



THAKRAL
CORPORATION LTD

**BLUEPRINT FOR
SUSTAINABLE GROWTH**



**SUSTAINABILITY REPORT
2023**

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BOARD STATEMENT

At Thakral, our commitment to sustainable growth is intrinsic to our business ethos. We recognise that balancing environmental stewardship, societal responsibility and economic expectations of all our stakeholders ensures the continuity and long-term success of the Company and its subsidiaries (the “Group”).

Our Board of Directors (the “Board”) is pleased to present its sustainability report, detailing the Group’s economic, environmental, social and governance (“EESG”) performance and practices for the year ending 31 December 2023 (“FY2023”). This is our seventh sustainability report, and it conforms to the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B.

The Board maintains responsibility for the Group’s sustainability direction over the management of Thakral’s material EESG topics. In FY2023, we conducted a materiality review which confirmed that the material EESG topics identified in FY2022 continue to remain relevant. These have also been validated by the Board. The Board has been involved throughout the sustainability reporting process from the approval of material topics to endorsement of the sustainability report.

Our climate-related disclosures were expanded in our second year of reporting. This is in compliance with the SGX-ST’s phased approach recommendations and is in adherence to the guidelines set forth by the Task Force on Climate-Related Financial Disclosures (“TCFD”). Further details can be found on pages 18-23 of this report.

FY2023 has been a satisfactory year for Group financially and operationally. Our strategic focus on high-growth and resilient segments has enabled the Group to forge towards creating generational value through entrepreneurship and innovation.

For the second consecutive year, the Company had the honour of winning the Most Transparent Company Award (Consumer Discretionary) under the SIAS Investors’ Choice Awards 2023. This award recognises excellence in companies adopting the best corporate governance practices. Transparency and good governance have been the core principles guiding our business. Our stakeholders’ trust and confidence, combined with our capability to execute effective strategies, have enabled us to enhance the resilience of our business model.

The Group remains committed to helping the less fortunate, through contributions to several initiatives and programs. In FY2023, these included the Sree Narayana Mission, participating in the 2023 UOB Global Heartbeat Virtual Run/Walk event, endorsing programs by the Malay Youth Literary Association, and making a one-time donation to assist flood victims in Punjab. We also extended our long-term partnership with North East CDC until 2025 to provide essentials such as milk and diapers to children up to 6 years old to low-income families living within Singapore’s North East district. Our efforts have been recognised for the second consecutive year with a Merit Award at the People’s Association Community Spirit Awards 2023. Leveraging on our established sourcing network in China, we successfully procured a range of mobility equipment, such as wheelchairs and walkers, directly from the manufacturers. These were then distributed to several organisations and individual beneficiaries in Singapore, which would improve the beneficiaries’ mobility and independence.

As we move forward, we will continue to assess our progress in the area of sustainability and push ahead to generate long-term value for our stakeholders. We remain cognisant of the evolving business environment brought about by factors such as technological advancement, socio-political changes, and environmental challenges. Ultimately, staying agile and adaptable builds resilience in a volatile business climate and also drives our innovation, enhances our competitive advantage, and leads to better outcomes for our stakeholders.

Natarajan Subramaniam
Independent Non-Executive Chairman
and Lead Independent Director



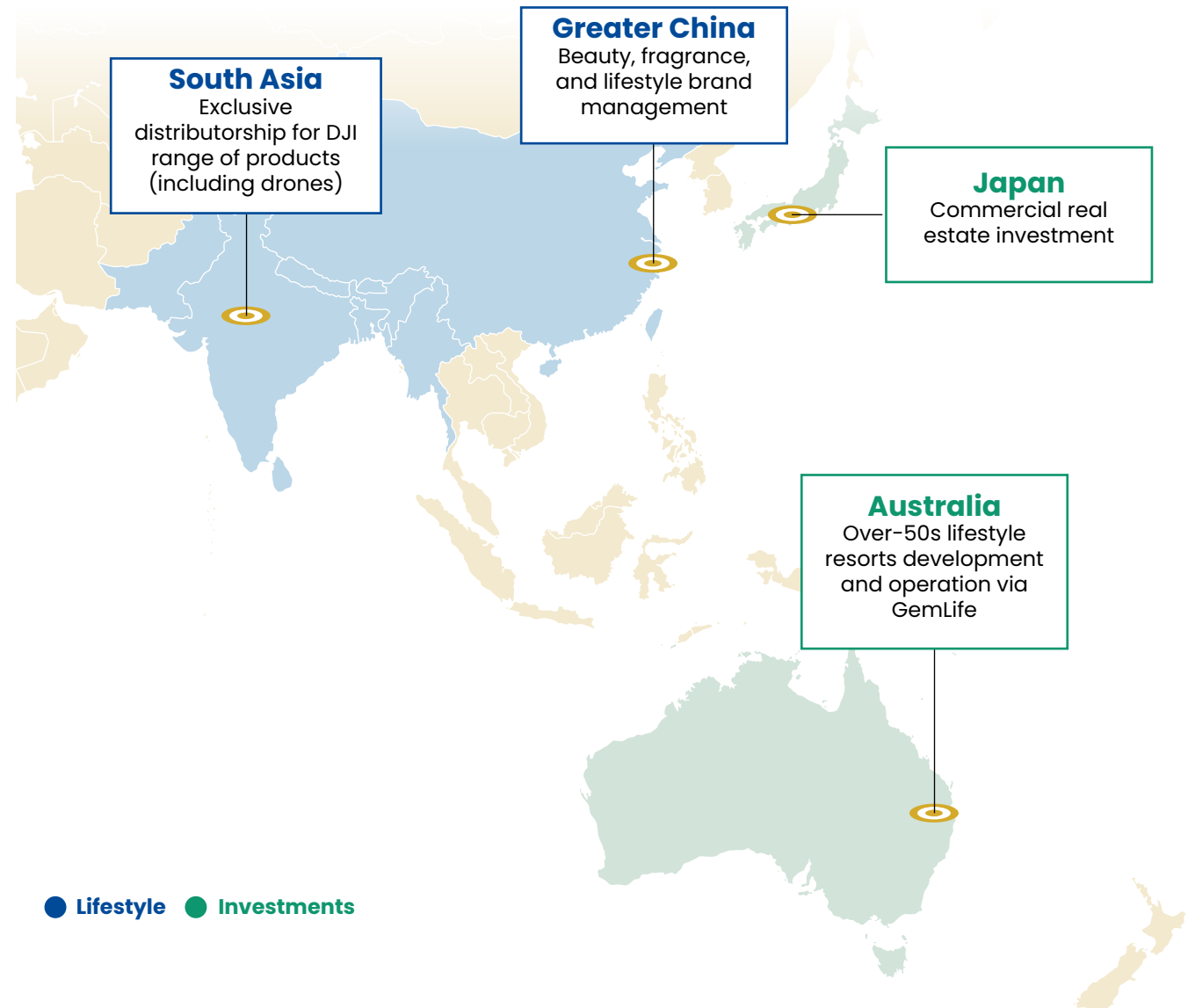
BLUEPRINT FOR SUSTAINABLE GROWTH – THAKRAL GROUP

Collective commitment towards fostering sustainable growth is a blueprint that has been at the heart of all our endeavours. As we continue to uphold our reputation as a trusted partner, known for creating generational value by delivering innovative value streams to our stakeholders, we remain dedicated to community growth and environmental stewardship through exploring impactful investments and collaborations.

Thakral Corporation Ltd (“Thakral” or the “Company”, together with its subsidiaries, the “Group”) is listed on the SGX Mainboard since December 1995. The Group’s core business comprises a growing investment portfolio in Australia, Japan and Singapore. Investments in Australia include the development and management of over-50s lifestyle resorts under the GemLife brand. The Japanese investment portfolio comprises landmark commercial buildings in Osaka, the country’s second largest city.

The Group also invests in the management and marketing of leading beauty, fragrance and lifestyle brands in Asia. It serves customers directly through retail flagship stores, multi-brand specialty retailers and e-commerce platforms.

Furthermore, the Group makes strategic investments in new economy ventures that complement its existing business relationships and network, including acting as a cornerstone investor or participating in early funding. These investments aim to harness potential synergies and explore new business opportunities.



● Lifestyle ● Investments

SUSTAINABILITY FRAMEWORK



KEY SUSTAINABILITY HIGHLIGHTS

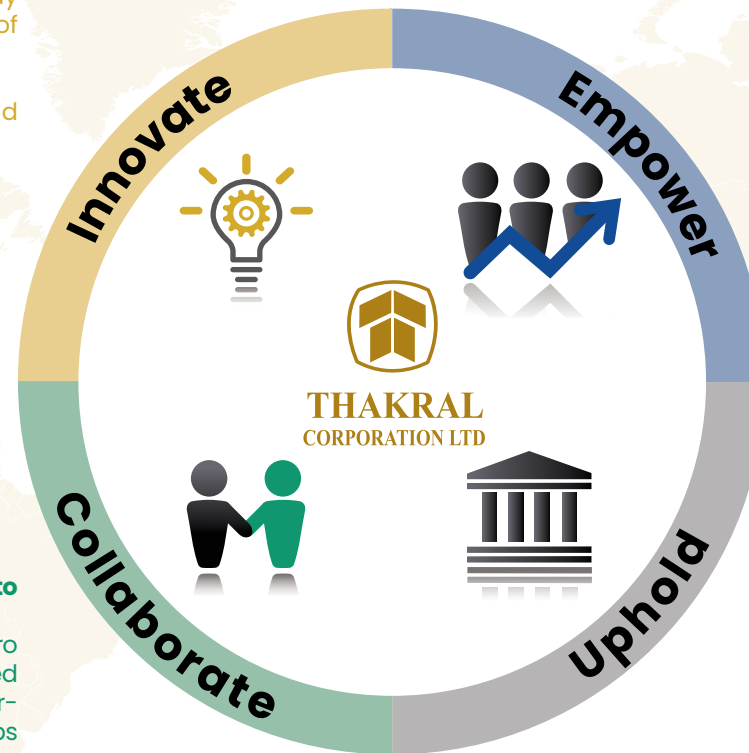
Underpinning the blueprint is our Sustainability Framework integrating our governance structure with four core management pillars (Innovate, Collaborate, Empower and Uphold) and enablers. While our strong governing structure plays an integral role in steering the direction of our sustainability efforts, the four core pillars provide structure in managing our sustainability material topics. Sustainability material topics are defined as issues that have significant impact on the Group, our key stakeholders, and our operating environment. This is supported by the six enablers, allowing us to deliver positive impact.

