

Katrina
GROUP LTD

A Journey of Continual Growth



ST SIGNATURE
CO-LIVING HOTELS
SINGAPORE

ST RESIDENCES
SERVICED APARTMENTS
SINGAPORE

IZAKAYA
TOMO

SO PHO

MUCHOS

胡
Hutong
同

streets

Bayang

RENNthai

红锅
HONGGUO

BALI·THAI



TABLE OF CONTENTS

01	ABOUT THIS REPORT	2
02	BOARD STATEMENT	2
03	CORPORATE PROFILE	3
04	SUSTAINABILITY APPROACH	4
05	ECONOMIC	6
06	ENVIRONMENTAL	9
07	SOCIAL	12
08	GOVERNANCE	18
09	GRI STANDARDS CONTENT INDEX	20

ABOUT THIS REPORT

We are pleased to present Katrina Group Ltd's ("**Katrina**" or the "**Group**") annual Sustainability Report, for our financial year ended 31 December 2019 ("**FY2019**"). This report is set out on a "comply or explain" basis in accordance with Catalyst Rule 711B and Practice Note 7.6 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual on Continuing Listing Obligations. Katrina has chosen the Global Reporting Initiative ("**GRI**") Standards: Core Option as it is the most established international sustainability reporting standard that covers a comprehensive range of sustainability disclosures. In accordance with the GRI Standards, the report highlights the key economic, environmental, social and governance ("**EESG**") related initiatives carried out throughout a 12-month period, from 1 January to 31 December 2019.

In defining our reporting content, we applied the GRI's principles for defining report content by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders. We observed a total of four principles, including materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The EESG data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy. The Group adopts the precautionary principle to minimise negative effects of conducting its business whenever feasible. For FY2019, we have included both our food and beverage ("**F&B**") business and hospitality business in this report.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. You may contact us at our office phone number at (65) 6292 4748 or email us at info@katrinagroup.com.

BOARD STATEMENT

The key material economic, environmental, social and governance factors for Katrina have been identified and reviewed by the Executive Chairman and Chief Executive Officer. The board of directors of Katrina ("**Board**") oversees the management and monitoring of these factors and takes them into consideration in the determination of the company's strategic direction and policies. Sustainability is a part of Katrina's wider strategy to create long-term value for all our stakeholders.

With the availability of EESG data, sustainability reporting has gained greater significance to investors eager to analyse more and more data. Far from being just an image building exercise today it is widely accepted that good EESG practices contribute to the overall long-term success of the company and plays an important part in the competition for investment.

Businesses must be quick to adapt to key stakeholders' concerns, closing any potential gaps and capitalising on given opportunities. Amidst today's rapid business environment, the Board is fully committed to support the management in upholding governance and sustainability practices to achieve long-term success and value for its stakeholders.

