

Sustainability Report

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Singapore May 2023

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Message from the Founders

Adrien Desbaillets

Chief Executive Officer

66 As always, our continued determination to address the climate crisis and reduce the environmental impact of our operations will remain focussed on concerted efforts, together with all our key stakeholders, to prioritise **99** the future of our planet.

Frantz Braha Chief Growth Officer

Katherine Desbaillets Braha Chief Brand & Sustainability Officer

The U.N. Intergovernmental Panel on Climate Change (IPCC) with its recently released final report 'issued' the world a stark warning -Humanity has reached a "critical moment in history". Its findings reveal that humanity has fundamentally and irreversibly transformed the Earth system. The planet is on track for catastrophic warming unless countries take extreme action, and the window to address the climate crisis is rapidly closing.

Since its inception 14 years ago, SaladStop! has always had environmental consciousness in mind and sustainability at the forefront of its operations. Over the past 2 years, we faced many challenges due to the Covid-19 pandemic and the associated restrictions. We have always remained steadfast in our commitment to sustainability even though it has not been easy to push our sustainability agenda as much as we would have liked. We saw the period as an opportune time to reflect on our practices and reimagine a more robust business model.

Last year, we cemented our climate commitment with the launch of our first Net Zero store, also the first such F&B establishment in Southeast Asia, at CapitaSpring. We did not want to stop at one, but set ourselves an ambitious goal to reach net-zero across the company by 2030. With the calamitous revelations from the IPCC report, perhaps it has become not so much an ambitious goal but rather, an absolutely imperative target.

We are pleased to share SaladStop!'s Sustainability Report 2022. This year, we have taken our reporting a step closer to being in line with Singapore Exchange's (SGX) guidelines for sustainability reporting by using their recommended list of Core ESG Metrics as guidance. This should lead to better alignment of ESG (Environmental, Social and Governance) information between SaladStop! and our stakeholders.

As always, our continued determination to address the climate crisis and reduce the environmental impact of our operations will remain focussed on concerted efforts. together with all our key stakeholders, to prioritise the future of our planet.

ity Report 2022 | Salad Stop Pte Ltd

Corporate Profile

Our Story

Our founders came together with a shared dream – a more conscious way of eating that is truly GOOD.

SaladStop! was founded in Singapore in 2009 with the aim of bringing a new dimension to salads and a new healthier approach to fast food. Today, we have expanded our network of outlets to nearly 70, with presence in 6 other countries across Asia – Indonesia, Hong Kong, the Philippines, South Korea, Vietnam, and Thailand.



Our Mission

As we expand our footprint in the region, we remain committed to ending 'pre-made culture' and ensuring a more conscious way of eating. For us, every bowl that our customer enjoys is the result of, and catalyst for, a positive cycle of change. As such, we strive to promote products which respect nature and with a controlled impact on the environment.

Our Motto: EAT WIDE AWAKE

At our core is a commitment to "Eat Wide Awake". Over the past 14 years this movement has grown to nearly 70 outlets across 7 countries. We want to continue our journey by sharing a more conscious way of eating. We want to help people realise that our food, our communities, and our environment are all connected. We believe that eating healthy is more than just being good to our bodies, it is also about being good to everything around us.

