



**YKGI**  **LIMITED**  
— SINCE 1961 —

*A Flavorful*  
**BEGINNING**

SUSTAINABILITY REPORT 2022



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# ABOUT THE SUSTAINABILITY REPORT

YKGI Limited (“**YKGI**” or the “**Company**,” along with its subsidiary entities referred to as the “**Group**”), is delighted to introduce our first sustainability report (“**Sustainability Report**”) for the financial year (“**FY**”) ending 31 December 2022. This Sustainability Report serves as a testament to our dedication to environmental, social, and governance (“**ESG**”) principles and highlights our approach to gauging, overseeing, and disclosing information regarding sustainability endeavours. Through the sharing of our Group’s ESG advancements, obstacles faced, and future undertakings within this Sustainability Report, we aspire to nurture a sense of responsibility, inspire positive transformations, and steer our journey towards a more sustainable and conscientious future.

## APPROACH TO REPORTING

Aligned with the Singapore Exchange (“**SGX**”) guidelines, this Sustainability Report highlights the Company’s commitment to sustainability and its efforts to integrate ESG considerations into its operations.

We recognise the importance of stakeholders and the materiality assessment process. Identifying and engaging with our diverse range of stakeholders has been a cornerstone of our sustainability journey. Through dialogue and collaboration, we ensure that we address the concerns and aspirations of customers, employees, investors, local communities, and other interested parties. This two-way exchange of information allows us to gain valuable insights into what matters most to our stakeholders and align our sustainability efforts accordingly.

Our materiality assessment is a robust and ongoing process that helps us determine the key ESG issues that are most relevant to our business and stakeholders. By evaluating these material issues, we can direct our resources and efforts towards areas that hold the greatest significance both to our stakeholders and the overall sustainability of our operations.

This Sustainability Report has been formulated with reference to the Global Reporting Initiative Standards 2021 (“**GRI**”), follows its core principles: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. It is a widely recognised and respected standard for sustainability reporting. As a Singapore-based company operating in the food and beverage (“**F&B**”) industry, we have chosen the GRI framework due to its global applicability, comprehensive guidance, and alignment with international best practices. The GRI framework provides a robust structure for reporting on our sustainability efforts, enabling us to address ESG issues that are critical to our industry and region. We have used this framework throughout the Sustainability Report. The Sustainability Report complies with the SGX Practice Note 7.6 Sustainability Reporting Guide, rules 711A and 711B of Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) and Practice Note 7F.

Additionally, the Sustainability Report demonstrates the Group’s alignment with the United Nations Sustainable Development Goals (“**UNSDGs**”).

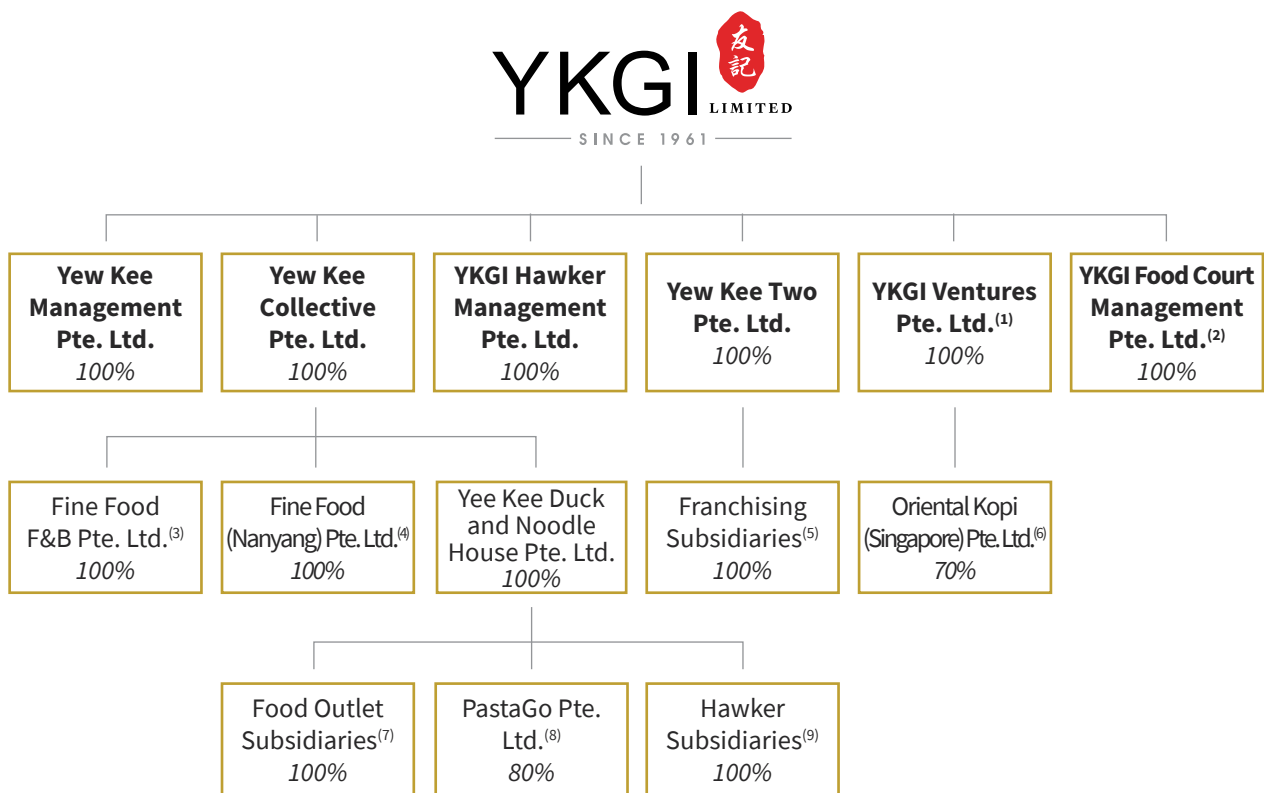


# ABOUT THE SUSTAINABILITY REPORT

## REPORTING SCOPE AND BOUNDARY

This is our first Sustainability Report for the current reporting period. This Sustainability Report is published for the period of 1 January 2022 to 31 December 2022 (“FY2022”). The Sustainability Report will be published on an annual basis. It provides a comprehensive overview of the Group’s sustainability initiatives and performance, covering all operations in Singapore. Furthermore, the Sustainability Report includes a comparative analysis of data from the previous financial year i.e., 1 January 2021 to 31 December 2021 (“FY2021”), providing valuable context for assessing our progress.

This Sustainability Report provides a comprehensive overview of the sustainability initiatives undertaken by YKGI, a prominent F&B company based in Singapore. The Sustainability Report covers the Company’s three key business segments: F&B Operations, Franchise and Food Court. The Sustainability Report consolidates the performance metrics of our holding company along with all of its subsidiary entities with no exclusions.



### Notes:

- (1) The subsidiary was incorporated on 20 June 2023.
- (2) The subsidiary was incorporated on 25 September 2023.
- (3) The Group acquired the remaining 50.0% of Fine Food F&B from Mr. Tan Hwee Meng, an unrelated third party, on 18 September 2023. Please refer to the Company’s announcement on 18 September 2023.
- (4) The Group acquired the remaining 20.0% of Fine Food (Nanyang) from Mr. Tan Hwee Meng, an unrelated third party, on 18 September 2023. Please refer to the Company’s announcement on 18 September 2023.
- (5) The Franchising subsidiaries comprise 313CC, JEMCC, PASCC, AMKCC, CTRCC, WSCC, TPCC, PLQCC, CWPCC, MSQCC, WLPCC, NTUCC, WTCC, HGMCC, STARCC, JEWCC, TAKACC, CACC, SUNCC, NUSCC, JPCC, NOVCC, HILLCC, NEXCC, YISCC, LOTCC, EASTCC, KWMCC, CPOCC and CNPCC.
- (6) The remaining 30.0% of Oriental Kopi (Singapore) is held by Oriental Coffee International SDN. BHD., an unrelated third party. Please refer to the Company’s announcement on 15 August 2023.
- (7) The Food Outlet subsidiaries are: Yew Kee Three, Ubi 179 Food House, 108 Sembawang, Punggol WP83, 102 CR Food, YK Food (One), YK Food (Two), YK Food (Three), YK Food (Four), YK Food (Five) and Yew Kee Bakery.
- (8) The remaining 20.0% of PastaGo is held by Mr. Lim Ang Kuan, Edwin, an unrelated third party.
- (9) The Hawker subsidiaries comprise SM30 Simei, 207 (Duck Rice), 10 (XO Noodle), 480 Local Delight, Admiralty Local Delight, 51 Hougang, 2 Bukit Panjang and Ying’s Traditional Food
- (10) The chart above shows YKGI’s Group Structure as of the date of this Sustainability Report.

