of including women in the farm decisions and starting of new businesses, as well as training for women to develop their entrepreneurial skills on topics such as cocoa farm management, entrepreneurship and business plan development, money management and savings, customer services, accounting and taxes and access to credit.

## Income-Generating Activities for Women Associations in Ivory Coast



GALS Training



## Women Empowerment Training



# SUSTAINABILITY REPORT

## d. Forest Conservation

The prevalence of poverty amongst cocoa farmers drives farmers to seek more land for growing cocoa which will eventually lead to deforestation. In line with our commitment to preserve the forests and end deforestation, we put in place a deforestation free policy and supplier's code of conduct that states our position on the protection of forests and natural ecosystems. We are a signatory of the Cocoa & Forest Initiative for Ivory Coast, which aims to provide assurance on the traceability and field activities of cocoa beans and address the key risks related to the cocoa supply chain, in areas such as farmers' living conditions and deforestation. In addition, we adopted the following initiatives on this Focus Area:

### Assessing the Risk of Deforestation

In line with our deforestation free commitment, all farms under our Community Programs are mapped with Polygons. We verify all Polygons collected across the Origin Countries to assess the potential risks of the farms expanding into protected forests and protected areas.

### Adopting Good Agroforestry Practices

We distribute seedlings of multi-purpose trees to the farming communities under our Community Programs to promote agroforestry on cocoa farms. Agroforestry serves to optimise cocoa production through appropriate shade management, increase biodiversity, improved soil fertility and nutrients, and mitigate the apparition of pest and diseases. It diversifies farmers' sources of incomes and taps on increased tree density per hectare to capture GHG emissions from the atmosphere to reduce GHG emissions. We monitor the number of trees planted per farm per hectare. During the Reporting Period, over 140,000 (FY2022: 80,000) multi-purpose tree seedlings were distributed to our farming communities. By having different crops or varieties in their farms, the farmers can benefit from increased resilience to climate change and generate more regular income.

To promote the adoption of agroforestry practices, we created demonstration plots to showcase the benefits of agroforestry to farmers. The demonstration plots are accessible to all farmers within the farming communities. The farmers also receive on-site training on agroforestry practices by qualified trainers.