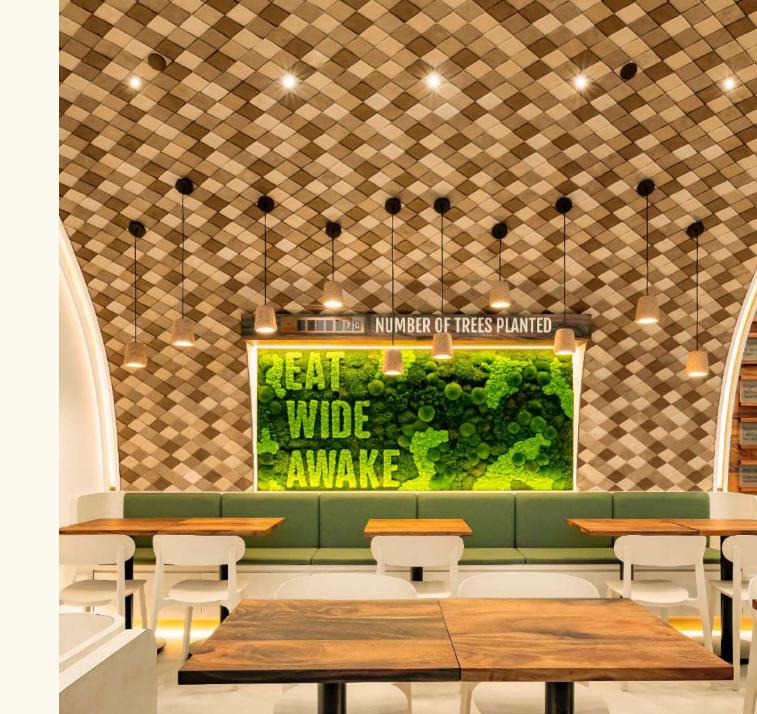
Reporting Period and Scope

Our Sustainability Report has been published to provide stakeholders with comprehensive information about SaladStop!'s performance for the period from 1 January 2022 through 31 December 2022. This report has been prepared using SGX's recommended list of Core ESG Metrics for guidance, for better alignment of environment, social and governance (ESG) information between SaladStop! and our stakeholders.

The Report covers our business activities in Singapore for the reporting period by considering the significance of ESG factors.

Feedback

We welcome any comment from all stakeholders on this report so we may improve our sustainability performance. You may send your comments or feedback to <u>sustainability@saladstop.com</u>



United Nations Sustainable Development Goals

For the past few years, we have been supporting the United Nations Sustainable Development Goals (UNSDG) and will continue to contribute to the achievement of these goals. We focus our efforts on issues where SaladStop! as a food provider for the community can make a big difference, such as good health and well-being, sustainable cities and communities. responsible consumption and production, and the environment. The following non-financial targets guide our decision-making and help us to track our progress on the integration of sustainability into our business strategy.