## ASSURANCE OF THE SUSTAINABILITY REPORT

YKGI has not sought external assurance for this Sustainability Report. The Board will consider seeking external assurance in the future as we mature in our sustainable journey. We engaged our Internal Audit Function to review the current sustainability reporting processes. The internal review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The scope included a risk-based review of the processes including but not limited to the sustainability governance and management; the identification, prioritisation and assessment of ESG-related risks and opportunities; reporting relevant sustainability information; climate-related disclosures; and compliance against local regulatory reporting requirements.

## FEEDBACK

The Group is committed to fostering an open and transparent dialogue with our stakeholders, as their feedback enables us to refine our sustainability goals, address their concerns, and drive positive changes within our organisation and the communities we serve. You can provide your feedback through email at [info@ykgi.com.sg](mailto:info@ykgi.com.sg) and/or [marketing@ykgi.com.sg](mailto:marketing@ykgi.com.sg).

Thank you for your support and partnership. We look forward to hearing from you.



## ABOUT YKGI

### Mission

To relentlessly fulfill ever-changing demands. At the same time to tantalise the taste buds of our customers and place a lasting smile on their faces.

### Vision

To be Asia's leading food and beverage group with the most diversified portfolio of brands and concepts.

YKGI is a well-established local brand with a rich history spanning over 30 years in the F&B industry. The roots of our Group can be traced back to the 1950s when the founder, who now serves as the Executive Chairman and Executive Director, began by running a pushcart selling braised duck in Nee Soon.

The Group is actively engaged in F&B Operations, Franchise and Food Court. Currently, the Group oversees a diverse portfolio spanning eight distinct brands, tailored to both non-Halal and Halal consumers. We operate these brands across 75 retail locations nationwide. Furthermore, YKGI holds the unique franchise rights for CHICHA San Chen tea outlets in Singapore. YKGI proudly manages food outlets under the banners of My Kampung, Fine Food, Yew Kee Duck Rice, XO Minced Meat Noodles, My Kampung Chicken Rice, Pasta Go, Kampung Kopi House, and Victoria Bakery. Beyond management, our operations extend to leasing and sub-leasing of food courts and stalls, as well as the operation of third-party food establishments.

YKGI is well-positioned for sustained expansion and achievement in the ever-evolving F&B sector. Having a rich history that extends over three decades, our commitment to excellence is evident through the high-quality products we offer across the diverse range of brands under our management. Our integrated supply chain, encompassing a rigorous procurement process, a central kitchen, and a mix of self-operated and franchise locations, perfectly aligns us for future expansion. The resilience of our business model ensures consistent revenue generation, particularly due to our essential food offerings. Moreover, our food outlets are thoughtfully located in strategic areas, ensuring easy accessibility to our vast and dedicated clientele. Our ventures are guided by our experienced management team comprising of proficient and adept professionals.



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## OUR BRANDS AND PRESENCE



### YEW KEE DUCK RICE

Yew Kee Duck Rice offers a delectable range of duck-centric dishes, including their specialty Duck Rice, Duck Noodle, Duck Kway Teow, and Duck Porridge, catering to duck enthusiasts seeking diverse flavours. Their menu also features a Kway Chap Set, Yew Kee Set, and Teochew Braised Set, showcasing the culinary versatility and expertise that has made Yew Kee a renowned name in Singapore's food scene.



### MY KAMPUNG CHICKEN RICE

My Kampung Chicken Rice is a tribute to the founder's 50-year journey in the hawker business, offering a selection of classic dishes like Chicken Char Siew Rice and Chicken Cutlet Rice, along with traditional favourites like Roasted Chicken and Roasted Chicken Noodle.

The menu also embraces the Singaporean palate with options such as Singapore Laksa and innovative Roasted Chicken Rice Set, creating a blend of nostalgia and contemporary flavours.



### XO MINCED MEAT NOODLE

It stands out with its signature dishes, including XO Mincéd Meat Noodle and Gui Fei Abalone Mincéd Meat Noodle, showcasing a fusion of flavours that appeals to noodle aficionados. The menu extends to classics like Signature Kway Teow Soup and Laksa, while innovative choices like Mini Pot Noodle and Handmade Meatball Noodle offer a delightful twist on traditional favourites.

## Fine Food My Kampung™



### FOOD COURTS

Food courts under the YKGI banner are culinary hubs that celebrate diversity. By offering a wide array of cuisines and flavours, we create vibrant, inclusive spaces where individuals can savour a world of tastes, contributing to cultural enrichment and community integration.



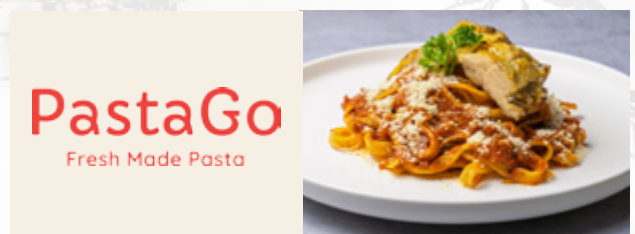
### CHICHA SAN CHEN

CHICHA San Chen, founded at "<https://www.chichasanchen.com.sg/>," exemplifies a commitment to bringing premium Taiwanese tea culture to Singapore, offering a range of high-quality tea and related products in a warm and inviting environment.



### VICTORIA BAKERY

Victoria Bakery is known for its delectable baked goods, serving fresh and scrumptious pastries and bread items that have delighted patrons for years.



