



# **QAF LIMITED**

## Sustainability Report 2019



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## SUSTAINABILITY REPORT

### BOARD STATEMENT

QAF Limited's ("QAF" or "Company") third Sustainability Report sets out the sustainability performance and progress for FY2019 for QAF and its subsidiaries ("Group").

In FY2019 we revisited our materiality assessment, continuing to focus on the needs of our customers, our communities and our environment. We concluded that our five material environmental, social and governance ("ESG") factors, which are set out on page 47 under Report Structure, remain relevant. We aligned our sustainability initiatives with the United Nations Sustainable Development Goals – SDG 3 and SDG 12, as our commitment to supporting the global agenda on environmental and social progress.

Our business evolves and seeks to improve to keep pace with the market and industry developments. We create positive impacts in many ways. By driving innovation, we make concerted efforts to improve the nutrition and quality of our products and develop new products to meet ever changing consumer demands. We successfully developed various new *Gardenia* products, including being one of the first packaged bread manufacturers in Singapore to produce a loaf (*Gardenia Purple Wheat Soft Grain Loaf*) with *Lactobacilli paracasei* MCC1849, a strain of good bacteria from Japan, and enriched with dietary fibre and Vitamins B1, B2 and B3. We are currently collaborating with local start-up, *Alchemy Foodtech*, to expand our range of low GI products. Further, we recognise that even amongst health-conscious consumers, there are differing preferences and needs. We seek to meet the challenge of increasing fibre levels in our products but also deliver on taste. We are also conscious of heightened consumer awareness on digestive health and are using prebiotics in several of our loaves. For our *Bakers Maison* brand, some of its gluten-free products have been endorsed by Coeliac Australia.

We are proud of Rivalea's market leading animal welfare practices. Rivalea is accredited with APIQ®, the Australian Pork Industry Quality Assurance Program for APIQ® Free Range, APIQ® Gestation Stall Free and APIQ® Customer Specifications Verification for Coles Supermarkets Australia.

More than ever, consumers are aligning their personal values with the brands they buy and are attracted to companies with strong sustainability values. Statistics have shown that consumers have increasing interest in consumer brands that have demonstrated commitment to sustainability as compared with brands which have not, and consumers surveyed appear willing to pay a premium for such products. We recognise that there is a link between a consumer brand's reputation and what it stands for in terms of environmental and social responsibility. We recognise the growing importance of climate issues, and the risks they may pose to existing business models. We intend to enhance our understanding of how climate issues impact our business, with a view to achieving a holistic and robust organisational response. We plan to undertake a review of our material ESG factors prior to our next Sustainability Report and enhance our sustainability strategy to better respond to the changing landscape.

As a food group, product safety and hygiene are matters we take very seriously. *Gardenia* Singapore continued to hold Grade A status for the 25<sup>th</sup> consecutive year under the *Food Safety Excellence Scheme*, now administered by the Singapore Food Agency. We have strong programs to maintain our high standards, and we recognise that continuing efforts on this front are required and there is a need to remain vigilant. For example, African Swine Fever (ASF) is a continuing risk concern to Rivalea with the disease spreading beyond Europe and China to other parts of Asia. Australia remains free of ASF due to its strict biosecurity laws and practices. Rivalea has further tightened its already strict farm biosecurity policies and procedures and is in constant dialogue with government officials to enhance preparedness against ASF. The coronavirus (COVID-19) outbreak led our Group to implement precautionary measures. Please refer to pages 6 and 88 of our Annual Report. We are continuing to monitor the situation closely.

## SUSTAINABILITY REPORT

Our Group, together with its joint venture, has made a positive impact on local communities. In Australia, Rivalea undertook relief efforts in support of firefighters and bushfire victims through, amongst others, support and continuation of wages for Rivalea employees who volunteered helping firefighters, funds donations to impacted communities and donations of pork products for distribution to local communities. In addition, the Group, together with its joint venture, is a significant employer, providing employment for more than 10,000 employees in four countries, including developing countries, and support many retailers and suppliers. As a responsible employer, we provide opportunities for training and development, which help upgrade our employees' skillsets. We sponsored overseas training in the USA at AIB International, one of the world's foremost training organizations on food safety to "put science to work for bakers". Our employee attended AIB International's intensive 16-week, premier *Baking Science and Technology* course. Our commitment to education and training is also reflected in Gardenia's ongoing Bursary Programme for students of the National University of Singapore and Nanyang Technological University.

We continue to work on the adoption of practices that show respect for the environment. Rivalea plans, subject to regulatory approval, to upgrade one of its farms to improve its environmental impact by the installation of a state-of-the-art integrated biofilter system at the site, at an investment of approximately A\$8.0 million. The biofilter system would enhance airflow and better manage emissions, augmenting Rivalea's sustainable practices. In 2Q2019, Rivalea completed installing the third biogas powered electricity generator which uses methane produced from its farming operations on its Corowa site.

On the corporate governance front, QAF was recognised for its efforts in upholding high standards.

The Board is committed to overseeing the management and monitoring of ESG issues. Please refer to pages 38 to 41 for an overview of our sustainability progress during the year under review.

### The Board of Directors

QAF Limited



QAF was awarded the Best Annual Report 2018 (Silver) in the Singapore Corporate Awards, \$300 million to \$1 billion market capitalization category.

## SUSTAINABILITY REPORT

## SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In FY2019, QAF identified two priority United Nations Sustainable Development Goals (“SDGs”) for which we believe there exist opportunities for us to make positive impacts through our business practices, products and community programs. This is a first step for QAF to develop a plan with a global view which is aligned with our overall business strategy and priorities. QAF aims to contribute to the SDGs through its businesses.



## Spotlight on Priority SDGs

**Goal 3 Good Health and Well Being**

As a food manufacturer, QAF recognises the importance of good health and wellbeing as an important part of sustainable development. QAF is committed to encouraging healthy consumption habits among consumers and leading by example in wellness and nutrition education.

Gardenia engages in research, development and innovation in relation to our products with the aim of producing food that have good nutritional value through manufacturing processes that maintain high standards of food safety and quality. We have in-house laboratories that actively develop new products with good health and wellbeing as the main driving factor. Together with our joint venture in Malaysia, Gardenia's laboratories currently employ a total of 27 staff to undertake research and development and compliance responsibilities. Recipes are improved over time to adapt to changing consumer demands and preferences. We are also conscious that products remain affordable and accessible to consumers, leveraging on our extensive distribution channels in the various locations of operations.

Over the years, Gardenia has made concerted efforts to meet consumer demands for healthier and wholesome loaves with the development of healthier bread, including bread enriched with vitamins and minerals, calcium-fortified bread, bread high in dietary fibre such as wholemeal and grains, bread improved with sourdough to promote better digestibility and aid the absorption of micro-nutrients, and breads that have low GI and reduced sugar levels.

In Australia, Rivalea produces a range of meat products that have significantly lower cholesterol levels. The meat comes from livestock that are fed with special feed supplements such as live lactobacillus.

Our Group is supportive of the various health related events and programs held by its health partners. Through our brands, we actively collaborate with government and non-governmental organisations to promote healthy eating and lifestyles. Gardenia has a long-time partnership with the Singapore Health Promotion Board to encourage consumers to shift towards healthier food choices and lifestyles.

Going beyond business operations, our Group also actively contributes to our communities by reaching out to schools and other local communities through various programs such as food sponsorship, nutrition counselling and health and sanitation campaigns. We firmly believe that education is key to realising good health and wellbeing. At *Gardenia* bread plants, free tours are offered to visitors as outreach to the larger community. In 2019, the Gardenia plants received almost 400,000 visitors.

**Goal 12 Responsible Consumption and Production**

Sustainable consumption and production are about promoting resource efficiency. Understanding this, we strive to do more and better with less through our business operations. We work towards this goal through the following areas.

## SUSTAINABILITY REPORT



### Energy

We are committed to managing and reducing our energy consumption. In Singapore, lighting at Gardenia's corporate office and warehouse have been replaced with LED lights. To improve energy conservation and enhance efficiency, electrical humidifiers have replaced the gas-fired boilers in the final proofer steam system, providing savings of approximately S\$40,000 in FY2019 on water and gas consumption.

Our Bakery plants in Australia and Johor and joint venture plants in Malaysia have adopted energy efficiency measures such as harnessing solar power, installing LED lighting and using wasted heat recovery technology. The installation of LED lights in selected areas at two Malaysian plants has reduced the energy costs of lighting for those areas by approximately 50%. During Bakers Maison's plant extension in Australia in 2017, an additional 1,100m<sup>2</sup> of solar panels was installed, which together with the existing 1,000m<sup>2</sup> of solar panels, provides about 15% of electricity requirements. Our Primary Production business has three biogas collection facilities that capture and burn methane generated from its farming operations to produce electricity. Rivalea also supplies Australian Carbon Credits under contract to the Australian government through the Commonwealth Emissions Reduction Fund.



### Resources

We strive to source responsibly through our supply chain, for example, assessing suppliers' business practices and preferring locally produced raw materials, where applicable. Gardenia Singapore uses sustainable palm oil from a source that practices a policy of "No Deforestation, No Development on Peat and No Exploitation of People and Local Communities" for selected bakery products. In Australia, *Bakers Maison* primarily sources for local Australian raw materials rather than imported materials.



### Effluents

Wastewater is treated to manage impacts on the environment. In Singapore, wastewater is treated by the Public Utilities Board to meet international standards and is safe to be returned to nature. Measures have also been adopted in the Philippines to treat wastewater to meet the water quality standards stipulated by the Department of Environment and Natural Resources. In Rivalea's piggeries, wastewater is treated via its wastewater treatment system to clarify the water and remove suspended matter. The treated water is used to grow crops on its land or on neighbouring properties. The water quality is rigorously monitored by Rivalea's Environmental Team to check for compliance with environmental laws and regulations.



### Waste

The Group's Bakery and Primary Production businesses are signatory to the Singapore Packaging Agreement and the Australian Packaging Covenant. The Group seeks to reduce packaging waste such as plastic and cardboard boxes and cripple bread through product development and partnership with vendors. Packaging of unsold bread is recycled into trash bags. Cripple bread and bread that is unsold and returned to Gardenia by retailers such as supermarkets, is sold to third parties for animal and/or fish feed.

## SUSTAINABILITY REPORT

In Singapore, a new mandatory packaging reporting framework that comes into effect in 2020 will require producers of packaged products to submit annual reports to the National Environment Agency on the types and amount of packaging that they put on the market, and their plans to reduce, reuse or recycle (3R) packaging waste. The first report is to be submitted in 2021.

Read more on the following pages of this report for contributions through the Group's Bakery business and Primary Production business.



Gardenia Singapore's range of ten "Low in Sugar" bread loaves.



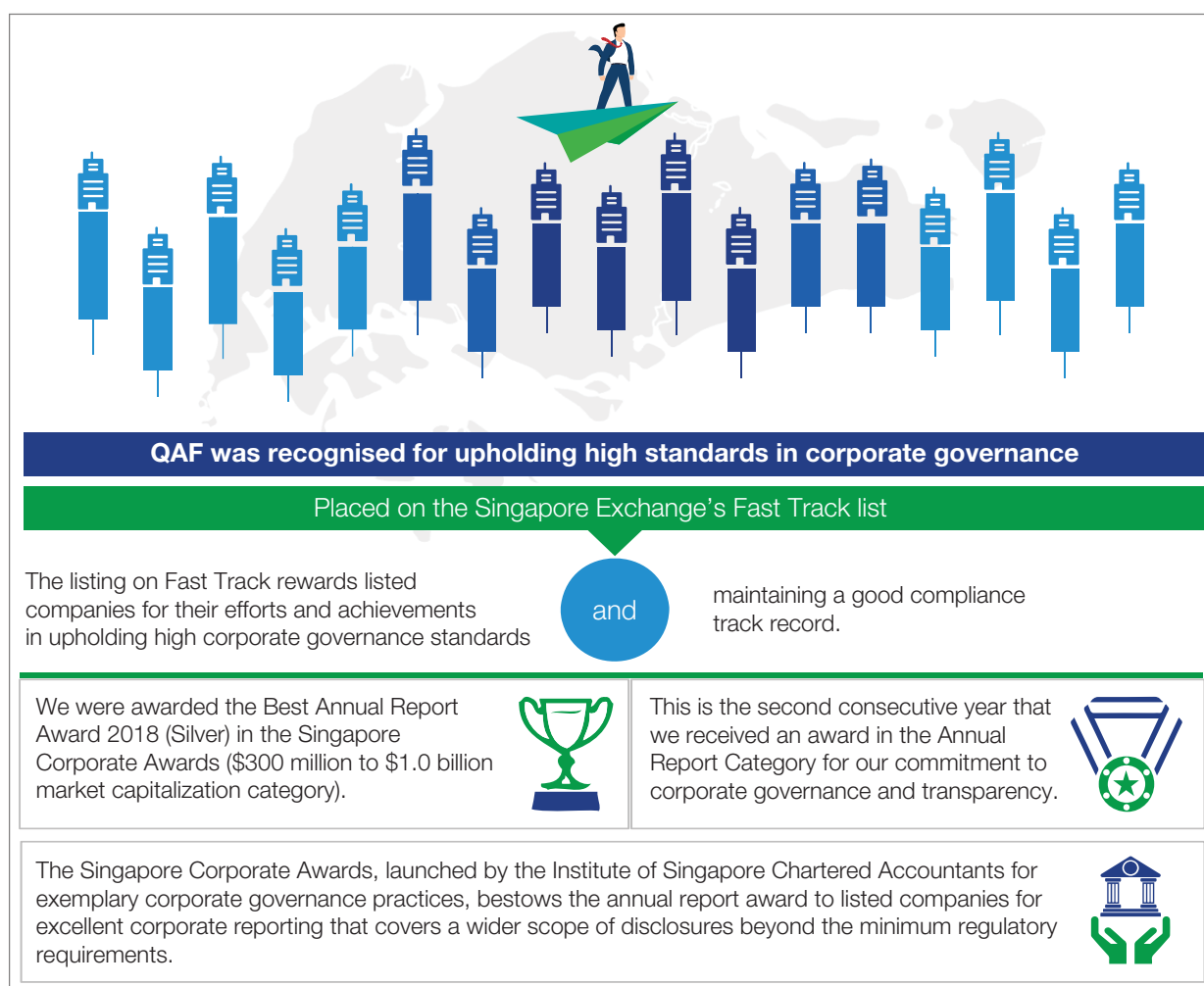
# SUSTAINABILITY REPORT

## SUSTAINABILITY OVERVIEW



### Governance and ethics

- Zero confirmed incidents of corruption based on internal audits conducted.
- Commitment towards upholding corporate governance – donation towards Corporate Governance and Community Investor education programs organized by the Securities Investors Association (Singapore).