29 May 2020

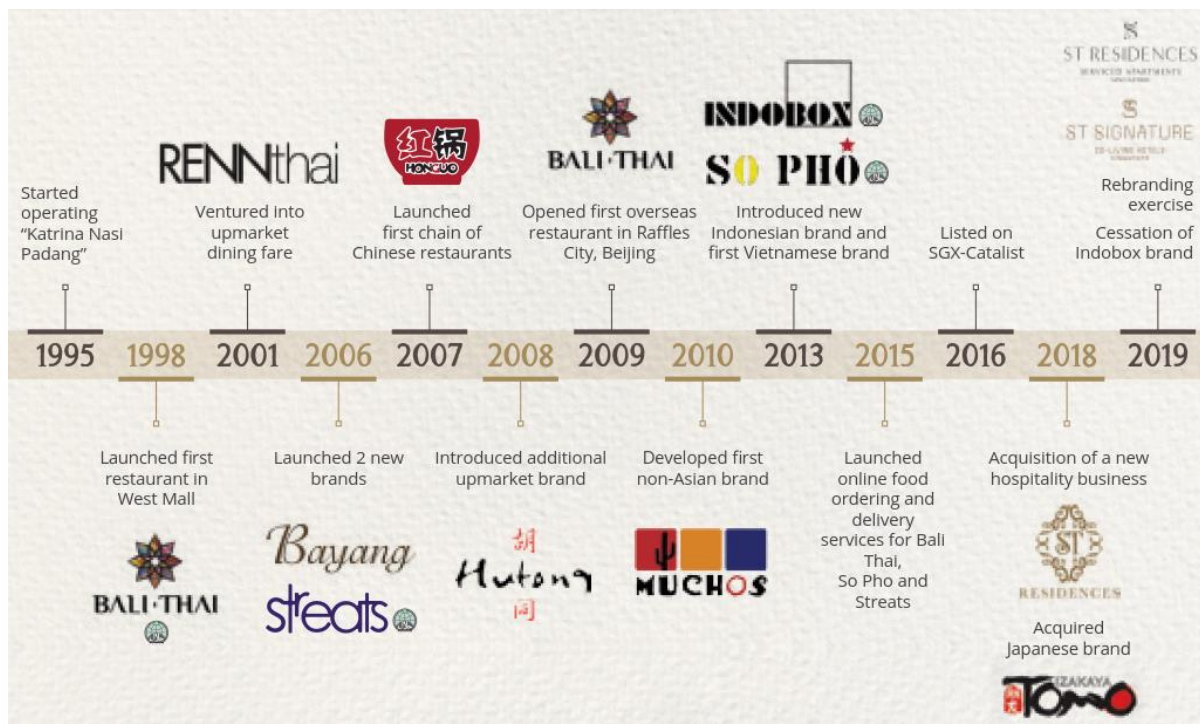
CORPORATE PROFILE

With an established history since 1995, Katrina is a F&B group that specialises in multi-cuisine concepts and restaurant operations. Currently, the Group owns and operates 42 restaurants in Singapore and two (2) restaurants in Indonesia under nine (9) different F&B brands, namely, Bali Thai, Hongguo, So Pho, Streats, Bayang, Hutong, Muchos, RENNthai, and Tomo Izakaya. These brands serve authentic cuisines of eight (8) different ethnicities, namely Hong Kong, Indonesian, Japanese, Mexican, northern Chinese, Thai, Vietnamese and Yunnan.

Katrina prides itself on the identification of consumer trends and creating concepts that meet the demand of a wide spectrum of patrons from different market segments. As at the date of this report, the Group has nine (9) brands, a decrease in one brand since the year ended 31 December 2019. Of the Group's nine (9) brands, four (4) are casual dining brands and five (5) are mid-ranged dining brands, all strategically located in convenient and high foot traffic locations. In addition, three (3) of the Katrina Group's brands – Bali Thai, So Pho and Streats – are Halal-certified.

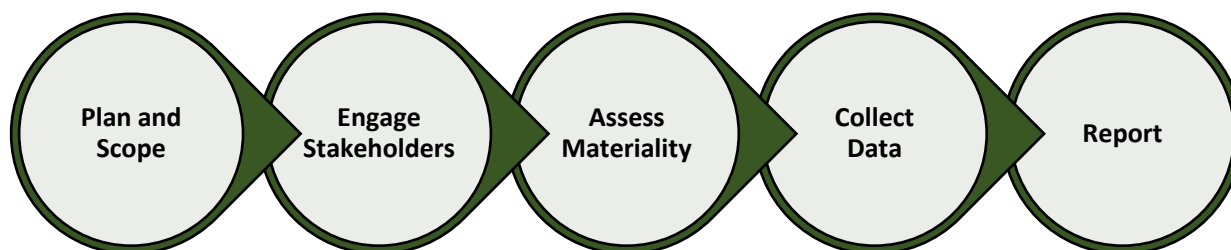
Katrina's hospitality business has scaled up since its acquisition in December 2018. The Group currently leases and manages 241 private residences, two (2) apartment buildings comprising 68 apartment units as well as four (4) co-living hotels comprising about 242 rooms across Singapore and 18 serviced apartments in Hong Kong.

CORPORATE MILESTONE



SUSTAINABILITY APPROACH

OUR SUSTAINABILITY APPROACH



STAKEHOLDER ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, employees, investors, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The table below sets out our engagement with our stakeholders:

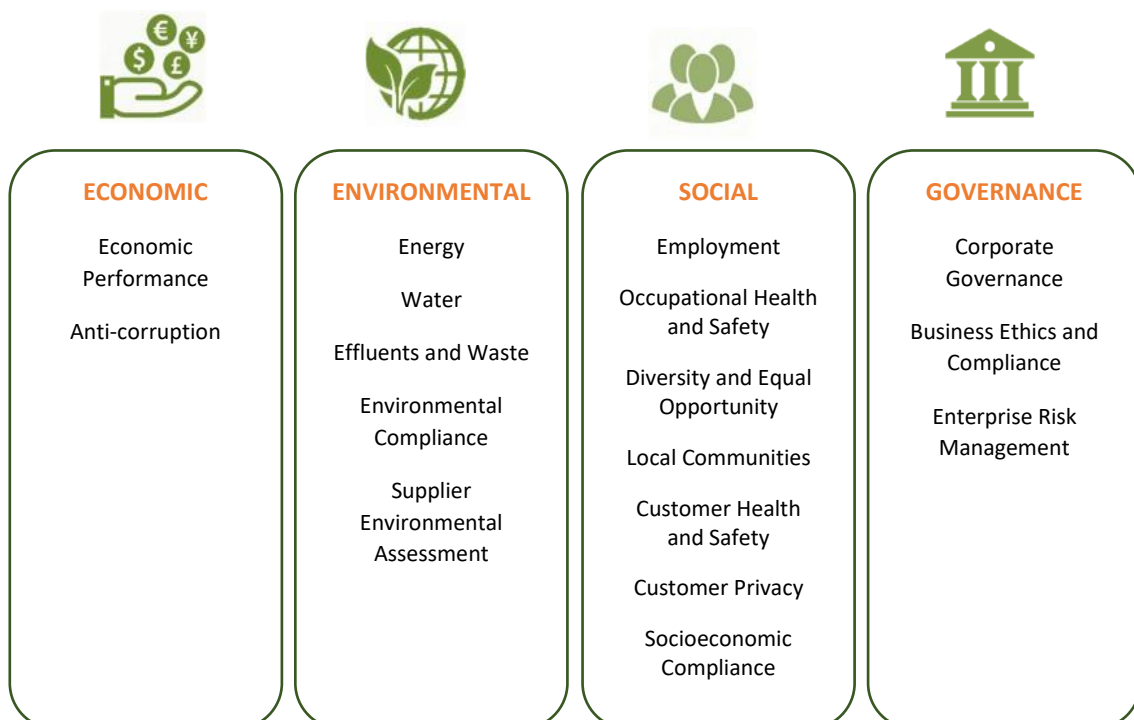
Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
Customers	Hotline Email queries Customer feedback and survey Social media campaigns Advertisements, marketing or product launch events	Phone calls and e-mails	Quality of service
Suppliers and Service Providers	Positive relationship management through communication and mutual understanding so that expectations (i.e timely delivery of goods, prompt payment cycles) are properly communicated and understood on both ends. Annual review and feedback sessions.	Regular meetings, phone calls and e-mails	Product and service quality
Employees	Open dialogues among teams Induction and orientation program Comprehensive training Staff appraisal	Adhoc Weekly Monthly Bi-Annually	Health and safety Wage and hiring Training and development Work-life balance Incentives and benefits

Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
Investors / Shareholders	Annual Report Annual General Meeting Investor meetings Corporate Announcements / Press releases	Annually Annually Annually or when needed Half-yearly When needed	Branding Marketing initiatives
Government and Regulators	Face-to-face meetings Regular reports Participation in discussions Spot checks at central kitchens and outlets Industry workshops	Annually or when needed	Maintaining good corporate governance standard Food safety and hygiene Occupational health and safety Customer health and safety
Local Communities	Donations Various social events	Annually or when needed	Socially responsible corporate citizen and building community support

MATERIAL ASPECTS ASSESSMENT

We conducted a materiality assessment during the year internally. Going forward, materiality review will be conducted every year, incorporating inputs from the stakeholder engagements.

In the current year, we have included both of our F&B business and hospitality business in this report. Senior management together with the external consultant identified and prioritised material aspects through internal workshops, peer review and social impact assessments at site level. In addition, we assessed its potential impact on the economy, environment and society and the influence on the stakeholders. Applying the guidance from GRI, we have identified the following material aspects:



ECONOMIC

ECONOMIC PERFORMANCE

Here at Katrina, we are committed to grow our customers' base and exceed our customers' expectations and provide them with delicious traditional food with modern twist in delectable surroundings.

	FY2016	FY2017	FY2018		FY2019	
	F&B	F&B	F&B	Hospitality	F&B	Hospitality
Sales Revenue (\$'000)	56,823	57,966	64,308	485	68,915	15,441
Gross profit (\$'000)	8,411	5,712	6,102	73	5,833	1,742
Net profit (\$'000)	2,368	1,002	491	(60)	(3,988)	(2,334)
Earnings per ordinary share ("EPS") (cents)	1.12	0.43	0.21	(0.02)	(1.72)	(1.01)
Net Asset Value ("NAV") (S\$'000)	14,575	14,175	13,543	440	4,589	3,105
NAV per ordinary share (cents)	6.30	6.12	5.85	0.19	1.98	1.34

The Group' revenue increased by S\$19.6 million or 30.2% from S\$64.8 million for FY2018 to S\$84.4 million for FY2019 due to the contribution of higher revenue of S\$15.0 million from the hospitality business acquired in December 2018 and a net increase in the number of outlets opened and newly acquired outlets in October 2018. The new outlets contributed S\$9.3 million to the increase in revenue whereas the closed outlets recorded S\$4.0 million lower in revenue for FY2019. The existing outlets contributed a decrease in turnover of S\$0.8 million in FY2019 as compared to FY2018.

The Group's gross profit increased by S\$1.4 million or 22.7% from S\$6.2 million in FY2018 to S\$7.6 million in FY2019 due to the increase in revenue.

For the detailed financial results, please refer to the following sections in our Annual Report 2019:

- Financial Review, page 10
- Financial Statements, pages 59 to 65.

Our goal is to be the leading F&B and hospitality company offering customers a great dining and hospitality experience by delivering quality food and exceptional services.

Market Presence

Katrina aims to meet consumer trends and allows its customers to enjoy a wide range of cuisines. Katrina is an operator of chains of restaurants and cafes under different F&B brands and concepts. Our Group owns and operates restaurants under nine different F&B brands that are developed or managed and owned by us.

Each of our brands serves authentic cuisines of different ethnicity, namely Hong Kong, Indonesian, Japanese, Mexican, Northern Chinese, Thai, Vietnamese, and Yunnan Chinese. In addition, each brand is accompanied by tailored décor and designs in our restaurants and cafes to provide patrons with comfortable ambience. As at 31 December 2019, we had a total of 44 outlets in Singapore and one (1) outlet in Indonesia.

Please refer to pages 3 to 5 of our Annual Report 2019 for the locations of the outlets in respect of each dining brand.

The Group is actively exploring opportunities to grow its business through acquisitions, joint ventures, franchising and strategic alliances with parties who can help to strengthen its brands and expand its market share in the region, to support its growth with lower investment risks. Katrina has embarked on our first hospitality venture to bolster growth prospect and broaden our stream of recurring income through the acquisition of the entire issued share capital of Straits Organization Pte Ltd (“**SOPL**”) on 10 December 2018.