### Planting of Multi-Purpose Tree Seedlings in Ivory Coast



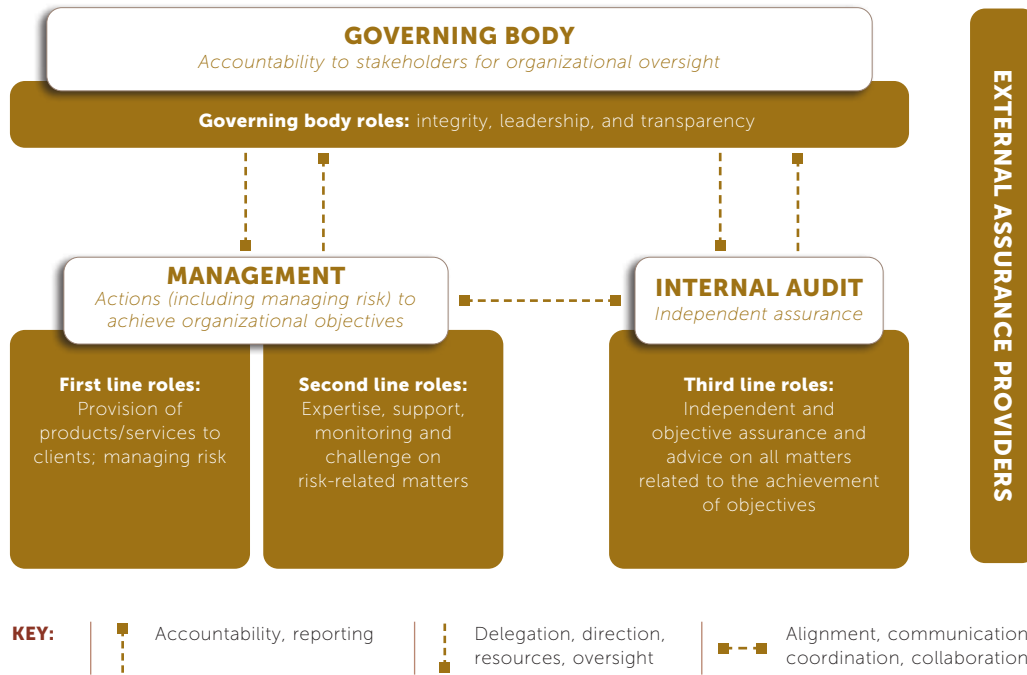
## 9.14 Ethics and Integrity

A high standard of corporate governance is integral in ensuring the sustainability of our businesses as well as safeguarding shareholders' interest and maximising long-term shareholder value.

The Board is committed to fostering a culture of corporate compliance, ethical behaviour and business integrity to achieve greater transparency and to protect the interests of Shareholders.

# SUSTAINABILITY REPORT

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model of the IIA

The Group is committed to carry out our business with integrity by avoiding corruption in any form, including bribery, and complying with the Prevention of Corruption Act of Singapore. We take a zero-tolerance approach to bribery and corruption and prohibit corruption in any forms, including extortion and bribery. A set of anti-corruption guidelines is in place to ensure that our business complies with all local regulatory requirements and international business standards. We also conduct regular HR and compliance refresher training to ensure that employees are familiarised with our rules and guidelines on anti-corruption, whistle blowing, conflicts of interest and compliance with ETI.

A whistle blowing policy is in place to provide a mechanism for employees to raise concerns about any malpractice(s) including possible improprieties in matters of financial reporting and others, at an early stage and in the right way. This policy serves to promote a culture of openness, accountability and integrity within the Group.

Adequate and effective risk management is a key component of good corporate governance. We maintain an ERM framework and under this framework, we regularly assess and review our businesses and operational environment to better identify and manage emerging and strategic risks relating to our sustainability. We believe that risks faced by the Group could be converted into opportunities and favourable results.

During the Reporting Period, no Corruption Incident was reported (FY2022: zero) and no incidents of non-compliances with the laws and regulations for which significant fines and/or non-monetary sanctions were incurred (FY2022: zero). You may refer to the Corporate Governance Report of this Annual Report for details for our corporate governance practices.

## 9.15 Cyber Security and Data Protection

Protection of our stakeholders’ data and information is paramount to our industry. We are committed to ensuring that our Information Technology (“IT”) and cyber security systems and processes are adequate, efficient and effective in protecting our information assets and client information.

# SUSTAINABILITY REPORT

We take measures to safeguard against cyber security risk for both our internal and external stakeholders and implemented the following:

- An IT policy is implemented to govern our approach on managing cyber security risks;
- We incorporated cyber incident reporting procedures in our Crisis Management Procedures to strengthen our compliance with regulatory requirements;
- Cyber security training is provided for all employees to raise awareness;
- To protect our systems, anti-virus and firewalls are installed;
- Email security is implemented for filtering of phishing emails or emails containing malware/malicious links; and
- A cyber security threat response team is formed to handle emergencies arising from cyber security threats.

During the Reporting Period, there was zero (FY2022: zero) cyber security breach concerning losses of business data.

## 10. TARGETS AND PERFORMANCE HIGHLIGHTS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our key sustainability issues. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

| Legend | Progress tracking             |
|--------|-------------------------------|
| ○○○    | New target                    |
| ●●●    | Target achieved               |
| ●●○    | On track to meet target       |
| ●○○    | Not on track, requires review |