Value creation to stakeholders through innovative investment strategy

- Swapped 50% stake in the CurrentBody joint venture for a 10% stake in the parent of CurrentBody.com Limited
 - S\$3.1 million profit on the divestment
 - Recurring income streams through dividend and interest

Collaborate with like-minded value chain partners to develop homes with clean energy to communities

- BillionBricks reported good progress for net-zero housing in the Philippines including MOU signed with Quezon City Government to construct a solar-powered net-zero structure as well as partnerships for 38 homes



Culture of empowering individuals and the society

- Renewed long-term collaboration with North East CDC from 2019 to 2025
- Receive the People's Association Community Spirit Awards 2023 – Merit Award (Consecutive winner for two years)
- Donated approximately 170 wheelchairs and walkers, significantly aiding in improving the beneficiaries' mobility and independence

Long-standing commitment to uphold good governance

- Winner, Most Transparent Company Award (Consumer Discretionary)
- SIAS Investors' Choice Awards 2023 (Consecutive winner for two years)
- Appointed first female Director to diversify and create a more balanced leadership culture

SUSTAINABILITY GOVERNANCE

GRI 2-9, 2-12, 2-13, 2-14, 2-17

A strong governance structure is integral for directing and translating our blueprint for sustainable growth into reality.






All existing and new directors have attended the Environment, Social and Governance Essentials training conducted by the Singapore Institute of Directors



Appointed first female Director as part of gender diversity and create a more balanced leadership culture

Ms Janice Wu
Independent Non-Executive Director

<p>Board of Directors</p> 	<p>The Board¹ of Directors, supported by Independent Directors, provides strategic direction and maintains oversight of Thakral's EESG sustainability matters, policies, practices and performance.</p> <p>This includes identifying EESG topics that are material to the business, putting in place a framework of prudent and effective controls to assess and manage risks, regularly reviewing risks and opportunities, and promoting best practices in corporate governance.</p> <p>Headed by our Independent Non-Executive Chairman and Lead Independent Director, Mr. Natarajan Subramaniam, our Board members possess a range of core competencies in accounting, finance, legal, business management, industry and market knowledge that provide effective direction for the Group.</p> <p>Non-executive directors make up the majority of the Board. There is an appropriate level of independence on the Board, with independent directors constituting half of the Board.</p> <p>In 2023, the Board approved the Group's Workplace Health & Safety policy and reviewed/updated all other relevant policies (such as Code of Conduct and Ethics, Board Diversity, Investor Relations, Personal Data Protection, etc). The Board has validated the short, medium and long-term² quantitative targets which are disclosed in this report.</p>
<p>Group's Sustainability Working Group</p> 	<p>The Group's Sustainability Working Group ("SWG") is headed by our Chairman and comprises other management leaders, supported by the various unit heads.</p> <p>The SWG supports the Board and ensures that all relevant EESG topics are incorporated into the overall business strategy.</p> <p>It is also responsible for managing, reviewing and reporting the policies, practices and performance of material EESG topics within Thakral's business.</p> <p>The SWG monitors and provides updates to the Board on the performance of material EESG topics.</p>
<p>All staff</p> 	<p>All staff are responsible for implementing the sustainability policies and measures brought forward by the SWG, and working together to achieve the Group's sustainability targets.</p>

¹ In 2023, Thakral onboarded two new independent Non-Executive Directors, while two Independent Directors retired.





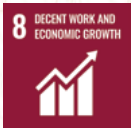





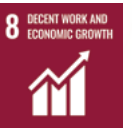

² Short term (1-2 years), Medium term (3-5 years) and long-term (Perpetual – beyond 5 years).

MATERIALITY ASSESSMENT

GRI 2-6, 2-29, 3-1, 3-2, 3-3








Collective commitment warrants a good understanding of our stakeholders, and working together to determine material matters that significantly affect our Group, stakeholders and the operational environment. By doing so, we aim to drive short and long-term value, while minimising any adverse effects that our business may create.

In FY2022, a materiality assessment was conducted which involved a benchmarking exercise of relevant peers, desktop research in sustainability trends, and surveying Internal and external stakeholders. The materiality assessment resulted in a final list of seven EESG material topics. These are classified under four pillars of our Sustainability Framework and have been mapped to the relevant SDGs. Upon review, the seven material EESG topics identified in the prior year continue to remain relevant in FY2023.








Pillar	INNOVATE 	COLLABORATE 	EMPOWER 	UPHOLD 
Materiality Topics	Economic Contribution	Climate Change	Employee Management Training & Development Health & Safety	Business Ethics Marketing & Labeling
Material To Thakral	Thakral prioritises delivering positive generational value to its stakeholders.	Thakral minimises environmental impact through collaboration with partners on sustainable practices.	Thakral recognises that a stable, engaged workforce within an inclusive working environment as essential for our business operations. Thakral aims to grow and develop a dynamic and future adaptive workforce. Thakral cultivates a safe and positive working environment for our employees.	Thakral safeguard all stakeholders' interest through good governance and transparency. Thakral aims to be a trusted partner.
GRI Topic Disclosure	GRI 201 – Economic Performance	GRI 302 – Energy 2016 GRI 305 – Emissions 2016	GRI 401 – Employment GRI 404 – Training & Development GRI 403 – Occupational Health & Safety	GRI 205 – Anti-Corruption GRI 417 – Marketing & Labeling
SASB Disclosures		Energy Management in Retail & Distribution	Workforce Diversity & Inclusion Labour Practices	Product Packaging & Marketing
Contribution to SDGs		  	  	

STAKEHOLDER ENGAGEMENT

Thakral prioritises building strong relationships with our stakeholders through regular engagement to understand their perspectives on key issues and address them in a timely manner. An overview of our stakeholder engagement process is presented in the table below.

Stakeholder Group	Investors 	Regulators 	Customers 	Suppliers 	Employees 	Community 	Top Management 
Engagement Method	<ul style="list-style-type: none"> • General Meetings • Press Releases • Public Conferences and Events • Publications • Emails/Phone Enquires and Feedback • Social media channel 	<ul style="list-style-type: none"> • Surveys • Electronic Communications • Regulatory Submissions 	<ul style="list-style-type: none"> • Customer Feedback • Management Summit • Trade Shows and Product Launches 	<ul style="list-style-type: none"> • Feedback via Email/Phone Call/Meetings 	<ul style="list-style-type: none"> • Performance Appraisal • Training 	<ul style="list-style-type: none"> • Various Communications 	<ul style="list-style-type: none"> • Board and its Sub-committees Meetings • Regular Discussions
Frequency	<ul style="list-style-type: none"> • Annually • Half yearly • Ad Hoc 	<ul style="list-style-type: none"> • Annually • Half-yearly • Ad Hoc 	<ul style="list-style-type: none"> • Frequent and ongoing 	<ul style="list-style-type: none"> • Frequent and ongoing 	<ul style="list-style-type: none"> • Annually • Ad Hoc 	<ul style="list-style-type: none"> • Regular and on-going • Ad Hoc 	<ul style="list-style-type: none"> • Half-yearly • Ad Hoc • Regular and ongoing
Key Concerns	<ul style="list-style-type: none"> • Higher financial returns • Property management • Trends in premium beauty, fragrance and lifestyle categories • Quality half-yearly and ad hoc press releases • Relevant company announcements 	<ul style="list-style-type: none"> • High standards of corporate governance • Regulatory compliance 	<ul style="list-style-type: none"> • Market presence of the brand • Customer health and safety • Security of properties 	<ul style="list-style-type: none"> • Procurement practices • Market practices • Customer health and safety 	<ul style="list-style-type: none"> • Competency development • Performance management • Fair employment practices 	<ul style="list-style-type: none"> • Eco-friendly development • Electricity consumption • Compliance with local requirements on environment 	<ul style="list-style-type: none"> • Economic performance • Indirect economic impacts

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Investors	Regulators	Customers	Suppliers	Employees	Community	Top Management
Our Approach	 <ul style="list-style-type: none"> By forging strong ties with our shareholders and investors by rewarding them with positive returns through systematic corporate governance practices By being transparent with our shareholders and investors through the publication of annual reports and sustainability reports on an annual basis By communicating with our shareholders and investors on a regular basis to address key concerns 	 <ul style="list-style-type: none"> By ensuring the Group is complying with all relevant regulatory requirements 	 <ul style="list-style-type: none"> By ensuring customers are satisfied By ensuring customers' needs are always catered effectively through operational sustainability and high-quality business practices 	 <ul style="list-style-type: none"> By forming longstanding relationships with suppliers through effective communication between the Group and its suppliers 	 <ul style="list-style-type: none"> By being committed to developing and supporting employees via relevant training programs 	 <ul style="list-style-type: none"> By being committed to enhancing the living standards and health of the local communities through incorporating sustainability measures in our business model and being more environmentally conscious By being committed to supporting worthy social and community causes for the environments we operate in 	 <ul style="list-style-type: none"> By being highly committed to delivering strong results and enhancing our business performance with sustainable business measures in place



INNOVATE

Innovation presents opportunities for collective commitment and actions. Through innovative investment strategy, long-term partnership and investments in sustainable solutions, Thakral is confident of chartering another generation of sustainable growth.

Material Topic: Economic Performance		
Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> To deliver positive returns to shareholders Committed to contribute at least 1% of net profit or S\$0.5 million, whichever higher, for worthy CSR activities 	<ul style="list-style-type: none"> To deliver positive returns to shareholders Committed to contribute at least 1% of net profit or S\$0.5 million, whichever higher, for worthy CSR activities 	<ul style="list-style-type: none"> To deliver positive returns to shareholders Committed to contribute at least 2% of net profit or S\$0.5 million, whichever is higher, for worthy CSR activities
Our Performance in FY2023		
<ul style="list-style-type: none"> Achieved a net profit of S\$8.8 million Maintain dividend of 4 Singapore cents Worthy CSR activities amounting to around S\$309,000 		



Mr Inderbethal Singh Thakral
Group CEO and Executive Director

Having started the joint venture from zero back in 2018 and jointly built CurrentBody-Thakral into a profitable entity covering the Chinese market, we are looking forward to continue working closely with CurrentBody. This is part of the Group's ongoing broader strategy of investing into new ventures and growing them by leveraging our extensive market knowledge and networks.