### PASTAGO

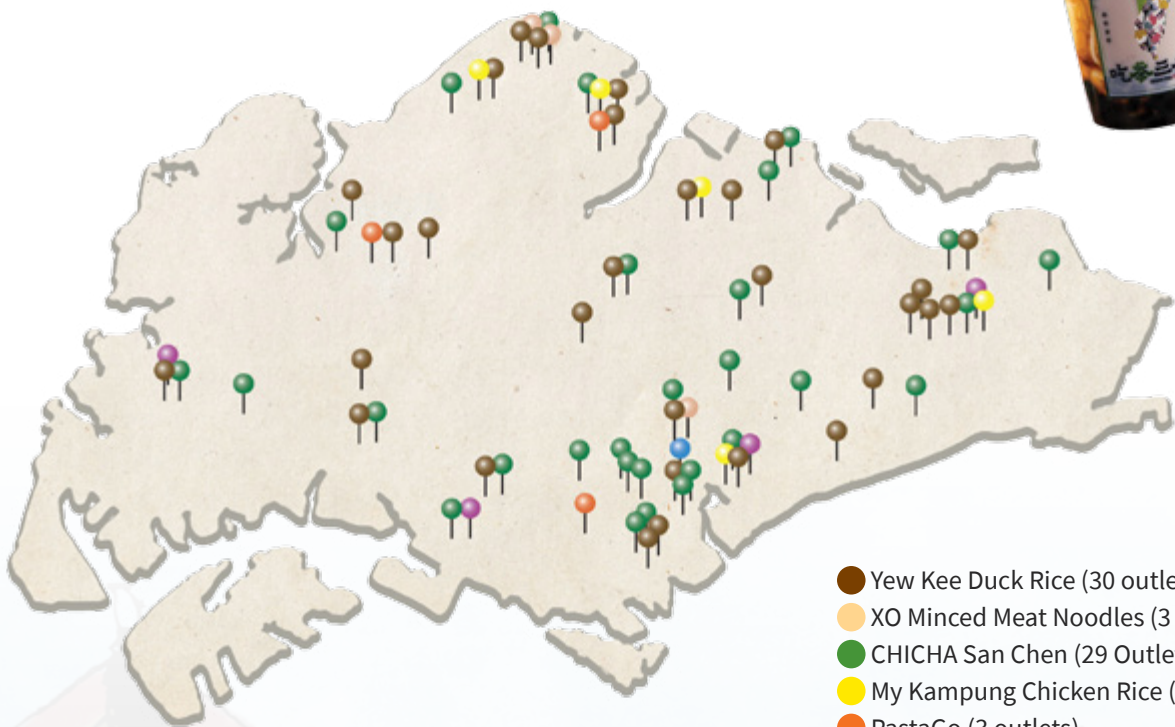
PastaGo, available at "<https://www.pastago.sg/>," is a destination for pasta lovers, offering a wide array of pasta dishes that cater to various tastes and preferences. It's an embodiment of quick, quality dining for those on the go.

# ABOUT YKGI

The procurement, processing and preparation of key ingredients and products for

**Yew Kee Duck Rice** and **XO Minced Meat Noodles** food outlets,

as well as **CHICHA San Chen** tea shops, are carried out by our central kitchen.



- Yew Kee Duck Rice (30 outlets)
- XO Minced Meat Noodles (3 outlets)
- CHICHA San Chen (29 Outlets)
- My Kampung Chicken Rice (5 outlets)
- PastaGo (3 outlets)
- Victoria Bakery (1 outlet)
- Food Courts (4 locations)

**42** FOOD OUTLETS



**29** CHICHA San Chen Tea Shops

**4** FOOD COURTS



**1** CENTRAL KITCHEN





## OUR VALUE CHAIN

The value chain is a crucial component that outlines the interconnected relationships within our organisation's operations. Our core activities include F&B operations, food court management, and franchising. Our operations are currently focused on Singapore, serving a diverse range of markets and customers.

Our supply chain is robust, as our procurement team meticulously evaluates and approves suppliers based on quality, reputation, price, and past collaborations. Ingredients and products are sourced from these approved suppliers for our central kitchen.

Our customers encompass a wide spectrum, including walk-in and regular patrons, as well as Food Court Tenants. These entities downstream from our organisation play a pivotal role in the success of our business.

Furthermore, we maintain various other essential business relationships, such as with banks and legal and professional entities, including internal and external auditors, as well as our sponsor. These relationships underpin our commitment to transparency and sustainability across all aspects of our business operations.

## AWARDS AND RECOGNITION

- In 2013/2014, the Brands Entrepreneurs' Alliance (Singapore) recognised our subsidiaries, Yew Kee Duck and Noodle House and Yew Kee Management, with the Singapore Brands Awards.
- On 24 August 2022, our CHICHA San Chen tea shops were ranked one by The Straits Times for best customer service in the catering, restaurants and leisure industry.
- On 23 August 2023, our CHICHA San Chen tea shops were ranked one by The Straits Times for best customer service in the catering, restaurants and leisure industry for the second consecutive year;
- In addition, our Yew Kee Duck Rice brand has been recognised by the following awards:
  - (a) Food Masters award for Top 10 outstanding Singapore food masters in the central zone in 2016 from SPH Newspapers;
  - (b) Top 10 braised duck rice award from Shin Min Daily News in 2017;
  - (c) Heritage Brands award in recognition of our outstanding achievement in branding from the Association of Small and Medium Enterprises in 2017; and
  - (d) Hawker Heritage Award from the Federation of Merchants' Association of Singapore in 2022

# INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

*At the heart of the F&B industry, we've made a pledge to integrate sustainability into every facet of our business. From sourcing ethically to reducing waste, we're weaving sustainability into the very fabric of our operations. Our commitment to this transformative journey underscores our dedication to a greener, more responsible, future for our sector and planet. Explore our Sustainability Report to see how we're redefining the way we do business.*

*Our primary aim is to reduce our environmental footprint through innovative practices, minimise food waste, and promote sustainable sourcing. We are dedicated to fostering a culture of inclusivity and wellbeing for our employees, customers, and communities we serve. Our overarching goal is to contribute to a greener, healthier, and more socially responsible future within our sector.*



## FOUNDER AND EXECUTIVE CHAIRMAN'S MESSAGE

### “Charting a Sustainable Future with YKGI: Nurturing a Legacy”

#### Dear Stakeholders,

In FY2022, our Company directed its efforts towards strengthening the core aspects of our business. We expanded our outlet network, improved operational efficiency, and diversified our product range to cater to our customers' needs. During this period, we adapted to the gradual relaxation of COVID-19 restrictions as the health situation improved in Singapore. As a result, customers returned to our food outlets for in-person dining experiences.

Our unwavering commitment remained centered on our mission to offer a diverse selection of nutritious and value-driven food options to a wide customer base. This commitment, combined with our ongoing initiatives to embed sustainability into our operations, enabled us to effectively tackle external challenges such as the competitive labour market, inflationary pressures, and intense competition in both the dine-in and food delivery sectors.

Our sustainability strategy remained grounded in three key pillars: economic, social, and environmental. Economically, our net profit of S\$4.3 million for FY2022 aligned with our objective of achieving long-term financial stability. This ensures our capacity for reinvestment and resilience during challenging periods. On the social front, we adopted a comprehensive approach to workforce well-being. Our headcount remains stable with 633 employees at the end of 2022. We instituted performance incentives to reward high achievers within our teams and expanded our training programs. Furthermore, we maintained our ongoing commitment to the broader community by supporting charitable causes and groups.

Regarding environmental sustainability, we were dedicated to adhering to relevant regulations while optimising the use of resources such as electricity and natural gas. We were pleased that our signature dish, the braised duck noodles, received recognition from the Health Promotion Board for being a healthier choice under their Healthier Choice Symbol Programme. This acknowledgment displays our continuous effort and commitment towards a circular economy model.



“With unwavering dedication, our Company is resolute in its commitment to shape a sustainable future and generate value for both our stakeholders and the broader society. We understand that building a sustainable future isn’t a one-time endeavour but a continuous journey.”

Given the rapidly evolving landscape of sustainability standards, compliance regulations, and best practices, our Board diligently reviewed our sustainability framework. Our aim was to identify and continually monitor material economic, environmental, social, and governance factors affecting our business, ensuring effective management. We remained attuned to the enhanced disclosure requirements set by the SGX for listed entities. Collaborating with management, we are committed to achieving full compliance within stipulated timelines. As a part of this effort, we will initiate phased climate risk disclosures beginning with the FY2023 Sustainability Report.

Our Board has considered sustainability issues in the YKGI’s business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. Our Board’s approach to business operations and growth is rooted in long-term responsibility and collaboration.

Organisational sustainability has emerged as a vital component in mitigating risks and bolstering resilience against external business shocks. YKGI has transformed into a recognised household name, ingrained in the memories of numerous Singapore residents. Our journey from a humble pushcart in Nee Soon during the 1950s to our present state exemplifies remarkable progress. As Singapore emerges strongly from the COVID-19 pandemic, we extend gratitude to our dedicated staff, loyal customers, valued partners, and stakeholders for their unwavering support throughout this unprecedented and challenging health crisis spanning over two and a half years.