| S/N                  | Key Sustainability Factor                            | Target <sup>21</sup>   | Current year progress |
|----------------------|--|--|-----------------------|
| <b>Economic</b>      |  |  |                       |
| 1                    | Business Development and Expansion                   | <u>Short-term</u><br>Maintain or improve economic value generated subject to market conditions                                       | ●●●                   |
| 2                    | Customer Satisfaction                                | <u>Ongoing and long-term</u><br>Achieve a positive rating from at least 90% of surveyed customers for overall satisfaction           | ●●●                   |
| 3                    | Sustainable Manufacturing                            | <u>Short-term</u><br>Design or continue with sustainable manufacturing process to minimise negative environmental and social impacts | ●●●                   |
| <b>Environmental</b> |  |  |                       |
| 4                    | Water Stewardship                                    | <u>Medium-term</u><br>Maintain or reduce water consumption intensity and improve wastewater treatment process                        | ●●●                   |
| 5                    | Energy Consumption, Climate Change and GHG Emissions | <u>Medium-term</u><br>Reduce Scope 1 and 2 GHG emissions intensity by 15% and by FY2035, with FY2022 as baseline                     | ○○○                   |
| 6                    | Traceability and Sustainable Supply Chain Practices  | <u>Short-term</u><br>Initiate or continue with sustainable supply chain practices  | ●●●                   |

<sup>21</sup> Time horizons for target settings are (i) short-term: before FY2025; (ii) medium-term: FY2025-FY2035; (iii) long-term: FY2035 onwards; and (iv) ongoing: continuous time horizon.

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| S/N               | Key Sustainability Factor                              | Target <sup>21</sup>   | Current year progress  |
|-------------------|--|--|--|
| 7                 | Waste Management and Optimisation                      | <u>Medium-term</u><br>Minimise the amount of waste generated in operations   | ● ● ●  |
| 8                 | Deforestation and Biodiversity                         | <u>Ongoing and long-term</u><br>Initiate or continue with measures to achieve zero deforestation and protect biodiversity within our supply chain  | ● ● ●  |
| <b>Social</b>     |  |  |  |
| 9                 | Safe Work and Well-Being                               | <u>Ongoing and long-term</u> <ul style="list-style-type: none"> <li>Reduce the number of recordable work-related injuries</li> <li>Maintain zero workplace fatalities, high-consequence work-related injuries and recordable work-related ill health cases</li> </ul>  | ● ● ●  |
| 10                | Talent Development                                     | <u>Medium-term</u> <ul style="list-style-type: none"> <li>Improve or maintain employee retention rate subject to market conditions</li> <li>Maintain or improve training hours for employees</li> <li>Maintain or improve percentage of employees who received regular performance and career development reviews</li> </ul> | ● ○ ○<br>Training for FY2021 were delayed till FY2022 due to the epidemic, resulting in an overall increase in training hours recorded for FY2022. The nature of our training is cyclical, with training required conducted every two to three years. Accordingly, the total training hours declined for the Reporting Period. |
| 11                | Food Safety, Product Quality and Nutrition             | <u>Ongoing and long-term</u><br>Maintain zero product return due to food safety issues raised by customers   | ● ○ ○<br>The increase in product returns was due to the degradation of ingredients used.   |
| 12                | Human Rights, Workplace Diversity and Labour Standards | <u>Ongoing and long-term</u> <ul style="list-style-type: none"> <li>Maintain zero incidents of unlawful discrimination against employees</li> <li>Maintain zero reported incidents of non-compliance with labour standards assessed by the authorities</li> </ul>  | ● ● ●  |
| 13                | Community Development                                  | <u>Medium-term</u><br>Initiative or continue with existing initiatives to promote sustainable cocoa farming  | ● ● ●  |
| <b>Governance</b> |  |  |  |
| 14                | Ethics and Integrity                                   | <u>Ongoing and long-term</u><br>Maintain zero incidents of corruption  | ● ● ●  |
| 15                | Cyber Security and Data Protection                     | <u>Ongoing and long-term</u><br>Maintain zero incidents of cyber security breach concerning losses of business data  | ● ● ●  |

For certain key Sustainability Factors identified above, we are still in the process of setting the related medium and long-term targets as their historical data trends have yet to stabilize. We will disclose such targets in our future sustainability reports when the data trends have stabilized and subject to market trends.