Mr Andrew Showman
CTO & CO-FOUNDER

CURRENTBODY
THE BEAUTY TECH EXPERTS

A Trusted Partner!

Thakral has been our key partner in expanding CurrentBody in China, initially under a joint venture and now as our shareholder.

They combine the long-term vision and trust of a multi-generational family-owned business with the transparency and efficiency of a listed company.



ECONOMIC CONTRIBUTION TO SOCIETY

CORPORATE SOCIAL RESPONSIBILITY

We cultivate a culture of giving back and our CSR efforts are centred around positively impacting society. We aim to make a meaningful difference in the lives of others and enhance the wellbeing of the communities where we operate. This in turn boosts employee morale and engagement. In 2023, we affirmed this commitment by donating a total of around S\$309,000 to various charitable organisations and programmes. The amount was lower than our target given that not all donation requests received were in line with management's donation direction.

CSR INITIATIVES IN 2023	DETAILS
Sree Narayana Mission (Singapore) ("SNM") - 75th Anniversary Fund Raising	We contributed to various programmes that are specifically designed to enhance the quality of life for elderly residents living in Sree Narayana Mission's nursing homes and senior care centres.
UOB Lunar New Year 2023 CSR Dinner	We supported UOB CNY celebration for their beneficiaries through donation and staff volunteering in the activities.
UOB CMB Heartbeat 2023	We actively supported UOB Global Heartbeat through donation since 2020.
North East CDC - Milk and Diaper Programme for Needy Children	Since 2019, we have been supporting a programme that has benefitted a total of 1,000 children from 2019 to 2023. This commitment was formally extended in 2023 via MOU for an additional year, ensuring our support until 2025.
Thakral's initiative - Wheelchair and Walker Donations	In view of rising costs in Singapore on mobility equipment, the Group leverage on its strong sourcing network in China to directly procure around 200 wheelchairs and walkers and deliver wheelchairs and walkers in Singapore to several organisations and needy beneficiaries directly. These include organisations such as AWWA, Bright Hill Evergreen Home, and Ren Ci. All in all, our outreach in 2023 included the donation of around 170 wheelchairs and walkers, significantly aiding in improving the beneficiaries' mobility and independence.



SNM 75th ANNIVERSARY CHARITY DINNER
Photo credit: SNM



MOU SIGNING CEREMONY WITH NORTH EAST CDC, OCTOBER 2023
Photo credit: North East CDC



PACS AWARDS 2023 CEREMONY
Photo credit: People's Association



DONATIONS OF WHEELCHAIRS TO BRIGHT HILL EVERGREEN HOME, AMKFSC COMMUNITY SERVICES, REN CI AND AWWA
Photo credit: Bright Hill Evergreen Home, AMKFSC Community Services, Ren Ci and AWWA

ECONOMIC CONTRIBUTION TO SOCIETY

GRI 3-3, 201-1

Securing financial stability and sustaining robust economic performance is pivotal to our strategic vision for long-term growth as a Group. We foster long-term partnerships and explore new investment opportunities that would generate consistent returns for our shareholders and diverse stakeholders. Our focus on strong net profits and Internal Rate of Return drives us to deliver enduring generational value through sustainable dividends, career growth opportunities and competitive employee compensation packages. With a focus on innovative sustainable solutions, our partnerships and investments are carefully aligned with environmental stewardship.

By adopting proactive measures, our Group has maintained financial stability across all our business ventures and financial performance. Our approach involves utilising entrepreneurial innovation to diversify our services, revenue streams and value creation. We place great emphasis on maintaining a lean cost structure, deploying effective risk management systems, and adhering strictly to strong budgeting protocols. These measures are instrumental in optimising our operational efficiency and reinforcing our financial stability. However, we are cognisant of the potential impacts of not incorporating these measures. A failure to generate consistent and stable dividends, for instance, could trigger a downfall in our share price, leading dissatisfied shareholders to offload their shares.

Our established policies below guide us in dividend distribution and remuneration:

Dividend Policy

This policy outlines the guidelines for dividend disbursements and the regularity of these payments to shareholders, which are determined in line with the company's financial performance.

The Group recorded a satisfactory year of financial performance in FY2023 despite challenging market conditions and socio-economic environment. We also undertook a few strategic initiatives to streamline costs and maximise potential returns. This is testament to the coordinated efforts of our proactive workforce and dynamic leadership who continue to deliver exceptional results while enhancing shareholder value and further reinforcing our commitment towards sustained and steady growth.

The Group's economic value generated increased by 32.4%, to \$212.3 million as compared to \$160.4 million in FY2022. The increase was primarily attributed to strong business growth. The economic value distributed by Thakral in FY2023 stands at 22.1% and it includes taxes to the government, purchases from suppliers, compensation to employees and investments into communities. Economic value retained for future capital requirements stands at 77.9% in FY2023 as compared to 71.4% in FY2022. A more detailed breakdown of our full-year financial results can be found in our [FY2023 Annual Report](#).

Remuneration Policy

This policy provides a framework for rewarding directors and senior management to support the key strategies of the Group to create a strong performance-oriented environment, including to encourage value creation for the Group and its stakeholders, and be able to attract, develop and retain talent.



COLLABORATE

At Thakral, we believe in the power of collective commitment to reduce our impact on the environment. By collaborating with like-minded value-chain partners and encouraging sustainability champions within our team to work together, we aim to implement sustainable practices along all levels of our value chain.

Material Topic: Climate Change		
Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> Explore/collaborate with like-minded partners to work towards bringing affordable and clean energy to needy communities, subject to availability of worthy investment(s) To ensure at least 50% of Japan investment properties are fully fitted with LED lightings Aim to maintain existing level of zero significant monetary and non-monetary sanctions record through the continual monitoring and adherence to environmental laws and regulations 	<ul style="list-style-type: none"> Allocating circa 10% (cumulative basis) of budgeted investment pool to available and worthy impact investing opportunities To ensure at least 70% of Japan investment properties are fully fitted with LED lightings Aim to maintain existing level of zero significant monetary and non-monetary sanctions record through the continual monitoring and adherence to environmental laws and regulation 	<ul style="list-style-type: none"> Allocating circa 10-20% (cumulative basis) of budgeted investment pool to available and worthy impact investing opportunities To ensure at least 90% of Japan investment properties are fully fitted with LED lightings Aim to maintain existing level of zero significant monetary and non-monetary sanctions record through the continual monitoring and adherence to environmental laws and regulations
Our Performance in FY2023		
<ul style="list-style-type: none"> BillionBricks reported good progress for net-zero housing in the Philippines including (i) MOU signed with Quezon City Government for a solar-powered net-zero model house and (ii) local partnerships for 38 homes GemLife launched an innovative A\$75 million Virtual Power Plant program initiative for their communities to be energy independent by providing up to 90 percent on-site renewable energy generation and storage, thus reducing energy bills for homeowners 63.5% of Japan investment properties have been fitted with LED lighting Zero non-compliance incidents under environmental laws and regulations 		



Mr Shaun Sales
CO-FOUNDER & CTO



The Fraction team is proud to enjoy the robust support from the Thakral group, who have not only played a significant role as a key investor but also as a valuable technology partner.

Through the introduction to Polygon Team by Thakral, we have helped our partner companies to reduce their carbon footprint and also saving their overall costs with more efficient in transactions. The aim to strengthen our collaboration with Polygon by 2024, envisioning to incorporate novel features and advanced functionality atop the strong existing foundation.

CLIMATE CHANGE

GRI 3-3, 302-1, 302-3, 305-1, 305-2, 305-3, 305-4, SASB CG-MR-130a.1

We recognise our responsibility to reduce our impact and environmental footprint. As a Group, we aim to optimise our energy consumption to reduce our greenhouse gas (GHG) emissions and operational expenses. This is achieved through monitoring our energy consumption and carbon emissions against our baseline year in FY2022, as it allows us to understand our consumption trends and explore energy saving opportunities in our business operations.

We adhere strictly to all applicable environmental regulations within the countries where we conduct our operations. Our commitment also extends to staying current with changes and updates in environmental standards and requirements across the countries. Zero incidents of non-compliance to environmental laws and regulations were reported during the reporting period.

As part of our commitment to sustainable energy practices, all our properties, including those being refurbished, are required to use LED lightings exclusively. Specifically in Hong Kong, our newly established office incorporated EESG considerations which includes equipping our offices and warehouse spaces with LED light fixtures, supplemented with lighting motion sensors in the warehouse. In addition, to facilitate around-the-clock air conditioning for our storage needs, we utilised ECOCOOL Energy Saver. This AI-based thermostat optimizes the operational time of air conditioning compressors, thereby ensuring efficient temperature management in the relevant storage section.

Further, the replacement to high energy efficient air-conditioning system (which received the “Minister of Economy, Trade and Industry Award” at the 2021 Energy Conservation Award (product/business model category)) at 5 floors at our investment property, Itachibori Square in Osaka, Japan, was completed in 2023.

In FY2023, we saw an increase in our total energy consumption to 6.05 TJ. This increase in energy consumption was primarily attributed to the relocation and expansion of floor areas in our Hong Kong warehouse and office, and higher number of employees returning to office in China resulting in almost doubling of the GHG emission intensity in China. Purchased electricity accounts for about 92% of the total energy usage. The energy consumption in Japan comprises the common areas of our commercial investment properties and our Japan office while in China and Hong Kong, the energy consumption arises from offices and warehouses.

Further breakdown of energy and emissions data can be found under the Performance Data section.



REPLACEMENT TO HIGH ENERGY EFFICIENT AIR-CONDITIONING SYSTEM AT ITACHIBORI SQUARE, OSAKA, JAPAN

COLLABORATION WITH VALUE CHAIN PARTNERS

GemLife Group

GemLife is a 31.7% associate of the Group which initially started as a joint venture in 2016. It is a developer of vibrant, active, and engaged communities designed specially to meet the rapidly changing health, well-being and lifestyle needs of Australia's over-50s. Designed for over-50s living with an emphasis on a dynamic lifestyle, GemLife features high-quality homes with a huge range of resort-style facilities. It currently has 11 resorts across Australia with many more in the pipeline.