We are currently facing short term challenges due to COVID-19 situation but we believe in long term trends as the increase in population will increase travel demands. SOPL will not only open the door to the hospitality segment for us, but it also brings the possibility of cross-sector collaboration for our core F&B business and further regional expansion.



In 2019, we have expanded our hospitality segment to offer three categories of services. The first is ST Residences which offers the fully furnished corporate services apartments tailored for business travellers that require accommodation for three (3) months or longer. Three new blocks were launched at Outram Road, Novena and Orange Grove Road which boosted our total number of service apartments to 376 units. In addition, we launched our ST Signature brand which offers co-living hotels for targeted travellers looking for shorter stay periods, namely ST Signature Chinatown, ST Signature Jalan Besar, ST Signature Bugis Beach and ST Signature Tanjong Pagar. We have also launched ST Signature Lite which offers flexible hours stay to maximise the use of unused time slot.

ANTI-CORRUPTION

Here at Katrina, we do not tolerate corruption in any form. We prohibit corruption in all forms, including extortion and bribery. This has been made clear to all our employees, our suppliers and our business partners. Our whistleblowing policy provides a mechanism for employees and external parties to report concerns over alleged wrongful acts. The procedures for whistleblowing are also saved under cloud-storage folders, which are accessible by employees of the company and its subsidiaries where they can call or email the Audit Committee Chairman directly on all matters. The follow up procedures regarding matters raised are also stated and whistleblowers are assured that all actions in good faith will not affect them in their work and staff appraisals. The Audit Committee discharges its duties objectively as disclosed in our Annual Report 2019, Corporate Governance Report, Provision 10.1, pages 31 to 32.

We have achieved our goal of no reported incidents of corruption during the reporting period. Our goal is to continue to maintain zero incidents of corruption. We will regularly review policies on whistleblowing and anti-corruption.

ENVIRONMENTAL

ENERGY

Conservation of Energy

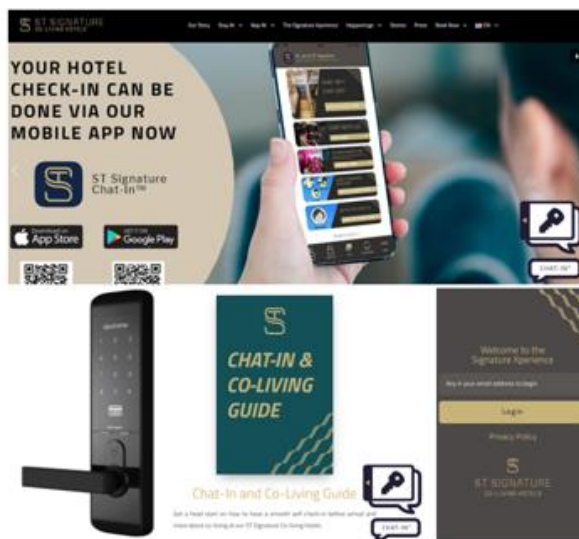
From January 2019 to December 2019, we have achieved an average electricity consumption of 1,327kWh with an occupancy rate of 90.7% in all our hotel properties. In FY2020, our goal is to continue to reinforce our initiatives and minimise environmental impact by minimizing carbon emissions and reducing consumption of energy by 3%.

2019 Energy Consumption Initiative and Infrastructure Investments & Services

As an initiative of going green and conservation of energy, Katrina's hospitality business has invested in sensorflow system. Sensorflow technology uses wireless sensors to gather real time data within hotel rooms, providing insights, automating decision making and optimizing hotel's energy efficiency. Their Internet of Things ("IoT") and Artificial Intelligence ("AI") solutions optimize hotels' system performance and reduce energy wastage and automate room temperature according to guests' behavior.

With the help of this system, room air conditioning is switched off when guests are not detected in the room. We are also able to regulate the temperature so that the air conditioning are able to function at optimal energy usage contributing to the reduction of carbon print emissions at the same time.

Katrina also makes significant investments in technology to automate the operational processes for our hospitality business. With self-check-in and check-out applications, we do not have a physical reception and are able to place bookings from the applications. Smart locks are also paired and linked to these applications where guests are given unique passwords to access their rooms upon checking-in. We also have robo-chat to assists our guests in the event if they face any difficulties.



In FY2020, we aim to integrate facial recognition into our applications, implement integration customer relations program such as loyalty program and community chat for in-house guests to drive ancillary sales such as sales from attraction tickets, airport transfers and events booking.

WATER

Water Management

Katrina's hospitality business has notified guests with eco-cards that bed linens are changed every three days during the tenure of their stay or upon each check-out. Water savings tap are installed, and eco-cards are placed in the guests' room to encourage water savings. Katrina closely monitors the monthly water usage and leakages are promptly checked should there be a sudden spike in water consumption.

From January 2019 to December 2019, we have achieved an average water consumption of 96,871m³ with an occupancy rate of 90.7% in all our hotel properties. Katrina aims to continue to put in place procedures and initiatives to contribute to reduction of water consumption by 3%.

EFFLUENTS AND WASTE

Here at Katrina, we aim to minimise wastage. For our F&B business in FY2019, we had been suggesting our customers to avoid requesting for cutleries for delivery orders and takeaways to minimise usage of disposable plastic cutleries. In FY2020, we target to move forward in using biodegradable takeaway containers or cutleries, implementing "No Straw" policies and Bring Your Own ("**BYO**") containers for takeaways.

