

LifeBrandz

Sustainability Report 2020

Contents

	Page
Corporate Profile	1
About this Report	1
Board Statement	1
Our Approach to Sustainability	
- Sustainability Organisational Structure	2
- Sustainability Strategy	2
- Sustainability Materiality	2
Sustainability Target	3
Economic Sustainability	
- Economic Performance	4
Regulatory Compliance	
- Corporate Governance	5
- Preventing Bribery and Corruption	5
- Risk Management	6
- Regular Compliance Updates	7
Environment Sustainability	
- Waste Management	8
- Energy	8
Social Responsibility	
- Customer Health and Safety	9
- Training and Education	9
- Diversity and Fair Employment	9
- Compliance with Social and Economic Laws and Regulations	11
Appendix A – Consulting Our Stakeholders	12
Appendix B – GRI Content Index	13

*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.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210, at 1 Robinson Road, #21-00 ALA Tower, Singapore 048542.

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. Headquartered in Singapore, 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 in Singapore, USA, Thailand and Japan and 2) travel agency services segment in Japan.

About this Report

LifeBrandz Ltd. (“**LifeBrandz**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) presents its third annual Sustainability Report (the “**Report**”) which covers the Group’s performance from 1 August 2019 to 31 July 2020 (“**FY2020**”). 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 will be disclosed in the FY2020 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 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 FY2020 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

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 of Directors (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 formulates related strategies and guideline.
- 2) The Corporate Social Responsibility (“CSR”) coordinators, which comprise the Board and key management team which includes the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the respective heads of business units (collectively, the “Management”), help 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 CEO and the CFO monitor the adoption of the CSR practises in the various departments and ensure 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, which LifeBrandz is committed to conducting its business in accordance to the highest standards of its business ethics. 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.

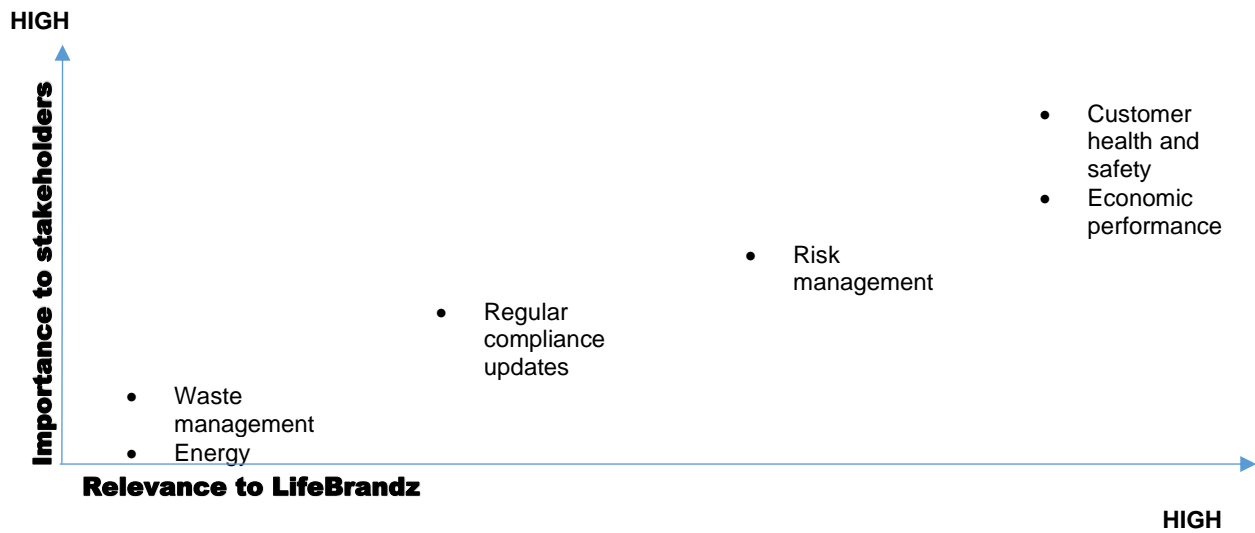
Sustainability Materiality

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

Please refer to the “Economic sustainability”, “Regulatory compliance”, “Environment sustainability” and “Social responsibility” sections of this Report for the respective qualitative and quantitative targets set by the Group for FY2021 and longer term.