### Product responsibility

- For the Group's Bakery business (other than Bakers Maison), approximately 67%\* of total production volume was manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards. Bakers Maison achieved 100% of total production volume manufactured in such certified sites.
- Gardenia Singapore continued to hold Grade A status for the 25<sup>th</sup> consecutive year under the *Food Safety Excellence Scheme*, now administered by the Singapore Food Agency.
- For the Group's Primary Production business, 100% of the total production volume was manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards.

\* The percentage was 67% compared to 85% in 2018 as Gardenia Philippines' two new bakery plants at Mindanao and Luzon have not yet been certified, impacting the performance for 2019. The plants are targeted to be certified by 2021.



## SUSTAINABILITY REPORT



## Promoting healthier eating and lifestyles

- Gardenia participated in and conducted various health promotion initiatives in partnership with healthcare and community organisations in Singapore, the Philippines and, through the Group's joint venture, Malaysia.
- To meet increased consumer demand for healthier loaves, Gardenia Singapore developed the *Gardenia Purple Wheat Soft Grain Loaf*, the first packaged bread in Singapore made with *Lactobacilli paracasei* MCC1849 bacteria from Japan.
- Gardenia Singapore and Philippines reached out to more than 350,000 people through free educational bread plant tours.

2018

## Gardenia Singapore launched

**Gardenia Low GI Soft Grain Loaf**

and

**Gardenia Brown Rice & Oat Soft Grain Loaf**

The *Gardenia Low GI Soft Grain Loaf* has a **low GI** value **below 55** and is also low in sugar, containing less than **5g sugar per 100g bread**.



The *Gardenia Brown Rice & Oat Soft Grain Loaf* is made with finely milled unpolished brown rice, is packed with nutrients, and has a higher fibre content compared to white rice.

2019

**The Gardenia Purple Wheat Soft Grain Loaf**

is fortified with pasteurised *Lactobacilli paracasei* MCC1849, a special strain of good bacteria that is stable even during the baking process, and enriched with **dietary fibre** and

**Vitamins B1, B2 and B3**. The loaf has a natural purple hue which is attributable to **anthocyanins, an antioxidant** found in purple wheat.



Introduction of the **wholesome Gardenia Savoury Turmeric & Corn Panini** which has a blend of savoury maize and turmeric and contains olive oil, sunflower seeds and dried wheat sourdough.



Collaboration with Alchemy Foodtech, a local start-up, to expand the range of **low GI products**.



## SUSTAINABILITY REPORT

Apart from its **10 Low in Sugar loaves** and **2 Low GI loaves**, **15** types of **Gardenia wholegrain bread** products have been endorsed with the “**Healthier Choice Symbol**” by the **Health Promotion Board (“HPB”)**. The “Healthier Choice Symbol” is awarded to food products that meet HPB’s nutritional criteria.



Most of *Bakers Maison* products contain

no added fat

no preservatives

no added sugar or artificial flavours

and use only natural ingredients. Some of the products are also high in fibre and a number of its gluten free products have been endorsed by Coeliac Australia.



### Protecting the environment

- Rivalea achieved no incidents of non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge.
- Rivalea’s third biogas-powered electricity generator facility was commissioned in 2Q2019. Up to 75% of the power consumed at Rivalea’s major site is sourced through biogas generation.
- Gardenia Singapore completed the replacement of gas-fired boilers in the final proofer steam system with electrical humidifiers resulting in savings of \$40,000 in FY2019 on water and gas consumption.



### Animal welfare

- Rivalea achieved zero incidents of significant non-compliance with the Australian laws and regulations related to transportation, handling, and slaughtering practices for live terrestrial animals.



### Enriching communities

- QAF donated to the *Hello Dawson! Relocation Programme* to assist low-income, elderly and underprivileged residents in the Tanglin Halt, Singapore, area to relocate to new homes in Dawson.
- QAF donated to the *Philip Yeo Initiative Endowment Fund* for the development of people and talent under the *Philip Yeo Initiative* programs.
- Gardenia Philippines donated more than 650,000 units of bakery items to the less fortunate and victims of calamities under its *Daily Bread* program, *Nutrition Assistance Program* and *Quick Response* relief effort.
- Rivalea employees took part in fund raising to support cancer services, raising over A\$7,000 in support of the Albury Wodonga Regional Cancer Centre.
- Rivalea supported the Bangerang Park redevelopment program in Corowa, contributed to *Food Share* (meals for the disadvantaged) and sponsored the upgrade of a local children’s Scout hall.
- Rivalea completed its first intern placement of 3 years through the Industry Placement Program Partnership with APRIL (Australasian Pork Research Institute Ltd) and hired the participant as a permanent employee.

## SUSTAINABILITY REPORT



## Our people

- QAF sponsored overseas training for an employee to attend AIB International's renowned premier Baking Science and Technology course in the USA.
- Gardenia Singapore developed and implemented workplace learning systems in conjunction with the National Centre of Excellence for Workplace Learning, Nanyang Polytechnic and SkillsFuture Singapore, bringing structured training to its plants. Two of its production co-ordinators are participants in the Nanyang Polytechnic SkillsFuture Earn and Learn Programme.
- Gardenia Philippines sponsored 6 employees for advanced education and professional certification programs and sent some 221 personnel for internal, external and supplier-sponsored training and seminars to further enhance their skills and knowledge in their respective areas of work.
- Rivalea supported 5 employees with bachelor and post-graduate studies, and 20 employees with nationally accredited qualifications.
- Gardenia Malaysia sponsored 2 employees for a 6-week intensive Baking Science and Technology Course at the UFM Baking and Cooking School in Bangkok.

## OUR AWARDS

## QAF was recognised again for its excellence in corporate governance and transparency

QAF was awarded the Best Annual Report Award 2018 (Silver) in the Singapore Corporate Awards (\$300 million to \$1.0 billion market capitalisation category).



QAF was placed on the Singapore Exchange's Fast Track list in recognition of its high corporate governance standards and good compliance track record.

## Gardenia

- In 2019, *Gardenia* continued to lead the Singapore bread industry in market share in both the total bread category and wholemeal bread segment.
- During the year, Gardenia Bakeries Philippines Inc. and Nutrimax Fresh-Baked Inc. were recognised for conducting their businesses with honesty and integrity when they were awarded "*Top 4 Outstanding Business Taxpayer*", City of Binan and "*No. 10 Top Real Property Taxpayer*", Misamis Oriental, respectively.
- Under our Group's joint venture in Malaysia, Gardenia was voted Malaysian consumers' most preferred brand for the 10<sup>th</sup> consecutive year and given two awards at the Putra Brand Awards 2019, namely, the *Putra Platinum Award (Foodstuff Category)* and the *Putra Hall of Fame Award*, accorded to brands that have won top place in their respective categories for ten successive years. The Putra Brand Awards is the premier brand award in Malaysia. It is the only brand award endorsed by MATRADE (Malaysia External Trade Development Corporation) and supported by the Branding Association of Malaysia, the Malaysian Advertisers Association and the Media Specialists Association.

## SUSTAINABILITY REPORT

### Bakers Maison

Bakers Maison's *Almond Filled Croissant* was a finalist in the 2019 Fine Food Australia Best New Product Awards. The Fine Food Australia New Product Awards recognises the most exciting and innovative products in the Australian marketplace and is the benchmark for excellence in the foodservice, hospitality, retail and bakery industries.

### Rivalea

'Riverview Farms Hot Roast Pork with Crackle' was honoured with three awards at the 2019 Australian Food Awards, Australia's leading national fine food awards program that recognises the best Australian food producers across ten major categories. The awards are *Champion Australia Convenience Food*, *Gold Medal Winner 2019 in the Convenience Meal Category*, and *Best in Class Winner 2019 in the Convenience Main Meal Category*.



Rivalea's 'Riverview Farms Hot Roast Pork with Crackle' won three awards at the 2019 Australian Food Awards, Australia's leading national fine food awards program.

## WHO WE ARE

### Creating Quality Products for Our Customers through Our Brands

QAF is a leading multi-industry food company and has an extensive food-related operations and/or distribution network across the Asia Pacific region, including Singapore, Malaysia, the Philippines, Australia, Myanmar, Thailand, Cambodia, Hong Kong, Taiwan, Macau and Brunei. The business, together with our joint venture in Malaysia, currently employs over 10,000 employees. We are listed on the Singapore Exchange Securities Trading Limited.

### Our Vision

We are committed to enhancing shareholder value by pursuing a strategy of long-term sustainable growth and value creation. In this respect, we engage with the communities in which we operate and seek to, amongst others, strengthen our market position and brand equity, and expand the operations of our core businesses and distribution networks.

### Our Brands

This year's Sustainability Report focuses on the Group's Bakery and Primary Production businesses through its *Gardenia*, *Bakers Maison* and *Rivalea* group-owned brands.

### Gardenia

*Gardenia* is the leading packaged bread brand in Singapore, the Philippines and Malaysia. The brand is commonly associated with qualities such as good taste, freshness, nutritional value, trust and reliability. All these are crucial to the brand's continued success in the competitive packaged bread industry.

### Bakers Maison

*Bakers Maison* is a French-style bread specialist manufacturer in Australia that produces par and full-baked frozen bread, pastries and sweets. The products are sold to the foodservice sector across Australia. Most *Bakers Maison* products contain no added fat, no preservatives, no added sugar or artificial flavours, and use only natural ingredients. A number of *Bakers Maison* products have been endorsed as gluten free by Coeliac Australia since 2018.

### Rivalea

Rivalea is one of Australia's leading vertically integrated industrial pork companies. Rivalea group's notable brands include *Family Chef*, *Murray Valley Pork*, *High Country*, *St Bernard's Free Range* and *Riverview Farms*.

Rivalea also produces and markets stockfeed under established brands such as *Optimilk*, *Veanavite*, *Slingshot*, *Grolean*, *Nutrimax* and *Eggstra*.

## SUSTAINABILITY REPORT

### ABOUT THIS REPORT

This report provides an overview of our approach towards sustainability in our business operations, including our FY2019 performance and progress. It has been prepared with reference to the Global Reporting Initiative's ("GRI") Standards 2016, including the GRI Food Processing Sector Disclosures as well as the SGX-ST Listing Manual (Rules 711A and 711B). The GRI standards is adopted as our reporting framework as we believe it provides robust guidance and is widely accepted as a global standard for sustainability reporting. Along with the Food Processing Sector Disclosures, the GRI standards will enable QAF to prepare a Sustainability Report that is focused on its material ESG factors based on the GRI Reporting Principles.

#### Report Scope

This report covers the Group's Bakery businesses in Singapore, the Philippines and Australia under the *Gardenia* and *Bakers Maison* brands, and the Group's Primary Production business in Australia. The reporting period is 2019.

We have also included some additional information relating to the Group's joint venture bakery operations in Malaysia, although not strictly part of the report scope.

#### Feedback

If you wish to provide feedback on this report, please send your comments to [sustainability@qaf.com.sg](mailto:sustainability@qaf.com.sg).

#### Sustainability Governance

The Audit and Risk Committee ("**ARC**") is responsible for reviewing and making recommendations to the Board on sustainability matters including policies, practices, targets and performance. The ARC is also responsible for approving the material ESG factors identified. The Group has appointed an external consultant to advise it on this report. The ARC is supported by the Sustainability Working Group that consists of executives of the Company who work with personnel of the relevant business units.

# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

Our stakeholders are important to our business operations and strategies. Through interaction and engagement with our stakeholders, we are better able to understand their expectations, interests and concerns. This is important for managing our risks and considering improvements for our operations.