Our hospitality business has stopped providing bottled water in guests' rooms to reduce plastic waste. In exchange, we have provided water dispenser in the cook laboratory in each property for guests. We are also using refillable toiletries in the hotels instead of individual bottles to reduce plastic waste. Going forward, in FY2020 we wish to minimise the potential impact of our operations on the environment by putting in place proper processes for waste reduction and waste management.

Oil Waste Management

Singapore's solid waste output has increased significantly over the years. The amount of waste sent for disposal rose from 1,260 tonnes per day in 1970 to 8,443 tonnes a day in FY2017. This amount would continue to rise at an unsustainable rate without efforts made in recycling. We are environmentally friendly and dispose of our used cooking oil via an accredited used oil collector so that it can be treated before being responsibly recycled. The volume of oil waste managed through an accredited oil collector amounted to 17,743kg in FY2019 (FY2018: 16,220kg). The increase in oil waste was attributed to the increase in outlets acquired in FY2019.

Our goal is to minimise the potential impact of our operations on the environment by putting in place proper processes for waste reduction and waste management. We aim to maintain the same volume of oil waste managed through the accredited oil collector as FY2019.

ENVIRONMENTAL COMPLIANCE

Katrina complies with Majlis Ugama Islam Singapura ("**MUIS**") also known as the Islamic Religious Council of Singapore, National Environment Agency ("**NEA**") and Singapore Police Force ("**SPF**") compliance regulations.

In FY2019, Katrina had 40 visits (FY2018: 10 visits) from the NEA for our 44 restaurants. There was no significant warnings or incidents in the current visits as targeted. We endeavour to maintain zero incidents of non-compliance with environmental laws and regulations.

SUPPLIER ENVIRONMENTAL ASSESSMENT

Katrina performs regular vendor evaluation on existing suppliers to assess the following criteria: timeliness of deliveries, quality of products upon delivery, competitiveness of price, quality of service provided, competitiveness of terms and conditions, credit ratings, reputation of the company, specifications of products to products delivered, expertise of sales staff, and after-sales services. In FY2020, our target is to establish procedures to take the environment criteria into consideration when screening and selecting new suppliers.

SOCIAL

EMPLOYMENT

Katrina is recognised as one of 2019 Asia's Top Employer Brands. Here at Katrina, our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for all our people. We support and respect the protection of internationally proclaimed human rights.

We respect human rights, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation.

Katrina believes in employee training and continual career development. Staff attend internal and external workshops together with extensive on-the-job-training. A total of 78,494 employee-hours were invested in training in FY2019 (FY2018: 83,583 employee hours).

The company provides competitive remuneration based on merit to all our employees. Our employees are not covered by collective bargaining agreements, but are given the right to exercise freedom of association. Employees are given a minimum of one month's notice prior to any implementation of significant operational changes that could substantially affect them.

We at Katrina pride ourselves in offering a stable and secure working environment. About 15% (FY2018: 13.3%) of our employees have been with Katrina for at least five (5) years.

There was no non-compliance incident reported in the current year as we aim to maintain zero incidents of non-compliance of manpower related rules and regulations, as well as complaints.

OCCUPATIONAL HEALTH AND SAFETY

We are also committed to safeguard our employees' health and safety against any potential workplace hazards. The focus on health and safety is important for Katrina to achieve world-class performance. It is a basic need for our workers to work in a safe environment, it also provides attainment of our employees' wellness, our productivity increases, and our best is given to our customers. We implement job safety guidelines and procedures to conduct, we are committed to provide a hazard-free workplace to ensure the wellbeing of both our employees and environment.

Katrina employs a variety of measures to ensure the health and safety of all our staff. We start with methodological documentation of key occupational health and safety issues on an employee level, we listen to all our employees' safety concerns and suggestions. The company conducts regular safety checks and enforces key relevant health and safety rules. Our employees are trained to be safety conscious and key potential hazards in the workplace are identified.