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.

Please refer to the Company's announcement dated 29 December 2020 for the unaudited consolidated financial statements of the Group for FY2020. More information on the Group's financial performance will be disclosed in the FY2020 Annual Report.

Sustainability Scorecard

Performance indicator	Units	FY2019 (audited)	FY2020 (unaudited)
Revenue	\$'m	5.6	3.4

The ongoing Covid-19 pandemic has added unprecedented complexity to the Group's businesses and operations, for which no one could have foreseen. The weak consumer sentiment coupled with the required implementation of stringent Covid-19 preventive measures greatly disrupted the operations of F&B and travel agency services businesses. The Group has permanently ceased operations for two high-end sushi restaurants in Singapore and San Francisco, the United States respectively. The Group is now working on the restructuring of its businesses and debts. At the same time, the Group is controlling its costs to improve its operational efficiency. Our goal is to continue to improve the financial performance in the mid- to long-term.



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 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.

Performance indicator	Units	FY2019	FY2020
Corruption incident	Number	0	0

Our goal is to maintain zero incident of corruption in FY2021.

Whistle-blower can be reported verbally or in writing to the Management of the Group for any suspected misconduct with full details and supporting evidence at invest@LifeBrandz.com. 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.



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 that 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 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 will be disclosed in the FY2020 Annual Report.



Regulatory Compliance (Cont'd)

Regular Compliance Updates

In FY2020, 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 CEO has been advising our Directors of the changing commercial and business risks faced by our Company.

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 Catalist Rules that affect the Company and/or the Directors in discharging their duties. Such training costs are borne by the Company.

Sustainability Scorecard

Performance indicator	Units	FY2019	FY2020
Regulatory incidents that have a significant impact on the Group	Number	0	0

We aim to maintain zero non-compliance in FY2021 and will maintain strict compliance with applicable law, regulations and professional codes of conduct.



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.
- Employees are encouraged to think before print.

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.

We aim to reduce the usage of paper over time. As the current usage is not significant, the Group does not collect any usage data. However, the Group will work towards providing the quantitative indicators should the usage becomes material in the future.

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 electrical compliance with more energy efficient model in our restaurants.

We strive to minimise the energy consumption over time. As the current usage is not significant, the Group does not collect any usage data. However, the Group will work towards providing the quantitative indicators should the usage becomes material in the future.



Social Responsibility

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

Customer Health and Safety

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.

For our high-end F&B sushi business in Singapore, we sourced from licensed Agri-food and Veterinary Authority (“AVA”)-approved suppliers.

Sustainability Scorecard

Performance indicator	Units	FY2019	FY2020
Food safety incident	Number	0	0
National Environmental Agency (“NEA”) Grade	Grade	“A”	“A”

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 the Group’s vision and strategic initiatives of enhancing overall business performance and to deliver sustainable growth. Our employees consist 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.