GEMLIFE MORETON BAY RECEIVED FULL CERTIFICATION UNDER THE URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA'S ENVIRODEVELOPMENT PROGRAM

In 2023, GemLife's Gold Coast and Moreton Bay resorts received full certification under the Urban Development Institute of Australia's EnviroDevelopment program with the latter achieving six out of six 'leaves' for the elements assessed under the program which includes ecosystems, community, energy, water, materials and waste.



GEMLIFE'S PIONEERING VIRTUAL POWER PLANT ROLL OUT LAUNCHED ON 29 MAY 2023 AT MAROOCHY QUAYS

GemLife resorts boast industry-leading solar energy systems designed to maximise the environmental and economic benefits of solar power.

Launched an innovative A\$75 million Virtual Power Plant program initiative to allow their communities to be energy independent by providing up to 90 percent on-site renewable energy generation and storage which significantly reduced energy bills for homeowners.

BillionBricks

The Group made its maiden impact investment in 2022 in BillionBricks (“BB”), a climate tech venture that builds net-zero homes to foster homebuyer inclusiveness and to reduce the carbon emission of the built industry.



RENDER OF BB'S NET-ZERO HOUSE DESIGN
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Sienna

In 2023, BB launched Sienna, its sustainable, innovative and modern, net-zero house design. The design focuses on proprietary solar roofing systems, pre-designed kitchens and interiors, site-integrated water conservation and waste management systems, and smart-home technology with the BillionBricks mobile app for added convenience and efficiency. Aimed at developing communities of net-zero homes, the design is also structured to withstand earthquakes and typhoons.



MEMORANDUM OF AGREEMENT (“MOU”) SIGNING FOR THE DEVELOPMENT OF A NET-ZERO HOME UNIT IN QUEZON CITY
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Quezon City Government

In November 2023, BB signed a MOU with the Quezon City Government. This agreement involves constructing a solar-powered, net-zero structure in Barangay Bagong Silangan. The structure is situated on a 150 sqm space that can be repurposed to meet the community’s needs, such as serving as a multipurpose building, daycare centre, or health facility.



Archinet International

BB partnered with Archinet International in October 2023 to build a 16-home community in San Mateo, Rizal, Philippines. The project is scheduled to be completed by July 2024, integrating energy-efficient technologies, ecological landscaping, and ample green space to create sustainable living. Pre-sales began in December 2023 and were sold-out within seven days of launch.



Sitoza

In December 2023, BB partnered with Sitoza Incorporated to develop a 22-home community in Iligan, Mindanao, Philippines. The project is currently in the pre-construction phase and is scheduled to be completed by March 2025. BillionBricks has met with local government units who have shown interest in other prospective projects in the region.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

In our second year of climate-risk reporting, we built upon the foundations of FY2022 by refining our initial scenario analysis and compiled a more comprehensive assessment of risks that could potentially impact the Group.

Our approach to managing material climate-related risks is based on the four key pillars of TCFD: Governance, Strategy, Risk Management, and Metrics and Targets, which include a total of 11 disclosure recommendations. Recognising the dynamic landscape of climate risk, we will continue to review our plans, risks assessment and opportunities on an ongoing basis. Our objective is to continue to build resilience against all material risks of the Group.

TCFD Pillar	Recommended Disclosure	Thakral's Approach	Report Section
Governance	<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Board provides oversight for climate-related risks and opportunities. Sustainability and climate-related performance is reviewed and updated at least once a year. The Board and Management ensures evaluation of both the actual and potential impact of climate-related risks and opportunities on Thakral's operations, revised strategies and business plans.</p> <p>The management designs, implements, and monitors internal controls and risk management systems, develops tools and metrics to monitor exposures to environmental risk. The management takes responsibility for identifying, assessing, mitigating, monitoring, and reporting such environmental risks to the Board.</p> <p>For further information on Thakral governance structure, please refer to the Sustainability Governance section.</p>	Sustainability Governance

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

TCFD Pillar	Recommended Disclosure	Thakral’s Approach	Report Section
Strategy	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.</p> <p>c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>In FY2023, we updated our climate risk assessment across all our operations. We evaluated potential risks and opportunities by examining specific climate scenarios, allowing us to assess the implications of significant transition and physical risks within these scenarios and under different time horizons.</p> <p>We adopted 2 scenarios, Net-Zero and Business as Usual (“BAU”) for assessment across the short, medium and long-term horizons. Additional details about the evaluation are discussed in the following section.</p> <p>We have identified six categories of medium to high climate-related risks: four pertaining to transition risks and two to physical risks. Transition risks are anticipated to be high over the medium and long terms, especially under the net zero scenario. On the contrary, physical risks such as extreme weather events (i.e. flooding) and average temperature are set to be more apparent under the business-as-usual scenario.</p> <p>The Group evaluates its mitigation strategies as part of ongoing efforts to enhance and optimise operations. We are committed to minimise the effects of increased energy costs associated with greenhouse gas emissions. We also continue to invest in sustainable and impact solutions to reduce energy consumption.</p> <p>In Australia, as part of the pre-planning and application for Development Approval (“DA”) process, long term climate risks (flooding, coastal flooding, bushfire etc) and the appropriate mitigation measures are addressed.</p> <p>For the investment properties in Japan, we work with the asset manager to ensure adequate mitigation actions are in place.</p> <p>In respect of physical risk, the Group has a comprehensive insurance process to protect our key assets in Australia and Japan.</p> <p>At the current stage, risk mitigation measures are not as critical over the shorter term but are continuously being evaluated and implemented to address medium to long term impacts. However, we remain vigilant and will assess and modify this strategy if and when required.</p>	

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

TCFD Pillar	Recommended Disclosure	Thakral’s Approach	Report Section
Risk Management	<p>a) Describe the organisation’s processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation’s processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.</p>	<p>Environmental and climate-related risks are covered in our risk universe and assessed on an annual basis for existing assets. For new assets to be acquired, it is assessed during the due diligence process by the Management for onward submission to the Investment Committee where applicable. The Audit Committee reviews the assessment on an annual basis and these are validated and approved by the Board.</p> <p>Risks identified, where applicable, are primarily mitigated through ensuring adequate insurance coverage for our key investments in Australia and Japan.</p> <p>We are committed to the ongoing monitoring and improvement of our climate risk assessment and management approach and including them in our decision-making processes. This ensures that climate-related risks remain integral to our strategic and financial planning.</p> <p>We will continue to manage the risks associated with climate change, review our mitigation measures and initiatives to improve the environmental sustainability of our operations. For further information on our Risk Management and Internal Controls, please refer to pages 59 to 60 of our Annual Report 2023.</p>	<p>Risk Management and Internal Controls</p>
Metrics and Targets	<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.</p> <p>c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.</p>	<p>The Group monitors its energy consumption and GHG emissions against our baseline year in FY2022, as it allows us to understand our consumption trends and explore energy saving opportunities in our business operations.</p> <p>We continue to disclose our Scope 1 and 2 GHG emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (“GHG Protocol”) methodology. This can be found in the Climate Change section on page 14.</p> <p>We are applying the approach of continuous improvement and have initiated the identification of Scope 3 categories that are material and relevant to us. We are reporting two categories this year with plans to broaden the scope of emissions inventory and reporting in subsequent years.</p> <p>The Group is committed to set common, meaningful and measurable targets that can effectively manage the major climate risks that have been identified.</p>	<p>Energy Management</p> <p>Scope 1, 2 and 3 GHG emissions</p>

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Scenario Analysis

Physical and Transition Climate Change Risk Assessment Scope			
Assessment Scope	Physical Risk: Manifests from extreme weather events and longer-term shifts in climate		Transitional Risk: Manifests from shift towards a low-carbon economy
Time Horizons	Short Term (2025)	Medium Term (2030)	Long Term (2050)
Scenarios	Net-Zero		BAU
For Physical risks and key assumptions	Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6		IPCC RCP 8.5
	<ul style="list-style-type: none"> Greenhouse gas (“GHG”) emissions are strongly reduced, resulting in global average temperature increase of no greater than 2°C in an organised transition.³ 		<ul style="list-style-type: none"> Minimal policies or actions are in place to support decarbonization, GHG emissions continue to rise with continued high fossil fuel usage. Depicting implications of a future with higher physical risks.³
For Transition risk and key assumptions	Network for Greening the Financial System (NGFS) Net Zero		NGFS Nationally Determined Contributions (NDCs)
	Assumes ambitious climate policies are introduced immediately. Net Carbon Dioxide (“CO ₂ ”) emissions to reach net zero around 2050, with a chance of limiting global warming to below 1.5 °C by the end of the century, with transition risks expected to be high ⁴ .		Assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2021 continues over the 21st century, with transition risks expected to be relatively low ⁴ .

³ For more information please visit: Intergovernmental Panel on Climate Change, Topic 2 – Future Climate Changes, Risks and Impacts, https://ar5-syr.ipcc.ch/topic_futurechanges.php

⁴ For more information please visit: Network for Greening the Financial System Scenarios Portal, <https://www.ngfs.net/ngfs-scenarios-portal/explore/>

