

LifeBrandz



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*This Sustainability Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.*

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Corporate profile

LifeBrandz Ltd. was listed on the SGX-ST in 2004. The Company transferred the listing on the SGX-ST from the Main Board to the Catalist Board on 4 December 2015. Currently, the principal activities of LifeBrandz Ltd. and its subsidiaries can be broadly categorised into two core business segments. These include the 1) lifestyle and entertainment segment which consists mainly food and beverage (“**F&B**”) business and 2) travel agency services segment.

About this Report

LifeBrandz Ltd. (“**LifeBrandz**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) presents its first annual Sustainability Report (the “**Report**”) which covers the Group’s performance from 1 August 2017 to 31 July 2018 (“**FY2018**”). The scope of the Report covers information on sustainability factors material to the Group. This should sufficiently address stakeholders’ concerns in relation to sustainability issues arising from the major business operations of the Group.

More information on the Group can be found in the FY2018 Annual Report.

This Report is prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards: Core Option. The Company has chosen the GRI Standards as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Sections B: Rules of Catalist (“**Catalist Rules**”). In preparing our Report, we applied the GRI’s principles for defining report content and report quality by considering the Group’s activities, impacts and substantive expectations and interest of our shareholders.

The data and information provided within the Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

In addition, developments subsequent to FY2018 has not been considered for inclusion in this Report. We welcome your views and feedback on our sustainability practices and reporting at invest@LifeBrandz.com.

Board statement

In our inaugural Report, we will be reporting on the Group’s sustainability efforts in the areas of economic sustainability, regulatory compliance, environmental sustainability and social responsibility.

In addition, we wish to confirm that the Board has considered sustainability issues as part of its strategic formulation, determined the material environmental, social and governance (“**ESG**”) factors and overseen the management and monitoring of the material ESG.

As part of the LifeBrandz’s commitment to sustainable development, we will continue to strive to do business in a responsible way and abide by the precautionary principle to minimise negative effects or doing business wherever feasible.

Our approach to sustainability

Sustainability organisational structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward.

- 1) The Board of Directors formulates related strategies and guideline.
- 2) The Corporate Social Responsibility (“CSR”) coordinators which comprise the Board and key management team of the Company, helps to organise, communicate and coordinate the CSR practises of all departments and subsidiaries.
- 3) Employees from various departments are responsible for the implementation of CSR practises.
- 4) The Chief Executive Officer and the Chief Financial Officer monitors the adoption of the CSR practises in the various departments and ensures that the Group is working towards its CSR goals as a whole.

Sustainability strategy

At the Group level, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to deliver value to all our stakeholders through the following:

- 1) Economic Sustainability
- 2) Regulatory Compliance
- 3) Environmental Sustainability
- 4) Social Responsibility

The sustainable strategy is underpinned by our comprehensive internal policies on the following:

- 1) Compliance Manual, LifeBrandz is committed to conducting its business in accordance to the highest standards of business ethic. The Group works diligently to ensure that its employees comply with applicable laws, regulations and professional codes of conduct.
- 2) Risk Management Policy, which covers procedures to implement effective risk management practices, covering both the operational risk associated with the firm and the risks (market, liquidity, credit and counterparty risks) inherent in the management of investment portfolios.
- 3) Operations Manual, which covers all other aspects in our business operations, especially on investment procedures, dealing with counterparties, valuation, cash management, business continuity and disaster recovery plan.

The strategy is also guided by external sources, including GRI Standards, Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