Rolled out a plant-based initiative across Singapore

Opened our first net-zero outlet

2022



Replace all our egg products with cage-free eggs by 2025

 \checkmark C

Created our own plant-based grocer



Increased BYO adaptation from 3% to 5%



Replaced PET takeaway salad bowls with biodegradable and compostable bagasse



Completed GHG emissions calculations for all outlets



Continue opening net zero outlets across international markets

2023

Replace PLA yoghurt cups with PET



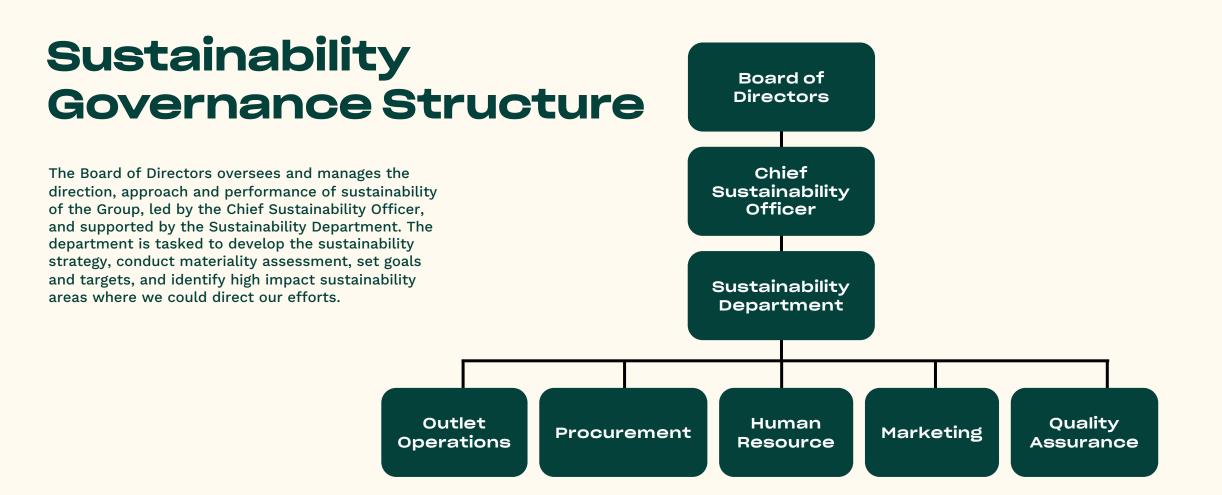
Increase BYO adaptation to 10%



Increase opting-in carbon offset of meals from customers by 20%



Source over 30% of our produce locally



Stakeholder Engagement

SaladStop! recognises that effective stakeholder engagement is an essential and necessary part of our business operations. It is our belief that it would not be possible to develop a responsible and sustainable business model without actively engaging with our stakeholders. It is an important mechanism to understand stakeholders and their needs, as their decisions and opinions have an influence on, and are affected by our activities.

We have identified the following key stakeholders and strive to engage them in a variety of formal and informal ways.

Key Stakeholder Group	Engagement Platform
Employees	 Monthly townhall meetings and social activities. Annual staff performance evaluation. Employee feedback form. Corporate Swap Day where management and staff from HQ spend a day at outlets working alongside outlet staff.
Customers/Community	 Feedback directly to staff or via website/social media and dedicated customer hotline. Share via social media. Regular instore customer surveys. Outlet staff trained to handle any complaints or feedback.

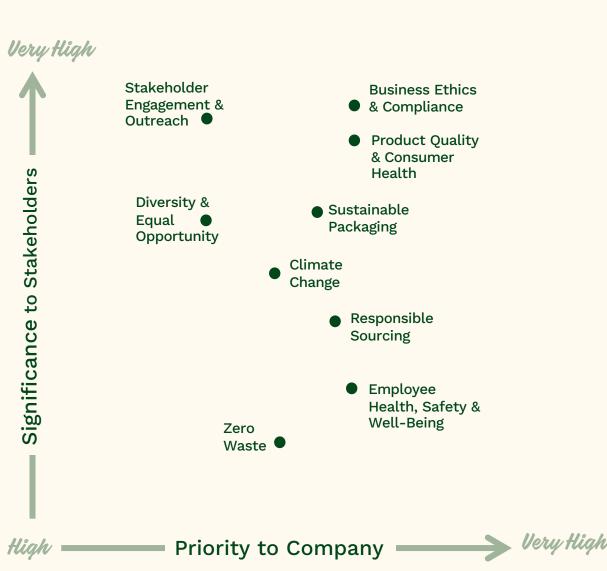
Key Stakeholder Group	Engagement Platform
Investors/Shareholders	 Annual General Meeting. Quarterly Board of Directors meetings. Half-yearly investors meetings.
Suppliers	 Our sourcing team maintain a close relationship with all our suppliers so that we are able to immediately communicate any feedback on quality matters from consumers. At the same time, we work to help our suppliers resolve any problem which they may encounter in order to prevent a disruption of the supply chain.
Government agencies	 Regular meetings with representatives to receive updates on changes in laws and regulations which may impact our business, as well as to ensure compliance. Regular meetings to explore opportunities to collaborate on sustainability initiatives.
NGOs and Non-profit organisations	 Regular meetings to receive updates on their causes and activities, and explore partnerships on sustainability initiatives.
Franchisees	 Monthly meetings to follow up on sustainability progress in respective countries including sharing Group goals, country-specific goals, receiving feedback, resolving problems, etc. Regular contact with emails to specific countries

Materiality Assessment

As preparation for this report, we referenced our previous year's sustainability report, and conducted a desktop assessment by internal senior management. We also took into consideration feedback from various stakeholders, to identify the environmental, social, and governance issues with most impact on our operations and of most significance to our stakeholders.