# SUSTAINABILITY REPORT

## 11. SUPPORTING THE SDGS

The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDGs, we identified a number of SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

| SDG   | Our Effort  |
|---|---|
|  <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>        | <p>Ensure healthy lives and promote well-being for all at all ages</p> <p><u>Section 9.9 Safe Work and Well-Being</u><br/>We constantly utilise safety measures and procedures to avoid accidents that are preventable and in so doing, maintain the well-being and safety of our workers.</p>  |
|  <p><b>4</b> QUALITY EDUCATION</p>                 | <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p><u>Section 9.10 Talent Development</u><br/>We offer our employees extensive internal and external training to enhance their competencies as we believe in creating a rewarding working environment for our employees.</p>  |
|  <p><b>6</b> CLEAN WATER AND SANITATION</p>      | <p>Ensure availability and sustainable management of water and sanitation for all</p> <p><u>Section 9.4 Water Stewardship</u><br/>We implement measures to help us to work towards achieving effective use of water resources. We also implement measures that prevent the pollution of waterways by ensuring that hazardous chemicals and materials are removed from the wastewater produced in our operations before being released.</p>  |
|  <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>     | <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p> <p><u>Section 9.5 Energy Consumption, Climate Change and GHG Emissions</u><br/>We constantly monitor and implement measures to improve our energy efficiency as well as to increase the utilisation of renewable energy.</p>   |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> | <p>Promote sustained, inclusive and sustainable economic growth, and productive employment and decent work for all</p> <p><u>Section 9.1 Business Development and Expansion</u><br/>As we explore business development and expansion opportunities, we continue to contribute to economic growth through creating long-term economic value for our shareholders.</p> <p><u>Section 9.2 Customer Satisfaction</u><br/>We recognise that adhering to a high quality of product and customer service standards is vital in the continued success of our business. This in turn helps to contribute to economic growth as well as long-term economic value for our shareholders.</p> <p><u>Section 9.11 Food Safety, Product Quality and Nutrition</u><br/>We recognise that food safety, quality products and nutrition are vital in the continued success of our business. This in turn helps to contribute to long-term economic value for our shareholders.</p> |

# SUSTAINABILITY REPORT

| SDG  | Our Effort  |
|--|---|
|  <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>   | <p><u>Section 9.12 Human Rights, Workplace Diversity and Labour Standards</u></p> <p>We ensure equal employment opportunity for all, regardless of gender, age, and educational background. Additionally, we implement measures to achieve sustainability in a holistic manner and comply with stringent human rights practices which include the prohibition against child labour and forced labour.</p>   |
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>   | <p><u>Section 9.3 Sustainable Manufacturing</u></p> <p>We focus on improving our operational efficiency in areas such as energy and water efficiencies, resource optimisation and utilisation of renewable energy sources.</p> <p><u>Section 9.7 Waste Management and Optimisation</u></p> <p>We implement measures to ensure that hazardous waste is properly treated before disposal and non-hazardous waste is either disposed in a proper manner, converted into renewable energy sources or recycled. This in turn helps to minimise the adverse impacts on human health and environment.</p> <p><u>Section 9.6 Traceability and Sustainable Supply Chain Practices</u></p> <p>We formalised policies and supplier code of conduct to communicate our commitment to zero tolerance on deforestation, exploitation of human rights, child labour, forced labour. We are also audited by external auditors on our compliance with labour and environmental standards. In addition, we initiate programs to improve the livelihoods of our farmers and traceability in our supply chain.</p> <p><u>Section 9.13 Community Development</u></p> <p>We adopt various initiatives to ensure a long-term sustainable supply of cocoa as well as to achieve a higher yield for farmers.</p> |
|  <p>15 LIFE ON LAND</p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>               | <p><u>Section 9.8 Deforestation and Biodiversity</u></p> <p>We formalised a deforestation free policy and supplier code of conduct to align to our commitment to zero deforestation, restoration and preservation of protected areas.</p>   |
|  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels</p> | <p><u>Section 9.14 Ethics and Integrity</u></p> <p>We carry out business with integrity by avoiding corruption in any form and maintain a high standard of corporate governance to maintain the transparency of our business, safeguard our shareholders' interests and maximise long-term shareholder value.</p> <p><u>Section 9.15 Cyber Security and Data Protection</u></p> <p>We are committed to the privacy and security of data collected and generated in the course of our operations. We have an IT policy and implement measures to manage cyber security risks.</p>  |