With unwavering dedication, our Company is resolute in its commitment to shape a sustainable future and generate value for both our stakeholders and the broader society. We understand that building a sustainable future isn’t a one-time endeavour but a continuous journey. As we move forward, we aim to embed sustainability in every aspect of our operations. Our commitment extends to enhancing the well-being of our employees, as we recognise that they are our most valuable asset.

We hope you continue to join us on this incredible journey towards a brighter, more sustainable future. We extend our deepest gratitude to our dedicated employees, loyal customers, esteemed partners, and shareholders for their unrelenting support.

Warm regards,

*Mr. Seah Boon Lock*

Founder and Executive Chairman



# INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

## STAKEHOLDER ENGAGEMENT

By engaging with stakeholders, the Group aims to foster transparency, build trust, and collaborate on innovative solutions that address the environmental challenges and social issues our industry faces. Stakeholders input helps the Group defining our sustainability strategy, goals, and initiatives, enabling us to deliver meaningful and measurable progress towards a more sustainable future for all.

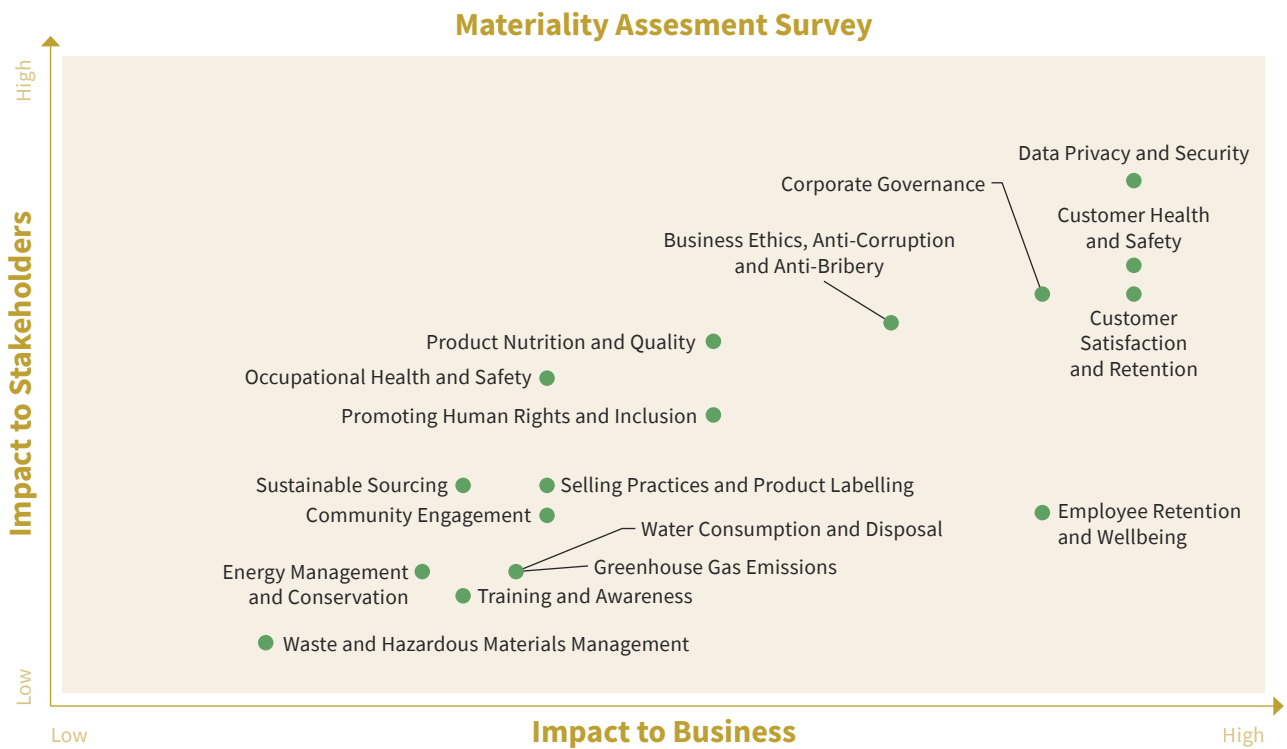
Stakeholder	Engagement Platforms	Issue of Concern
 <p><b>Employees and Workers</b></p>	<ul style="list-style-type: none"> <li>• Regular dialogues</li> <li>• Briefings</li> <li>• Team bonding events</li> <li>• Service appraisal and staff recognition</li> </ul>	Employee Retention and Wellbeing, Occupational Health and Safety, Promoting Human Rights and Inclusion
 <p><b>Consumers</b></p>	<ul style="list-style-type: none"> <li>• Customer surveys/reviews</li> <li>• Advertisement and media campaigns</li> <li>• Online channels</li> </ul>	Customer Health and Safety, Customer Satisfaction and Retention, Product Nutrition and Quality
 <p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>• Regular interactions</li> <li>• Supplier evaluation</li> <li>• Supplier management</li> </ul>	Business Ethics, Anti-Corruption and Anti-Bribery
 <p><b>Business Partners</b></p>	<ul style="list-style-type: none"> <li>• Regular interactions</li> </ul>	Business Ethics, Anti-Corruption and Anti-Bribery
 <p><b>Communities</b></p>	<ul style="list-style-type: none"> <li>• Community events, newsletters</li> </ul>	Promoting Human Rights and Inclusion, Water Consumption and Disposal
 <p><b>Government and Regulators</b></p>	<ul style="list-style-type: none"> <li>• Regular compliance reporting</li> <li>• Meetings and dialogues</li> <li>• Training and seminars to raise awareness of regulation matters</li> </ul>	Water Consumption and Disposal, Greenhouse Gas Emissions, Energy Management and Conservation
 <p><b>Shareholders and Financiers</b></p>	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• Annual general meeting</li> <li>• Corporate website and communications</li> </ul>	Greenhouse Gas Emissions, Energy Management and Conservation, Corporate Governance, Business Ethics, Anti-Corruption and Anti-Bribery

## MATERIALITY ASSESSMENT

We have conducted a comprehensive materiality assessment to identify and prioritise the key positive and negative impacts that are most relevant to our operations and stakeholders. We have first identified potential topics by assessing material topics of peer companies in the same industry, Morgan Stanley Capital International (“**MSCI**”) and Sustainability Accounting Standards Board (“**SASB**”).

We then did an internal prioritisation exercise of the topics and finalised the material topics for disclosure and reporting. This assessment involved engaging with various internal stakeholder representatives of the following groups, including employees, customers and suppliers.






The Materiality Matrix of the Group is as follows:






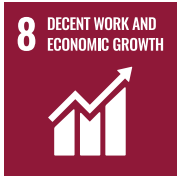



Through this process, we gathered valuable insights and feedback on a wide range of topics. The topics were ranked based on the impact it generates, keeping in mind Group’s perspective and stakeholders. The materiality assessment served as a crucial foundation for our Sustainability Report, enabling us to focus on the issues that matter most to our stakeholders and align our sustainability efforts with the UNSDGs.

# INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

The following table presents the details of the material topics for FY2022, along with the corresponding UNSDGs mapping:

Material Topic	Impact	Management Approach	SDG Linkage
<b>Data Privacy and Security</b>	Inadequate data privacy measures risk compromising customer trust and integrity, potentially damaging reputation and undermining social and governance sustainability, while implementing robust protocols enhances trust, promotes a sustainable environment, and contributes positively to social and governance factors.	Adopting a proactive and comprehensive management approach that includes continuous risk assessments, employee training, and technological advancements to ensure robust data privacy and security aligned with sustainability goals. The Group has also put in place a personal data protection policy to protect personal data and confidential information.	
<b>Customer Health and Safety</b>	Potential negative impacts include health risks, legal consequences, loss of trust, and reputation damage, but prioritising safety fosters transparency and recovery.	We ensure customer well-being through quality control, regulation adherence, employee training, crisis response, and transparent communication. Negative impacts are managed with quality assurance, nutritional transparency, and consumer engagement.	
<b>Customer Satisfaction and Retention</b>	Negative effects include revenue loss and negative word-of-mouth, while positive outcomes involve feedback for improvement, innovation, and stronger customer relationships.	Our focus is on quality control, feedback channels, data analysis, customer-centricity, communication, and loyalty programmes. Managing impacts includes maintaining product quality, responsive service, and sustainability efforts.	
<b>Corporate Governance</b>	Potential harm includes reputation damage and legal consequences, but it can lead to enhanced transparency, accountability, and stakeholder relations.	Regular audits, risk assessments, transparency, ethical culture, and stakeholder engagement are our governance pillars. Positive impacts are upheld through strong leadership, clear policies, and compliance oversight.	
<b>Business Ethics, Anti-Corruption and Anti-Bribery</b>	Potential negative consequences encompass reputation damage and legal issues, while positive aspects involve ethical reputation, employee morale, and differentiation in the market.	We maintain ethics through a code of conduct, training, whistleblowing protection, and transparency. Positive impacts involve stakeholder engagement and a commitment to continuous improvement.	



Material Topic	Impact	Management Approach	SDG Linkage
<b>Product Nutrition and Quality</b>	Challenges include health risks and reputation damage, but they offer opportunities for innovation, customer trust, and market differentiation.	Proactive measures encompass quality control, ingredient sourcing, nutrition analysis, recall protocols, and consumer feedback. Positive impacts involve nutritional research, responsible sourcing, and continuous improvement.	
<b>Promoting Human Rights and Inclusion</b>	Potential downsides include reputation damage and talent drain, while positive impacts include enhanced reputation, diversity, and long-term sustainability.	Measures include diversity training, non-discrimination policies, and grievance mechanisms. Positive impacts involve inclusive hiring, equal opportunities, and community engagement.	
<b>Employee Retention and Wellbeing</b>	Negative effects are staff turnover and legal risks, however, our endeavors have heightened awareness and refined policies, ultimately bolstering competitiveness.	We foster employee satisfaction through feedback, recognition, wellness programmes, and career growth. Positive impacts include wellness initiatives, flexible work options, and healthy work environment.	
<b>Occupational Health and Safety</b>	Issues include injuries and legal consequences, but proactive efforts lead to safety-first culture and a safer workplace.	Incident reporting, investigations, emergency plans, and regular inspections ensure safety. Positive impacts involve comprehensive training, safety leadership, and hazard identification.	
<b>Water Consumption and Disposal</b>	Challenges involve brand damage but addressing them leads to efficiency improvements and a sustainable reputation.	Proactive measures include water audits, efficiency, and recycling programmes. Positive impacts involve waste reduction and community engagement.	
<b>Greenhouse Gas Emissions</b>	Negative impacts include environmental harm and reputation damage, nevertheless, they fuel sustainability initiatives and the possibility of cost savings.	Emission inventory, energy efficiency, sustainable practices, and transparent reporting reduce emissions. Positive impacts involve energy efficiency and innovation.	
<b>Energy Management and Conservation</b>	Drawbacks include operational costs and resource depletion, however, they serve as catalysts for cost savings and innovation.	Energy audits, monitoring, and operational changes improve energy efficiency. Positive impacts involve the adoption of LED lighting and high energy efficiency equipment.	

# GOVERNANCE

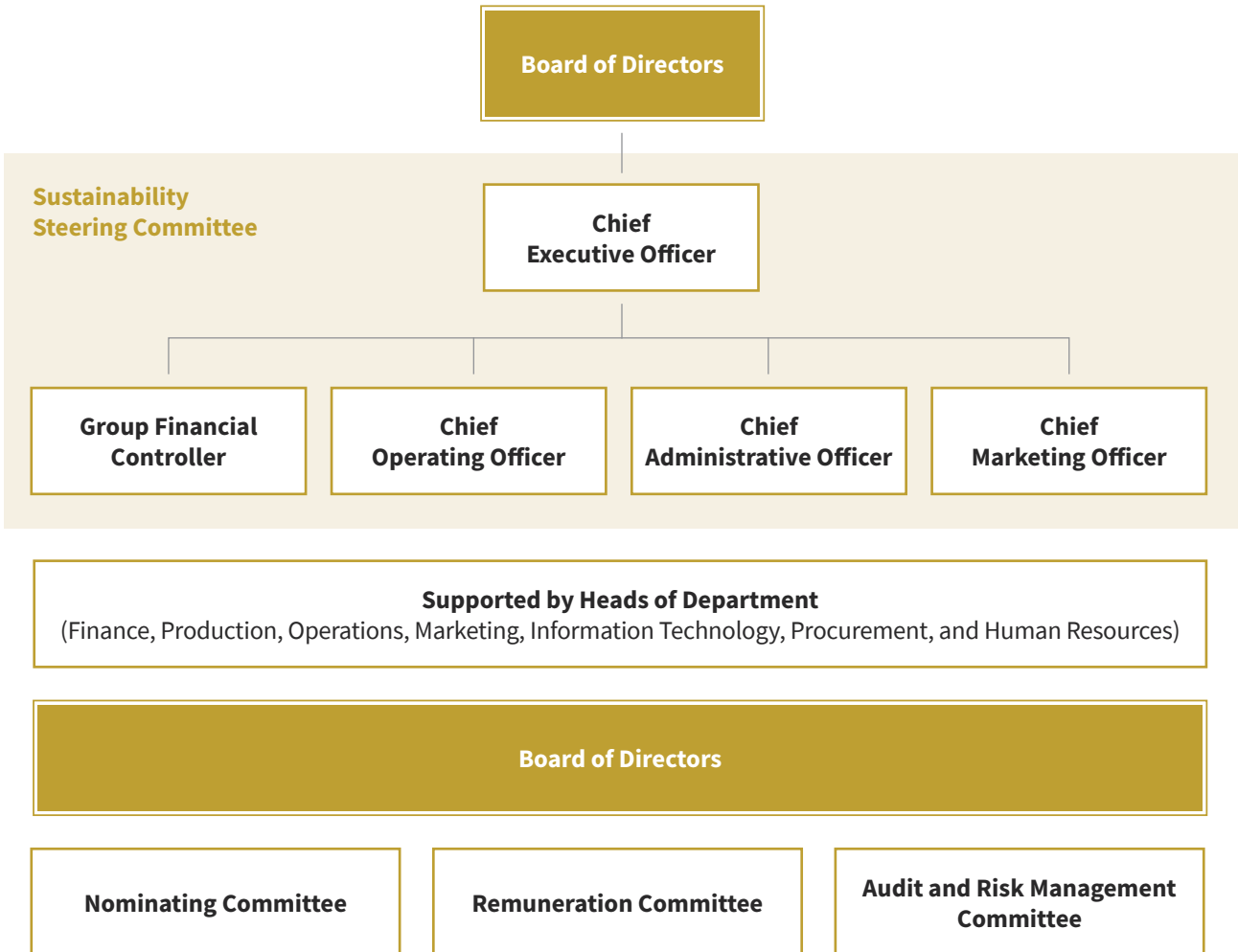
Responsible and effective governance is essential for driving sustainability efforts and ensuring long-term success. We are committed to integrating sustainability into our governance framework, which we believe is crucial for minimising our environmental footprint, enhancing social responsibility, and creating lasting value for our stakeholders.

## OUR BOARD OF DIRECTORS

Our Board of Directors (“**BOD**”) comprises a diverse group of individuals with extensive expertise in various industries. They provide strategic guidance and governance, ensuring the company’s long-term success. Their commitment to upholding the highest standards of corporate responsibility and ethical conduct underpins our organisational values.