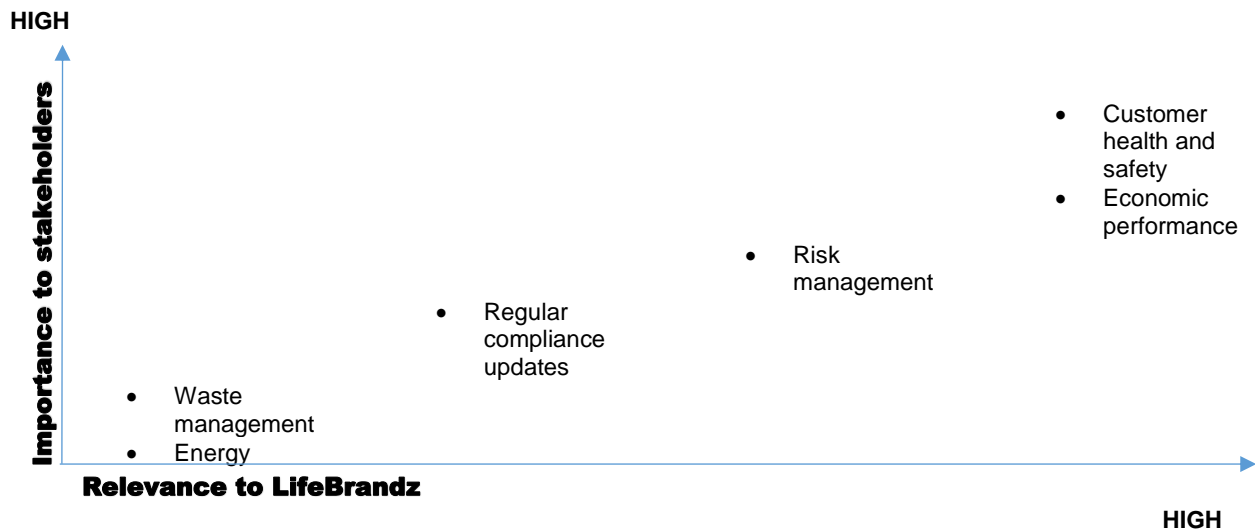
Sustainability materiality

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and LifeBrandz. Some of our stakeholder’s comments can be found in Appendix A: Consulting our stakeholders.

Using a materiality index, we align our responsible business priorities with the Group’s principal business and operational risks, as illustrated in the diagram below.

Our approach to sustainability (Cont'd)

Sustainability materiality (Cont'd)



Sustainability target

The Group will adopt a prudent approach in managing its business and continue to encourage diversity the workforce. The Group continues to comply with applicable law, regulations and professional codes of conduct.

As this is the Company's inaugural Sustainability Report, the Group does not have any specific targets in place for the material sustainability factors identified in the Report. However, the Group will work towards providing target setting in term of both quantitative and qualitative factors when the Group has attained improved sustainability initiatives and accountability.



Economic sustainability

Economic performance

The Group firmly believes that focus on financial sustainability is critical and we aim to maximise return for long-term profitability, thereby creating sustainable shareholder value. The Group's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and society as a whole.

For more detailed information regarding our FY2018 financial results, please refer to the following sections in our FY2018 Annual Report:

- Operations and Financial Review, pages 6-7
- Financial Statements, pages 35-84



Regulatory compliance

To maintain a fair, ethical and efficient business and working environment, LifeBrandz strictly adheres to the local laws and industry regulations relating to corporate governance, risk management, and code of conduct including anti-money laundering, anti-corruption, fraud and confidentiality.

Corporate governance

We have enhanced our accountability and transparency by upholding high standards in business ethic and corporate governance in all areas of our operations, thus building stronger trust with our stakeholders.

The Board has overall responsibility for ensuring effective corporate governance across the Group, including ensuring that effective risk management and internal controls are in place to address any identified risks and ensure business continuity.

We have in place the relevant Standard Operating Procedures (“**SOP**”) in our Operations Manual which establishes its principles and practices with regard to matters which may have ethical implications. The SOP provides communicable and understandable guidelines for staff to observe in their dealings with customers, suppliers and amongst fellow colleagues.

Some topics covered by our Operations Manual include the following:

- Staffing and segregation of duties
- Information technology controls
- Investment procedures
- Dealing with counterparties
- Valuation policy
- Cash management
- Business continuity and disaster recovery plan

Preventing bribery and corruption

The Group prohibits all forms of bribery and corruption. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group’s interests. No incidents of corruption were reported for FY2018.

Whistle-blower can report verbally or in writing to the senior management of the Group for any suspected misconduct with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behaviour to protect the Group’s interests. The Group advocates a confidentiality mechanism to protect the whistle-blower against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the management considers necessary. More information on whistle-blowing policy can be found in page 28 of the FY2018 Annual Report.



Regulatory compliance (Cont'd)

Risk management

We view risk management as one of the most important responsibilities we owe to our clients, employees, regulators and counterparties. Every business and investment decision involves a consideration of the balance for risk versus reward.

We are committed to developing the appropriate systems, policies, procedures, arrangements and controls to ensure effective risk management is exercised and promoted within our Group culture. We believe in appropriate training of our staff and communication with our clients as requisite to fulfilling our risk management goals.

Our risk management practices cover both the operational risk associated with the firm and the risks (market, liquidity, credit and counterparty risks) inherent in the management of investment portfolios.

We view our risk management policies and procedures as dynamic in response to the evolution of our investment strategies, the development of our business and the innovation within financial markets and risk management tools. We will strive to improve our risk management capabilities and processes to stay abreast of market best practices. We believe effective risk management is crucial to the long-term success of our business.