Key Stakeholders	Key Topics and Concerns	Engagement Methods	Frequency of Engagement
<b>Employees</b>	• Career Development and progression	• Training and career development initiatives	• Periodically during the year
	• Compensation and other Benefits	• Health and wellness related initiatives	• Quarterly “Wellness Week” event at Gardenia Philippines
		• Discussion of performance and achievements	• Annual ‘R U OK Rivalea’ Week
		• Social and team building activities	• Annual performance reviews are held
		• Engagement with applicable trade unions	• Periodically during the year
<b>Shareholders</b>	• Business and financial performance, strategy and outlook	• Livelihood training for employee dependents at Gardenia Philippines	• As and when required
		• Release of financial results and other announcements and other relevant disclosures through SGXNet and QAF’s website	• Periodically during the year
<b>Customers</b>	• Quality of products	• Publish Annual Report	• Quarterly results announcements
		• Annual General Meeting	• An Annual General Meeting is held once a year
	• Nutritional content of products	• Extraordinary General Meeting, where necessary	• Extraordinary General Meetings are held as and when required
		• Responding to questions raised through channel provided (info@qaf.com.sg)	• Ongoing as and when relevant questions/concerns are raised
	• Use of trans-fat and GMO products	• Participation in interactive roadshows held in conjunction with health promotion campaigns or initiatives	• Periodically during the year
<b>Customers</b>	• Availability/accessibility of products	• Customer satisfaction surveys	• Quarterly
		• Advertisements, and marketing and sales promotion activities	• Regular interaction throughout the year
	• Customer and business partner relationships	• Interaction between brands and customers via websites and social media platforms	
		• Customer surveys	
<b>Customers</b>	• Consumer and community ethical concerns, market insight, market conditions, company development	• Bakers Maison conducts business reviews and updates with key customers	• Periodically during the year
		• Rivalea interacts with customers via formal and informal meetings and presentations	• Periodically during the year

## SUSTAINABILITY REPORT

Key Stakeholders	Key Topics and Concerns	Engagement Methods	Frequency of Engagement
<b>Suppliers and Business Partners</b>	<ul style="list-style-type: none"> <li>• Supplier and business partner relationships</li> <li>• Quality of materials supplied</li> <li>• On-time delivery of products</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier meetings</li> <li>• Regular audits of production facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically during the year</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Compliance with relevant rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Routine and ongoing communication and collaboration</li> <li>• Compliance with mandatory reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>• As and when required</li> </ul>
	<ul style="list-style-type: none"> <li>• Submissions regarding policy impacts and changes in laws affecting Rivalea's business activities</li> </ul>	<ul style="list-style-type: none"> <li>• Representations to government departments</li> </ul>	<ul style="list-style-type: none"> <li>• As and when required</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Promote healthier lifestyles and raise awareness for food nutrition</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in interactive roadshows held in conjunction with health promotion campaigns or initiatives</li> <li>• School health outreach activities</li> <li>• Educational tours of bread production facilities</li> <li>• Gardenia Philippines' "Corporate Wellness Movement" and "Supermarket Wellness Camp" programs</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically during the year</li> </ul>
	<ul style="list-style-type: none"> <li>• Help improve the livelihoods and living quality of the local community</li> </ul>	<ul style="list-style-type: none"> <li>• Activities to support various philanthropic, community and charitable causes</li> <li>• Rivalea's employee community volunteering program</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically during the year</li> </ul>
<b>Industry Bodies</b>	<ul style="list-style-type: none"> <li>• Short and long-term interests of the industry body groups</li> </ul>	<ul style="list-style-type: none"> <li>• Co-operation and/or collaboration with industry bodies and industry distribution channels such as Australian Pork Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically during the year</li> </ul>
<b>Animal Welfare Groups</b>	<ul style="list-style-type: none"> <li>• Ethical treatment of animals</li> </ul>	<ul style="list-style-type: none"> <li>• Work with recognised animal welfare groups such as the Animal Welfare Science Centre to determine animal welfare program research strategies and direction</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically during the year</li> </ul>



## SUSTAINABILITY REPORT

### Memberships and Associations

The Group has membership and involvement in industry organisations to participate in, and contribute to, the food industry. Some of the memberships and external initiatives are set out below:

#### Membership and Involvement

##### Singapore

- GS1 Singapore Council
- Singapore Manufacturers' Federation
- Singapore Business Federation
- Singapore Food Manufacturers' Association
- Singapore Bakery & Confectionary Trade Association

##### Philippines

- Philippine Baking Industry Group
- Employers' Confederation of the Philippines
- Philippine Chamber of Commerce and Industry
- Philippine Chamber of Food Manufacturers
- Makati Business Club
- Management Association of the Philippines
- Filipino-Chinese Bakery Association Inc.
- Wallace Business Forum
- European Chamber of Commerce
- People Management Association of the Philippines

##### Australia

- Australian Pork Limited
- Animal Welfare Science Centre
- Australian Food and Grocery Council
- Australasian Pork Research Institute Ltd

#### External Initiatives

##### Singapore

- Singapore Packaging Agreement

##### Australia

- National Meat Industry Training Advisory Council Limited
- Workplace Enviro Australia
- SAI Global
- National Association of Testing Authority
- Australian Meat Industry Council
- Feed Ingredients & Additives Association
- Stockfeed Manufacturers Council

## SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

Guided by the GRI Materiality Principle, we have conducted another materiality review session to determine the continued relevance of the material ESG factors to our business and key stakeholders. The review was conducted with the management and personnel of the relevant business units. Through the session, we concluded that the five material ESG factors continue to remain relevant and aligned with our business direction. We intend to carry out periodic review of our material ESG factors for relevance to our business and key stakeholder concerns. The table below shows the ESG factors and the corresponding GRI topics for each factor.

Material Factors	Materiality to QAF	GRI Topics
Economic Sustainability	Our financial performance, and economic value generated and distributed	GRI 201: Economic Performance
Governance and Ethics	Our governance structure, ethics and integrity, and anti-corruption policies	GRI 205: Anti-corruption
Product Responsibility	Product safety, hygiene and nutritional value	GRI 416: Customer Health and Safety
Promoting Healthy Eating and Lifestyles	Catering to customers' varying nutritional needs and tastes, and spreading the benefits of a healthy diet and lifestyle	GRI G4: Healthy and Affordable Food
Animal Welfare	Our commitment to the respectful and humane treatment of animals throughout their life cycle	GR G4I: Animal Welfare
Protecting the Environment	More environmentally sustainable operations	GRI 306: Effluents and Waste GRI 302: Energy* GRI 305: Emissions*
Enriching Communities	Contributing our resources towards the welfare of the less fortunate and fostering strong ties within the communities in which we operate	GRI 413: Local Communities*
Our People	Investing in developing skills and capabilities of our workforce	GRI 404: Training and Education*

\*Non-material ESG Topics

## REPORT STRUCTURE

This report has been organised to depict how the five ESG topics are relevant to each of the businesses which form part of our report scope. The table below shows where such ESG topics are relevant to the respective businesses.

Material Factors	Bakery <sup>1</sup>	Primary Production <sup>2</sup>
Governance and Ethics	✓	✓
Product Responsibility	✓	✓
Promoting Healthy Eating and Lifestyles	✓	
Animal Welfare		✓
Protecting the Environment	✓	✓
Enriching Communities*	✓	✓
Our People*	✓	✓

\*Non-material ESG Topics

1. Bakery business covers the Gardenia (Singapore and Philippines) and Bakers Maison (Australia) brands

2. Primary Production business covers the Rivalea-owned brands

# SUSTAINABILITY REPORT

## GOVERNANCE AND ETHICS

### Conducting Our Business Ethically to Build Trust in Our Brands


To build and maintain trust in our brands and business reputation, it is important to uphold good corporate governance. We are encouraged that our efforts in upholding high corporate governance standards have been recognised and will continue to work on this aspect. In 2019:

- QAF was included in the Singapore Exchange's Fast Track list, for upholding high corporate governance standards and maintaining a good compliance track record. Fast Track companies can expect prioritized clearance for corporate action submissions to the regulator, such as for circulars and requests for waivers from relevant listing rules.
- QAF received the Best Annual Report Award 2018 (Silver) in the Singapore Corporate Awards (\$300 million to \$1.0 billion market capitalization category). This is the second consecutive year we have received this award.

- Two of the Group's Philippines subsidiaries, Gardenia Bakeries Philippines Inc. and Nutrimax Fresh-Baked Inc., were honoured for conducting their businesses with honesty and integrity when they were awarded "Top 4 Outstanding Business Taxpayer", City of Binan and "No. 10 Top Real Property Taxpayer", Misamis Oriental, respectively.

The Group has put in place a Whistleblowing Policy that provides an avenue for its employees and officers to raise, in confidence, any concerns about actual or suspected improprieties on financial reporting, corruption, bribery, fraud and other matters, directly to the Chairman of the Audit and Risk Committee. The Audit and Risk Committee will consider whistleblowers who are anonymous on the merits of the case (as is the case for with non-anonymous whistleblowers). Concerns expressed anonymously may however hinder investigations and do not facilitate the enquiry process, for example where there is a need to seek clarification or further information. Our corporate governance is guided by the Singapore Code of Corporate Governance and further information can be found in our Corporate Governance Report on pages 75 to 96.

## Anti-Corruption

Material Factor	FY2019 Achievements	FY2020 Target
Anti-corruption 	Zero confirmed incidents of corruption based on internal audits conducted	Continue to maintain zero confirmed incidents of corruption

The Group has adopted a Code of Business Conduct which emphasises the Group's commitment to conducting business with integrity and good ethical standards, in compliance with applicable anti-bribery and anti-corruption laws. Corrupt practices could subject the Group and individuals concerned to criminal and civil liabilities and negatively impact the Group's reputation and the confidence of material stakeholders. In addition to the Code, some of our Group members have implemented policies specific to their operations and jurisdictions.

In Singapore, Gardenia requires employees to maintain high standards of integrity and to adhere to its Employee Code of Conduct, which covers, *inter alia*, proper conduct and behaviour and food hygiene.

In the Philippines, Gardenia established an Employee Code of Conduct that sets out expectations in relation to issues such as fraud and bribery. To ensure compliance, spot

audits are carried out on departments within the company. Gardenia is also a signatory to the Philippine Integrity Initiative program for the promotion of common ethical and acceptable integrity standards in the business community.

In Australia, Bakers Maison has put in place an Ethics Code, an Anti-corruption and Fraud Policy and Code of Conduct Policy. The fraud policy is applicable to all employees and contractors of the Company. Bakers Maison also conducted a training needs analysis where appropriate employees were selected to be trained on the importance of compliance.

Rivalea adopted the Group's Code of Business Ethics policy in 2019. In Australia, whistleblower reforms came into effect, requiring the mandatory adoption of a compliant whistleblower policy by 1 January 2020. Rivalea adopted a Whistleblower policy compliant with Australian legislation in 2019. Rivalea is also working on a data breach policy.

## SUSTAINABILITY REPORT

## BAKERY

The Group is committed to integrating sustainability within its business operations and its bakery business continues to make progress on its sustainability performance and contribute positively to the environment and community. Through its *Gardenia* and *Bakers Maison* brands, the Group manages and improves its sustainability performance through ongoing brand-specific initiatives.

Material Factors	FY2019 Achievements	FY2020 Target
<b>Product responsibility</b> 	<p>Percentage of total Bakery production volume was manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards:</p> <p>Group (other than Bakers Maison) – 67%  The percentage was 67% compared to 85% in 2018 as Gardenia Philippines' two new bakery plants at Mindanao and Luzon have not yet been certified, impacting the performance for 2019. The plants are targeted to be certified by 2021.</p> <p>Baker's Maison – 100%</p>	<p>For the Group's Bakery business, to at least maintain the FY2019 percentage of total production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management standards.</p>
<b>Promoting healthy eating and lifestyles</b> 	<p>Gardenia Singapore developed the <i>Gardenia Purple Wheat Soft Grain Loaf</i> and conducted various health events and retail promotions for its wholemeal products to promote healthier eating.</p> <p>Gardenia Philippines conducted educational plant tours at its new Mindanao plant and held health and nutrition training programs for its employees.</p>	<p>Gardenia Singapore aims to continue to develop more variants of healthier choice wholemeal products, conduct more promotions for wholemeal loaves, and participate in more outreach events to promote healthier eating.</p> <p>Gardenia Philippines intends to innovate more healthy snacks and loaf bread products that cater to different market segments. It will conduct educational plant tours at its North Luzon plant to promote healthy eating and lifestyles, and step up health and wellness promotions in schools, hospitals, supermarkets and offices. It will also develop and further enhance the knowledge and skills of research and development personnel through seminars and training programs.</p>
<b>Protecting the environment</b> 	<p>No incidents of non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge.</p>	<p>To maintain no incidents of non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge.</p>

## SUSTAINABILITY REPORT

### GARDENIA

#### Product Responsibility

##### Our Commitment to Food Safety and Quality

Gardenia is committed to producing food that meet all applicable food safety standards and are consistently high quality and nutritious. Gardenia maintains a stringent set of standard operating procedures to ensure that products and production processes are safe, hygienic and comply with the relevant regulations and quality standards.

Our bakery operations in Singapore comply with Good Manufacturing Practice (“GMP”) hazard management procedures to ensure that products are produced consistently and controlled according to quality standards. They also fulfil the stringent requirements of the Hazard Analysis and Critical Control Point (“HACCP”) certification, an internationally recognised food safety management system.

Gardenia Singapore continued to hold Grade A status for the 25<sup>th</sup> consecutive year under the *Food Safety Excellence Scheme*, now administered by the Singapore Food Agency. It is accredited with BizSAFE Level 4 by the Safety and Health Council. It has also attained ISO 22000:2005 certification for both its bakery plants since 2018. Both its plants and all its products are also Halal certified. Gardenia adheres to Singapore Food Agency legislation with the implementation of comprehensive programs to ensure food safety and quality control. It has mechanisms within its sourcing practices to only source from suppliers that meet its stringent supplier screening requirements. Gardenia engages with about 200 suppliers both locally and internationally.



The Group's bakery plant in Johor upgraded its food safety system to FSSC 22000 v.4.1 in February 2020. FSSC 22000 is based on existing ISO standards and consists of ISO 22000:2015, ISO TS/22002-1:2009 and additional FSSC 22000 requirements (version 4.1). The plant has also attained Halal certification for all its products.

Gardenia Philippines has maintained its HACCP and ISO certifications since 2003. The *Gardenia* plant at Laguna was upgraded to ISO 9001:2015 Quality Management System in 2018. The plant has obtained Halal Plant Accreditation from the Islamic Da'wah Council of the Philippines (IDCP). A number of Gardenia Philippines' products have also obtained Halal certification. All the Philippine operations comply with strict GMP procedures to ensure that products are manufactured with consistency and meet high quality standards.

Internal Quality Audits (“IQA”) are performed regularly as a control practice to ensure performance in compliance with quality management systems, food safety and Halal standards. With a view to ensuring quality consistency, Gardenia Philippines has also established a stringent standard procedure for its supplier accreditation process. As part of the stringent screening, it conducts supplier audits and site visits to check that suppliers are compliant with the company's requirements, product specifications and standards. Environmental and product microbial analyses are conducted by external laboratories accredited by Food and Drug Administration (FDA) Philippines.

The Group's joint venture Gardenia operations in Malaysia are HACCP-certified by the Ministry of Health of Malaysia. Gardenia Malaysia is in the process of upgrading its Food Management System to ISO22000:2018 and aims to attain certification in early 2020. Gardenia Malaysia's production plants and products have received Halal certification from the Department of Islamic Development Malaysia (JAKIM) and is included in JAKIM's White List.