### Our Governance Structure

The Board oversees and manages the direction, approach and performance of sustainability of the Group, supported by the Sustainability Steering Committee (“**SSC**”) which comprises of senior management executives led by the Chief Executive Officer (“**CEO**”). The SSC is tasked to develop the sustainability strategy, set goals and targets, conduct materiality assessment and identify the high impact sustainability areas towards which we drive our efforts. The SSC reports to the Board on an annual basis.



For detailed information on our BOD and BOD Committee, please refer the “**Corporate Governance**” section of our Annual Report.

### Seeking Advice on Responsible Business Conduct

To ensure that individuals have access to mechanisms for seeking advice on implementing our organisation's policies and practices for responsible business conduct, we have designated Mr. Wong Fook Sung (**"Mr. James Wong"**) as our Lead Independent Director. He serves as a dedicated point of contact for shareholders and stakeholders. In situations where concerns cannot be adequately resolved through our standard communication channels with the Mr. Seah Boon Lock, our Executive Chairman and Executive Director (**"Chairman"**), Mr. James Wong is readily available to provide guidance and support. We value the importance of open and transparent communication, and our commitment to responsible business conduct extends to offering individuals the necessary avenues to seek advice and address their inquiries.

### CODE OF CONDUCT AND WHISTLEBLOWING POLICY

The employees are required to uphold the principles of the current code of conduct (**"Code"**), which is available at <https://ykgi.com.sg>. They are also expected to maintain the highest professional standards and ethical behaviour while carrying out their duties. The employees are encouraged to bring any violations of the Code as well as any unethical or illegal business practises to Management's attention with the goal of correcting the situation.

YKGI is dedicated to upholding a high standard of integrity in its corporate behaviour and business practises.

Any malpractice, improper behaviour, violation of the law, or wrongdoing on the part of employees is not tolerated by YKGI. The goal of this policy is to establish a framework for encouraging safe and responsible whistleblowing without concern about retaliation, discrimination, or negative consequences.

YKGI's whistleblowing policy is established to facilitate the development of controls that will aid in the direction and prevention of fraud against the Group. External party such as suppliers who, in the course of his/her duties or personal engagement with the Group, has witnessed or who has knowledge that unethical or unlawful business conduct or dealings can highlight these to the Audit and Risk Management Committee of the Group. The Whistleblowing Policy is publicly available on the Company's website.

### PERSONAL DATA PROTECTION

We routinely gather, process, and keep records of information relating to our workers due to the nature of our business, and we send personal, sensitive, and proprietary information regarding our clients and suppliers. The personal data of the patrons of our CHICHA San Chen tea stores is gathered by a third-party vendor on our Group's behalf in connection with the loyalty programme. The personal information of our employees is also gathered by our Group using paper forms, which are subsequently safely stored in our office buildings. Our managers and supervisors are the only ones with access to such sensitive personal information. In accordance with our obligations under the Personal Data Protection Act 2012 (**"PDPA"**), our Group has put in place a personal data protection policy to protect the personal data and confidential information in our possession from accidental or unlawful loss, modification, unauthorised access, or use. Our personal data privacy policy also applies to third parties who gather personal data about our customers on our Group's behalf.

Our personal data protection measures include:

1. The selection of a data protection officer (**"DPO"**), who among other things oversees and organises our Group's data protection efforts, including the creation, implementation, and revision of data protection and related policies. Our DPO is also in charge of responding to inquiries or complaints regarding data protection;
2. Controlling access to and methods of transmitting personal data;
3. Enforcing disciplinary measures against those who violate our data protection policy;
4. Destroying personal data after a reasonable period from the point at which it becomes outdated or is no longer necessary for the purpose for which it was collected; and
5. Establishing defensible grounds for processing personal data.



# GOVERNANCE

## COMPLIANCE WITH REGULATIONS AND CODES

In line with our commitment to transparency and accountability, we believe it is essential to report on our compliance status with regulations and voluntary codes. During the reporting period, we did identify one incident of non-compliance with regulations pertaining to the health and safety impacts of our products and services in FY2022. We take this matter seriously and are actively addressing it to ensure that our operations align with regulatory requirements and voluntary codes, reaffirming our commitment to responsible and sustainable business practices. While this incident underscores the importance of continuous improvement, we remain dedicated to upholding the highest standards of compliance in all aspects of our operations.

We are pleased to report that, during the reporting period, there were no significant<sup>1</sup> instances of non-compliance within our organisation. This reflects our unwavering commitment to maintaining the highest standards of compliance and adherence to regulations and ethical practices.

Particulars	UOM	FY2021	FY2022	Target for FY2027
Report the notable cases of non-compliance with laws, and a breakdown of this total by:	Number of Instances	8	4	1
Instances for which fines were incurred	Number of Instances	3	3	1
Cases where non-monetary sanctions were imposed	Number of Instances	5	1	0
Report the sum of fines and their cost paid for non-compliance with laws, and a breakdown of this total by:	Number of Instances	3	3	1
Fines for instances of non-compliance with laws and regulations	Dollars	1,800.00	1,200.00	600.00
Percentage of categories checked for Health and Safety improvement	Percentage	100.0%	100.0%	100.0%
Regulatory non-compliance leading to fines or penalties for health and safety impacts of products and services	Number of Cases	0	1	0

Should any non-compliance incident be raised by the Singapore Food Agency (“SFA”), our Hygiene Officer and Quality Control Officer will investigate the incident, and subsequently, educate the parties involved. The Store Manager (“SM”) then monitors and ensures that corrective actions are implemented within 24 hours and communicates the progress to the Hygiene Officer, Quality Control Officer and COO.

1 YKGI defines significant instances of non-compliance as fines amounting to S\$1,000 and above or non-compliance incidents which result in suspension of operations in outlets.

## WORKING CONDITIONS AND COLLECTIVE BARGAINING AGREEMENTS

In our organisation, there are no employees who are covered by collective bargaining agreements. Therefore, we do not determine working conditions and terms of employment based on collective bargaining agreements that cover other employees or agreements from other organisations. This non-applicability underscores the unique structure of our employment practices and the absence of collective bargaining agreements within our workforce.

## ANTI-CORRUPTION

As part of our commitment to ethical business practices, our organisation conducts rigorous risk assessments to identify and address significant risks related to corruption. We uphold a zero-tolerance policy against any form of corruption and have established a robust whistle-blowing policy. This policy empowers employees to report and raise concerns about potential wrongdoing directly to our Audit and Risk Management Committee, ensuring transparency and accountability in addressing corruption risks.

During the reporting period, there were no reported cases of corruption brought before the legal system against our organisation and its employees. We maintain our dedication to upholding the highest standards of integrity and compliance with anti-corruption laws and regulations, ensuring that our business operations remain free from corruption-related legal challenges.

Particulars	UOM	FY2022	Target for FY2027
<b>Trainings and Communication about Anti-Corruption policies and procedures</b>			
Members of Governance Body <sup>1</sup>	Number	5	5
	Percentage	100.0%	100.0%
<b>Employees</b>			
Senior Management	Number	4	4
	Percentage	100.0%	100.0%
Middle Management	Number	4	6
	Percentage	100.0%	100.0%

1 Members of Governance Body is only established during the IPO exercise in FY2022.

# COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

The F&B industry plays a vital role in the global economy, addressing the necessary human requirement for nutrition. Yet, it cannot be denied that this industry bears a significant environmental burden, spanning concerns like resource utilisation, waste production, and greenhouse gases (“GHG”) emissions. At YKGI, environment is a cornerstone of our commitment to sustainability. By optimising our resource utilisation, we are not only ensuring the longevity of our business but also minimising our impact on the planet. We will gradually increase the proportion of biodegradable materials in our packaging materials and consumables such as milk tea cups.