Our four cornerstones of effective risk management and sound internal controls are –

- The role of the Board in its oversight of risk management policies and their implementation;
- The role of Senior Management in ensuring that sound policies, effective procedures and robust systems are in place;
- The presence of sound risk management processes and operating procedures that integrate prudent risk limits with appropriate risk measurement, monitoring and reporting; and
- The presence of competent personnel in the firm's compliance, controls, risk management, and audit functions.

More information on the Group's risk management and internal controls can be found in pages 26-27 of the FY2018 Annual Report.

Regulatory compliance (Cont'd)

Regular compliance updates

In FY2018, the Group, through its Company Secretary, has updated the Board on relevant new laws and regulations affecting the Company. From time to time, and through Board meetings and other meetings, both formal and informal, our Chief Executive Officer has been advising our Directors of the changing commercial and business risks faced by our Company.

Key management are encouraged to attend seminar and receive training to improve themselves in the discharge of managements' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from SGX-ST Listing Rules that affect the Company and/or the Directors in discharging their duties. Such training costs are borne by the Company.



Environment sustainability

At LifeBrandz, we are committed towards protecting the environment.

Waste management

The Group adopts the Reduce, Reuse and Recycle (“3Rs”) methodology to manage our waste. We believe that by practising the 3Rs, we can help to protect the environment and conserve limited resources. The Group believes that every small effort counts and goes a long way in contributing to the conservation and protection of the earth’s natural resources.

Our waste management efforts are focused mainly on paper. We are constantly working to reduce waste from our operations, as well as finding efficient ways to recycle. Measures were communicated to all the new and existing employees through induction and informal meetings to reduce, reuse or recycle whenever possible.

Reduce

- Employees are educated to print double-sided documents.
- Paperless work flow system is being considered to store documents electronically.

Reuse

- Employees are encouraged to reuse paper for note taking during meetings.
- Employees are also encouraged to use waste paper as draft paper.
- Employees are encouraged not to print documents for discussion purposes and display them on screens instead.

Recycle

- Waste cardboard and paper are sent for recycling.

Energy

We play our part by reducing the energy use in our operations through adopting greener and more environmentally-friendly technologies and measures. For example, we have begun the replacement of non-LED lights with LED lights in our restaurants.



Social responsibility

At LifeBrandz, we strive to carry out our business operations in a socially responsible manner.

Customer health and safety

For our maiden high-end F&B sushi business, we source from licensed AVA-approved suppliers. A great customer experience is built upon the foundation of perfecting taste and quality, coupled with the highest standards of safety and hygiene. With food safety and hygiene as the top priority across our divisions. We will continue to collaborate with our partners in procurement, warehouse and logistics, quality assurance and operations to ensure all food items are hygienically prepared and safe for consumption.



Training and education

LifeBrandz understands that there is a continuous need to upgrade staff skills and knowledge. This is beneficial to the staff's development and also to the Group. Thus, staff are encouraged to go for courses and seminars to upgrade themselves and improve their skills. Staff are also sent by the Group, to attend courses to obtain skills or certifications that are necessary in the course of their work.

Diversity and fair employment

We embrace diversity, and at the same time expect employees to be aligned with Group's vision and strategic initiatives of enhancing overall business performance and to deliver sustainable growth. Our staff consists of people coming from different nationalities and academic qualifications. We strive for fair treatment of all our employees, regardless of nationalities, age, gender and educational levels. The lower ratio of the age group over 50 years old due to the nature of the work of F&B industry.