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Risk Type	Description	Example of Possible Impact to Thakral	Mitigation Actions
Transition Risk			
Regulatory and policy	<ul style="list-style-type: none"> Increased pricing of GHG emissions 	<ul style="list-style-type: none"> Singapore and Japan have implemented carbon pricing schemes while the other locations also aim to implement carbon pricing schemes respectively. The potential increase in carbon price could drive up operational costs affecting profit margins, assuming pass-through costs from energy providers. 	<ul style="list-style-type: none"> Monitor and improve our energy efficiency throughout our operations. Monitor the developments of carbon pricing regulations in the countries we operate. Continue to invest in renewable energy and sustainable solutions investments.
Technology	<ul style="list-style-type: none"> Cost to transition to lower emission technology 	<ul style="list-style-type: none"> Local policies may require Thakral to reduce emissions by investing in more energy-efficient solutions. Singapore, China, Hong Kong and Japan have already shown commitment to transition to energy-saving infrastructure and green technologies. 	<ul style="list-style-type: none"> Monitoring of commercially available energy saving technologies. Continue to invest/replace in energy savings solutions to reduce future transition costs associated with adopting new technology.
Market	<ul style="list-style-type: none"> The risk of financial loss resulting from market changes. 	<ul style="list-style-type: none"> Inability to meet or keep up with market expectation for greener products, services and technology may result in losing competitive edge. This includes the risks of less desirable properties in locations vulnerable to climate change may lead to reduced occupier/tenant demand, reduction in customer base, and reduced asset value. 	<ul style="list-style-type: none"> Constant review of products and business models to maintain a competitive edge with innovative green solutions. Foster responsible and sustainable investment with our value chain partners.
Reputational	<ul style="list-style-type: none"> The risk of damage to an organisation’s image and brand as a result of its actions or perceived inaction on climate-related issues. 	<ul style="list-style-type: none"> Failure to meet increasing stakeholder expectations in relation to climate change and emissions reduction, green packaging may lead to adverse reputational impacts, resulting in difficulties securing investment capital, insurance and approvals, affecting talent retention and attraction, and leading to potential shareholder divestment. Reports where performance does not meet stakeholder expectations could worsen investor confidence and cause reductions in company valuations. 	<ul style="list-style-type: none"> Constant review of products and business models to ensure no cases of non-compliance. Foster responsible and sustainable investment with our value chain partners.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Risk Type	Description	Example of Possible Impact to Thakral	Mitigation Actions
Physical Risk			
Acute	<ul style="list-style-type: none"> Increased frequency of extreme weather events, such as storms, heatwaves, wildfires and floods. 	<ul style="list-style-type: none"> Impacts of floods, storms and extreme temperature spells are assessed to be more severe in Australia as most of the properties are along the coast. To avoid significant interruptions to Thakral’s business operations from floods or infrastructure damage requires costs associated to weatherproofing the assets and business against increasingly severe weather and climate events. 	<ul style="list-style-type: none"> To develop and maintain a robust Business Continuity Plan (“BCP”) to minimise the impact of potential disruptions. Continue to review our insurance plans and processes to ensure adequate coverage for critical assets. Addressed during DA process (eg raising land level above certain sea level heights).
Chronic	<ul style="list-style-type: none"> Change in average temperature 	<ul style="list-style-type: none"> Rising global temperatures will lead to an increase in cooling requirements. High or extreme temperatures can result in heatwaves particularly in Australia. 	<ul style="list-style-type: none"> Evaluate initiation or installation of energy efficient or environmentally friendly cooling measures or systems. Changes in Australian building standards to stay ahead of climate change requires new builds to meet updated energy efficient ratings. Changes include optimising aspect of the homes, insulation, floor plans, building materials etc.



EMPOWER

At Thakral, our people are at the core of our Group and play an integral role in driving our blueprint for sustainable growth. We cultivate a work culture that encourages collaboration and mutual support, empowering our employees and business communities to develop, grow and adapt amidst the changing landscape.

Material Topics covered within this pillar



Employee Management



Training Development



Occupational Health & Safety

Material Topic: Employee Management

Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> Achieve staff retention rate of 60%, excluding Beauty Advisors ("BA") Achieve at least 10% of long serving employees above 10 years, excluding BA Low turnover staff rate of 30-35% taking into consideration of the norm in higher turnover for BA To maintain zero incidents/penalties/fines of non-compliance in connection with labour legislations and workplace discrimination 	<ul style="list-style-type: none"> Achieve staff retention rate of 70%, excluding BA Achieve at least 15% of long serving employees above 10 years, excluding BA Achieve low turnover staff rate of 30% taking into consideration of the norm in higher turnover for BA To maintain zero incidents/penalties/fines of non-compliance in connection with labour legislations and workplace discrimination 	<ul style="list-style-type: none"> Maintain employee retention rate at 70%, excluding BA Achieve at least 20% of long serving employees above 10 years, excluding BA To maintain employee turnover rate at 30% taking into consideration of the norm in higher turnover for BA To maintain zero incidents/penalties/fines of non-compliance in connection with labour legislations and workplace discrimination
Our Performance in FY2023		
<ul style="list-style-type: none"> Achieved 71.0% retention rate of total employees Turnover rate reached 45.2%, taking in consideration of the high turnover rate for BA in China 41.8% of our workforce (excluding BA) are with the Group for more than 10 years Zero incidents/penalties/fines of non-compliance in connection with labour legislations and workplace discrimination 		



Reflecting on my 36-year career at Thakral, I fondly remember starting as a personal assistant and how management's unwavering support allowed me to transition into an HR role in 2005. In the company's early days, we solidified a close-knit, family-like culture that has been nurtured even as the company saw massive growth. Notably, Thakral's commitment to sustainability was evident during a recent office relocation. I harbour fond memories with many long-serving colleagues, and I am fully confident about Thakral's future given its attention to employee-centric policies and flexible work arrangements. I am deeply grateful for the enjoyable, supportive, and stable work environment that has made my long tenure at Thakral incredibly fulfilling.

Ms Wanny Cheung

MANAGER - HUMAN RESOURCE AND ADMINISTRATION
THAKRAL CORPORATION (HK) LIMITED



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Material Topics covered within this pillar



Employee Management



Training Development



Occupational Health & Safety

Material Topic: Training & Development

Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> To achieve average of 12 hours of training per employee p.a. To progressively implement annual performance appraisal for at least 30% of permanent employees 	<ul style="list-style-type: none"> To increase average of 16 hours of training per employee p.a. To progressively implement annual performance appraisal for at least 60% of permanent employees 	<ul style="list-style-type: none"> To maintain average of 16 hours of training per employee p.a. 100% of workforce have annual performance appraisal for permanent employees
Our Performance in FY2023		
<ul style="list-style-type: none"> Achieved an average of 26.0 hours of training per employee Approximately 21.3% of our permanent workforce, excluding BA, received annual performance appraisals 		



EMPOWER

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Material Topics covered within this pillar



Employee Management



Training Development



Occupational Health & Safety

Material Topic: Occupational Health & Safety

Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> Aim to have zero cases of work-related injuries, ill health or fatalities Low employee turnover rate of 30% due to working environment based on exit interview for voluntary departures only SWG to evaluate and develop employee-centric benefits 	<ul style="list-style-type: none"> Aim to have zero cases of work-related injuries, ill health or fatalities Low employee turnover rate of 30% due to working environment based on exit interview for voluntary departures only To develop and put in place guidelines and policies on employee-centric benefits 	<ul style="list-style-type: none"> Aim to have zero cases of work-related injuries, ill health or fatalities Low employee turnover rate of 20% due to working environment based on exit interview for voluntary departures only Availability of employee-centric benefits beyond statutory requirements

Our Performance in FY2023

- No reported cases of work-related injuries or fatalities and work-related ill health in the Group
- The Group is in the midst of revising our exit interview to include negative/unsafe working environment option as a specific departure reason in FY2024 for data collection
- SWG is currently evaluating and developing employee-centric benefits for all employees

EMPLOYEE MANAGEMENT

GRI 2-1, 3-3, 401-1, 401-2, SASB CG-MR-330a.1, SASB CG-MR-330a.2

Material Topics covered within this pillar



Employee Management



Training Development



Occupational Health & Safety

An engaged workforce is important for the sustained growth of our business. Our focus on attracting and retaining a qualified and productive workforce leading to enhanced productivity, has been a key driver in contributing towards achieving our business goals. Our firm commitment in providing an inclusive, nurturing, and caring working environment also plays a significant role in retaining our workforce.

Our employees are required to adhere to professional and appropriate workplace standards. We maintain compliance with all relevant local laws and regulations in the respective countries we operate in. Our Group Code of Conduct and Ethics and Human Resources (HR) policies, procedures and manual also further guide the behaviours, actions and decisions of our employees in our daily business operations. Our Group employee manual serves as a valuable resource guide containing essential information for all employees, including details on new hire procedures, employee benefits, training and development opportunities, leave entitlements and more.

We are unwavering in our commitment to ensuring equal opportunities for everyone, irrespective of race, age, gender, religion, nationality, or any other characteristics. Our hiring process is merit-based and firmly rooted in our values of equality, respect and fair treatment for all employees. During the reporting year, there were no financial losses incurred due to legal proceedings related to employment discrimination.

We provide remuneration, insurance and medical benefits to all full-time permanent employees, not including our part-time and temporary employees. As part of our commitment to provide fair and equitable compensation that recognises the contributions of our employees, our Sustainability Working Group is currently evaluating and developing employee-centric benefits for all employees.

As of 31 December 2023, we saw a 43.1% increase in staff strength, comprising of 211 permanent employees including 5 part-timers. There are 7 temporary employees who are on a non-guaranteed hour basis and 1 temporary full-time employee. Our workforce also includes 13 workers to support operations in various business units. We remain diversified in our workforce with 42% males and 58% female employees.

The number of new hires increased by 75.3%, a nearly two-fold increase from the 37.9% in FY2022. This increase was primarily driven by the Group's expansion of fragrance retail stores in Greater China. This included taking over several stores from our partner and subsequently closing those in non-strategic locations at their request, increasing overall staff turnover to 45.2%. Excluding these store closures, turnover would have been 32.9%, similar to 2022.

We are pleased that we have 51 employees (excluding BA) who have been contributing to the Group for more than 10 years.

Please see the Performance Data section for a more detailed breakdown of our employees' profile and hiring and turnover numbers and rates.

TRAINING & DEVELOPMENT

GRI 3-3, 404-1, 404-2, 404-3

Material Topics covered within this pillar



Employee Management



Training Development



Occupational Health & Safety

Our goal is to cultivate a dynamic workforce that is future-adaptive; building a competent and qualified team that stays updated with shifts and advancements in the industry.

We are dedicated to empowering our employees through ongoing learning and development opportunities, enhancing their professional performance and personal growth. By nurturing a highly skilled workforce, we keep our business competitive and maintain its relevance. A lack of adequate training could potentially lead to lower work performance and efficiency, consequently negatively impacting our business operations.

Our training and development policies are covered under the Group HR policies, procedures and manual. The policy not only specifies the importance of employee training but also further details the procedures for employees to undertake training, aimed at enhancing the skills required for their respective roles.

Potential skill gaps in employees are typically identified by their respective supervisors. The supervisors would then recommend suitable training courses and certification programmes subject to management's approval, aimed at bridging these gaps. Our career conversion programme features the selection of appropriate employees and management personnel to participate in sustainability-related courses, fostering a thorough understanding and awareness of sustainability frameworks and practices.