Through this materiality assessment, we have identified 9 topics which are material to our operations and evaluated each for its level of stakeholder concern and the potential impact on our business.

Environment	Social	Governance
Climate Change	Diversity and Equal Opportunity	Business Ethics and Corporate Compliance
Sustainable Packaging	Employee Health, Safety and Well-Being	
Responsible Sourcing	Product Quality and Consumer Health	
Zero Waste	Stakeholder Engagement and Outreach	



Key Numbers For 2022



Responsible Sourcing

Salad Bar - 88% plant-based Locally-sourced products : 2% increase Plant-based alternatives on

salad bar : 100% increase

Number of cage-free eggs sold : 14070

Number of vegan salads sold : 5% increase



Zero Waste and Sustainable Packaging

Takeaway packaging - 100% from sustainable materials Plastic bottles saved : 34% increase 'Bring-Your-Own' containers orders : 8% increase Cutlery opt-outs for takeaway orders : 17% increase Takeaway paper bags sold : 4% decrease



Employee Health, Safety and Well-being

Number of full-time employees covered by medical insurance : 100% Serious workplace incident : 0



Product Quality and Consumer Health

Major food incident : 0

Net Zero SaladStop! outlet : 1 Total trees planted : 426 (equivalent to 98t tCO2e carbon absorbed) Climate positive Orders : 5% increase

Climate Change

(customers opting to offset the carbon emissions of their meals)



Our Impacts

SaladStop!'s sustainability agenda focusses on 3 main areas - Our Environment, Our Food, and Our Community.

The materiality assessment we conducted have identified the topics within these 3 areas which are of high importance to SaladStop! and our key stakeholders. They thus form the focus of SaladStop!'s sustainability strategy and reporting.

Our Environment

Climate Change

Our commitment to address climate change gained tremendous traction with the launch of our first net zero outlet at CapitaSpring last year. That provided us with the impetus to expand our efforts in the coming years in order to accomplish our goal of achieving net zero across the company by 2030. Notably, SaladStop CapitaSpring earned the Building & Construction Authority (BCA) Green Mark Award for Restaurants. This scheme assesses restaurants on their energy efficiency, water efficiency, sustainable management and operations, indoor environmental quality as well as other green features.

Our net zero journey kickstarted the tracking of our greenhouse gas emissions (GHG) and other environmental metrics. For our GHG emissions calculations, we partnered with Unravel Carbon, an AI-powered decarbonization platform that helps organizations measure, reduce, and report their carbon emissions. This has enabled us to estimate and track our carbon emissions along our entire value chain, including all of our ingredients. The table below shows the GHG emissions from our operations for the reporting period. Our Scope 1 emission is zero as we only have purchased electricity, which accounts for our Scope 2 emissions. We took on the mammoth task of calculating the carbon emissions of all our ingredients, which account for the majority of our Scope 3 emissions. Our Scope 3 emissions also include those from non-hazardous waste, upstream and downstream transportation, employee commute and business travels. We will be tracking more categories from 2023 and reporting accordingly.

GHG emissions for 2022		
Greenhouse Gas Er	missions (in t CO ₂ -e)	
Scope 1	0	
Scope 2	215	
Scope 3	828	

The tables shown below for utilities consumption and non-hazardous waste are for the year 2022 as we have only started tracking from last year. We look forward to reporting comparisons on a year-on-year basis from reporting year 2023.

Utilities*

Utility	2022
Consumption	
Water	5,500 Cu M
Electricity	600 MWh

Non-hazardous Waste

2022	
0.7 Tonnes	

*Units are rounded up to the nearest 100.

Zero Waste and Sustainable Packaging

According to the National Environment Agency, food waste accounts for about 12 per cent of the total waste generated in Singapore. In 2021, of the 817,000 tonnes generated, only about 19% was recycled. There are different ways of managing food waste holistically, like redistributing unsold or surplus food, and recycling and treating food waste. Of top priority, and most compelling, is to prevent and reduce food wastage at source.