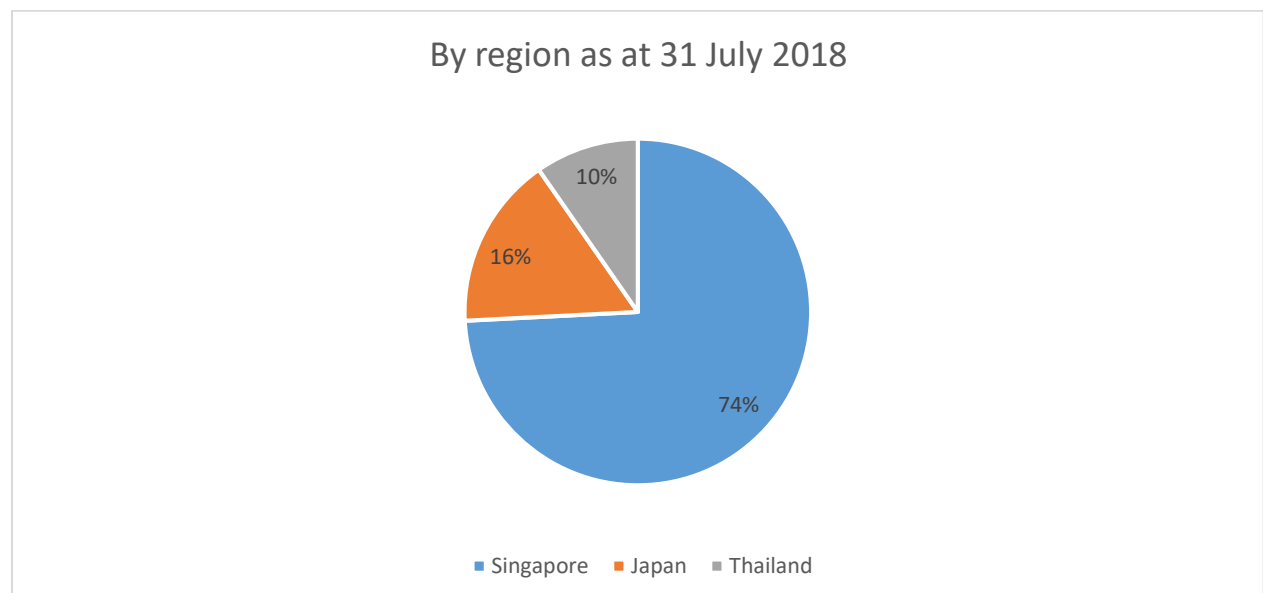
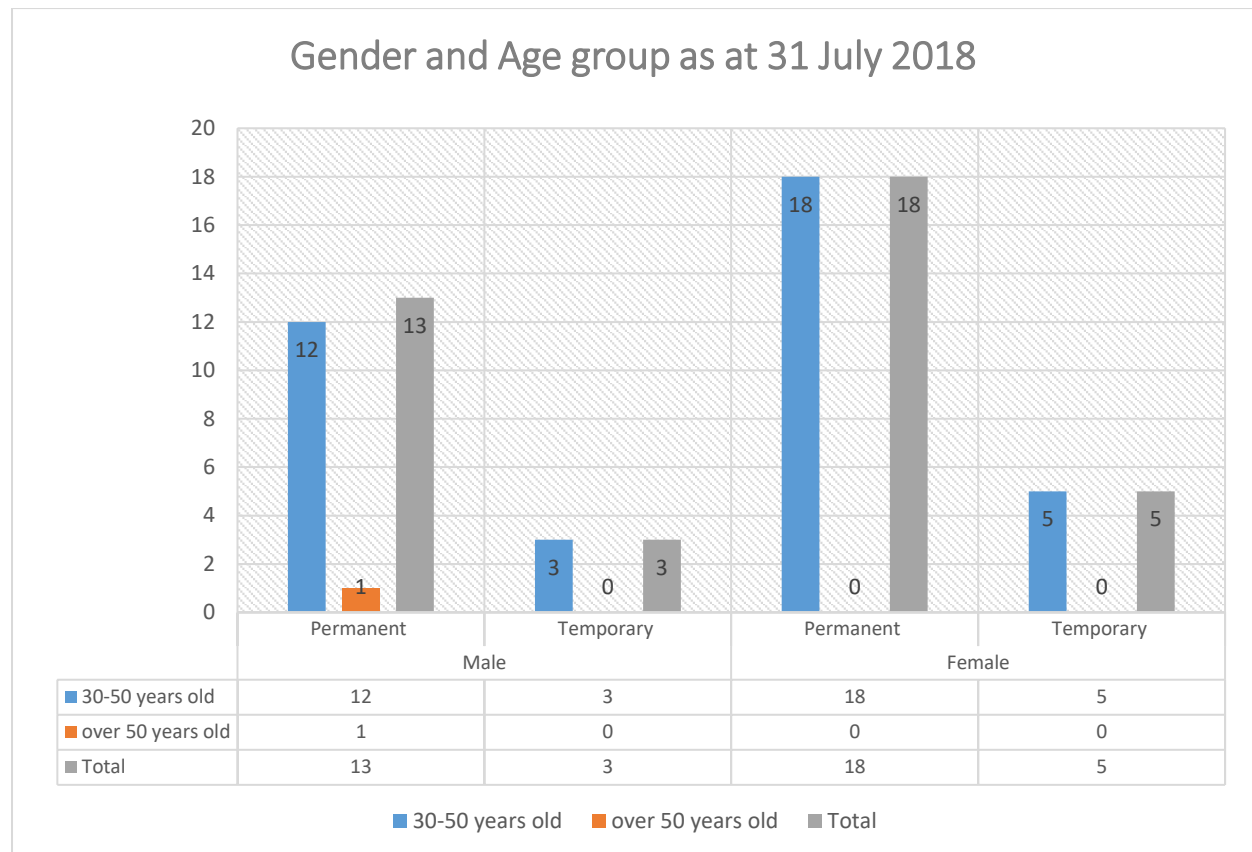
We offer good career progression and competitive salary and benefit packages to our employees, including annual leave, sick leave, transportation and dental allowance, medical insurance, worker compensation insurance, paternity and maternity leaves for staff.