Upon the completion of training, data is gathered from employees in the form of feedback and performance evaluations to assess the efficacy of the training courses. Training sessions are conducted by external providers and further supplemented by in-house resources to ensure a comprehensive learning experience. Some of the courses attended in FY2023 include ISSB: Tackling the Challenges of Transitioning to the New Sustainability Reporting Standards in Hong Kong by Deloitte, HKICPA Annual Accounting Update 2023, Climate Change for Leaders: Risks, Opportunities and Sustainable Finance by National University of Singapore and Managing GST Effectively for Businesses by Singapore Business Federation Singapore. Additionally, our employees are encouraged to attend webinars and seminars relevant to their job responsibilities.

Our performance appraisal and career development review process empower our employees to grow their capabilities and plan a career path that aligns with both their personal and the Company's goals. In FY2023, excluding BA, approximately 21.3% of our workforce (majority female within the middle management) received regular performance and career development reviews. We are working towards expanding this to an increasing number of employees in the future years. In the same year, we recorded a total of 5501.5 training hours, averaging about 26.0 training hours per full-time employee. This was an increase of 73.3% from the average of 15.0 training hours in FY2022, mainly from higher training hours arising from the increase in number of BA. Excluding BA, average training hours per employee for FY2023 would be 8.0 hours.

The breakdown of average training hours and performance reviews are presented under the Performance Data section.

HEALTH & SAFETY

GRI 3-3, 403-2, 403-9, 403-10

Material Topics covered within this pillar



Employee Management



Training Development



Occupational Health & Safety

Health, safety and the well-being of our employees is of paramount importance. We are committed to maintaining a secure, safe and healthy work environment where our employees can thrive without any concerns for their physical well-being and are protected from potential hazards. In the absence of appropriate health and safety measures, incidents and accidents could occur which would potentially cause disruptions to our operations.

We strictly adhere to all workplace health and safety regulations in the respective countries we operate in. Our Group Workplace Health & Safety policy was established as a separate stand-alone guide in November 2023 to supplement the principles set out in our Code of Conduct and Ethics and emphasize our commitment to protect the well-being and safety of all our employees. The policy sets out our procedures and strategies to promote safe working standards, prevention of accidents, process of identifying and mitigating workplace hazards and establishing a responsive incident reporting system. Ultimately, our goal is cultivating an accident and injury-free workplace.

In case of unforeseen incidents or potential hazards, employees are strongly advised to report immediately to their direct supervisor or the HR department. This also acts as a deterrent against potential workplace injuries or illnesses by facilitating early detection and remediation of workplace risks. We empower all employees with the necessary knowledge and resources to promote a culture to safeguard workplace safety and health. In case of any incidents or safety concerns, the Business Unit Management will investigate the incident and consider the appropriate mitigation methods.

Additionally, our Whistle-blowing policy acts as a channel of reporting any safety concerns without the fear of reprisal, providing the added protection for our workers. In FY2023, no cases of work-related injuries or fatalities and work-related ill-health involving our employees and workers were reported.



UPHOLD

As a trusted partner and brand, we firmly believe that integrity and responsibility form the cornerstone of our success and are vital for the continued growth of our business. Our commitment extends to conducting our business in an ethical and responsible manner, ensuring transparency in all our operations. By incorporating these core values, we strengthen our credibility, nurture a culture of trust and respect, and set the course for our business towards sustainable growth.

Material Topics covered within this pillar



Business Ethics



Marketing & Labeling

Material Topic: Business Ethics

Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> Maintain zero incidences of regulatory non-compliance with laws, and/or regulations in the markets where the Group operates Implement targeted training for higher risk level of employees Maintain within top 30% level under the SGTI and with less than 20% decline in base score 	<ul style="list-style-type: none"> Maintain zero incidences of regulatory non-compliance with laws, and/or regulations in the markets where the Group operates Maintain within top 20% level under the SGTI and not more than 15% decline in base score 	<ul style="list-style-type: none"> Maintain zero incidences of regulatory non-compliance with laws, and/or regulations in the markets where the Group operates Maintain within top 20% level under the SGTI and not more than 15% decline in base score

Our Performance in FY2023

- Zero incidents of corruption reported including no fines, penalties and non-compliance with regulatory bodies
- The Group is in the midst of exploring appropriate targeted training programs for higher risk level employees
- Maintained within top 30% level under the SGTI ranking with less than 20% decline in base score

Material Topic: Marketing & Labeling

Short Term Target	Medium Term Target	Long Term Target
<ul style="list-style-type: none"> Aim to maintain zero incidents of non-compliance concerning product and service information and labeling where it operates 	<ul style="list-style-type: none"> Aim to maintain zero incidents of non-compliance concerning product and service information and labeling where it operates. 	<ul style="list-style-type: none"> To maintain zero incidents of non-compliance concerning product and service information and labeling where it operates.

Our Performance in FY2023

- Zero incidents of non-compliance concerning product and service information and labeling were reported.



BUSINESS ETHICS

GRI 3-3, 2-16, 2-25, 2-26, 205-2, 205-3

Material Topics covered within this pillar



Business Ethics



Marketing & Labeling

As a trusted partner and brand, our commitment is to enhance shareholder value and protect stakeholder interest through good governance, high ethical standards and integrity. Our aim is to sustain a resilient business that consistently delivers value to our stakeholders. Our commitment extends to enforcing a transparent, fair, and honest business operation and do not tolerate any corruption, extortion and bribery, recognising that these can lead to significant financial loss and damage to our reputation.

We prioritise integrity, transparency, and management of conflict of interest. Our Code of Conduct and Ethics highlights our commitment to fair, honest and ethical business conduct in compliance with applicable anti-bribery and anti-corruption laws. It outlines the guiding principles and expected behaviours for our employees. Our Board reviews the Code of Conduct and Ethics annually. Our employees are expected to be well-versed and adhere to our Code of Conduct and Ethics.

Our Whistleblowing Policy provides for our employees to report, in confidence, any concerns regarding actual or suspected improprieties related to corruption, bribery, fraud and any other suspected non-compliance issues. Whistle-blowers can report directly to the Audit Committee using the dedicated email address available on our website. This same email is concurrently forwarded to our internal auditor. The Audit Committee is the responsible authority for handling all whistle-blowing matters. In the case of any grievances, employees can address their concerns directly to their respective managers, approach management, or utilise the designated whistle-blowing communication channel.

For the second consecutive year, we have been awarded the Winner of the Most Transparent Company Award (Consumer Discretionary) at the SIAS Investors' Choice Awards 2023. We also continue to be on the SGX Fast Track Programme, which recognises listed companies with good corporate governance standing and compliance track record. The Singapore Governance and Transparency Index ("SGTI") is also used as an external reference to monitor our governance and transparency performance.

In FY2023, the Group reported zero incidents of corruption. No fines, penalties and non-compliance with regulatory bodies were reported. Additionally, all our governing bodies and employees received communication on anti-corruption policies and procedures during the reporting year.



SIAS INVESTORS' CHOICE AWARDS 2023 DINNER AND CEREMONY

MARKETING & LABELING

GRI 3-3, 417-1, 417-2, SASB CG-MR-410a.2, SASB CG-MR-410a.3

Material Topics covered within this pillar



Business Ethics



Marketing & Labeling

The Group is committed to ensuring the safety and well-being of our customers through the products we distribute and the services we offer. This includes providing accurate product Labeling along with comprehensive instructions and component information to facilitate informed decisions for our customers. Incorrect Labeling in products can pose well-being and safety risks to consumers which could lead to legal implications for our company and damage our reputation.

Our product labels and service information are fully in accordance with relevant local laws and regulations. We strictly adhere to relevant labeling and storage requirements for our products, in particular as some contain chemical ingredients. In our India operations, our products are labelled with key information including the weight, Maximum Retail Price (MRP), size, grade model number and manufacturer details.

In FY2023, the Group reported zero incidents of non-compliance with regulations resulting in a fine, penalty or warning concerning product and service information and Labeling.



PRODUCT MARKETING AND LABELING OF JOHN MASTERS ORGANICS, CURRENTBODY AND MAISON MARGIELA

ABOUT THIS REPORT

Reporting Scope

GRI 2-1, 2-2, 2-3, 2-4

The Group has adopted a phased approach in our sustainability reporting journey. On an annual reporting cycle, this is our seventh Sustainability report. This report covers our sustainability approach, initiatives and performance for our key ESG topics for the period from 1 January 2023 to 31 December 2023.

The Company acquired a new subsidiary, Thakral Innovation Pvt Ltd in India on 28 December 2023. Due to the limited timespan between the acquisition and the end of the reporting period, information relating to this new subsidiary has not been included into this report.

This Sustainability Report should be read together with the financial information detailed in our Annual Report 2023.

This report covers our entities located in Singapore, China, Hong Kong, Macau, Japan and India.

Our Key Entities	Location
Thakral Capital Holdings Pte Ltd	Singapore
Thakral Japan Properties Pte Ltd	Singapore
TJP Pte Ltd	Singapore
Thakral Umeda Properties Pte Ltd	Singapore
Thakral Realty (S) Pte Ltd	Singapore
Thakral China Ltd	China
Thakral Beauty (Shanghai) Ltd	China
Thakral Corporation (HK) Limited	Hong Kong
Thakral Brothers Ltd	Japan
Singapore Sourcing & Technology Pvt Ltd	India

Reporting Standard

GRI 2-4, 2-5

This report has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards 2021. The GRI standards was selected as it is the most widely adopted global standard for reporting on environmental, social and governance topics. This report is also in reference to the Sustainability Accounting Standards Board (“SASB”) standards.

This report also meets the requirements of the SGX-ST Listing Rules (711A and 711B) as well as the Sustainability Reporting Guide set out in the Practice Note 7.6.

This year, we continue to report in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures in our climate reporting following SGX’s recommended phased approach. More details can be found under the Collaborate Pillar.

External assurance has not been sought for this report, but we have completed an internal review for our sustainability report to fulfil the requirements of the Sustainability Reporting Guide set out in SGX-ST’s Practice Note 7.6 to ensure the accuracy and reliability of the sustainability information disclosed in this report.

Feedback

GRI 2-3

We welcome any questions and feedback from our stakeholders, being an integral part of our sustainability journey. Please send your questions or comments to enquiries@thakralcorp.com.sg.