##### Innovating and Developing Products High in Nutrition

Gardenia engages in regular reviews of its product range and innovates and develops new products to satisfy the changing tastes and demands of consumers. The Group's in-house laboratories handle the development of new products, including nutritional values, shelf-life, compliance of new products and ingredients with local food legislation, labelling requirements, and initiating the Halal certification process. Together with its joint venture in Malaysia, the Group's laboratories currently employ a total of 27 staff to undertake research and development and compliance responsibilities for Gardenia. These staff comprise 9 professional staff, 5 laboratory technicians, 9 baking technologists and 4 support staff.

## SUSTAINABILITY REPORT







## Singapore

As a brand that cares for the community and prides itself on producing safe, wholesome and healthy food, since the early 2000s, all *Gardenia* products do not contain partially hydrogenated oils (PHOs), an ingredient which is a major source of artificial trans fat. According to the World Health Organization, artificial trans fats increase the risk of heart disease. In March 2019, the Singapore Ministry of Health announced that it will be banning the use of PHOs as an ingredient in all foods, including fats, oils and pre-packaged foods sold in Singapore from both local manufacturers and imported products, with effect from June 2021. *Gardenia's* PHO-free message was featured in various media features and TV interviews and shared on social media and e-commerce platforms such as Redmart.

In light of the rising prevalence of diabetes among the Singapore population and the demand for healthier low GI products, *Gardenia* is collaborating with *Alchemy Foodtech* to expand its range of low GI products.

To encourage consumers to reduce their sugar intake, *Gardenia* displays the “*Low in Sugar*” and “*Low GI*” logos on the product packaging of selected healthier loaves. The prominent logos enable consumers looking for low sugar and low GI bread on the retail shelves to easily identify these products. Products featuring the “*Low in Sugar*” logo contain less than 5g sugar per 100g of bread. The total sugar value is also declared on the nutritional panels of the low in sugar products. For Low GI products, each loaf has a GI value below 55. *Gardenia* offers ten *Low in Sugar* white bread and wholemeal loaves, and two Low GI loaves to cater to consumers seeking healthier bread choices.

New products released by *Gardenia* in FY2019, including our healthier choice and wholesome loaves, are set out below.

New Products Released in 2019	Highlights
 <b>Gardenia Purple Wheat Soft Grain Loaf</b>	No added artificial colouring, the wholemeal loaf has a purple hue attributable to anthocyanins, an antioxidant found naturally in purple wheat. The wholesome loaf is fortified with pasteurised <i>Lactobacilli paracasei</i> MCC1849 from Japan. Enriched with dietary fibre and Vitamins B1, B2 and B3. Endorsed with the “Higher in Whole-Grains” <i>Healthier Choice Symbol</i> by Health Promotion Board (HPB).
 <b>Gardenia Savoury Turmeric &amp; Corn Panini</b>	An extension of the wholesome <i>Country Loaf</i> range, a special blend of savoury maize and turmeric mix, together with ingredients such as olive oil, sunflower seeds and dried wheat sourdough. Best served lightly toasted.
 <b>Gardenia Garlic Bread Classic</b>	Made from soft sourdough bread spread with a blend of garlic and herbs, is pre-sliced and frozen for the convenience of consumers.
 <b>Gardenia Cheese Bread Stix in Classic Cheese and Pizza flavours</b>	Generous in size and can be eaten for breakfast or enjoyed as a snack.
 <b>Gardenia Pandan Caramel Loaf</b>	Distinctive taste and aroma of pandan enhanced with delicious caramel bits, giving the indulgence loaf a unique, modern twist.
 <b>Gardenia Croissants in Dark Chocolate Waves and Butter Sugar Crunch flavours</b>	Premium quality croissants, filled with chocolate and butter sugar cream, are imported from Australia and freshly baked in Singapore.

## SUSTAINABILITY REPORT

### Philippines

Gardenia launched more flavours of its *Pocket Sandwich* range to cater to consumers looking for convenient on-the-go snacks. The *Gardenia Pocket Sandwich* is enriched with Vitamins A, B1, and B2, as well as minerals such as iron. Gardenia Philippines' *Wheat Bread* offerings and *Wheat Raisin Loaf* selections are options for increasing fibre-nutrition among consumers. The loaves are enriched with folic acid and Vitamin A that meet the minimum requirements set by the Philippines FDA.

### Malaysia

The Group's joint venture operations in Malaysia reformulated its *Gardenia Wholemeal Bread* and *Gardenia Canadian Purple Wheat 100% WholeGrain* breads with reduced sodium and sugar levels to meet the stringent

criteria of the "Healthier Choice" logo set by the Malaysian Ministry of Health. It also promoted a wholegrain and high-fibre diet through its range of fibre-meal bread products. The range comprises four products of varying fibre levels to cater to the different tastes and needs of customers.

Gardenia Malaysia has entered into a collaboration with the National Sports Council (NSC) and Universiti Kebangsaan Malaysia (UKM) to study the effects of glycemic index (GI) on athletic performance. For the study, a low GI diet program using carbohydrate-based foods supplied by Gardenia was designed for selected national athletes. The athletes' performance under the program was monitored by NSC, and workshops and lectures to promote knowledge sharing and the experiences of a low GI lifestyle were organised by UKM. Gardenia Malaysia intends to extend its research and awareness programs on glycemic index to benefit a wider group of athletes in the future.

## Promoting Healthy Eating and Lifestyles

### Making Our Products Accessible

With 16 plants located in four countries, Singapore, Philippines, Malaysia and Australia, the Group's network of extensive distribution channels includes supermarkets, hypermarkets, convenience stores, mini marts, petrol kiosks, caterers, restaurants, hotels, hospitals, airlines and schools.

#### Singapore



##### Retail

- *Gardenia* bread is delivered fresh daily by our fleet of trucks to more than 3,000 distribution outlets around the island.
- More than 290 *Gardenia* bread vending machines placed in selected high-density residential areas, corporations and schools, also provide customers with greater convenience and accessibility.
- *Gardenia* was the first bakery to introduce loaf bread vending machines in Singapore. The loaves and buns in the vending machines are replenished every day to maintain their quality and freshness.



##### Online

- Products are sold online through the Redmart, Amazon, FairPrice and Alibaba e-commerce websites.
- Intend to continue exploring the use of more platforms to provide convenience to today's tech-savvy consumers in Singapore and overseas, for example, collaborating with appropriate agencies and social media influencers.

### Philippines

In the Philippines, Gardenia has further extended the accessibility of its products with new bakery plants in Pampanga and Cagayan de Oro. The new *Gardenia* plant in Pampanga brings *Gardenia* bakery products into the mountainous areas of Luzon as well as to Benguet, Ifugao, Mountain Province, Isabela, Kalinga, and as far as Cagayan.

The new bread manufacturing facility in Cagayan de Oro serves Bohol and the Mindanao markets all the way to Surigao, Zamboanga del Norte, Butuan and Kidapawan. It also serves as a backup for the bread needs of major provincial areas in the Visayas. The existing Laguna plant serves the Manila, South Luzon and provincial north markets while its Cebu plant handles the bread distribution in the Visayas region.



## SUSTAINABILITY REPORT

## Empowering our Customers

As an industry leader, Gardenia has dedicated its resources to empowering consumers through initiatives that encourage an active lifestyle and healthier food choices. Gardenia has proactively engaged in health promotion activities in Singapore, the Philippines and Malaysia, striving to integrate nutrition, a balanced diet and healthy lifestyles into consumers' daily lives.

### Singapore

Gardenia actively promotes healthy eating habits by encouraging Singapore consumers to increase their daily consumption of whole grains. Currently, Gardenia has 15 types of wholemeal and multi-grain loaves and buns certified as a "Healthier Choice" by the HPB. This includes all Gardenia wholemeal and multi-grain breads. The "Healthier Choice Symbol" motivates consumers to opt for healthier food choices. Gardenia products displaying the "Healthier Choice Symbol" contain no trans-fat and at least 25% of wholegrains per loaf.

### Strategic Partnerships to Promote the Consumption of Wholegrains

To promote awareness of the health benefits of its products, Gardenia collaborated with healthcare organisations such as HPB, the Singapore Heart Foundation, Diabetes Singapore, Singapore Cancer Society, National Kidney Foundation, Osteoporosis Society (Singapore), SingHealth Polyclinics and numerous corporate and community partners on health promotion initiatives and events to encourage the public to increase their intake of dietary fibre.

- During the year, Gardenia continued its long-time support of HPB's health promotion initiatives and was a Gold Partner for HPB's nation-wide campaign – "Eat, Drink, Shop Healthy" Challenge, running from September to November. The campaign motivated Singaporeans to make healthy food choices by providing rewards and incentives. It also promoted the nutritional benefits of the *Gardenia Purple Wheat Soft Grain Loaf*, *Gardenia Brown Rice & Oat Soft Grain Loaf* and *Gardenia Low GI Soft Grain Loaf*. As a Gold Partner, Gardenia participated in 8 interactive roadshows at various heartland supermarkets and shopping malls to educate consumers on selecting products with the "Healthier Choice Symbol". Gardenia has been a supportive partner of the HPB in various nationwide health promotion initiatives in Singapore since 1992.

- In support of World Heart Day and National Heart Week, Gardenia collaborated with its long-term corporate partner, the Singapore Heart Foundation to promote the importance of good heart health. A heart health carnival was held in September at the Kampung Admiralty Community Plaza. The carnival promoted the taking of preventive measures to reduce the risk of cardiovascular disease and motivate Singaporeans to take responsibility for their own heart health. In support of the event, Gardenia featured the campaign message, "Take Simple Steps for a Healthier Heart. Start by Eating Right!" on the overband of the *Gardenia Fine Grain Wholemeal Bread*. Gardenia promoted its range of healthier choice wholemeal bread at the Carnival's event booth and sponsored 400 loaves of *Gardenia Purple Wheat Soft Grain Loaf* as event prizes, and 150 loaves of *Gardenia Low GI Soft Grain Loaf* at the health check point.

### Raising Awareness to Reduce Diabetes Risk

#### Singapore

- In support of World Diabetes Day, Gardenia Singapore participated in the World Diabetes Day 2019 event organised by Diabetes Singapore at the Ng Teng Fong General Hospital in November. Product samplings of the *Gardenia Low GI Nutri Multi-Grain Loaf* and *Gardenia Low GI Soft Grain Loaf* were held. Gardenia also supported World Diabetes Day by placing full-page product advertisements in the October issue of the *Diabetes Singapore* magazine, featuring *Gardenia Low GI loaves* and recipes using *Gardenia Low GI bread*.
- To support the fight against diabetes in Singapore, Gardenia conducted a 20-cent nationwide price-off promotion for both its low GI loaves, the *Gardenia Low GI Nutri Multi-Grain Loaf* and *Gardenia Low GI Soft Grain Loaf*. To encourage healthier eating, promotional overbands carrying the campaign message, "Eat Right & Adopt a Healthier Lifestyle" were also featured on the bread packaging. Gardenia also worked closely with Diabetes Singapore to promote the importance of preventing diabetes through a healthier diet and lifestyle. During the World Diabetes Day 2019 event held in November, the two *Gardenia Low GI loaves* were promoted at Gardenia's booth at the event. Visitors to the health screening booths were also given *Gardenia Low GI loaves* and *Gardenia* healthier choice cream rolls. To encourage consumers to purchase *Gardenia* wholemeal breads, visitors at the *Gardenia* booth were given *Gardenia Low GI leaflets* in the four major languages and discount vouchers valid for the purchase of *Gardenia* wholemeal bread at FairPrice supermarkets in the month of November.

## SUSTAINABILITY REPORT

### Retail Campaigns to Promote Healthy Eating

#### Singapore

- In line with the government's national initiative to reduce sugar intake, Gardenia launched an island-wide "Low in Sugar, Healthier Win!" lucky draw campaign to promote its ten Low in Sugar loaves, the Gardenia Enriched White Bread, and several wholemeal loaves. The campaign encouraged consumers to make healthier choices by choosing bread with the "Low in Sugar" logo on the packaging. The campaign ran for two months from mid-January and offered cash and hotel vouchers worth over \$36,000 as prizes.
- Gardenia takes pride that Singapore consumers have made its range of wholesome and quality wholemeal and multi-grain loaves the leader in the wholemeal bread segment in terms of market share. In celebration of Singapore's National Day, and to strengthen brand recognition for the Gardenia range of wholemeal

and multi-grain bread, a nation-wide lucky draw was launched. The slogan, "Wholesome Goodness, Healthier Singapore", encouraged consumers to purchase healthier choice wholemeal and multi-grain loaves to stand a chance of winning travel vouchers worth \$30,000.

### Reaching Out to Diverse Segments of the Community

#### Singapore

- To celebrate the joys of healthy living as a family, Gardenia promoted its Healthier Choice range of bread out to some 10,000 participants at the *Family Funival 2019* event organised by HPB in January at the Singapore Sports Hub. The event was publicised by Mediacorp with guest performances by popular Suria and Vasantham artistes and Radio DJs from Warna 94.2FM, Oli 96.8FM and Ria 89.7FM.

**Choose Gardenia's Wholemeal Bread For A Healthier You!**

**LOW GI Soft Grain Loaf**  
Made with wholemeal, barley flour & rolled oats for a soft texture.

**Multi-Grain**  
Baked with 12 finest grains & seeds.

**Brown Rice & Oat Soft Grain Loaf**  
Baked with specially milled brown rice flour for a soft texture.

**Purple Wheat Soft Grain Loaf**  
Baked with Lactobacilli from Japan and contains Antioxidants found naturally in purple wheat.