No incident of discrimination was reported for FY2018.

Total number of our employees as at 31 July 2018 is 39, which consist of 31 permanent staff and 8 temporary staff.

Social responsibility (Cont'd)

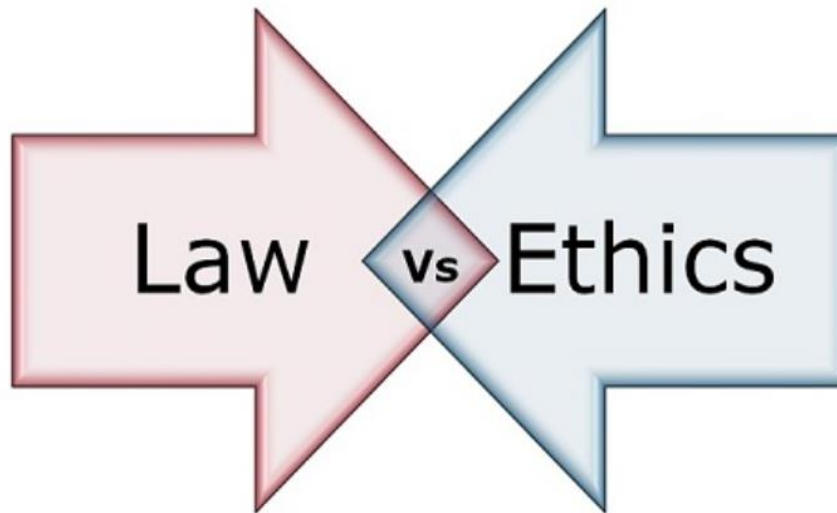
Diversity and fair employment (Cont'd)



Social responsibility (Cont'd)

Compliance with social and economic laws and regulations

The Group adheres to labor standards and compliance strictly with local laws, and encourage open communication and comply with the Group's policies and procedures. In FY2018, there were no fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic areas.



Appendix A: Consulting our stakeholders

We listen to our stakeholders and engage them on an ongoing and ad hoc basis. An overview of our approach and rationale is set out below:

Stakeholders	How we listen	Why we do it	What you've told us
Customers	<ul style="list-style-type: none"> - Customer services hotline - Face-to-face meetings - Marketing campaigns 	<ul style="list-style-type: none"> - Customer service and product quality - To ensure all food items are hygienically prepared and safe for consumption 	<ul style="list-style-type: none"> - Food safety and hygiene at all outlets/restaurant
Employees	<ul style="list-style-type: none"> - Human resource policy and procedures - Performance appraisals (one-on-one session) - Trainings and recreational activities - Whistleblowing 	<ul style="list-style-type: none"> - Committed to provide fair employment and work-life balance to employees - Increase efficiency and motivation of the employees 	<ul style="list-style-type: none"> - Ensure safe and healthy working environment - Ensure fair and transparent performance appraisal process - Provide training and development - Improve employee welfare and benefit
Regulatory authorities (Governments, SGX, MOM, IRAS)	<ul style="list-style-type: none"> - Regular updates and communication with local authorities - Annual and quarterly financial reports - SGX announcements 	<ul style="list-style-type: none"> - Good relationship between continuing sponsor and Company - Dialogue with SGX - Active participation in SGX events to increase visibility and transparency 	<ul style="list-style-type: none"> - Compliance with relevant laws and regulations - Maintain strong corporate governance
Shareholder and investors	<ul style="list-style-type: none"> - SGX announcements - Shareholders' meeting - Annual reports - Company's website - Regular updates and communication 	<ul style="list-style-type: none"> - Committed to delivering economic value to our capital providers through a strong financial performance 	<ul style="list-style-type: none"> - Long-term profitability - Sustainability matters - Group's performance against targets - Compliance with all relevant requirements