At SaladStop! our culinary and operations teams have managed to find the balance between supply and demand. By keeping track of inventory and ordering, our kitchen staff prepare our food daily and in small batches at a time, thereby helping to keep our food waste to less than 1%. Our net zero store at CapitaSpring has an onsite biogester which turns food waste into nutrient-rich compost that is given to the building's roof-top garden, thus helping to close the food waste loop. In the coming years, we would be looking at introducing more biogesters to the other outlets.

We are constantly in search of more sustainable packaging for our takeaways. We can proudly say that 100% of our packaging is made from eco-friendly materials. We made a big move in early 2022 when we changed our PET salad bowls to bagasse; later in the year, we also switched our PET dressing cups to bagasse.

This year, our yoghurt cups which are made from plant starch-based PLA, will be replaced by PET which can be easily recycled. Although PLA is considered to be compostable, a big disadvantage is the very specific conditions needed in order for it to be properly composted. Instead of being recycled with regular plastic materials, PLA needs to be sorted separately and brought to a 'closed composting environment' as otherwise it contaminates the recycling stream.



Zero Waste and Sustainable Packaging

While we look to find the most sustainable packaging for our takeaways, SaladStop! believes that one of the best solutions to reducing waste is to reduce the use of single-use disposables.

We have an on-going Bring Your Own (BYO) campaign to encourage our consumers to use their own containers for their takeaways, and incentivise them with the offer of a free standard topping. We also partner with Muuse, a shared reusable container system which allows our customers to 'borrow' a container for their takeaways. Customers who opt for Muuse are similarly offered the free topping. SaladStop! is a regular partner with the National Environment Agency (NEA) in its annual Say Yes To Less Waste (SYTLW) campaign which encourages the reduction of disposables and/or food waste. In 2022, we saw an increase in the number of BYO orders from 5,354 in the previous year to 5,781. This is an increase of 8%, which is 3% more than the target we had set for the year. We are much encouraged by the boost in numbers, and are looking to increase the BYO take-up rate to 10% for 2023.

We are also pleased to report that more of our customers are opting out of cutlery when they order online, with 12,881 saying 'No' to cutlery last year, compared to 10,972 in 2021. The number of brown paper takeaway bags sold have also decreased by from 47,819 to 46,117. These figures happily translate to less waste making its way to the landfill.

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EAT SUSTAINABLY FOR Free Rewards

Simply bring your own container and we will reward you!







Tree STANDARD TOPPING

BYO ×5 FOR

BYO X70 FOR FREE HOMEMADE MUESLI

muuse

Get a free signature salad, wrap, or grain bowl on your 10th borrow!

Choose reuse when you order for pickup or takeaway at any SaladStop! outlet



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1 FREE IDARD TOPPING S u bring your own container.

1 FREE STANDARD TOPPING when you order a yegan meal 50° OFF FOR BEVERAGES when you bring your own

SAY NO TO SINGLE USE DISPOSABLES. 10° for a paper bag or borrow one from us proceeds go to WWF

Our Food

Responsible Sourcing

It is of paramount importance that SaladStop! maintains a sustainable and responsible food supply chain. Responsible sourcing of suppliers calls for a commitment to sustainable and ethical practices throughout the supply chain, from tracing a produce to its roots, knowing the production processes involved, to ensuring a supplier's compliance with existing regulations and industry standards.

We therefore select the suppliers we partner with not just for the quality of their products but who also share these same values.