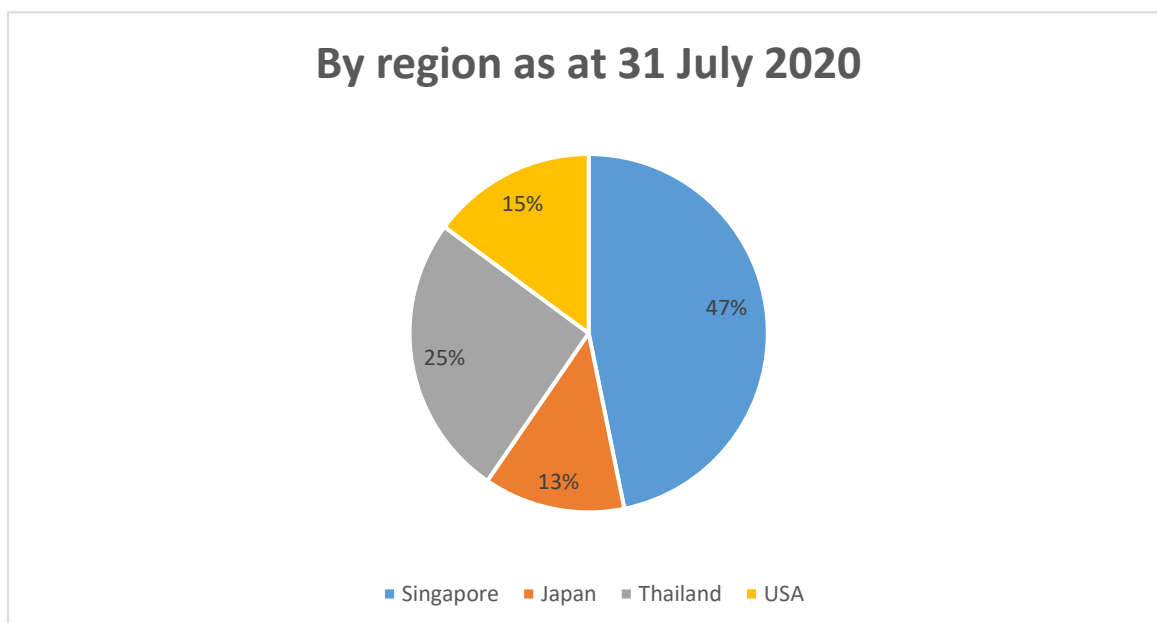
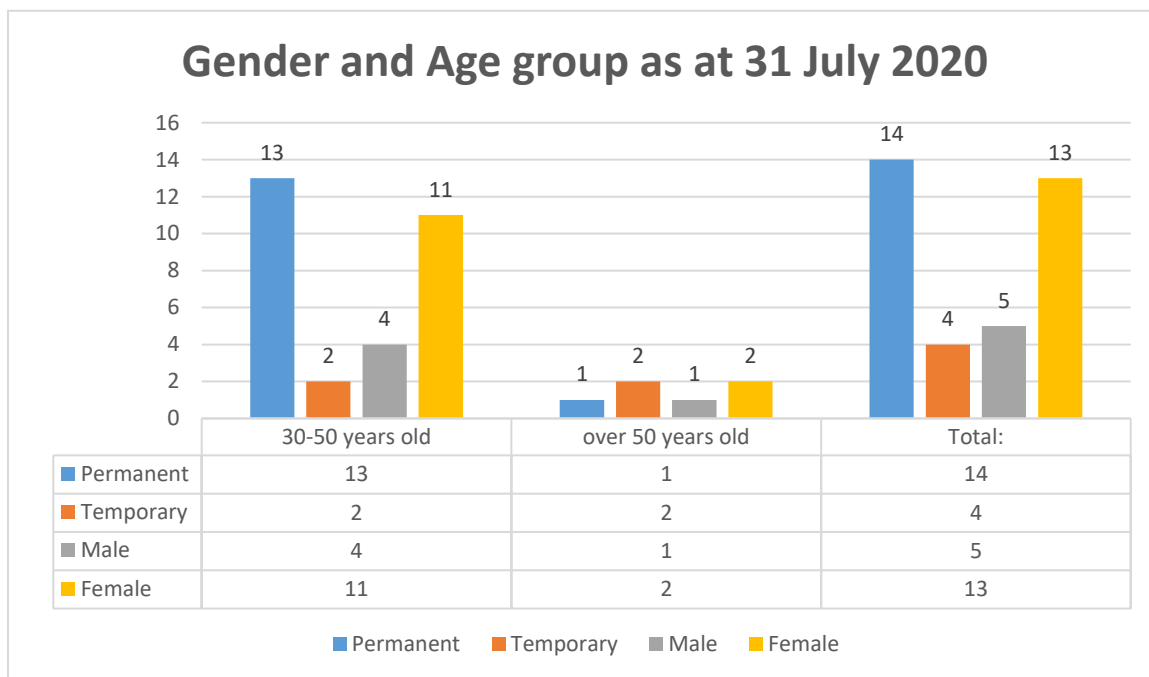
Performance indicator	Units	FY2019	FY2020
Discrimination incident	Number	0	0

Our goal is to maintain zero incident of discrimination in FY2021.