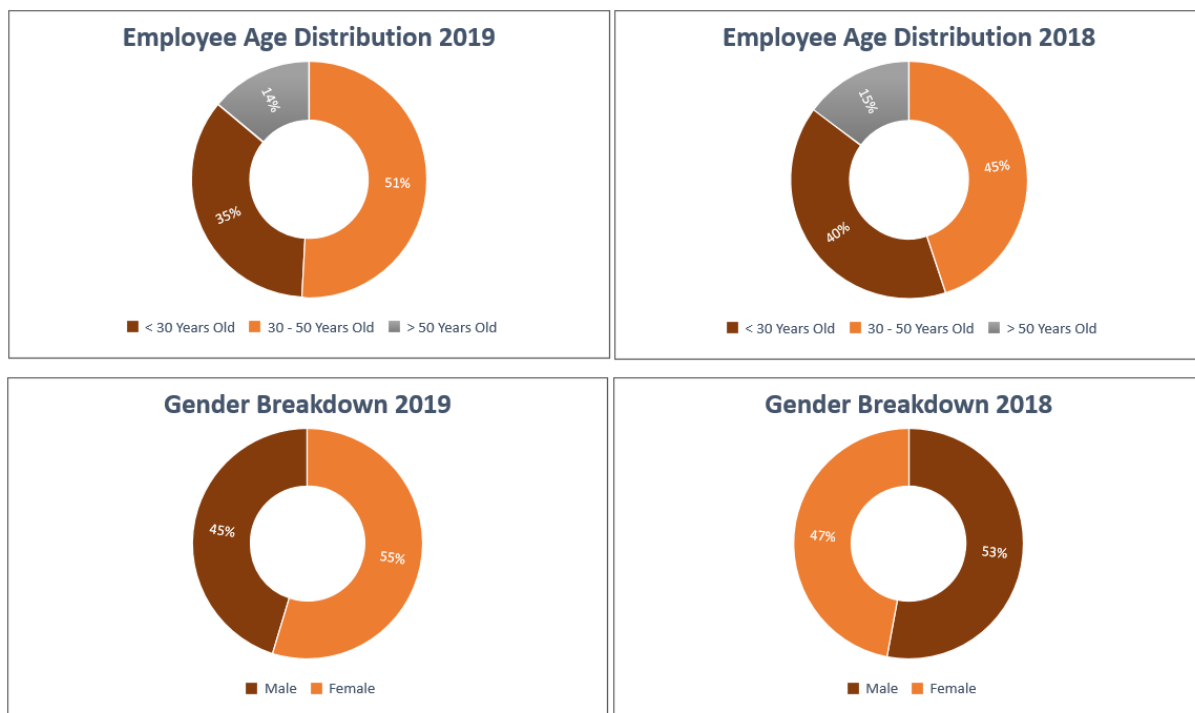
Our new employees undergo the required safety training and drills to familiarise themselves with the operation of the machinery and equipment as well as the safety precautions and procedures.

We encountered 35 minor and one major work injury incidents in FY2019 (FY2018: 21 minor incidents and no major incidents). We have implemented the relevant policies and procedures to reinforce workplace safety measures. Going forward, we will continue to educate and reinforce workplace safety measures at all times and aim to lower the accident frequency rate (maximum of 30 minor incidents) in the upcoming years.

DIVERSITY AND EQUAL OPPORTUNITY

A diverse workforce is an asset in today's ever-changing global marketplace. We cultivate an inclusive culture where employees with wide-ranging backgrounds and qualities are highly motivated, engaged and connected.

Our total staff count decreased from 849 employees in FY2018 to 800 employees in FY2019 with 739 from the F&B business and 61 employees from the hospitality business (FY2018: F&B business 827 employees; hospitality business: 22 employees). The overall decrease in total staff count was due to the closure of non-performing outlets in F&B business.



In light of our aging workforce, we look to attract the younger generation by reaching out to vocational educational establishments with internship programmes, sponsorships, and providing more career advancement opportunities. Katrina also adheres to the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) guidelines on re-employment of older employees. We have signed the TAFEP Pledge of Fair Employment Practices to adopt the five (5) principles of fair employment practices on 5 July 2018. Although the current statutory retirement age is 62, eligible employees will be offered a re-employment contract on a yearly renewable basis, up to age 65 and up to age 67 with effect from 1 July 2017.

A periodic employee engagement survey is conducted to determine the level of employee satisfaction and gather feedback. Employees’ inputs are taken into consideration for the

formulation of human resource practices and programmes such as Corporate Social Responsibility (“**CSR**”) or Workplace Health Promotion (“**WHP**”) activities.

Throughout the year, Katrina holds a range of activities to foster team-building such as beach cleaning, visit to the Singapore Zoo, Bowling Tournament and Dinner & Dance.

There was no incident of complaint on discrimination as targeted and we continuously aim to maintain zero incidents of complaint on discrimination.



Beach Cleaning



Visit to the Singapore Zoo



Bowling Tournament



Dinner & Dance 2019

LOCAL COMMUNITIES

CSR Activities

Over the years, Katrina has engaged in CSR efforts in a number of ways, seeking to touch the lives of many through its CSR efforts and bringing the community at large together in the common quest for a better tomorrow. We encourage our employees and our matured workers to participate in our CSR activities and aim to promote harmonious development of the society by actively participating in public welfare undertakings and continually looking at ways to make contributions to the communities and environment. In FY2019, we have visited the Nursing Home, Assisi Hospice.



Visit to the Nursing Home, Assisi Hospice

CUSTOMER HEALTH AND SAFETY

We place our priorities in our customer health and safety measures. Katrina ensures that certification of fire safety in accordance with the Fire Safety Act (Chapter 109A), Section 29(3)(b) is obtained before the opening of our hotels. Fire escapes routes are installed in the buildings managed by Katrina and fire extinguishers are monitored regularly for expiry date and its working condition.

To date, there were no incidents on compliance reported. It is our goal to maintain zero incidents on compliance going forward.

Food Safety & Hygiene

Food safety and hygiene is of utmost importance in our commitment to deliver quality products and services to our customers. We work with our partners from procurement, warehouse and logistics, quality assurance, and operations, to achieve this objective.

Staff attend both internal and external workshops together with extensive on-the-job-training on a range of areas on food safety and hygiene.

NEA had issued demerit points and imposed composition fines to two of our outlets for failure to keep licensed premises clean in FY2019 (FY2018: two outlets). We had performed full cleaning of our outlets and put in place policies and procedures to keep the premises clean. There was no other non-compliance incidents as targeted. We aim to maintain zero rate of non-compliance of food safety and hygiene rules and regulations, as well as food safety incidents.