## ENERGY MANAGEMENT

The Group is committed to promoting efficient energy consumption throughout its various facilities. Electricity and gas are significant components of our energy consumption profile, with key sources including boilers, cookers, stoves, motor vehicles, refrigerated storage facilities, and air conditioning systems.

To effectively monitor and manage energy usage, we employ a systematic approach, which involves a meticulous review of our energy bills. This practice allows us to gain valuable insights into energy consumption trends, pinpoint areas where energy efficiency enhancements are possible, and take proactive measures to reduce our carbon footprint.

Our energy efficiency efforts encompass several key initiatives, including:

- Conducting regular training sessions to instil a culture of energy conservation among our employees and workers.
- Implementing a practice of turning off lights and equipment when they are not in use.
- Optimising heating and cooling systems for improved efficiency.
- Prioritising routine appliance maintenance to ensure optimal performance.
- Emphasising conscious procurement by investing exclusively in energy-efficient appliances and technologies.
- Transitioning to LED lighting and utilising energy-efficient kitchen equipment to further reduce energy consumption.

These measures collectively contribute to our ongoing commitment to energy efficiency and sustainability.

Particulars	UOM	FY2021	FY2022	% Reduction / % Increase*
Electricity	MwH	5,360.54	5,431.25	1.3%
Diesel Fuel	Litre	18,002.07	16,881.97	6.2%
Motor Gasoline	Litre	2,689.52	2,320.54	13.7%
Fuel Gas	Gallons	95,341.44	77,175.06	19.0%

\* % reduction/increase is calculated based on the FY2021 data.

## Summary of our Fuel and Electricity Consumption

The decrease in diesel fuel is due to replacement of diesel-powered vehicles with gasoline-powered vehicles. These gasoline-powered vehicles are of newer models which consume lesser gasoline. The decrease in motor gasoline is also due to optimised cargo distribution routes. The reduction in fuel gas is due to the replacement of fuel gas powered cooking equipment with electricity powered cooking equipment. The Group intends to gradually increase the use of electricity powered cooking equipment.

## Summary of our Energy Consumption and Intensity

Particulars	UOM	FY2021	FY2022	% Reduction / % Increase*
<b>Energy consumption in Gigajoules – (“GJ”)</b>				
Diesel	GJ	774.09	725.92	6.2%
Gas	GJ	17,071.02	13,814.26	19.0%
Gasoline	GJ	115.65	99.78	13.7%
Electricity Consumed	GJ	19,297.94	19,552.50	1.3%
<b>Total Energy Consumed</b>	GJ	35,807.87	33,182.40	7.3%
<b>Energy Intensity</b>	GJ/Revenue in Mn SGD	638.16	590.36	7.5%

\* % reduction/increase is calculated based on the FY2021 data.

## PROMOTING RENEWABLE ENERGY AND EFFICIENCY

While we currently purchase all our energy from third-party vendors, we remain open to exploring renewable energy sources and energy-efficient practices to align with sustainable energy goals.

Our energy management practices are geared toward improving energy usage within our organisation, contributing to a more sustainable future.

To encourage energy conservation among our employees and suppliers, we promote staff education and awareness, foster a culture of responsibility and sustainability within our organisation.

## GREENHOUSE GAS EMISSIONS

At YKGI, we recognise the critical importance of addressing emissions in our operations and supply chain and are conscious of our carbon footprints. As a responsible member of the F&B industry, we are committed to reducing our carbon footprint and contributing to a more sustainable future. We are regulated by National Environment Agency and SFA and ensure that our pollutions are always under control.

## Summary of our Emissions and Intensity

Emission <sup>2</sup>	UOM	FY2021	FY2022	% Reduction / % Increase	Target for FY2027
Scope 1	Tonne CO <sub>2</sub> e	598.72	491.08	17.97%	-
Scope 2	Tonne CO <sub>2</sub> e	2,174.77	2,203.46	1.31%	-
Total Emission	Tonne CO <sub>2</sub> e	2,773.49	2,694.54	2.84%	-
Emission Intensity	Tonne CO <sub>2</sub> e/ Revenue in Mn SGD	49.43	47.94	3.01%	20%

Incorporating FY2022 as the baseline year for our Sustainability Report, we are committed to a greener future. Our targets for the next five years include substantial reductions in Scope 1 and Scope 2 emissions, along with a significant decrease in overall emission intensity, as we pave the way for a more sustainable and eco-friendly business model.

2 The calculation of GHG emissions has been carried out using the GHG protocol methodology. To determine the scope 1, 2 emissions, emission factor provided by USEPA and Energy Market Authority has been used.



# COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

## Measuring and Reducing GHG Emissions

Our efforts to measure and reduce GHG emissions encompass a comprehensive approach. This includes conducting emission inventories, improving energy efficiency, adopting sustainable packaging, analysing our supply chain, optimising transport, setting emission reduction targets, optimising processes, collaborating with industry partners, raising consumer awareness, practicing transparent reporting, and engaging our employees in emission reduction efforts.

We promote environmentally conscious practices by urging customers to “Bring Your Own Container” (“BYOC”), and for those who prefer, we offer reusable takeaway boxes for purchase at our stores. Additionally, we distribute reusable bags and cups as merchandise for customers to use repeatedly.

We are collaborating with laboratories (specifically for CHICHA San Chen), to explore ways to analyse the nutritional content of spent tea leaves and repurpose them rather than disposing of them. This ongoing effort aims to create innovative products such as straws, protein powder, furniture, and more from these tea leaves, although it is still in the developmental stage.

## WATER AND EFFLUENTS

In the F&B industry, water plays a fundamental role in our production processes. As a responsible and sustainable company, we are committed to minimising our environmental impact by conserving water resources and ensuring that our effluent management practices meet the highest standards. Here we put our efforts to promote responsible water management and the steps we take to minimise our environmental footprint.

We monitor and manage water consumption through a systematic approach, primarily by closely reviewing our water utility bills. This allows us to track usage patterns, identify areas for improvement, and implement measures to reduce water consumption.

Particulars	UOM	FY2021	FY2022	% Reduction / % Increase	Target for FY2027
<b>Water Withdrawal (All water withdrawal from Singapore Vendors)</b>					
<b>Total Water Withdrawal</b>					
Third Party water	Cu M	75,343.00	81,596.00	8.30%	-
<b>Water Consumption</b>					
Total water consumption from all areas	Cu M	75,343.00	81,596.00	8.30%	-
<b>Intensity</b>					
Water Intensity	Cu M /Revenue in Mn SGD	1,342.75	1,451.71	8.11%	10.00%

The water intensity has increased by 8.11% as compared to FY2021. This is due to changes in proportion of revenue stream where the decrease in sales of our franchise business with lower water intensity and the increase in sales of food court business and F&B operations with much higher water intensity.

The responsible management of wastewater generated from our operations is a key focus area. We address this by adhering to strict regulations and guidelines. We directly discharge wastewater into approved channels, ensuring compliance with environmental standards and minimising our impact on local ecosystems.

Our organisation actively manages its water use, striving to reduce wastage and contribute to Singapore's national water conservation efforts. We carefully withdraw, consume, and discharge water in our operations, considering impacts like runoff.

To address water-related impacts, we employ various strategies. This includes evaluating water usage, adopting efficient technologies, and educating our employees and stakeholders. We also engage with suppliers and customers who have significant water-related impacts. We meet stringent quality standards for effluent discharge. Notably, the Group does not treat effluent before discharging it into public sewers in Singapore, ensuring compliance with minimum standards.

#### **Monitoring and Managing Water Consumption**

Our organisation is committed to responsible water usage in its operations. We evaluate water usage, adopt efficient technologies, and educate our employees and stakeholders on the importance of water conservation.

While we do not treat trade effluent before discharge, we acknowledge the importance of minimising water pollution through responsible water disposal.