# SUSTAINABILITY REPORT

## 12. TCFD DISCLOSURES

We are committed to support the recommendations by the TCFD and made our climate-related financial disclosures in the following key areas as recommended by the TCFD:

### Governance

**a. Describe the board's oversight of climate-related risks and opportunities.**

The Board determines the key Sustainability Factors of the Group, oversees the identification and evaluation of climate-related risks and opportunities, reviews and approve sustainability strategy and targets, policies and sustainability reports (including materiality assessment process and outcome).

**b. Describe management's role in assessing and managing climate-related risks and opportunities.**

Our sustainability strategy is spearheaded by the SC and led by our CEO. The SC includes senior management executives and managerial representatives from various functions and is tasked with on-going communication with the Board, the development of the sustainability strategy and progress, performing on materiality assessment (including climate-related risks and opportunities), consideration on stakeholders' priorities, goals as well as target setting on how the Group can better implement sustainability initiatives and contribute to our decarbonisation journey.

### Strategy

**a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**

**b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.**

With an increasing awareness of global climate crisis, we are more committed than ever towards sustainable conservation efforts. Our strategy is to transform the Group into a climate-resilient and future-fitted business. We recognise that climate change poses different types of risks to our business. Our overarching climate strategy is to identify, assess and mitigate potential impacts of climate-related physical risks and transition risks in our business.

In FY2023, the Group undertook a climate scenario analysis to identify and assess climate-related risks and opportunities for all our operations using the Representative Concentration Pathway ("RCP") adopted by the Intergovernmental Panel on Climate Change ("IPCC") as follows:

| Scenario           | Description  |
|--------------------|--|
| IPCC RCP 2.6/1.5°C | This scenario is in line with Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategy       |
| IPCC RCP 8.5/4°C   | The 'business-as-usual' scenario assumes that GHG emissions continue to rise with significant increases in global temperatures, as no concerted efforts are made to reduce GHG emissions |

# SUSTAINABILITY REPORT

Based on the scenarios above, we identified the potential impact of climate change, both physical and transitions risk on our business as well as climate-related opportunities which the Group can capitalise on as follows:

| Scenario           | Climate-related Risk  | Potential Impact  | Our Response  |
|--------------------|---|---|---|
| IPCC RCP 8.5/4°C   | Physical Risk – Increased occurrence of natural disasters and severe weather conditions | Increased extreme weather events and occurrence of natural disasters such as drought, flooding and forest fire may lead to reduction in cocoa yield which in turn adversely affect the supply of the key raw materials (i.e., cocoa bean) for the production of our products. | The Group will continue to assess our supply chain, diversified sourcing from multiple locations to reduce raw material vulnerability due to increased extreme weather events and ensure steady supply of ingredients to meet the customer demand.  |
| IPCC RCP 2.6/1.5°C | Transition Risk – Expansion of carbon pricing mechanism                                 | Expansion in carbon tax coverage and increase in carbon tax rates which may lead to increased operating costs.  | In view of this development, we will continue to reduce the GHG emissions generated from our operations and replace carbon intensive energy sources with low carbon sources to meet the rising needs and expectations of regulators and other relevant stakeholders.  |
|                    | Transition Risk – Shift in customer preference  | Rising demands of the transition to a low carbon economy and the shifts in consumer preferences for sustainable cocoa ingredient products will require the Group's attention to ensuring our products come from sustainable sourcing.   | In response to these demands, we ensure that our products are sourced from producers who are certified under the internationally recognised certifications of Rainforest Alliance certificate, Fairtrade International certificate and Fairtrade USA certificate, to maintain a sustainable cocoa supply chain. |
|                    | Transition Risk – Reputation  | Increased sustainability concerns or negative feedback from stakeholders which lead to loss of trust and confidence of investors and shareholders.  | We are working towards becoming a low carbon organisation by using greener energy sources, green technology solutions and collaborate closely with business partners to promote green initiatives and programs.   |