**100% Wholemeal**  
High fibre loaf for wholesome breads.

**100% Wholemeal**  
Baked with 100% extra fine wholemeal flour.

**50% Wholemeal**  
Goodness of wholegrains with softness of white bread.

**Fine Grain**  
High in dietary fibre & low in sugar.

**WHOLEMEAL BANANA & WALNUT**  
Baked with wholemeal flour & filled with delicious banana & walnuts.

**No. 1**  
Wholemeal Bread

**EAT, DRINK, SHOP HEALTHY CHALLENGE**  
1 SEP – 30 NOV 2019

**1 CHOOSE HEALTHY** **2 SCAN QR CODE** **3 REDEEM REWARDS**

**FRIENDS OF GARDENIA**  
Like us on facebook.com/FriendsOfGardenia

Gardenia Singapore is a Gold Partner of the Health Promotion Board in the nation-wide "Eat, Drink, Shop Healthy" Challenge to motivate Singaporeans to make healthy food choices.

**EAT RIGHT & ADOPT A HEALTHIER LIFESTYLE!**

✓ Super soft texture  
✓ Made with 90% Wholemeal, Barley Flour & Rolled Oats  
✓ Low in Sugar

✓ Baked with 12 finest grains & seeds  
✓ Source of complex carbohydrates & dietary fibre  
✓ Low in Sugar

**OFFER \$3.00**  
USUAL \$3.20

**OFFER \$2.80**  
USUAL \$3.00

**• LOW GI (GLYCEMIC INDEX)**  
**• LOW IN SUGAR**

**Why is Low GI important?**

- Provides slow release of glucose into the blood stream
- Better control of blood sugar level and lower risk of diabetes in the long run
- Provides sustained energy and prolongs the feeling of fullness

Healthy Eating & An Active Lifestyle Can Reduce The Risk of Diabetes

**PROMOTION PERIOD 17 OCT – 30 NOV 2019**

**FRIENDS OF GARDENIA**  
Like us on facebook.com/FriendsOfGardenia

In support of World Diabetes Day, Gardenia Singapore encouraged consumers to make low GI choices in the "Eat Right & Adopt a Healthier Lifestyle" campaign.

## SUSTAINABILITY REPORT

- To spread awareness of the role of low GI foods in reducing the risk of diabetes, Gardenia sponsored the *Gardenia Low GI Soft Grain Loaf* and distributed information leaflets on Low GI foods in four languages at the Health Festival event organized by the Hindu Endowment Board. Gardenia also sponsored loaves and buns to various events such as the *Harmony Iftar 2019* event organised by Kampong Ubi Community Centre, *Break of Fast* event by the Indian Muslim Social Service Association (IMSSA) and *Active Muslimah Day* organised by the Muhajirin Mosque.
- As part of the annual World Bread Day celebrations, Gardenia collaborated with the Singapore Police Force for the first time, by participating at the Road Safety Carnival for Seniors held in October. The aim of the carnival was to educate the elderly on road safety in their daily commute. Gardenia promoted its range of Healthier Choice *Gardenia* wholemeal and multi-grain loaves to some 1,100 seniors from the Pioneer and Merdeka generations at the event.

## Making Nutrition Affordable

## Singapore

To promote the affordability of its products, Gardenia offers a diverse range of products through a multi-brand approach that includes a lower-priced range of bread under the *Super Value* brand. Gardenia also held various promotions throughout the year at retail chains, during which certain of its products were sold at discounted prices. These promotions were also extended to corporations and institutions during the festive period where the *Gardenia Fruit & Nut Loaf* and *Gardenia Pandan Caramel Loaf* were sold at a special bulk price.

- As part of Gardenia's efforts to promote the consumption of healthier choice bread, a 30-cent price-off promotion on the *Gardenia Purple Wheat Soft Grain Loaf* and *Gardenia Brown Rice & Oat Soft Grain Loaf* was held island-wide in August

and September 2019. The discount was advertised on promotional overbands on the packaging of the two functional breads. To better engage customers, bread samplings of these breads were conducted by promoters at selected retail outlets. A popular food art influencer, *Little Miss Bento*, was also engaged to create boxes of sandwiches using *Gardenia* wholemeal bread that were distributed to media editors and social media influencers.

- To encourage Singapore consumers to increase their fibre consumption, Gardenia collaborated with FairPrice in a 4-month promotion to give consumers a 30-cent discount off the prices of four wholemeal loaves in the form of a 30-cent savings voucher. A total of 26,000 savings vouchers were distributed to tour visitors to Gardenia's plant and to the general public at various *Gardenia* roadshows and events.

## Philippines

- To make bread affordable for the price sensitive, lower income mass market, Gardenia Philippines offers a lower-priced brand, *NeuBake*.
- During the year, Gardenia conducted "*Corporate Wellness Movement*" and "*Supermarket Wellness Camp*" programs for office workers, households and market shoppers. Under these programs, Gardenia's Nutrition and Wellness team provided free nutrition counselling on health and wellness, diet prescriptions and bread samples to more than 180,000 office workers and households in 2019.
- Gardenia also conducted hospital drives to promote healthy eating and proper nutrition to patients and hospital visitors. During the year, Gardenia visited some 30 hospitals and medical clinics and catered to about 13,000 beneficiaries.
- Going forward, Gardenia Philippines aims to step up its health and wellness promotions in schools, hospitals, supermarkets, and offices.



## SUSTAINABILITY REPORT

### Malaysia

- During the year, our joint venture, Gardenia Malaysia partnered with the Nutrition Society of Malaysia, Malaysian Dietitians' Association and the Malaysian Association for the Study of Obesity to co-sponsor a health educational program, "Nutrition Month Malaysia 2019". The theme of the program was, 'Make Time for Healthy Eating and Active Living (HE-AL)' and it advocated the importance of making time to adopt a healthy diet and an active lifestyle.
- Gardenia believes that healthy eating habits should be cultivated from a young age. To help inculcate the habit of consuming wholegrains in the young, Gardenia collaborated with the Steering Committee Members of Nutrition Month Malaysia to publish a book entitled, 'Saya Suka Bijirin Penuh'. The book was designed for children from ages 10 to 12 and presented easy-to-remember facts on the benefits of wholegrains as a natural source of fibre through catchy illustrations. To reinforce learning through interaction, there were word games, puzzles, simple recipe ideas, and a song, 'Jom Makan Bijirin Penuh' (Let's Eat Wholegrains) with catchy lyrics, based on the tune from a popular children's song. The song encouraged the consumption of wholegrains in a fun and memorable way.
- To spread the message of the health benefits of adopting a Low GI diet, Gardenia Malaysia sponsored its Gardenia Canadian Purple Wheat 100% WholeGrain bread for activities organised throughout the year by the government, private hospitals and health clinics to encourage fibre intake amongst Malaysians. It also participated in programs to help children with Type 1 diabetes to take control of their diet and distributed wholegrain bread in conjunction with World Diabetes Day.

### Reaching Out to Schools

#### Philippines

- In 2019, Gardenia collaborated with the Philippine Red Cross and the Department of Education in a nutrition and sanitation campaign to promote proper hand washing and healthy eating habits to schoolchildren. The campaign, "Nutrisyon at Kalinisan para sa Maayos na Kinabukasan" (Nutrition and Proper Hygiene for a Better Future) aims to reach out to about 34,000 Grades 1-3 elementary students from 137 public schools in Laguna during the 2019-2020 School Year.

- Gardenia's School Nutri-Tour program is a health and wellness program for private and public schools in the Philippines. The one-day activity comprising of a nutrition lecture, sandwich recipe demonstration, mascot appearance and bread sampling benefitted about 148,000 schoolchildren in 230 schools in 2019.



Gardenia Malaysia and the Steering Committee Members of Nutrition Month Malaysia published a children's book, 'Saya Suka Bijirin Penuh' to teach children the benefits of eating wholegrains.



Gardenia Philippines' School Nutri-Tour program teaches nutrition and wellness to schoolchildren through a nutrition lecture, sandwich-making demonstration and bread sampling.

## SUSTAINABILITY REPORT

## Educating Through Bread Plant Tours

As part of its outreach to the larger community, Gardenia opens its plants for free daily educational bakery tours. The tours provide an insight into Gardenia's automated bread-making processes and enables visitors to attend talks on nutrition and sample *Gardenia* products. Visitors are also taught the importance of eating whole grains as part of a healthy diet. Visitors include students, youths and the elderly.



## Singapore

- Tour re-opened to the public at the end of July 2019 with a newly-renovated auditorium with new seating, improved sound system and different zones to better engage with the public.
- A television screen at the reception area shows visitors different ways of creating nutritious sandwiches with *Gardenia* products, and a new "photowall" encouraged visitors to take photographs with interesting props and tag #FunwithGardenia on social media.
- To enhance interaction with *Gardenia* consumers on social media, Gardenia currently uses a #FunwithGardenia hashtag to index engaging contents such as recipe videos and interactive contests on its Facebook and Instagram pages.
- Gardenia also runs frequent #FunwithGardenia monthly Instagram contests to encourage consumers to share their #FunwithGardenia moments with *Gardenia* products. Winners are awarded *Gardenia* premiums or vouchers.



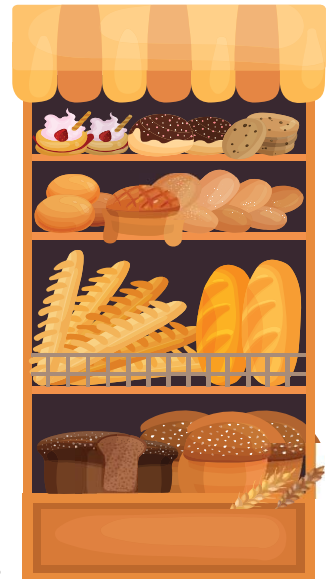
## Philippines

- Free tours are offered at Gardenia's plants in Laguna, Cebu and Cagayan de Oro.
- In 2019, more than 350,000 visitors toured Gardenia's state-of-the-art baking facilities and listened to talks on health, nutrition and wellness, hygienic practices and values enhancement.
- The new plant at North Luzon commenced its free educational plant tours in early 2020.



## Malaysia

- Welcomed more than 40,000 visitors to its plant tours in 2019.
- Visitors learned how bread, cream rolls and waffles are hygienically produced in state-of-the-art production lines.
- Visitors included special needs children and staff from government Ministries.



## SUSTAINABILITY REPORT

### Protecting the Environment

#### Managing Our Effluents

As Gardenia's two production plants in Singapore are located in a designated Food Zone, all wastewater discharge is handled by the Public Utilities Board ("**PUB**"). The wastewater is discharged into the sewer network that is connected to water reclamation plants managed by the PUB. The wastewater is treated to meet international standards and is safe to be returned to nature. A portion of the treated water is channelled to a separate treatment system at the NEWater Plant and the remainder is channelled to the sea. Gardenia Singapore conducts periodic checks to monitor the volume of effluent and waste produced, recycled and disposed.

At the Johor bakery plant, wastewater discharge from production is treated to Standard A of the Environmental Quality Act 1974, the highest standard required by the Department of Environment ("**DOE**") for the discharge of industrial effluent. Wastewater analysis is performed weekly and reports are submitted to the DOE on a monthly basis.

In the Philippines, wastewater discharge from the *Gardenia* plants are treated at Wastewater Facilities before being discharged into the sewers. In compliance with the requirements of the Department of Environment and Natural Resources, Gardenia conducts monthly testing and regular monitoring of standard effluent parameters like pH value, discharge temperature, oil and grease, Biological Oxygen Demand, and Total Suspended Solids to ensure that the effluents meet water quality standards. Gardenia also submits Self-Monitoring Reports and Compliance Monitoring Reports on a quarterly and semi-annually basis to the relevant authorities.

#### Managing Our Energy and Resources

Towards its efforts to protect the environment, Gardenia Singapore currently uses sustainable palm oil from a source that practices a policy of "*No Deforestation, No Development on Peat and No Exploitation of People and Local Communities*" for selected bakery products.

To reduce negative impacts on the environment, the *Gardenia* operations in Singapore and the Philippines use liquefied petroleum gas for the main ovens for the baking processes. Delivery trucks also undergo regular maintenance to ensure the trucks are running in good condition and are fuel efficient to reduce air pollution and greenhouse gas emissions.

During the year, lighting at Gardenia's corporate office and warehouse in Singapore were replaced with LED lights to reduce energy consumption. To improve energy conservation and enhance efficiency, Gardenia installed electrical humidifiers to replace the gas-fired boilers in the final proofer steam system. The installation was completed in 2019 and the electrical humidifiers enhanced efficiency with savings of approximately S\$40,000 on water and gas consumption that year. The new humidifiers also reduced manpower requirements and enabled two workers to be re-deployed to other areas of production.

As part of its energy saving program, the Group's joint venture in Malaysia replaced the lighting in selected areas at two of its plants with LED lights. This initiative reduced the energy costs of lighting for those areas by approximately 50%.

#### Managing Our Waste

As a signatory to the Singapore Packaging Agreement, Gardenia Singapore reduces its packaging wastes through product development, working with its packaging vendor(s) to optimise the micron size of the packaging whilst ensuring that the quality of its bread is not compromised. As part of its recycling practices, unsold and returned bread as well as cripple bread are sold as animal feed and the packaging is sold to a plastic recycling centre to be recycled into trash bags. Gardenia Philippines also donates bread to charitable institutions and foundations under its *Daily Bread* program. Gardenia is working with its vendors to ascertain if the micron size of the packaging can be further reduced and if the *kwik loks* can be made with less plastic or with recyclable materials.

Gardenia actively encourages consumers to reduce the use of plastic bags. During the year, it gave away reusable shopping bags and sandwich boxes at various retail outlets in Singapore. The reusable shopping bags are also sold at Gardenia's vending machines in Singapore.

To reduce paper consumption, Gardenia's operations in Singapore use the B2B Electronic Data Exchange, Paperless Mobility Solution, an eco-friendly solution developed by Gardenia in 2017 to eliminate the need for hard copy paper invoices. At the Johor bakery plant, waste disposal is undertaken by a licensed collector authorised by the DOE. In the Philippines, Gardenia strictly implements waste segregation and recycling for all of its plant operations.