Food & Service Labelling

Katrina continuously complies with all food and service labelling stipulated by NEA. Similar to FY2018, there was no incident of non-compliance of NEA and we continue to aim to maintain zero rate of non-compliance with NEA.

Customer Satisfaction

Customer satisfaction are our essential base of build- up of loyal customers. On a monthly basis, our marketing team consolidates customers' feedbacks from the operation teams. As continuous effort to obtain customers' feedback, automated customer feedback survey is sent to customers via email for our delivery orders. For dine-in customers, we strongly encourage our customers to provide their feedbacks on our feedback platform via social media, website or google review by offering complimentary dessert.

Our staff have also won the Excellent Service Awards (Retail) by the Singapore Retailers Association from 2011 to 2019. This is an annual national award that recognizes individuals who have delivered quality service. It seeks to develop service models for others to emulate and to create service champions. In FY2019, we have 19 staff receiving Gold, 44 staff receiving Silver, and 16 staff receiving Star (FY2018: 17 staff receiving Silver, 21 staff receiving Gold and 16 staff receiving Star).

In addition, Katrina has been awarded the BCA Green Mark Certification for one restaurant outlet in 2018, the Excellent Service Award 2016 to 2018, Top Influential Brands Award 2017, Certificate of Excellence 2016, Singapore's Top Restaurant Award 2015, Singapore Health Bronze Award 2014, Marketing Magazine – Marketing Excellence Award 2013 which recognises marketing excellence, Enterprise 50 Award 2012 & 2010 and Singapore service Star Award 2011. For Katrina's hospitality business, we were awarded Traveller Review Awards 2020 with the achievement of rating of 9.10/10 from Booking.com.

Katrina has started implementing and is still progressing with the upgrading of its Enterprise Resource Planning and Point-Of-Sales systems to improve customer experience and increase staff proficiency and productivity while lowering costs in the long run.

We are in the midst of working towards a system to monitor customer feedbacks. We have maintained our overall customer positive feedbacks in FY2019 as targeted. We aim to continuously maintain or improve our overall customer positive feedbacks in FY2020.

CUSTOMER PRIVACY

Cyber security and data privacy are important not just for compliance, but in safeguarding both our data and that of our customers. Katrina has appointed a Data Protection Officer (“**DPO**”) and Data Protection Committee to oversee the Personal Data Protection Act (“**PDPA**”) obligations of the Group. A company-wide briefing was conducted and PDPA policies are circulated to all employees. This policy also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons senior management on a need-to-know basis. This policy will also be integrated into staff induction program to ensure staff awareness on PDPA requirements.

Katrina takes measures to guard against cyber risks for both our internal and external stakeholders by complying with the PDPA Policy. We regularly review our information security policy and have taken measures in protecting our data by installing firewalls and restricting the display of full personal data to last four digits on service agreements as well as restricting access to systems where personal data collected are stored. At the office level, we take precautionary steps by installing privacy screen on computers that handle personal data and cautioned employees leaving sensitive data on desk or printer area.

There was no non-compliance with PDPA reported in FY2019. Moving forward, we target to safeguard our data and our customers' privacy and ensure compliance with PDPA.

SOCIOECONOMIC COMPLIANCE

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. Katrina is committed to conduct the business with integrity and to safeguard the interest of all our stakeholders, both internal and external. There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations over the past year.

We have obtained relevant certifications in compliance with the applicable laws and regulations in the businesses we engaged in. These certifications are respectively issued by Urban Redevelopment Authority (“**URA**”), NEA and Building and Construction Authority (“**BCA**”).

We have successfully achieved our target in maintaining zero incidents of non-compliance with applicable laws and regulations. Our aim is to maintain zero incidents of non-compliance with the relevant laws and regulations such as Fire Safety (Building Fire Safety) Regulations, URA Act, NEA Act and BCA Act.

Associations

Our director, Mr Alan Goh, Executive Chairman of the Board, Chief Executive Officer of the company, is an EXCO member of Restaurant Association of Singapore.

GOVERNANCE

CORPORATE GOVERNANCE

At Katrina, we believe that strong governance is the key to a sustainable business. Throughout FY2019, we continue to comply with the Code of Corporate Governance. Please refer to pages 16 to 50 of our Annual Report 2019 on more details of Katrina Group corporate governance practices.

It is a continual challenge to successfully manage the environmental and social issues. Katrina has incorporated this into our business model and implemented sustainable and responsible practices in the company. Our products and services meet what we believe are key requirements demanded by our customers and the regulatory bodies. We meet key environmental and safety standards that are expected of us.

Katrina pays strict attention to enforce good labour practices in all our operations. The company provides many training opportunities for continued employee development and this is reflected in the quality and delivery of our products and services. We value our relationships with our clients and the wider community in which we operate and these relationships have helped us through challenging times in the past. Katrina strongly believes that in the long run, these efforts will have a positive impact on our economic performance.

We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the company and its value to our stakeholders.

We will continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.

BUSINESS ETHICS AND COMPLIANCE

When it comes to hiring, we seriously take any possibility of conflict of interest into consideration. Our code of conduct clearly spells out Katrina's expectations from our staff and consequences if any of the rules are violated or standards not met. In addition, we also have clear and fair grievances procedures.