Social Responsibility (Cont'd)

Diversity and Fair Employment (Cont'd)

Total number of our employees as at 31 July 2020 is 18, which consist of 4 permanent staff and 14 temporary staff. The total headcount has dropped significantly from 47 as at 31 July 2019 due mainly to the downsizing of operations across the Group as a results of the Covid-19 pandemic impact on the Group's businesses.



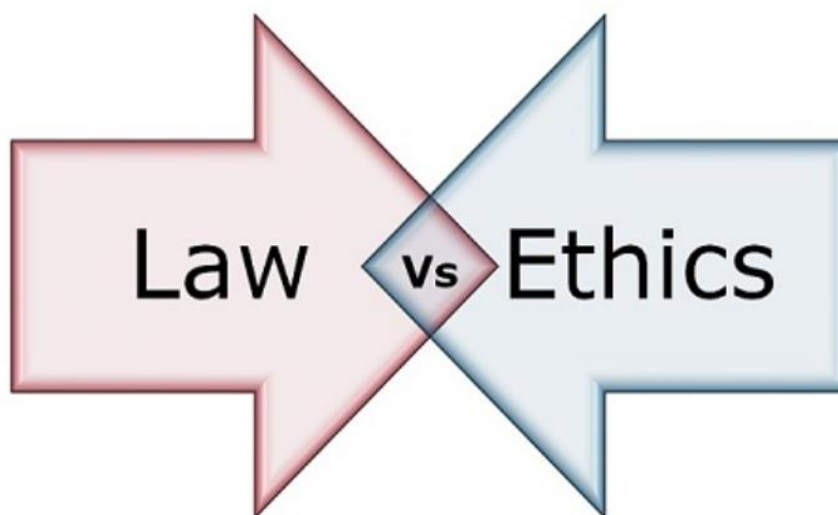
Social Responsibility (Cont'd)

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.

Performance indicator	Units	FY2019	FY2020
Incidents of fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic areas	Number	0	0

We aim to maintain zero incident of social and economic non-compliance in FY2021.



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:

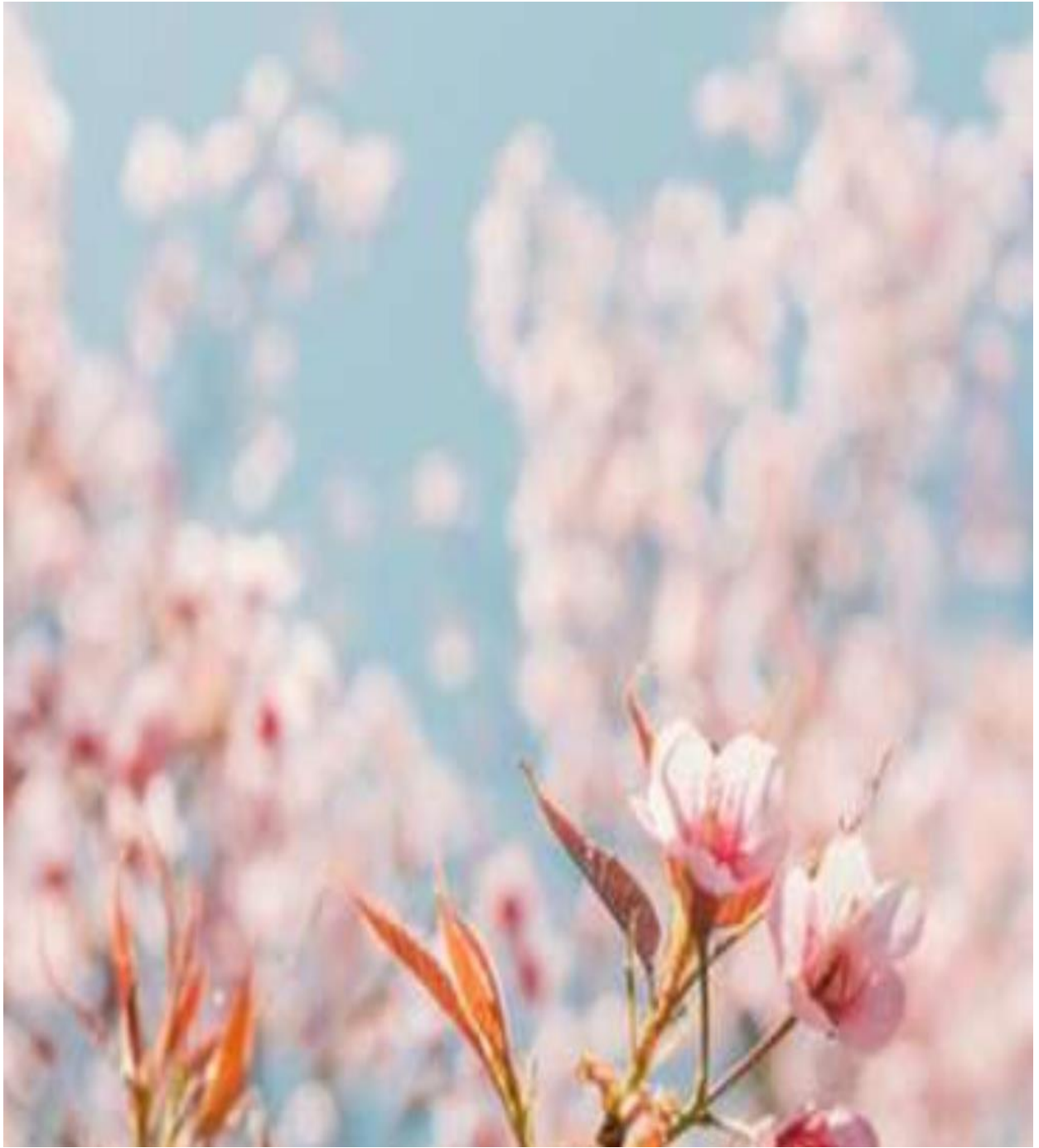
Stakeholders	How we listen	Why we do it	What you've told us
Customers	<ul style="list-style-type: none"> - Customer services hotline - Face-to-face meetings - Marketing campaigns 	<ul style="list-style-type: none"> - Customer service and product quality - To ensure all food items are hygienically prepared and safe for consumption 	<ul style="list-style-type: none"> - Food safety and hygiene at all outlets/restaurants
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	SR: Corporate profile (page 1)
	102-2	Activities, brand, product, and services	SR: Corporate profile (page 1)
	102-3	Location of headquarters	SR: Corporate profile (page 1)
	102-4	Location of operations	SR: Corporate profile (page 1)
	102-5	Ownership and legal form	SR: Corporate profile (page 1)
	102-6	Market served	SR: Corporate profile (page 1)
	102-7	Scale of the organisation	FY2020 Financial SR: Social responsibility, Diversity and fair employment (page 10)
	102-8	Information on employees and other workers	SR: Social responsibility, Diversity and fair employment (page 10)
	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	Will be disclosed in the AR: Corporate Governance Report 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	SR: Sustainability strategy (page 2)
Governance	102-18	Governance structure	Will be disclosed in the AR: Corporate Governance Report 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	To be disclosed in the AR
	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, no change in reporting
	102-50	Reporting period	SR: About this Report (page 1)
	102-51	Date of most recent report	11 November 2019
	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	Will be disclosed in the AR
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, Waste Management (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 9-10)
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