## SUSTAINABILITY REPORT



Gardenia Philippines distributed some 50,000 bread loaves to the evacuees of the Taal Volcano eruption in January 2020.

## Enriching Communities

### Growing Together with our Communities

#### Singapore

The Group contributes to society through its support of a range of philanthropic, community and charitable causes.

- Commitment to upholding corporate governance**  
 QAF demonstrated its commitment to upholding corporate governance with a donation to The Securities Investors Association (Singapore) towards the costs of organizing Corporate Governance and Community Investor education programs;
- Reaching out to the elderly and less privileged**  
 In support of the elderly and less privileged, QAF donated to The *Hello Dawson! Relocation Programme* to assist low-income, elderly and underprivileged residents in Tanglin Halt to relocate to their new homes in Dawson. The relocation is part of the HDB's Selective Enbloc Redevelopment Scheme involving some 3,000 households living along Tanglin Halt Road and Commonwealth Drive; and

- Investing in the future by developing people and talent**

QAF made a donation to the *Philip Yeo Initiative Endowment Fund* in support of the *Philip Yeo Initiative (PYI)*, an initiative to develop people and talent through two programs – the *Philip Yeo Innovation Fellows Programme*, which supports PYI Fellows and Associates with funding, mentorship and guidance for their projects, and the *Philip Yeo Grant*, which provides bursaries to students on the NUS Overseas Colleges program.

*Gardenia* is a well-known household name and it capitalises on its reputation and high brand visibility to actively support community initiatives that foster a kind and caring society.

- In celebration of Singapore's 54<sup>th</sup> National Day, *Gardenia* pledged a total of 19,000 pieces of *Gardenia* wholemeal cream rolls to community centres, schools, tertiary institutions and several non-profit organisations.
- To mark Singapore's Bicentennial, *Gardenia* sponsored bakery products to HDB heartlanders during events held in the South East CDC zone, as well as to various community centres. *Gardenia's* participation at these grassroots events enhanced the *Gardenia* brand as an active and responsible supporter of community initiatives.



## SUSTAINABILITY REPORT

- During the World Bread Day celebrations, Gardenia reached out to the needy in the “*Gift from the Heart*” initiative organised by the National Trades Union Congress by sponsoring 2,000 pieces of *Healthier Choice Gardenia* wholemeal cream rolls and discount vouchers to some 2,000 lower-income union members in the food, chemical and hospitality industries.
- It also sponsored *Gardenia* cream rolls at the launch of *Food Pantry 2.0*, and in conjunction with World Bread Day, promoted a 3-day special offer of \$1 each for selected *Gardenia* bread products to the community. *Food Pantry 2.0* is a collaboration between The Food Bank Singapore and Creamier Ice Cream to offer food items free of charge, or at a lower price to families-in-need.
- As a gesture of support and appreciation to the medical team at Tan Tock Seng Hospital, Singapore for their hard work, Gardenia staff volunteers distributed *Gardenia Brown Rice & Oat Soft Grain Loaves* and *Gardenia* cream rolls to the medical team and pharmacists at the ‘*Pharmacy Week 2019*’ event in October.
- To reach out to the younger generation, Gardenia sponsored two students from the Singapore Institute of Technical Education (“**ITE**”) under the *SkillsFuture Earn and Learn Programme (ELP)* to provide them with a head-start in careers related to their discipline of studies. The ELP is a work-learn study program that provides fresh graduates from polytechnics and the ITE with more opportunities after graduation, to build on the skills and knowledge acquired in school and better support their transition into the workforce. The two students were engaged as Production Coordinators for an 18-month on-the-job training stint to nurture and develop their skills and knowledge of the consumer food industry.
- During the year-end festive period, Gardenia partnered the Singapore Kindness Movement to promote community bonding and support the Kindness message, “*Sharing Goodness, Spreading Joy*”. The community message was printed on festively decorated overbands on the packaging of the *Gardenia Fruit & Nut Loaf* and *Gardenia Pandan Caramel Loaf*. Gardenia also offered discounts on purchases of the *Gardenia Fruit & Nut Loaf*, *Gardenia Pandan Caramel Loaf*, *Gardenia Wraps* and *Gardenia Cheese Bread Stix* during November and December.
- During the year, Gardenia continued its collaboration with the Rotary Club of Singapore North to distribute heavily subsidized white and wholemeal bread loaves to less fortunate families living in the Teck Ghee area, on a weekly basis.
- Gardenia had established the *Gardenia Bursary* in 2017 involving the pledge of a gift of \$100,000 each to the National University of Singapore, Faculty of Science, and Nanyang Technological University’s School of Mechanical and Aerospace Engineering and School of Biological Sciences, Food Science and Technology Programme. The *Gardenia Bursary* seeks to help talented students achieve their educational and career aspirations and is awarded over a period of five years. In 2019, the bursary amounts were disbursed to the award recipients.

### Philippines

- In the Philippines, Gardenia is at the forefront of efforts to curb malnutrition and improve the nutritional condition of underprivileged Filipinos through regular donations to selected charitable institutions under its “*Daily Bread*” program. In 2019, the company supported more than 60 charitable organizations with regular bread donations of some 14,000 loaves weekly.



Gardenia Singapore celebrated ‘Pharmacy Week 2019’ at Tan Tock Seng Hospital by distributing *Gardenia Brown Rice & Oat Soft Grain Loaves* and *Gardenia* cream rolls to the medical team and pharmacists as a gesture of appreciation.



Gardenia Philippines’ Nutrition Assistance Program is a regular feeding program for undernourished public elementary schoolchildren.

## SUSTAINABILITY REPORT

- Gardenia's *Nutrition Assistance Program* is a regular feeding program that seeks to elevate the nutritional condition of undernourished public elementary students to improve their performance in class. In 2019, the program catered to more than 1,600 elementary schoolchildren from 10 schools in the City of Binan, Laguna, during the 2019-2020 School Year.
- Working in partnership with government agencies and non-government organizations (NGOs), Gardenia is able to respond to victims of calamities and natural disasters by providing speedy relief efforts. In 2019, Gardenia donated some 7,000 loaves to victims of 20 fires, and approximately 15,000 loaves and snacks to Filipinos affected by typhoons and earthquakes under its *Quick Response* relief effort.



Gardenia Philippines and NGO partners distributed bread to the Aeta Community in Porac, Pampanga after an earthquake in April 2019.

- During the year, Gardenia sponsored a Medical and Surgical Mission to Mabalacat, Pampanga, in collaboration with the Association of Philippine Physicians of New York, Inc. and the RP Health Craft Carrier Hospital on Wheels. The 3-day mission provided assistance to more than 600 residents in the area.
- Gardenia conducted an outreach activity for underprivileged students of Sitio Pulong Mindanao, Sta. Maria, Laguna. Volunteers brought bread donations, raincoats and basic supplies, crossing nine rivers to reach the school, which was located in a remote area. Some 70 children enjoyed the activities prepared by the Gardenia team. Gardenia also visited the *Elsie Gaches Village*, bringing joy to some 50 mentally challenged residents.
- Gardenia reached out to the elderly and less fortunate, visiting Elsie Gaches, a home for abandoned and neglected children with special needs, *Golden Reception and Action Center for the Elderly and other Special Cases (GRACES)*, a village for the elderly, and *Haven for Children*, a centre for street children. Gardenia volunteers entertained some 150 residents in these communities with games, mascot appearances, feeding activities and donations of basic needs items.
- Gardenia celebrated World Bread Month with a donation of some 17,000 loaves to the *SOS Children's Village* in Bataan, *Chosen Children's Village* in Cavite and *Christ for Asian International, Inc.* under its annual '*I Shared Bread*' charity campaign. The donated loaves represented twice the number of loaves purchased by plant tour visitors to Gardenia's in-house bread stores at the Laguna and Cebu bread plants.



Employees of Gardenia Philippines volunteered to bring basic supplies and bread donations to underprivileged children at a school located in a remote area of Sitio Pulong Mindanao, Sta. Maria, Laguna.



## SUSTAINABILITY REPORT

- In January 2020, Gardenia donated approximately 50,000 bread loaves to the evacuees of the Taal Volcano eruption. The loaves were distributed in different cities and municipalities in the most affected areas of the provinces of Batangas, Laguna, and Cavite. Gardenia partnered with various organizations such as Philippine Red Cross, Philippine Army, local government units, private groups and individuals in the relief operations.

### Malaysia

- In 2019, Gardenia Malaysia donated more than 250,000 units of bread and bakery products to more than 65 charity homes, including old folks' homes, children's homes and shelters. Gardenia has been donating bread to charity homes since 1992, when it started with 8 charity homes. Gardenia also supported various charitable causes with product donations throughout the year.
- Gardenia collaborated with *Yayasan Food Bank Malaysia* to commemorate World Bread Day by donating more than RM80,000 worth of bakery products to 5 universities benefitting some 2,500 students under the *Food Bank Siswa* program. The products were delivered to the universities by Gardenia's own team with a view to ensuring freshness of the products. The *Food Bank Siswa* program provides food to students from the low-income group.
- Gardenia donated 1,000 individually packed *Toast'em Butter Raisin* and *Delicia Raspberry Milk & Cranberries* bread at the launch of the *Food Bank Siswa* program at Universiti Malaysia Pahang, Kuantan. The launch was officiated by the Minister of Domestic Trade and Consumer Affairs, Datuk Seri Saifuddin Nasution Ismail.
- To help alleviate hunger in schoolchildren, Gardenia continued to provide breakfast to 350 under-privileged students in several schools in Kuala Lumpur and Selangor.
- Gardenia's annual "*Bag-to-School*" school bag distribution program also benefitted more than 1,000 children from underprivileged families. The school bags are distributed through the Malaysia Consumer Protection Association (Johor), The Social Welfare Department (Selangor) and Development and Welfare Hope Selangor Association to five schools and children from selected low-cost housing areas.



In conjunction with World Bread Day, Minister of Domestic Trade and Consumer Affairs, Datuk Seri Saifuddin Nasution Ismail presented products sponsored by Gardenia Malaysia during the launch of the Food Bank Siswa program at Universiti Malaysia Pahang.



Gardenia Malaysia celebrated Hari Raya with the community from Kampung Bukit Naga Seksyen 32.

- To nurture the close relationship between Gardenia employees and the community where production facilities are located, Gardenia Malaysia organised a *Hari Raya* gathering to celebrate the festival. This initiative has established open communications between Gardenia and the community, strengthened bonds and reinforced Gardenia's reputation as a socially responsible company.

## SUSTAINABILITY REPORT

## Our People

## Investing in Our People to Strengthen Our Workforce

Gardenia believes in empowering its employees with the right skills and relevant work experience. In a fast-paced environment, a competent and dynamic workforce enables Gardenia to enhance its competitive edge and market leadership within the region.

## Training and Education

- During the year, we sponsored training for an employee to attend the intensive 16-week *Baking Science and Technology* course in the USA. The course is offered by AIB International, one of the world's foremost training organizations on food safety and consisted of six major components: Baking Science, Bread and Roll Production, Cake and Sweet Goods, Operations, Food Safety and Bakers Math. The curriculum emphasized the fundamentals of baking science, formulations and procedures and approaches to solving commercial industrial-scale production problems.
- Gardenia Singapore offers various career development programs that enable employees to enhance their skills and capabilities to meet the changing needs of the business and to upgrade their skills through local training.
- With a view to ensuring that the Gardenia Singapore operations follow a stringent set of standard operating procedures with the objective of ensuring that products and production processes comply with the relevant regulations and quality standards, employees are regularly sent for training courses in food safety and work place health and safety management programs, especially for courses related to ISO 22000 certification.
- To deepen workplace learning, Gardenia Singapore worked with the National Centre of Excellence for Workplace Learning (NACE) to develop structured training plans. Senior Minister of State for Ministry of Education, Mr Chee Hong Tat and guests from the Ministry of Education, SkillsFuture Singapore and Nanyang Polytechnic visited the *Gardenia* plant in February. During the visit, Gardenia's involvement in the workplace learning systems and the *Earn and Learn Programme* as part of SkillsFuture were discussed. Two Gardenia employees (participants in the *Nanyang Polytechnic SkillsFuture Earn and Learn Programme*) shared their learning journey as production coordinators.



Senior Minister of State for Ministry of Education, Mr Chee Hong Tat and guests from the Ministry of Education, SkillsFuture Singapore and Nanyang Polytechnic visited the *Gardenia* Singapore plant to discuss *Gardenia*'s involvement in the workplace learning systems and the *Earn and Learn Programme*.

- Gardenia's efforts in building business transformation through workers' skills upgrading were noted during the FY2019 Committee of Supply Debate in Parliament by the Senior Minister of State for Ministry of Education. The working hours of employees make attendance at external training challenging and *Gardenia* Singapore is working with NACE to develop a workplace learning blueprint to bring training to employees within its plants. *Gardenia* Singapore has also implemented structured training for its production coordinators under the work-learn programmes.
- In compliance with regulatory requirements, employees at the Johor bakery plant are sent for training as Health and Safety Officer, Authorised Entrant for confined space, food handlers, and Competent Person in handling physical chemical processes of the industrial effluent treatment system.

## SUSTAINABILITY REPORT

- In the Philippines, Gardenia conducts Quality Management Systems, Food Safety, Halal and Internal Quality Audit training for new employees to ensure competence in their respective fields of work. It also sent some 221 personnel for internal, external and supplier-sponsored training and seminars to further enhance their skills and knowledge. The courses and seminars included training in Food Safety, ISO, HACCP and HALAL Awareness, Sensory Evaluation and Baking Training. During the year, Gardenia also sponsored six employees for advanced education and professional certification programs.
- As part of its efforts to upgrade employees' skillsets, our joint venture, Gardenia Malaysia sent two employees from the QA and Production teams for a 6-week intensive *Baking Science and Technology* course at the UFM Baking and Cooking School in Bangkok. The course, which included lectures and laboratory work, provides advanced training for professional bakers and persons directly involved in the baking industry. Each student was awarded a certificate of completion after passing a written examination and meeting the course requirements.