Date: 25 April 2024

PERFORMANCE DATA

Economic Performance (GRI 201-1)

Economic Performance		
	FY2022 (\$ Million)	FY2023 (\$ Million)
Economic Value Generated	160.4	212.3
Economic Value Distributed (includes operating costs, distributed value to employees, capital payments, government payments & community investments)	45.98	46.94
Value retained for future capital requirements	114.47	165.32

Climate Change (GRI 302-1, 302-3, 305-1, 305-2, 305-3, 305-4)

Energy & Emissions Data

	China		Hong Kong		Japan	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Energy Consumption						
Fuel consumption (TJ)	0.203	0.340	0.043	0.066	0.105	0.098
Purchased electricity (kWh)*	27,906	51,286	95,526	132,704	1,352,933	1,356,426.25
Energy intensity (TJ/m ²)	0.00042	0.00073	0.00027	0.00015	0.00035	0.00035
GHG Emissions						
Scope 1 emissions (kg CO ₂ e) ⁵	14.13	23.64	3.28	4.87	6.18	7.10
Scope 2 emissions (kg CO ₂ e) ⁶	22,103.99	29,248.41	67,823.46	94,219.84	630,196.19	631,823.35
Total emissions intensity (kgCO ₂ e/m ²)	22.18	40.77	47.10	50.58	44.50	44.62

*Excluding retail stores in Greater China

Scope 3 ⁷ comprises of the following:	
Category 1 – Purchased goods and services	859.66 tCO ₂ e
Category 4 – Upstream transportation and distribution	389.25 tCO ₂ e
Total	1,248.91 tCO₂e

⁵ Direct (Scope 1) GHG emissions are calculated using emission factors and global warming potential rates from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IPCC Fifth Assessment Report. An operational control approach is applied for Scope 1 GHG emissions. Gases included in direct (Scope 1) GHG emissions include: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.

⁶ A location-based method is adopted for the calculation of energy indirect (Scope 2) GHG emissions. Grid emission factors used are obtained from authoritative release data from all regions of operation.

⁷ Thakral's Scope 3 emissions are calculated according to the recommendations of Greenhouse Gas (GHG) Protocols "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as "GHG Protocol Corporate Accounting and Reporting Standard" by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

PERFORMANCE DATA

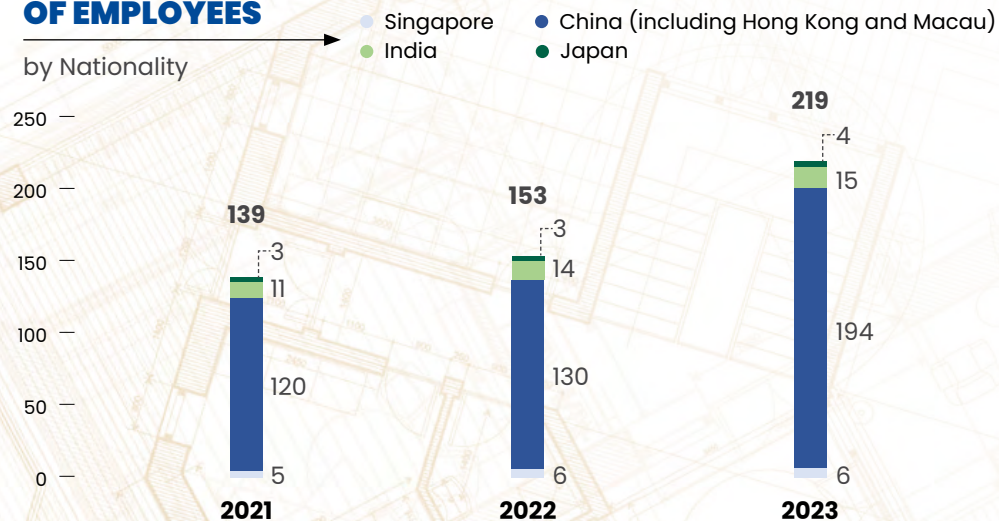
Employee management (GRI 2-7, 2-8, 404-1)

Employee Profile

Employees	FY2021	FY2022	FY2023
Total number of employees			
All	139	153	219
Number of employees, by gender			
Male	59	68	92
Female	68	85	127
Number of employees, by region			
Singapore	5	6	6
China (including Hong Kong and Macau)	120	130	194
Japan	3	3	4
India	11	14	15

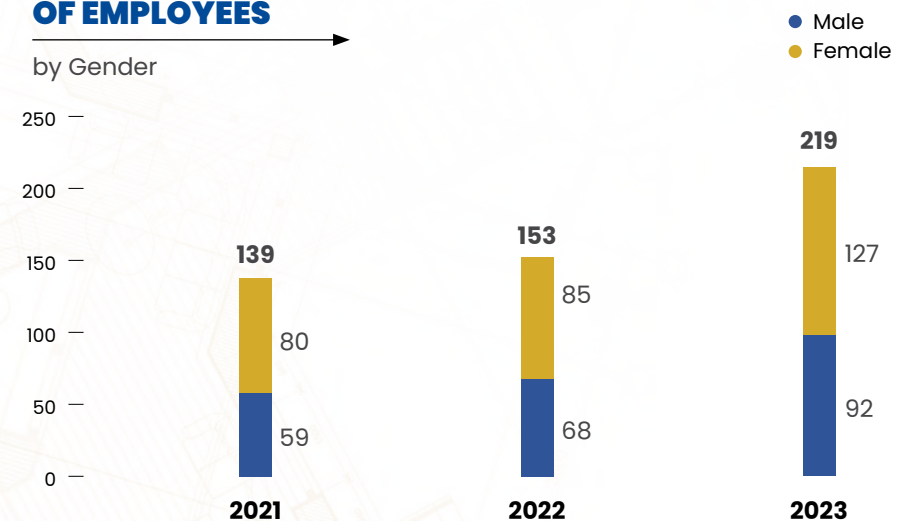
TOTAL NUMBER OF EMPLOYEES

by Nationality



TOTAL NUMBER OF EMPLOYEES

by Gender



PERFORMANCE DATA

Total number of permanent and temporary employees, by gender and region				
Permanent employees		FY2021	FY2022	FY2023
Gender	Male	59	67	91
	Female	80	80	120
Region	Singapore	5	6	5
	China (including Hong Kong and Macau)	120	124	187
	Japan	3	3	4
	India	11	14	15
Temporary employees		FY2021	FY2022	FY2023
Gender	Male	-	1	1
	Female	-	5	7
Region	Singapore	-	-	1
	China (including Hong Kong and Macau)	-	6	7
	Japan	-	-	-
	India	-	-	-

Total number of full-time and part-time employees, by gender and region				
Full-time employees		FY2021	FY2022	FY2023
Gender	Male	59	67	90
	Female	80	80	117
Region	Singapore	5	6	6
	China (including Hong Kong and Macau)	120	124	182
	Japan	3	3	4
	India	11	14	15
Part-time employees		FY2021	FY2022	FY2023
Gender	Male	-	-	2
	Female	-	1	3
Region	Singapore	-	-	-
	China (including Hong Kong and Macau)	-	1	5
	Japan	-	-	-
	India	-	-	-

PERFORMANCE DATA

Total number of non-guaranteed hours employees, by gender and region				
Non-guaranteed hours employees		FY2021	FY2022	FY2023
Gender	Male	N.A.	1	-
	Female	N.A.	4	7
Region	Singapore	N.A.	-	-
	China (including Hong Kong and Macau)	N.A.	5	7
	Japan	N.A.	-	-
	India	N.A.	-	-

Workers (GRI 2-8)

There was a total of 13 workers supporting the operations of various business units.

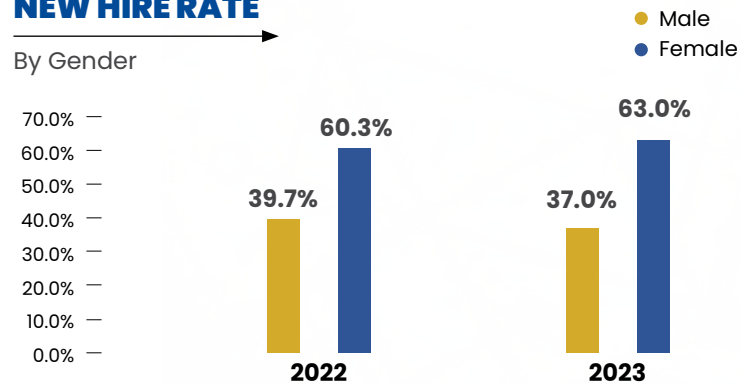
PERFORMANCE DATA

New Hire & Turnover Rates⁸

Total Number and Rate of New Hire					
		FY2022		FY2023	
Permanent employees		Number	Rate	Number	Rate
Gender	Male	23	29.7%	61	37.0%
	Female	35	60.3%	104	63.0%
Age	<30 years old	31	53.4%	71	43.0%
	30-50 years old	25	43.1%	92	55.8%
	>50 years old	2	3.4%	2	1.2%

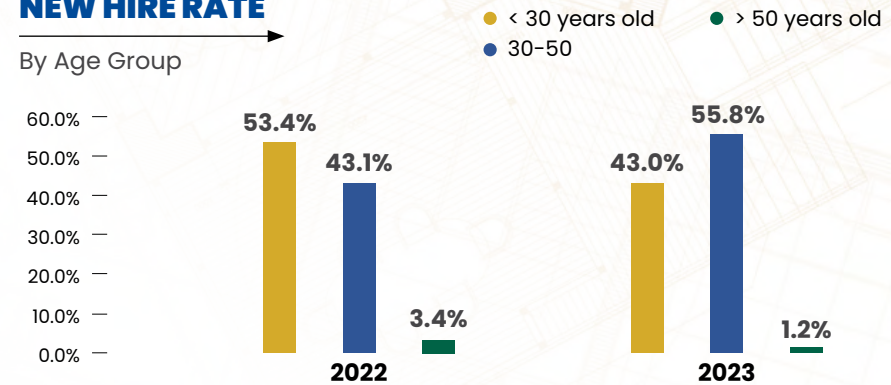
NEW HIRE RATE

By Gender



NEW HIRE RATE

By Age Group



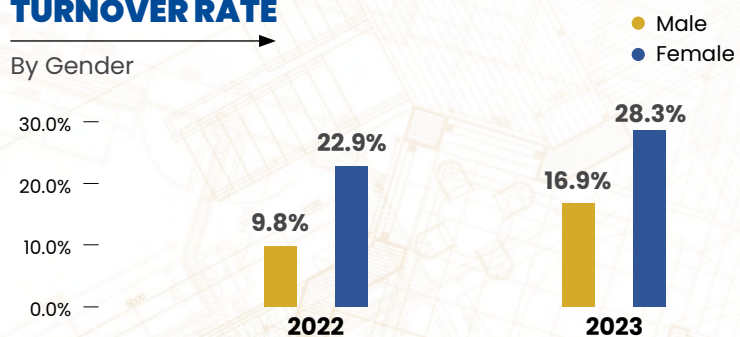
⁸ New hire rate is calculated by gender type/age group divide by total hires for the reporting year. Turnover rate is calculated by gender type/age group divided by total employees for the reporting year.