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The impact of the above climate-related risks is analysed on group-wide activities over the short term (before FY2025), medium term (FY2025 – FY2035) and long term (FY2035 onwards) with details as follows:

## Warming scenario 1: 1.5°C warming (RCP 2.6)

| Risk   | Significance of Financial Impact <sup>22</sup> |             |           |
|--|--|-------------|-----------|
|  | Short Term                                     | Medium Term | Long Term |
| <b>Key Physical Risk Identified</b>  |  |             |           |
| Physical Risk – Increased occurrence of natural disasters and severe weather conditions                                  | ●  | ●           | ●         |
| <b>Key Transition Risk Identified</b>  |  |             |           |
| Expansion of carbon pricing mechanism which may increase operating costs   | ●  | ●           | ●         |
| Shift in customer preference which may require the Group to obtain sustainable sourcing and gives rise to operating cost | ●  | ●           | ●         |
| Increased sustainability concerns or negative feedback from stakeholders which may lead to loss of confidence            | ●  | ●           | ●         |

## Warming scenario 2: > 4°C warming (RCP 8.5)

| Risk   | Significance of Financial Impact |             |           |
|--|----------------------------------|-------------|-----------|
|  | Short Term                       | Medium Term | Long Term |
| <b>Key Physical Risk Identified</b>  |                                  |             |           |
| Physical Risk – Increased occurrence of natural disasters and severe weather conditions                                  | NA <sup>23</sup>                 |             | ●         |
| <b>Key Transition Risk Identified</b>  |                                  |             |           |
| Expansion of carbon pricing mechanism which may increase operating costs   | NA <sup>23</sup>                 |             | ●         |
| Shift in customer preference which may require the Group to obtain sustainable sourcing and gives rise to operating cost | NA <sup>23</sup>                 |             | ●         |
| Increased sustainability concerns or negative feedback from stakeholders which may lead to loss of confidence            | NA <sup>23</sup>                 |             | ●         |

### Legend

● Minor    ● Moderate    ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

<sup>22</sup> Significance of financial impact is determined based on the risk appetite established in accordance with the Group's climate scenario assessment.

<sup>23</sup> Not applicable as this scenario is unlikely in the short and medium term.

# SUSTAINABILITY REPORT

**c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario 2: > 4°C warming) may result in major financial impact by FY2035. Under warming scenario 1: 1.5°C, there may be moderate level of financial impact in the medium and long-term arising from the combined effects of carbon tax increase, shift in consumer preference, rising expectation of stakeholders, increased cost of operating expenses and potential revenue loss. We incorporated these findings and considerations into our strategy, decision-making and ERM framework.

## **Risk Management**

**a. Describe the organisation's processes for identifying and assessing climate-related risks**

**b. Describe the organisation's processes for managing climate-related risks.**

**c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**

We acknowledge that maintaining a sound system of climate-related risk management is imperative to safeguarding the interests of the Group and foster trust with our stakeholders. To keep abreast of any changes in existing regulatory requirements and maintain good corporate governance, we proactively identify any major climate-related risks relevant to our business, as well as reviewing key climate-related risk performance regularly.

Climate-related risk management is covered under our ERM framework whereby potential climate-related risks are identified, assessed, monitored and managed. Under the framework, business units and functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. Climate-related risks and opportunities, along with their treatment plans, are reviewed and updated during the ERM assessment exercise and are subsequently presented to the AC along with the other key enterprise-wide risks. Climate-related risks are also monitored based on the trend of climate-related performance indicators.