### Health & Safety and Wellbeing

#### Singapore

- In Singapore, employees of QAF participated in the *National Steps Challenge: Corporate Challenge 2019* organised by the HPB to encourage the workforce to be more active and walk more. The campaign ran for four months and QAF was awarded a Platinum Supporter award (for workforce size less than 200) for its participation.
- Gardenia provides complimentary transportation, meals, and a loaf of fresh bread daily to all employees to help to defray the costs of living. On special occasions, special loaves such as the premium *Gardenia Fruit & Nut* loaves or mini hampers are distributed to employees.
- At the Johor plant, noise exposure monitoring tests were conducted to determine the noise levels in the plant and employees working in areas with high noise levels were provided with earplugs. Chemical health risk assessments were also conducted to assess the level of chemical exposure and appropriate personal protective equipment was issued to employees to reduce or eliminate the risk of chemical exposure.

- Following the outbreak of the novel coronavirus (COVID-19), QAF Group implemented precautionary measures where appropriate to mitigate the risk of virus transmission among employees. In particular, Gardenia Singapore implemented measures aligned with the Ministry of Health and measures put in place include temperature surveillance and health and travel declarations, provision of masks and sanitisers to employees, restrictions on access to certain designated areas and restriction protocols on interaction, for example between different production shifts.

#### Philippines

- Gardenia intensified its programs and activities to enhance employee welfare. Every quarter, a "*Wellness Week*" is conducted as part of its health promotion efforts for Gardenia employees. "*Wellness Week*" is a week-long event that includes various activities such as product sampling from medical sponsors, lectures on different health-related topics, free body massage, vaccination and blood donation are planned. There are also regular free Zumba sessions for employees to participate.
- Gardenia continued its efforts to engage employees' dependents and strengthen family relationships through the Family Plant Visit program. A plant tour activity held every quarter enables the family members of newly hired Gardenia employees to acquaint themselves with the work environment of their loved ones.
- Gardenia also celebrates the successes of employees whose immediate family members graduate from elementary, high school or college. The graduates are presented with bread tokens and congratulatory cards. Employees' dependents who are qualified tertiary students are invited to undertake an on-the-job training program. To build camaraderie and sportsmanship amongst employees, Gardenia held a company-wide sports fest during the year.



## SUSTAINABILITY REPORT

## BAKERS MAISON

## Product Responsibility

## Our Commitment to Food Safety and Quality

Bakers Maison is committed to delivering safe and high-quality products and has attained both HACCP and Safe Quality Food ("SQF") Version 8, certified to the highest available level. The operations also apply the GMP hazard management procedures.

Bakers Maison has obtained Halal certification for most of its products by the Australian Federation of Islamic Councils Incorporated, Australia's National Islamic Organisation.

Through its Quality Assurance Team, Bakers Maison practices stringent internal quality control and regular product checks to ensure that its high standards are maintained. The company also undergoes annual audits by the certifying bodies of SQF and HACCP, and by key customers.

During the year, 100% of total production volume was manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards.

## Innovating and Developing Nutritious Products

Most *Bakers Maison* products contain no added fat, no preservatives, no added sugar or artificial flavours and use only natural ingredients. To support the local community, over 90% of the ingredients used in the products are locally sourced and produced. A selection of the products is also high in fibre and gluten free. In 2019, the bakery's gluten free certification was renewed by the Coeliac Association. Bakers Maison conducts daily swabs of its gluten free manufacturing section to ensure that it is free from any gluten contamination.

## Promoting Healthy Eating and Lifestyles

## Making Our Products Accessible

In Australia, Bakers Maison products are distributed as far as Tasmania, Western Australia and the Northern Territories using third party transport companies. The products are delivered frozen, enabling them to remain fresh and retain their quality and taste for longer periods of time before they are freshly baked for consumption by customers. Frozen products also reduce the need for frequent deliveries thereby reducing environmental impact.

## Protecting the Environment

Bakers Maison's environmental policy reinforces its commitment to continually review and improve its environmental performance by setting targets to reduce the use of resources and minimise its impact on the environment. The environmental action plan acts as a prompt when identifying environmental aspects and impacts on the site. Bakers Maison's policy and processes are subject to annual review to ensure that they continue to reflect the aims of the company and promote continuous environmental improvement.

## Managing Our Effluents

Bakers Maison's wastewater discharge complies with the Sydney Water Board regulations. Wastewater is discharged through grease traps before going into the sewer. The company undertakes the inspection and cleaning of grease traps every quarter and a quarterly review is carried out by its Maintenance Manager, approved contractors and service providers. The outcomes of the review are discussed with senior management.

## Managing our Energy and Resources

Bakers Maison continues to monitor its carbon footprint and has reduced its energy costs by approximately 12% in FY2019. A full solar panel system and LED lighting has been installed at the production facility and as much as possible, the company tries to use natural gas in its ovens rather than electricity. The new extension to Baker Maison's production facility was designed to be highly energy efficient and 'green rated'. It has 1,100m<sup>2</sup> of solar panels that generate 200kVA of energy. The entire solar panel system of 2,100m<sup>2</sup> generates enough power to cover about 15% of Bakers Maison's electricity requirements. In addition, a 5,000-litre water tank collects rainwater to be reused on site and sensor-activated LED lighting automatically switches off lights when there is no activity.

Bakers Maison sources approximately 90% of its raw materials locally and it believes that this practice indirectly reduces carbon emissions from transportation of raw materials for the business.

The company also educates its employees on environmental issues, resource conservation, proper recycling practices and pollution prevention through company newsletters, training programs and staff meeting discussions.

During the year, Bakers Maison organised a contest where employees submitted ideas for minimising their eco footprint, both at work and at home. The ideas were posted on a colourful board placed near the communal break room and the top three contributors were presented with an

## SUSTAINABILITY REPORT

eco-friendly prize of a Microgreens Window Sill Kit at the company's year-end party. The winning ideas were the reuse of bath water in the backyard, using a bucket to capture clean water during a shower, and making tree-planting a family bonding activity.

To further integrate environmental practices in the company, Bakers Maison is in the process of moving to a paperless system and reduces paper waste through recycling. It has introduced the "Document Management Solution" Paperless System to manage business information at various stages of the document life cycle. Phase 1 of the system, Accounts Payable processing, has been implemented. Two additional phases, Human Resources, and QA and Production will be implemented in 2020.

The company also adopts a preference for environmentally friendly products. The office and toilet paper purchased contain 35% – 100% recycled content or tree free paper. Employees are provided with corporate pens made from 100% recyclable materials. The pens feature a distinctive recycled paper barrel made from unbleached cardboard with its 'plastic' trim feature made from corn starch.

### Managing our Waste

Bakers Maison disposes all production waste in accordance with local environmental laws and regulations. As part of its ongoing waste management initiative, the company continues to support local farmers with regular donations of edible waste from production, which are then mixed with grains and recycled into animal feed. It also tries to reduce cardboard waste during bulk packaging of its products.

In 2019, Bakers Maison sent its used printer cartridges and other plastic waste for recycling at *Close the Loop*, diverting approximately 6.98kg of plastic waste from landfills. *Close the Loop* is an international resource recovery and sustainability solutions provider that recycles plastic waste into material used for building roads.



Bakers Maison employees participated in the Canterbury Bankstown 'Tug-O-War' event in support of White Ribbon Australia's campaign to end violence against women.



Bakers Maison provides employees with corporate pens made from 100% recyclable materials like unbleached cardboard and corn starch.

### Enriching Communities

#### Growing Together with Our Communities

Bakers Maison seeks to contribute positively to the community in which it operates. In May, Bakers Maison hosted the "Biggest Morning Tea", an annual event in Australia where colleagues, friends, family and community groups come together for morning tea, while raising funds for the Cancer Council. At the event, Bakers Maison employees and members of the public purchased donated items in a "2 for \$1" drive to raise a total of A\$500 for the Cancer Council.





## SUSTAINABILITY REPORT

In support of World Polio Day, Bakers Maison donated baked goods in aid of a fund-raising campaign by The Rotary Club of Padstow to eliminate polio. Rail commuters at Revesby station who made a \$5 donation were given a specially baked pastry from *Bakers Maison*. Bakers Maison received a Certificate of Appreciation from the Rotary Club of Padstow Inc for its support.

For the third year in a row, Bakers Maison supported White Ribbon Australia's campaign to end men's violence against women. Staff of Bakers Maison participated in the Canterbury Bankstown *Tug-O-War* event in November and were awarded the "Pull Your Weight" Shield.

### Our People

#### Investing in Our People to Strengthen Our Workforce

Employees are key to the business's long-term success and Bakers Maison invests in its employees to strengthen and upskill its workforce.

#### Training and Education

Employees across multiple departments, including Customer Experience, Sales and Quality participated in the introduction to Microsoft Excel 2010 training and were awarded with certificates of participation.

#### Health & Safety and Wellbeing

- To enhance health and safety measures at the workplace, Bakers Maison undertook a major review and implemented a new and improved Work Health & Safety ("WHS") system. The new WHS saw a revision of the company's emergency management plans and risk management processes. All Bakers Maison's managers attended the WHS reporting and responsibilities training where they were updated on the new WHS policies, easy-to-use injury and hazard identification reporting documents and Recovery at Work Policy for injured workers.
- During the year, Bakers Maison continued its practice of providing influenza vaccinations to all employees. This was performed by a medical practitioner who came on site to provide information to employees and give the vaccinations. Employees were also given information flyers with tips on how to stay healthy to reduce their chances of catching the flu.
- As part of Bakers Maison's initiative to foster an inclusive workplace culture, the company held its annual *Harmony Day* celebrations in March. *Harmony Day* celebrates cultural diversity and aims

to promote harmony and social cohesion. As part of the celebrations, employees brought dishes from their native countries to share with colleagues and played a Cultural Quiz game.

- Bakers Maison employees also participated in team-building activities which included a public speaking segment where Managers gave a presentation on their Department's projects that they had worked on and proposed innovative projects that they would like to work on during the year.

Employees participated in team games such as archery and laser clay pigeon shooting. The activities gave employees from different departments the opportunity to interact with one another, and with colleagues whom they may not always communicate with on a daily basis.

- Bakers Maison organised its first Spring BBQ Lunch to thank staff for their hard work and dedication. The Spring BBQ Lunch was organised by the Sales & Marketing team and the Social Committee and enabled office staff and Production and Warehouse staff to socialise outdoors and enjoy a healthy meal. The Spring BBQ Lunch is expected to become an annual event.



Bakers Maison employees enjoying themselves during the archery and laser clay pigeon shooting team games.




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- To provide an exciting and interactive approach to workplace health and wellbeing and encourage employees to review their eating and exercise habits, October was designated 'Health is Wealth' month. Employees were encouraged to participate in daily challenges that were posted on a large calendar in the staff common area. Challenges such as 'Try a new veggie', 'Eat mindfully' and 'Focus on posture' were

accompanied by daily emails from the HR Department with tips and advice how the challenges could be incorporated into daily life, both at work and at home. A number of employees packed healthy, homemade meals for lunch that month, instead of buying fast food and snacks.

## PRIMARY PRODUCTION

The Group's Primary Production business under Rivalea, has been working on several programs to target animal welfare as well as energy management. Rivalea is also committed to being a responsible corporate citizen to drive positive impacts for the community.

Material Factors	FY2019 Achievements	FY2020 Targets
<b>Product responsibility</b> 	100% of the total production volume was manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards	Maintain FY2019 performance
<b>Animal welfare</b> 	Zero incidents of significant non-compliance with Australian laws and regulations related to transportation, handling, and slaughtering practices for live terrestrial animals	Maintain FY2019 performance
<b>Protecting the environment</b> 	No incidents of non-compliance with the applicable regulations and wastewater requirements of the local authorities in respect to the water quality discharge*  <small>* Applicable to the wastewater treatment plant at Victoria</small>	Maintain FY2019 performance

## RIVALEA

### Product Responsibility

#### Our Commitment to Food Safety and Quality

Rivalea sources grain and raw materials to produce stockfeed for its own pork production as well as supply to other farmers, retailers and feedmills. To produce quality pork and stockfeed, Rivalea sources high quality raw materials. A large proportion of grain that Rivalea uses is sourced directly from local growers with the balance acquired from small and large trading agents. Other raw materials are either sourced locally such as legume grains and by-products or imported such as soybean meal.

Rivalea also maintains its own pork processing plants and boning facilities which leverage on technology to achieve better quality carcasses and meat cuts and meat packaging at high hygiene and sanitation standards.

Rivalea possesses Export Registered Establishment, SQF Food Safety Code for Manufacturing, The Animal Welfare Certification Program for Livestock Processing Establishments, Australian Pork Industry Quality Assurance Program, HACCP and GMP certification under the internationally recognised Global Food Safety Initiative (GSFI) Management System and FeedSafe accreditations. Rivalea is also accredited with many of Australia's leading supermarket chains.

## SUSTAINABILITY REPORT

Rivalea has a team of quality assurance officers to conduct daily inspection and sampling of both products and equipment to comply with food safety and customer standards. The samples are evaluated at Rivalea's on-site microbiology laboratory accredited with the National Association of Testing Authorities.

The Feedmill, Farming Operations and Meat Processing sites undergo internal audits by the Quality Assurance teams to check compliance with relevant laws and standards. The sites are also audited by external third parties, who are nationally and internationally recognized institutions, to ensure compliance with relevant laws, standards and customer requirements.

In 2019, Rivalea maintained 100% of its production volume manufactured in certified sites.

### Innovating and Developing Products High in Nutrition

Rivalea's research and development efforts are focused on improving the nutrition and quality of its products. As part of its successful programme of producing premium, high quality meat products for an increasingly discerning consumer market, Rivalea has successfully produced and distributed meat products from some of its livestock which are fed with special feed supplements such as live lactobacillus. These premium products have significantly lower cholesterol levels. The products have been distributed to a major supermarket chain.