PERFORMANCE DATA

Total Number and Turnover Rate					
		FY2022		FY2023	
Permanent employees		Number	Rate	Number	Rate
Gender	Male	15	9.8%	37	16.9%
	Female	35	22.9%	62	28.3%
Age	<30 years old	27	17.6%	40	18.3%
	30-50 years old	22	15.0%	57	26.0%
	>50 years old	1 ⁹	0.7%	2	0.9%

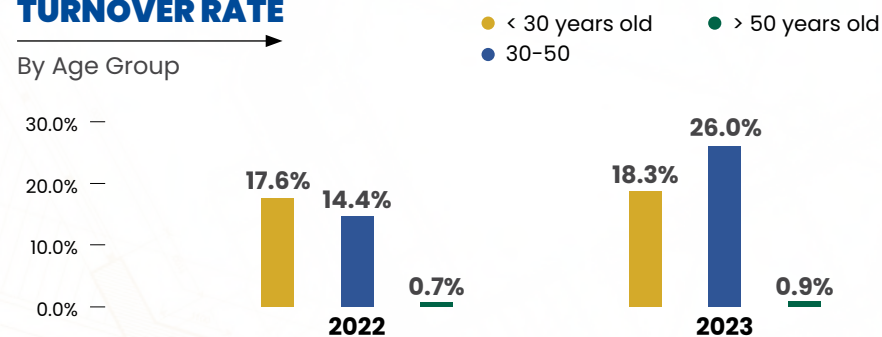
TURNOVER RATE

By Gender



TURNOVER RATE

By Age Group



⁹ FY2022 numbers have been restated due to underreporting of 1 employee in Hong Kong (aged 50 and above).

PERFORMANCE DATA

Diversity of Management

Management by Ethnic Group and Gender			FY2022	FY2023
Permanent employees				
Gender	Male		56%	42%
	Female		44%	58%
Age	Chinese		78%	76%
	Indian		20%	22%
	Others		2%	2%

Training & Development (GRI 401-1, 404-3)

Average Training hours for full-time employees

Average Training Hours by region and employee category/gender								
Employee Category	Singapore		China (including Hong Kong and Macau)		Japan		India	
	FY2022	FY2023	FY2022 ¹⁰	FY2023	FY2022	FY2023	FY2022	FY2023
Staff	10.3	8.9	15.6	36.2	-	-	8.7	18.0
Middle Management	14	52.5	6.4	8.4	-	-	-	12.0
Senior management staff	4	-	80.8	1.6	-	-	8.0	12.0
Gender								
Male	2.0	-	18.0	26.6	-	-	5.0	14.3
Female	23.4	20.6	15.0	28.7	-	-	30.0	15.0

Total Average Training Hours per employee	
FY2022 ¹¹	FY2023
15.0	26.0

¹⁰ FY2022 numbers have been restated due to omission of 8 employees in Hong Kong.

¹¹ Updated computation consequent to restated figures.

PERFORMANCE DATA

Regular Performance and Career Development

Employees receiving regular performance and career development reviews in FY2023 (%)				
Employee Category	Singapore	China (including Hong Kong and Macau)	Japan	India
Staff	50%	-	-	-
Middle Management	17%	12%	-	-
Senior Management	17%	4%	-	-
Gender				
Male	17%	6%	-	-
Female	67%	10%	-	-

Occupational Health & Safety (GRI 403-9, 403-10)

Work-related ill health & injuries

Total number of hours worked and work-related ill health & injuries					
	Singapore	China (including Hong Kong and Macau)	India	Japan	Total
Total hours worked by all employees in the year	11,232	391,208	29,950	6,390	438,780
Total number of all recordable work-related injuries	-	-	-	-	-
Total number of high-consequence work-related injuries	-	-	-	-	-
Total number of work-related fatalities	-	-	-	-	-
Recordable work-related injury rate	-	-	-	-	-
High-consequence work-related injury rate	-	-	-	-	-

PERFORMANCE DATA

Business Ethics (GRI 205-2)

Communication and Training on anti-corruption

Communication on anti-corruption policies and procedures								
	Governance Bodies		Employees					
	No.	Rate	Staff		Middle Management		Senior Management	
			No.	Rate	No.	Rate	No.	Rate
Singapore	6*	100%	4	100%	1	100%	1	100%
China (including Hong Kong and Macau)	-	-	145	100%	20	100%	29	100%
Japan	-	-	3	100%	1	100%	-	100%
India	-	-	6	100%	6	100%	3	100%

Note:

* 2 directors joined in October 2023 and 2 retired in December 2023. The number of directors at 31 December 2023 remains as 6. An Executive Director is based in China.

GRI CONTENT INDEX

GRI Content Index

Statement of use	Thakral has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2 (2021): Standards	Description	Section of Report / Reasons for Omission	Page Reference
GRI 2 (2021): General Disclosures			
1. The organization and its reporting practices			
2-1	Organisational details	About this report	33
2-2	Entities included in the organization's sustainability reporting	About this report	33
2-3	Reporting period, frequency and contact point	About this report Feedback	33 to 34
2-4	Restatements of information	Restatements under Performance Data section	40 & 41
2-5	External assurance	Not sought for 2023 Sustainability Report	N.A.
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Thakral Group Stakeholder Engagement	2, 7 & 8
2-7	Employees	Employee Management	24
2-8	Workers who are not employees	Employee Management	27

GRI CONTENT INDEX

GRI 2021 Standards	Description	Section of Report / Reasons for Omission	Page Reference
3. Governance			
2-9	Governance structure and composition	Sustainability Governance	5
2-10	Nomination and selection of the highest governance body	Annual Report 2023 ("AR")	AR: 45 to 51
2-11	Chair of the highest governance body		
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	5
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting	Board Statement Sustainability Governance	2 & 5
2-15	Conflicts of interest	Annual Report 2023	AR: 45
2-16	Communication of critical concerns	Business Ethics	31
2-17	Collective knowledge of the highest governance body	Board Statement Sustainability Governance Business Ethics	2, 5 & 31
2-18	Evaluation of the performance of the highest governance body	Annual Report 2023	AR: 54 to 57
2-19	Remuneration policies		
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio	This disclosure is omitted due to confidentiality constraints	N.A.

GRI CONTENT INDEX

GRI 2021 Standards	Description	Section of Report / Reasons for Omission	Page Reference
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Board Statement Sustainability Governance	2 & 5
2-23	Policy commitments	Sustainability Governance	5
2-24	Embedding policy commitments	Sustainability Governance	5
2-25	Processes to remediate negative impacts	Business Ethics	31
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics	31
2-27	Compliance with laws and regulations	Business Ethics	31
2-28	Membership associations	Not applicable to Thakral	N.A.
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	7 & 8
2-30	Collective bargaining agreements	There are no collective bargaining agreements in place.	N.A.
GRI 3 (2021): Material Topics			
3-1	Process to determine material topics	Materiality Assessment	6
3-2	List of material topics		
3-3	Management of material topics		

GRI CONTENT INDEX

GRI 2021 Standards	Description	Section of Report / Reasons for Omission	Page Reference
Material Topic: Economic Performance			
GRI 201 (2016): Economic performance			
201-1	Direct economic value generated and distributed	Economic Contribution to Society	12
		Annual Report 2023 - Financial Statements	AR: 80 to 145
Material Topic: Business Ethics			
GRI 205 (2016): Business Ethics			
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics Information was received for total number and percentage of governance body members and employees who have been received communication on anti-corruption policies and procedures, but information was unavailable for total number and percentage of employees who have received training on anti-corruption.	31
205-3	Confirmed incidents of corruption and actions taken	Business Ethics	31
Material Topic: Energy and Climate Change			
GRI 302 (2016): Energy			
302-1	Energy consumption within the organisation	Climate Change	14
302-3	Energy intensity		

GRI CONTENT INDEX

GRI 2021 Standards	Description	Section of Report / Reasons for Omission	Page Reference
GRI 305 (2016): Emissions			
305-1	Direct (Scope 1) GHG emissions	Climate Change	14
305-3	Other indirect (Scope 3) GHG emissions		
305-2	Energy indirect (Scope 2) GHG emissions		
305-4	GHG emissions intensity		
Material Topic: Employee Engagement and Talent Management			
GRI 401 (2016): Employment			
401-1	New employee hires and employee turnover	Employee Management	27
GRI 403 (2018): Occupational Health & Safety			
403-9	Work-related injuries	Health & Safety	29
403-10	Work-related ill health		
GRI 404 (2016): Training and education			
404-1	Average hours of training per year per employee	Training & Development	28
404-2	Programmes for upgrading employee skills and transition assistance programmes		
404-3	Percentage of employees receiving regular performance and career development reviews	Disclosure on the detailed breakdown of employees by gender and employee category will be disclosed further in the future years when the implementation system stabilises.	28
GRI 417 (2016): Marketing & Labeling			
417-1	Requirements for product and service information and Labeling	Marketing & Labeling	32
417-2	Incidents of non-compliance concerning product and service information and Labeling		

GRI CONTENT INDEX

SASB Index

Topics	Criteria	Location
Energy Management in Retail & Distribution	CG-MR-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Energy and Emissions Performance
Labour Practices	CG-MR-310a.3. Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Business Ethics
Workforce Diversity & Inclusion	CG-MR-330a.1. Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Employee Management
	CG-MR-330a.2. Total amount of monetary losses as a result of legal proceedings associated with employment discrimination.	Business Ethics
Product Sourcing, Packaging & Marketing	CG-MR-410a.2. Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products.	Marketing & Labeling
	CG-MR-410a.3. Discussion of strategies to reduce the environmental impact of packaging.	

TCFD Index

TCFD Pillar	TCFD Recommendations	Thakral's response
Governance	<ul style="list-style-type: none"> a. Describe the Board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities. 	Please refer to Climate Risk Assessment (TCFD) on pages 18 to 23
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.	
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
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.	
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.	
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	
	c. Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	



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