Business ethics are communicated to all our heads of business units regularly and they are fully aware that compliance with rules and regulations is a key part of running a responsible business. The company regularly updates key staff with developments in international and local regulations. Katrina fully complies with key environmental rules and regulations, anti-competitive behavior laws and key requirements on health and safety.

We have also achieved our target to maintain zero incidents of non-compliance with governance-related laws and regulations as evidenced by the visits by NEA. For FY2019, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations. There have also been no reported incidents of corruption during the reporting period.

Our target is to ensure all allegations received, if any, are promptly addressed and aim towards maintaining zero incidents of non-compliance with governance-related laws and regulations such as PDPA, Companies Act and Income Tax Act.

ENTERPRISE RISK MANAGEMENT (“ERM”)

The Board recognises the importance of maintaining a sound system of risk management and internal control to safeguard the shareholders’ interests and the Group’s assets, and to manage risks. The company manages risks under an overall strategy determined by the Board and supported by the various Board Committees. The Board and various Board committees oversee and ensure that such a system is appropriately implemented and monitored. The risk management and internal control processes framework are intended to provide reasonable but not absolute assurance against material misstatements or loss, to safeguard assets and maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks. For detailed disclosure on our risk management, please refer to page 30 of our Annual Report FY2019.

We aim to review the ERM policies regularly to ensure all relevant risks are identified, communicated and addressed timely.

GRI CONTENT INDEX

GRI Standard Disclosure Number	Disclosure Title	Report Section	Page Reference
General Disclosures			
Organisational Profile			
102-1	Name of the organisation	About This Report	2
102-2	Activities, brands, products, and services	Katrina AR 2019	2 to 5
102-3	Location of headquarters	Katrina AR 2019	14
102-4	Location of operations	Katrina AR 2019	2 to 5
102-5	Ownership and legal form	Katrina AR 2019	9
102-6	Markets served	Katrina AR 2019	2 to 5
102-7	Scale of the organisation	Employment Diversity and Equal Opportunity	12 13 to 14
102-8	Information on employees and other workers	Employment Diversity and Equal Opportunity Occupational Health and Safety	12 13 to 14 12 to 13
102-9	Supply chain	Food Safety & Hygiene Food & Service Labelling	15 15
102-10	Significant changes to the organisation and its supply chain	About This Report	2
102-11	Precautionary Principle or approach	None	-
102-12	External initiatives	Local Communities	14
102-13	Membership of associations	Associations	17
Strategy			
102-14	Statement from senior decision-maker	Board Statement	2
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Business Ethics and Compliance	18 to 19
Governance			
102-18	Governance structure	Katrina AR 2019 Governance	16 to 50 18 to 19
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	4 to 5
102-41	Collective bargaining agreements	None	-
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	4
102-43	Approach to stakeholder engagement	Stakeholder Engagement	4 to 5
102-44	Key topics and concerns raised	Stakeholder Engagement	4 to 5
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Katrina AR 2019	9
102-46	Defining report content and topic Boundaries	About This Report	2
102-47	List of material topics	Material Aspects Assessment	5
102-48	Restatements of information	About This Report	2
102-49	Changes in reporting	None	-
102-50	Reporting period	About This Report	2
102-51	Date of most recent report	27 May 2019	-
102-52	Reporting cycle	Annually	-
102-53	Contact point for questions regarding the report	About This Report	2
102-54	Claims of reporting in accordance with the GRI Standards	About This Report	2
102-55	GRI content index	GRI Content Index	20 to 21
102-56	External assurance	About This Report	2

GRI Standard Disclosure Number	Disclosure Title	Report Section	Page Reference
Material Topics			
Category: Economic			
Economic Performance			
201-1	Direct economic value generated and distributed	Economic Performance	6
Anti-corruption			
205-2	Communications and training about anti- corruption policies and procedures	Anti-corruption Business Ethics and Compliance	8 18 to 19
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption Business Ethics and Compliance	8 18 to 19
Category: Environmental			
Energy			
302-1	Energy consumption within the organisation	Conservation of Energy	9
302-4	Reduction of energy consumption	Conservation of Energy	9
Water			
303-1	Interactions with water as a shared resource	Water Management	10
Effluents and Waste			
306-2	Waste by type and disposal method	Oil Waste Management	10
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance	10 to 11
Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Supplier Environmental Assessment	11
Category: Social			
Employment			
401-1	New employee hires and employee turnover	Employment	12
Occupational Health and Safety			
403-1	Occupational health and safety management system	Occupational health and safety	12 to 13
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity	13 to 14
Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities	14
Customer Health and Safety			
416-1	Assessment of health and safety impacts of product and service categories	Customer Health and Safety Customer Satisfaction	15 15 to 16
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food Safety & Hygiene Food & Service Labelling	15 15
Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy	16
Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Socioeconomic Compliance	16 to 17

Katrina
GROUP LTD.

KATRINA GROUP LTD.

(Incorporated in the Republic of Singapore on 31 March 2016)
(Company Registration Number: 201608344N)

100 Beach Road #16-09/13
Shaw Tower
Singapore 189702
Tel: (65) 6292 4748
Fax: (65) 6292 4238

www.katrinagroup.com