## **Metrics and Targets**

**a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**

The Group monitors, measures and reports its environmental performance such as energy consumption and GHG emissions in its sustainability reports. Monitoring and reporting these data and metrics enable the Group to identify areas of key climate-related risks and be more focused in its efforts.

**b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.**

To support the climate change agenda, we disclose our Scope 1, Scope 2 and certain categories of Scope 3 GHG emissions in this Report and set climate related targets such as those related to GHG emissions.

Our disclosure on indirect Scope 3 GHG emissions included employee commuting (category 7) in FY2023. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories relevant to the Group when the data is available.

**c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**

As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions, water and waste. For further details, please refer to section '10 Targets and Performance Highlights' for the climate-related targets set.

# SUSTAINABILITY REPORT

## APPENDIX 1 GRI CONTENT INDEX

| <b>Statement of use</b>         | JB Foods reported the information cited in the GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards. |  |
|---------------------------------|--|--|
| <b>GRI 1 used</b>               | GRI 1: Foundation 2021   |  |
| <b>GRI standard</b>             | <b>Disclosure</b>  | <b>Location</b>  |
| GRI 2: General Disclosures 2021 | 2-1 Organisational details   | 2-4  |
|                                 | 2-2 Entities included in the organisation’s sustainability reporting   | 20   |
|                                 | 2-3 Reporting period, frequency and contact point  | 20   |
|                                 | 2-4 Restatements of information  | None   |
|                                 | 2-5 External assurance   | 20   |
|                                 | 2-6 Activities, value chain and other business relationships   | 2-4, 19  |
|                                 | 2-7 Employees  | 38-39  |
|                                 | 2-8 Workers who are not employees  | We have approximately 183 workers who are not employees as at 31 December 2023. They include workers who provide logistics, warehousing, cleaning and clerical services, security guards, consultants for support functions such as sales, office management and sustainability. |
|                                 | 2-9 Governance structure and composition   | 12-15, 22, 63-65   |
|                                 | 2-10 Nomination and selection of the highest governance body   | 66-68  |
|                                 | 2-11 Chair of the highest governance body  | 12, 65-69  |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts   | 12-15, 22, 51  |
|                                 | 2-13 Delegation of responsibility for managing impacts   | 22, 51   |
|                                 | 2-14 Role of the highest governance body in sustainability reporting   | 22, 51   |
|                                 | 2-15 Conflicts of interest   | 46-47, 62-64, 81   |
|                                 | 2-16 Communication of critical concerns  | 45-46, 75  |
|                                 | 2-17 Collective knowledge of the highest governance body   | 22, 63-65  |
|                                 | 2-18 Evaluation of the performance of the highest governance body  | 68-69  |
|                                 | 2-19 Remuneration policies   | 70-71  |

# SUSTAINABILITY REPORT

| GRI standard                       | Disclosure   | Location  |
|------------------------------------|--|---|
|                                    | 2-20 Process to determine remuneration   | 70-71   |
|                                    | 2-21 Annual total compensation ratio   | Information is not provided due to confidentiality constraints.   |
|                                    | 2-22 Statement on sustainable development strategy                                   | 5-8, 17   |
|                                    | 2-23 Policy commitments  | 22, 37-38, 45-46  |
|                                    | 2-24 Embedding policy commitments  | 22, 37-38, 45-46  |
|                                    | 2-25 Processes to remediate negative impacts   | 45-46, 72-73, 75  |
|                                    | 2-26 Mechanisms for seeking advice and raising concerns                              | 45-46, 75   |
|                                    | 2-27 Compliance with laws and regulations  | 22, 37-38, 45-46  |
|                                    | 2-28 Membership associations   | The Group is committed to global sustainable practices as a member of the World Cocoa Foundation, Cocoa Association of Asia, Cocoa Sustainability Partnership ("CSP") and Swiss Platform for Sustainable Cocoa. |
|                                    | 2-29 Approach to stakeholder engagement  | 20-21, 24-25  |
|                                    | 2-30 Collective bargaining agreements  | As at 31 December 2023, 100% of our bargainable employees in Indonesia are covered by collective bargaining agreements.   |
| GRI 3: Material Topics 2021        | 3-1 Process to determine material topics   | 23  |
|                                    | 3-2 List of material topics  | 24-25   |
|                                    | 3-3 Management of material topics  | 25-46   |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed                                | 25  |
|                                    | 201-2 Financial implications and other risks and opportunities due to climate change | 51 - 54   |
|                                    | 201-3 Defined benefit plan obligations and other retirement plans                    | 112-113   |
|                                    | 201-4 Financial assistance received from government                                  | 112   |
| GRI 205: Anti-corruption 2016      | 205-1 Operations assessed for risks related to corruption                            | 45-46, 72-73  |
|                                    | 205-2 Communication and training about anti-corruption policies and procedures       | 45-46   |
|                                    | 205-3 Confirmed incidents of corruption and actions taken                            | 45-46   |