For a start, we prioritise sourcing locally and we commit to this with our Local Procurement Policy. Buying within our shores plays a key role in lowering carbon footprint and strengthening the local food system. The move allows us to use our food purchasing capabilities to support the local food economy, recognise new institutional markets for local producers and maximizes the freshness and quality of the food we serve our customers. Additionally, when we source for the best ingredients for our customers, we also take into consideration the ethical treatment of animals and the methods which are used in cultivating the produce. **We use MSCcertified salmon, ASC-certified tuna and all of our ingredients do not contain palm oil. We joined the cage-free (egg) movement in 2018, and while we offer cage-free eggs as an option to customers now, we aim to have only cage-free eggs by 2025.**

SaladStop! strongly believes that a more plant-based diet is the future - healthy for us and for the planet. There is evidence indicating a diet of plant-based food could improve our health substantially. Research has also shown that plant-based foods promote more sustainable food production and consumption patterns, resulting in a decrease of demand for animal protein and reduction of environmental impact from food production. A decrease in livestock production, a significant contributor to climate change, means a reduction in GHG emissions.



Locally sourced salad Homegrown

Last year, we affirmed our strong believe in the benefits of plant-based diet with the launch of our online plantbased grocer GoodFoodPeople. Customers, vegans or otherwise, will be able to choose from an extensive variety of ready-to-heat meals, dairy alternatives, 'raw' meat, and even a dedicated bakery with breads, jams and cakes.



Our Food

In 2022, we added four more locally-sourced choices to our salad bar - baked mushrooms, tofu, grilled tofu and plant-based chicken. We have also added more plant-based meat alternatives in the last year, including Karana and Fable. Karana is made from jackfruit, free from artificial colour or flavour and is minimally processed. Fable, made from shiitake mushrooms, is strictly free from GMO, preservatives, and artificial ingredients. This could have led to an increase in our vegan bowl sales, which rose from 10% to 15% of total salad bowls sold.

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Product Quality and Consumer Health

SaladStop! does not only promote healthier and sustainable food choices, we are also committed to ensuring that our customers are served with quality food which is prepared to meet the highest standards in food safety practices and conforms to regulatory requirements. Our Operations Manual details clearly proper food handling and preparation techniques and procedures, and outlet staff undergo regular training sessions to ensure that these are strictly adhered to.

Food quality and safety begin with responsible suppliers. Our culinary procurement team applies rigorous selection criteria when sourcing for products to ensure that the highest quality ingredients end up in our salad bar for the health and safety of our customers. We also carry out visits to our suppliers to survey their production and storage facilities for any infringements of safety standards or regulations.

Due to the dedicated diligence of our culinary team, there was no major food incident in 2022.

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Our Community

Diversity and Equal Opportunity

The SaladStop! family is made up of unique individuals who each shares a passion for healthy food and sustainable living. Together we bring our mission to "Eat Wide Awake" to life everyday by spreading a more conscious way of eating. We eat as a family – SaladStop! meals are provided for our team members, and we consider them our most critical taste-testers. We work as a family too. We have a Diversity and Equal Employment Opportunities Policy in our Employee Handbook which states that SaladStop! offers equal opportunities in employment to all, regardless of age, ancestry, race, colour, physical abilities, gender identity, sexual orientation, marital status, nationality, parental status, religious convictions or ethnic origins.

We are proud that we have a good representation of gender diversity amongst our employees. Overall, we have more female employees than male, while the number of males in executive and managerial roles is slightly higher than female. Our Equal Opportunities Policy also ensures that there is no gender pay gap between the male and female employees.

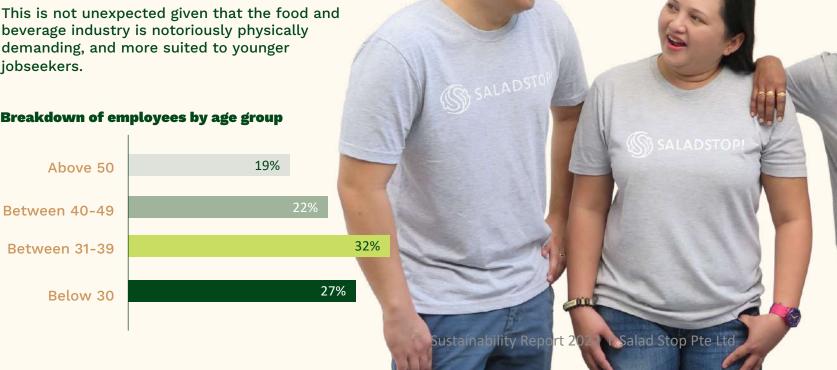


Our Community

Gender Diversity by Employee Category

SaladStop! believes in looking for talent across different demographics because this diversity can boost problem-solving capabilities with a healthy exchange of varied skill-sets, work and life experiences. There is generally a good spread of ages amongst our employees though notably the number for those aged below 40 is higher.