### Staying Vigilant

Australia remains free of African Swine Fever (ASF). ASF continues to devastate pig production in China and parts of South-east Asia, with further spread being recorded to countries including the Philippines and Indonesia. Timor Leste and Bali remain concerns for the Australian pork industry as they are closest in terms of distance from Australia amongst jurisdictions where ASF has been reported. Timor Leste is more than 650 km and Bali is more than 1,700 km away from Australia. Australia maintains strict biosecurity laws and practices and is continuing to update and operationalise the policies under which Australia would respond to an outbreak.

Rivalea has further tightened its strict farm biosecurity policies and procedures. It has strict employee and visitor quarantine policies regarding entry into its farms, biosecurity protocols prior to entering farms and farms located in areas of high risk of feral pigs have had investment to upgrade perimeter fencing. The biosecurity policies and procedures extend to all its contract farms as well as contract farmers, livestock and feed transport providers, construction staff and essential visitors. Non-essential visitors are barred entry to its farms. To reduce the risk of infection from contaminated pork on a Rivalea farm, no pork products are permitted to be brought into any Rivalea farm quarantine areas. The pork ban also extends to all contract farms and Rivalea sites including feedmill sites.

Rivalea works closely with the Australian pork industry association, APL, and is in constant dialogue with government officials to enhance preparedness against ASF. It has taken market leading steps in proactively engaging with the community and industry by highlighting to these stakeholders the risks of ASF and preventive steps to be taken. Advertisements have been placed by Rivalea in community newspapers to educate the community on the need to work together and on the "dos" and "don'ts" to keep Australia ASF-free. Currently, the farming operations of the Primary Production segment are spread over 25 piggery farms in New South Wales and Victoria, 7 of which are self-owned farms and the balance are owned by contract farmers. The geographical diversification of the farming operations assists in mitigating the spread of disease. On the issue whether Rivalea has insurance coverage for disease risks, please refer to our Corporate Governance Report at pages 88 to 89.

There were devastating bushfires in south-eastern Australia in late 2019 and early 2020. These bushfires did not affect the properties of the primary production business, or materially affected its operations. Rivalea's sites are covered by insurance policies for the bushfire risk including for its property, livestock and business interruption. Rivalea undertook relief efforts in support of firefighters and bushfire victims through, amongst others, support and continuation of wages for Rivalea employees who were on the ground as volunteers helping firefighters, donations of funds to impacted communities and donations of pork products for distribution to local communities.

## SUSTAINABILITY REPORT

### Animal Welfare

#### Treating our Animals Ethically through Best Practices and Leadership

Rivalea commits to “*caring for every animal, every day*” and sets up systems and practices that deliver high standards of welfare for its animals.

Being a proactive leader in the Australian pork industry, Rivalea works with customers, animal welfare groups, industry bodies, universities and community to determine animal welfare program research strategies and direction, conduct research product recommendations and establish best practices. Rivalea also has involvement in APL, AWSC (Animal Welfare Science Centre), APRIL (Australasian Pork Research Institute Ltd) and the Victorian and New South Wales Farmers Federations.

Rivalea continued its best practice and leadership in animal welfare in 2019, including:

- Rivalea is 100% Gestation Stall Free as accredited under APIQ (Australian Pork Industry Quality Assurance Program), with pregnant sows accommodated in social groups which enable them to move freely and perform natural social behaviours.
- Rivalea is accredited under the Australian Pork Industry Quality Assurance Program (APIQ®, APIQ® Free Range, APIQ® Gestation Stall Free and APIQ® Customer Specifications Verification for Coles Supermarkets Australia Pty Ltd).
- All Rivalea sites handling livestock are accredited under the Australian Pork Industry Quality Program (APIQ) or The Animal Welfare Certification Program for Livestock Processing Establishments. This includes auditing for compliance to the program’s animal welfare Standard that is externally audited by AUSMEAT.
- Conducted experiments in areas of housing environmental enrichment, reduced confinement sow housing, lactation, improving piglet survival in free range systems, ecoshelter (group housed, bedded housing) systems, outdoor areas for pigs, welfare assessment, improving positive affective state of pigs, humane euthanasia and CO<sub>2</sub> stunning.
- Developed low confinement sow, loose farrowing pen systems and implemented a commercial trial shed of 100 loose farrowing systems.

- Implemented a commercial farm of indoor group housed, deep-bedded housing system designs that eliminate the need for additional energy for heating (gas).
- Implemented enrichment programs on all farms to enhance sow welfare (by encouraging positive, natural animal behaviour). By 2020, all Rivalea sows will have access to environmental enrichment for part of their breeding cycle and for nest building pre-farrowing. Welfare at the sites is overseen by overarching Quality Assurance programs that are internally and externally audited to ensure that existing procedures and processes are correctly managed.
- Supported a “*Treat Program*” at the Corowa Research and Innovation facility which uses small edible cubes as “*treats*” to further foster positive interactions between Rivalea stockpeople and visitors and its pigs.
- Investigated impacts of positive human interactions (i.e. positive contact through patting sows and talking quietly) on sow welfare and reproductive performance and developing novel measures of assessing welfare and positive state in pigs.
- Consulted with experts to develop best practice systems at its pork processing plants.
- Implemented group stunning system at Diamond Valley Plant abattoir to reduce animal handling and minimise stress prior to slaughter.

Rivalea continues to operate the largest private research and innovation group in the Australian pork industry. The research areas include animal welfare, veterinary science, food safety and new product development. Rivalea continues to contribute to the industry by publishing the research outcomes in scientific publications, industry publications and at national and international conferences.

In 2018, Rivalea awarded two employees as winners of the *Animal Welfare Champions* and two additional winners for an *Animal Welfare Award* under the *Welfare Awards Program* which is in line with its ‘Guiding Principles for Animal Welfare’ which was revised in 2019. The *Animal Welfare Champions* are announced every two years and the *Animal Welfare Award* winners are announced every quarter. The program is intended to recognise achievements of employees who display empathy and actively support continuous improvement animal welfare. The updated the ‘Guiding Principles for Animal Welfare’ document is accessible to all employees and made available on Rivalea’s website.



## SUSTAINABILITY REPORT



*Rivalea's biogas collection facility at Corowa, NSW.*

## Protecting the Environment

### Managing our Effluents

To meet its environmental and sustainability objectives, Rivalea recovers nutrients and water from its farming operations. Across many of its farming sites treated wastewater is used to grow crops, on its own land, or on neighbouring properties. Compost is used on our properties as a nutrient supplement or sold to other agricultural enterprises.

Rivalea employs an Environmental Team to oversee its formal Environmental Management System, managing compliance with environmental laws and regulations, identifying and managing environmental risks and energy generation and advising operational groups on key issues. All key environmental indicators along with resource use such as energy and water system are recorded and analysed by the Environmental Management Team to identify any problems or opportunities to manage environmental resources more effectively.

Wastewater samples are taken at regular scheduled intervals at various points through the treatment process from raw effluent through to treated water used for irrigation. Schedules of sampling are determined based on regulatory requirements, relative risk of reuse of treated wastewater in local environmental context. Samples are analysed by

NATA accredited labs and results are reviewed by the Environmental team and referred to external consultants for review where required by licence conditions or identified need.

In Rivalea's piggeries, wastewater is treated biologically via its wastewater treatment system (typically in anaerobic and aerobic lagoons). After treatment, the wastewater is either evaporated or stored in tertiary storage ponds to allow disposal by irrigation onto agricultural land (either owned by Rivalea or third parties).

At the processing plant in Laverton, Melbourne, wastewater is collected and pre-treated onsite using a Dissolved Air Flotation ("DAF") process which clarifies the water and removes suspended material such as solids (sludge) and oil. The sludge from the DAF is disposed of as prescribed waste and is transported offsite to be processed at a dedicated compost facility. The remaining wastewater is then pumped from the site and discharged to the sewer in line with the Trade Waste agreement with the local water authority.

### Managing our Energy

Rivalea is focused on reducing emissions and has taken significant steps to contribute to global carbon emissions reduction.

## SUSTAINABILITY REPORT

Rivalea has three biogas collection facilities that capture and burn methane generated from its farming operations. Rivalea has contractual arrangements with the Australian Government to deliver Australian carbon credit units from the three facilities.

Biogas from the two Corowa collection facilities supply fuel for three 500KW power units (generators) that supply power to the site, offsetting the demand from grid supplied energy. The three generators will provide up to 75% of the power requirements of the Corowa processing, farm and administration sites.

Subject to regulatory approval, Rivalea plans to upgrade one of its farms to improve its environmental impact by the installation of a state-of-the-art integrated biofilter system at the site, at a cost of approximately A\$8.0 million. The biofilter system will enhance airflow and better manage emissions, augmenting Rivalea's sustainable practices. An external Project Manager has been appointed. All necessary permits and approval for variations to the existing EPA (Environment Protection Authority) licence are expected to be completed by mid-2020.

### Managing our Waste

Rivalea is a signatory to the Australian Packaging Covenant. Rivalea uses data records contained in its ERP (Enterprise Resource Planning) database to aid decision making related to the types of packaging it uses. Rivalea is exploring the use of sustainable packaging materials with its major tier 1 packaging suppliers and major customers. Rivalea has developed several action plans to reduce package reduction over the next few years:

- Improve recoverability and consumer education for recycling of packaging (re-use, recycle, recover);
- To have 50% of total solid waste recovery tonnage recycled by offsite collection vendors by December 2021 and to have 100% of solid waste suitable for recycling or re-use by 2025;
- To have 100% of all packaging material used in livestock feed products sourced from recycled materials by December 2020;
- To have 100% of livestock feed sold in bags carry ARL (Australasian Recycling Label) approved logo advising how consumers can recycle used bags by December 2020, 50% of shelf ready retail meat products under Rivalea branding carry ARL approved logo by December 2021 and 100% by December 2022;
- To increase the proportion of products produced for Woolworths dispatched from Rivalea sites in re-usable plastic crates from 50% to 75%.

### Enriching Communities

Rivalea recognises the importance of playing an active role in the community to foster close relationships and stronger ties. It has developed a company policy that actively supports community volunteering. This policy empowers employees to take up or continue participating in community events such as tree planting with local High School students, Clean Up Australia Day with local volunteers, and various volunteering with not-for-profit organisations.

Rivalea was a major funding partner in the redevelopment of the Bangerang Park Playground in Corowa. Redevelopment work included the installation of a new all-abilities play system in the children's playground, sculptural pieces and musical items, new plantings of riparian foliage inspired by the theme '*Life by the River*', storm water and electrical infrastructure upgrades, and the construction of new public toilets. The playground was officially opened in December 2019 and has provided the local community with a vibrant and fun recreational park space.



*Rivalea was a major funding partner in the redevelopment of the Bangerang Park Playground, which opened to the public in December 2019.*





## SUSTAINABILITY REPORT

Rivalea also contributed to *Food Share* (meals for the disadvantaged), sponsored the upgrade of a local children's Scout hall, and provided support to two local agricultural groups.

During the year, Rivalea employees raised over A\$7,000 in support of the Albury Wodonga Regional Cancer Centre by taking part in the 20km *Sunshine Walk* or making a cash donation. The fundraising event proved a great success with more than A\$220,000 raised.

Rivalea also collaborated with the students of Lowesdale Public School on "*The Pigasso Project*", an art in public spaces initiative where large gaily decorated plastic pigs painted by the schoolchildren were put on display at various sites throughout Rivalea for several weeks before being returned to the school.

Rivalea offers opportunities to local high school and university students to gain work experience in its production facilities and participate in key research projects. This initiative has often led to students becoming valued future employees.

Rivalea also offers a Graduate program with an 18-month rotation scheme to enable new university agricultural graduates to experience different areas of the business. The program helps to develop a cross-skilled, knowledgeable workforce.

Rivalea is a member of APRIL and is a key participant in APRIL's Industry Placement Programme (IPP). The IPP offers university science graduates industry placement which provides hands-on experience, with specialist mentors on-farm and in production. The graduates are interned for three years which fast tracks their development and benefits employers to undertake much needed projects whilst bringing fresh ideas. Rivalea's first intern under this programme completed their three years in late 2019 and remains with the company. Rivalea is pleased to have interned a second placement earlier this year and expects to continue with this highly valuable arrangement.

### Our People

#### Investing in Our People to Strengthen Our Workforce

Rivalea understands that employees drive the success and achievements of the business. This is a strong impetus for Rivalea to support the professional and personal development of their employees through various initiatives.

#### Training and Education

At Rivalea, employees have access to various training, development and career opportunities, including tertiary education. Rivalea has an in-house learning and development team and is equipped with its own dedicated training facilities and tailored resources.

In 2019, Rivalea supported five employees with bachelor and post-graduate studies, and 20 employees with nationally accredited qualifications. It also conducted many workshops, training sessions and courses. Rivalea supports employees who are studying, not only with financial assistance, but also by providing resources and access to its internal learning and development personnel, who are able to offer mentoring and advice.

#### Health & Safety and Wellbeing

During the year Rivalea continued its focus on education and training programs related to Workplace Health & Safety for employees at all levels and all sites.

Rivalea continued with the implementation of the third year of its comprehensive Workplace Health & Safety strategy, "*Safety First*". The strategy is centred on systems and processes; ownership and engagement; key risks and compliance; and health and well-being. The key deliverables of the strategy to date have included a range of procedures, tools and resources with the delivery of associated training to employees, along with the establishment of a number of new systems to improve the management of incidents, hazards, claims and contractors.

The focus for 2019 has been on the continued implementation of the Strategy across the business with a specific focus on leadership development, employee engagement, audits and assessments. Rivalea continued to provide free influenza vaccinations to employees and has an on-site physiotherapist to facilitate proactive management of injuries.

The '*R U OK Rivalea?*' program continued to raise awareness and promote mental health by reminding people to 'check in' with their family, friends and work mates. The program also includes Company hosted events and resources for employees which provide information on how and where to access mental health help and support. Rivalea also funds an Employee Assistance Program that provides confidential and free support and counselling on a wide range of personal matters for employees and their family members.