# SUSTAINABILITY REPORT

| GRI standard                                 | Disclosure   | Location |
|--|--|----------|
| GRI 302: Energy 2016                         | 302-1 Energy consumption within the organisation   | 31       |
|  | 302-2 Energy consumption outside of the organization   | 31       |
|  | 302-3 Energy intensity   | 31       |
| GRI 303: Water and Effluents 2018            | 303-4 Water discharge  | 27       |
|  | 303-5 Water consumption  | 27       |
| GRI 305: Emissions 2016                      | 305-1 Direct (Scope 1) GHG emissions   | 31       |
|  | 305-2 Energy indirect (Scope 2) GHG emissions  | 31       |
|  | 305-3 Other indirect (Scope 3) GHG emissions   | 31       |
|  | 305-4 GHG emissions intensity  | 31       |
|  | 305-5 Reduction of GHG emissions   | 28-30    |
| GRI 306: Waste 2020                          | 306-1 Waste generation and significant waste-related impacts   | 32-33    |
|  | 306-2 Management of significant waste-related impacts  | 32-33    |
|  | 306-3 Waste generated  | 32-33    |
|  | 306-4 Waste diverted from disposal   | 32-33    |
|  | 306-5 Waste directed to disposal   | 32-33    |
| GRI 401: Employment 2016                     | 401-1 New employee hires and employee turnover   | 35       |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 36       |
|  | 401-3 Parental leave   | 36       |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system   | 33-34    |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                                 | 33-34    |
|  | 403-3 Occupational health services   | 33-34    |

# SUSTAINABILITY REPORT

| GRI standard                                  | Disclosure  | Location   |
|---|---|--|
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 33-34  |
|   | 403-5 Worker training on occupational health and safety   | 33-34  |
|   | 403-6 Promotion of worker health  | 33-34  |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 33-34  |
|   | 403-8 Workers covered by an occupational health and safety management system  | 33-34  |
|   | 403-9 Work-related injuries   | 33-34  |
|   | 403-10 Work-related ill health  | 33-34  |
| GRI 404: Training and Education 2016          | 404-1 Average hours of training per year per employee   | 34-35  |
|   | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | 34-35  |
|   | 404-3 Percentage of employees receiving regular performance and career development reviews                          | 36   |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees  | 38-40, 63-65   |
|   | 405-2 Ratio of basic salary and remuneration of women to men  | Information is not provided due to confidential constraints. |
| GRI 406: Non-discrimination 2016              | 406-1 Incidents of discrimination and corrective actions taken  | 40   |
| GRI 413: Local Communities 2016               | 413-2 Operations with significant actual and potential negative impacts on local communities                        | 26-34, 37-38, 40-46  |
| GRI 416: Customer Health and Safety 2016      | 416-1 Assessment of the health and safety impacts of product and service categories                                 | 37   |
|   | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services                 | 37   |
| GRI 418: Customer Privacy 2016                | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data                  | 46   |