This is not unexpected given that the food and beverage industry is notoriously physically demanding, and more suited to younger jobseekers.



Board

Full-time Employees

Executive & Managerial Role

45% male

55% male

80% male

SALADSTOP

55% female

45% female

20% female

Breakdown of employees by age group

Our Community

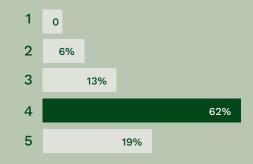
Employee Health, Safety and Well-Being

Just like a family unit, we make sure we take good care of our members. We value the physical and mental wellness of our employees, and have in place various measures to ensure that both are attended to. In 2022, we extended medical coverage to our full-time outlet staff, which means all full-time employees of SaladStop! are now insured for outpatient and hospitalisation charges.

As an important group of stakeholders of SaladStop!, it matters to the company that employees' needs, interests and concerns are heard. We hold monthly meetings where the Chief Executive Officer gives updates on the company's progress and performance, and receives feedbacks from employees. Employees also have opportunities to provide feedback through their annual performance appraisals, as well as a 360 Management survey where they are anonymously polled about their appraisal of the management team.

360 Management Feedback

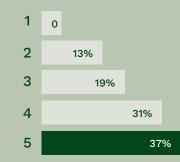
I enjoy coming to work each day



I can talk openly to my superior about problem I'm facing



I feel motivated by my superior



My role in the company is clear



I feel supported by the management

1	0	
2		19%
3		31%
4		25%
5		25%

Our Communit

Business Ethics and Corporate Compliance

SaladStop! is committed to high standards of business ethics and corporate governance to ensure that we comply with applicable laws and regulations. All our employees are made aware of our Code of Ethical Conduct in our employee handbook which outlines the standards of behaviour that are expected of them in their dealings with colleagues and external parties like customers, suppliers and business associates.

SaladStop! has in place a personal protection policy to ensure that we meet our obligations under Singapore's Personal Data Protection Act (PDPA). It outlines how we collect personal data; how and for what purposes we may use it; and to whom such data may be disclosed to. This policy also addresses how employees must handle data in accordance with these regulations.

Stakeholder Outreach

Engaging with our consumers and the community is important to us because we see ourselves as more than just a food and beverage business; we are also educators. Through our operations, we are able to inform and spread awareness about the need to address the climate crisis. At the same time we are empowering them with the knowledge to take action through a more sustainable lifestyle by making healthier and more sustainable food choices.

We do this in a number of ways. We share sustainability messages on our web-site, at our stores, through social media and online pre-order app. Our online menu not only lists nutritional information for each item; it is also carbon-labelled so customers can see the carbon footprint of their food choices. Our inhouse nutritionist gives talks to schools, charity organisations and business corporations about eating healthy and sustainably. We have also collaborated with various government agencies to share our net zero journey, including the Ministry of Sustainability and the Environment (MSE), Enterprise Singapore (ESG) and the National Environment Agency (NEA).

Sustainability Report 2022 | Salad Stop Pte Ltd

Our overseas franchisees are a key group of our stakeholders because they represent SaladStop! and the brand's ethos in their respective countries. We would like to share news of their sustainability progress, but would like to highlight that we do not track their metrics here as this report concerns only our operations in Singapore.

We are pleased that they share our vision for the outlets in their countries to achieve net zero by 2030. Each has started on its own journey; beginning with green initiatives like BYO campaigns, switching to more sustainable packaging and increasing local sourcing of ingredients.



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