Appendix B: GRI content index

Disclosure number		Disclosure title	Page reference and remarks
GRI 102: General disclosure			
Organisation profile	102-1	Name of organisation	AR: Business Review (page 8-9)
	102-2	Activities, brand, product, and services	AR: Business Review (page 8-9)
	102-3	Location of headquarters	AR: Corporate Information (page 14)
	102-4	Location of operations	AR: Corporate Information (page 14)
	102-5	Ownership and legal form	AR: Corporate Information – Note 1 Financial Statement (page 49)
	102-6	Market served	AR: Operations and Financial Review (page 6-7) AR: Segment Information – Note 24 Financial Statement (page 80-81)
	102-7	Scale of the organisation	AR: Segment Information – Note 24 Financial Statement (page 80-81) SR: Social responsibility, Diversity and fair employment (page 9)
	102-8	Information on employees and other workers	AR: Employee benefits – Note 6 Financial Statement (page 65) SR: Social responsibility, Diversity and fair employment (page 9)
	102-9	Supply Chain	Not applicable, supply chain is minimal and insignificant to report on.
	102-10	Significant changes to the organisation and its supply chain	Not applicable, supply chain is minimal and there were no significant changes to the organisation.
	102-11	Precautionary Principle or approach	AR: Corporate Government Report (page 15-33) SR: Board statement (page 1)
	102-12	External initiatives	Not applicable, no such initiatives
	102-13	Membership of associations	Not applicable, no such membership
Strategy	102-14	Statement from senior decision-maker	SR: Board statement (page 1)
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	AR: Mission Statement (page 1) SR: Sustainability Strategy (page 2)
Governance	102-18	Governance structure	AR: Corporate Government Report (page 15-33) SR: Sustainability organisational structure (page 2)
Stakeholder engagement	102-40	List of stakeholder groups	SR: Appendix A: Consulting our stakeholders (page 12)
	102-41	Collective bargaining agreements	Not applicable, no such agreements
	102-42	Identifying and selecting stakeholders	SR: Appendix A: Consulting our stakeholders (page 12) SR: Sustainability strategy (page 2)
	102-43	Approach to stakeholder engagement	SR: Sustainability strategy (page 2)
	102-44	Key topics and concerns raised	SR: Appendix A: Consulting our stakeholders (page 12)

Appendix B: GRI content index (Cont'd)

Disclosure number		Disclosure title	Page reference and remarks
Reporting practice	102-45	Entities included in consolidated financial statements	AR: Investment in Subsidiary Corporation – Note 15 to the Financial Statements (page 71-74)
	102-46	Defining report content and topic boundaries	SR: About this Report (page 1)
	102-47	List of material topics	SR: Sustainability Materiality (page 2-3)
	102-48	Restatements of information	Not applicable, no such restatements
	102-49	Change in reporting	Not applicable, this is first sustainability report
	102-50	Reporting period	SR: About this Report (page 1)
	102-51	Date of most recent report	Not applicable, this is first sustainability report
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	SR: About this Report (page 1)
	102-54	Claims of reporting in accordance with the GRI Standards	SR: About this Report (page 1)
	102-55	GRI content index	SR: Appendix B: GRI content index (page 13-14)
	102-56	External assurance	No external assurance
GRI 200: Economic disclosures (application section only)			
Economic performance	201-1	Direct economic value generated and distributed	AR: Operations and Financial Review (page 6-7), Financial Statements (page 35-84)
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR: Regulatory compliance, Preventing bribery and corruption (page 5)
	205-2	Communication and training about anti-corruption policies and procedures	SR: Regulatory compliance, Preventing bribery and corruption (page 5)
	205-3	Confirmed incidents of corruption and actions taken	SR: Regulatory compliance, Preventing bribery and corruption (page 5)
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	SR: Environment sustainability, Energy (page 8)
	306-2	Waste by type and disposal method	SR: Environment sustainability, Energy (page 8)
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	There is non-compliance with environmental laws and regulations
GRI 400: Social disclosures (applicable sections only)			
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable, benefit provided to permanent full-time employees that are not provided to temporary or part-time employees is minimal and insignificant to report on
Training and education	404-2	Programs for upgrading employee skill and transition assistance programs	SR: Social responsibility, Training and education (page 9)
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	SR: Social Responsibility, Diversity and fair employment (page 9)
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	SR: Social Responsibility, Customer health and safety (page 9)



Life*Brandz