#### **Task Force on Climate-related Financial Disclosures**

In the current reporting period, the Group has yet to align to the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). Since this is the first year of our reporting, the Group is just getting started on the sustainability reporting journey. The Group will require more time to familiarise themselves with the TCFD recommendations. We recognise the importance and are committed to adopt them in a phased approach starting from FY2023. We acknowledge the significance of TCFD disclosures for investors, stakeholders, and the broader global community, and we are dedicated to providing transparent and comprehensive information on our climate-related risks and opportunities in the future.

# PRODUCT QUALITY AND NUTRITION

In our relentless pursuit of excellence within the F&B division, ensuring product quality and nutrition stands at the forefront of YKGI's operations. Recognising the deep-seated link between the well-being of our consumers and the products they consume; we've committed to a rigorous standard of quality control for every item on our menu.

Ensuring the high standards of our products is a top priority at our company. We have implemented a comprehensive quality assurance programme, including ISO 22000 certification, to uphold product quality. Additionally, we have an in-house Hygiene Officer who plays a crucial role in reinforcing our internal hygiene, cleanliness, and housekeeping policies and procedures. This proactive approach minimises the occurrence of food quality-related issues, ensuring that our products consistently meet the highest standards.

To define and measure product quality, particularly for our Halal-certified brands, we adhere to a rigorous regime. All food sources and raw materials are Majlis Ugama Islam Singapura ("MUIS") certified, ensuring that our products align with the highest standards.

Our commitment to quality is further reinforced by adhering to industry standards, with ISO 22000 being a key certification. This certification attests to our dedication to maintaining product quality and safety throughout our processes.



## CENTRAL KITCHEN EXCELLENCE: THE HEART OF OUR FOOD AND BEVERAGES OPERATIONS

Our central kitchen is the backbone of our Food Outlets, handling procurement, processing, and preparation of essential ingredients for our Yew Kee Duck Rice, XO Minced Meat Noodles outlets, and CHICHA San Chen tea shops.

Essential items like pork, duck, and flavourings are handled here, while our Halal-certified My Kampung Chicken Rice outsources to a third-party kitchen. The central kitchen warehouse stores centrally procured ingredients like tea leaves, syrup, and sauces, while perishable items such as rice and oil are ordered daily by individual outlet supervisors.

We perform monthly inventory counts to assess the remaining quantity of stock and avoid inventory obsolescence. This routine practice is essential for maintaining product quality and ensuring sufficient supply of key ingredients. With our central kitchen handling ingredient preparation, our outlet staff can focus on enhancing our F&B experience. This centralised operation also fosters cost efficiency by leveraging on economies of scale.

Our kitchen staff undergo rigorous training, emphasizing food handling, preparation, and sanitation of areas and equipment.





The steps taken to identify, resolve, and prevent product quality issues or recalls are as follows:

- i. Identify:** At our central kitchen, we receive incoming raw materials and conduct thorough inspections. Once the assessment deems the materials satisfactory, Central Kitchen proceeds to either dispatch these items to the store or initiate the processing of raw materials.
- ii. Resolve:** The central kitchen promptly rejects the substandard goods and initiates a request for a replacement batch to be supplied. In such cases, the matter is escalated to the Heads of Department ("HOD").
- iii. Prevention:** Our HOD engages in direct communication with the supplier to identify the root cause of the quality issue and collaboratively devise a resolution plan. Concurrently, an evaluation is conducted to assess the supplier's capacity to maintain consistency for forthcoming orders. If concerns persist or the supplier cannot ensure consistency, our purchasing team is activated to explore alternative suppliers.

## FOOD OUTLET EXCELLENCE: UPHOLDING OUR COMMITMENT TO PRODUCT QUALITY

As we journey through our commitment to superior product quality, our Food Outlets emerge as the frontline ambassadors of this pledge. Each outlet, while reflecting the rich tapestry of our brand’s legacy, remains dedicated to serve dishes that meet our exacting standards. The quality of every dish is a proof to the quality processes, stringent checks, and an innate passion for culinary excellence that resonates within our teams.

Our Food Outlet Brands and commitment toward product quality

Brand Name	Key Highlights
 <p>Yew Kee Duck Rice</p>	<ul style="list-style-type: none"> <li>Recognised nationally for our signature braised duck rice and chilli sauce.</li> <li>Our signature braised duck noodles is recognised by the Health Promotion Board as a healthier choice under its Healthier Choice Symbol Programme.</li> </ul>
 <p>My Kampung Chicken Rice</p>	<ul style="list-style-type: none"> <li>Offer Halal-certified food.</li> <li>Chicken is specially selected within a prescribed weight range and are freshly roasted on site.</li> </ul>
 <p>PastaGo</p>	<ul style="list-style-type: none"> <li>Own in-house-made pasta with a smooth and springy texture freshly made from scratch, with each shape selected so as to hold an ideal amount of sauce and to provide a good mouthfeel.</li> </ul>
 <p>Victoria Bakery</p>	<ul style="list-style-type: none"> <li>Hong Kong-inspired bakery that blends traditional tea house elements with modern flair, utilising premium ingredients.</li> <li>Boasts a laid-back atmosphere with western-style furnishing.</li> </ul>

### Ensuring Food Safety and Hygiene

At our organisation, the safety and hygiene of the food and beverages we serve to our valued customers are paramount. We maintain these standards through a combination of rigorous training programmes, strict adherence to Standard Operating Procedures (“SOPs”), and stringent Quality Control (“QC”) measures. These practices ensure that the quality and safety of our offerings consistently meet the highest standards.

To gauge and monitor customer satisfaction levels, we employ multiple channels. We rely on platforms such as Google Reviews and gather valuable feedback from our on-ground managers who interact with customers directly. These insights help us continuously improve our services and offerings to enhance the overall customer experience.

### Ensuring Nutritional Value and Quality

Maintaining the nutritional value and quality of our food and beverage products is integral to our operations. We achieve this through clear nutritional labelling for all cooked food sold in our stores. We also identify and offer healthier choices to customers. Additionally, our retail products are sold on a first-in-first-out (“FIFO”) basis, ensuring clear expiry dates and proper nutritional labelling.

Effectively managing and reducing the presence of harmful substances in our products is a priority. We do this by clearly labelling menu items, providing informative guides, and training our staff to handle and communicate information about potentially harmful substances.



# PRODUCT QUALITY AND NUTRITION

## FRANCHISING AND SUB-FRANCHISING: SCALING SUCCESS LOCALLY AND GLOBALLY

In our pursuit of diversification and growth, we have judiciously aligned ourselves with other esteemed brands through franchisee agreements. A cornerstone of these collaborations is our unwavering commitment to product quality. While incorporating the offerings of other brands into our portfolio, we ensure that every product and dish meets the stringent quality standards we have set for ourselves. By adopting the best practices from our partner brands and infusing them with our established quality control measures, we guarantee a seamless experience for our consumers.

## ENSURING RESPONSIBLE SUPPLY CHAIN

As our Group introduces new concepts for food outlets, our purchases from vendors vary from year to year. The opening of new food outlets, whether Halal or non-Halal, and changes in the type of food or beverage offerings can result in fluctuations in the quantity and types of items and ingredients used each year.

Save for the master franchise agreement with Fang Yuan, we think that neither the loss of any one supplier nor the dependence on any one industrial, commercial, or financial arrangement with any supplier will have a materially negative impact on our Company or profitability.

We do not enter into agreements or arrangements with our major suppliers for more than one year, save for the master franchise agreement with Fang Yuan, as this gives us the freedom to assess and choose suppliers based on, among other things, their track record, their pricing, their capacity to meet our requirements, and our prior working relationships with them.

We intend to gradually adopt more comprehensive management of our supply chain in the coming years. This includes, but is not limited to, ESG considerations during the procurement process, supplier/vendor code of conduct, ESG assessment criteria in relation to screening of suppliers for environmental and social assessment.

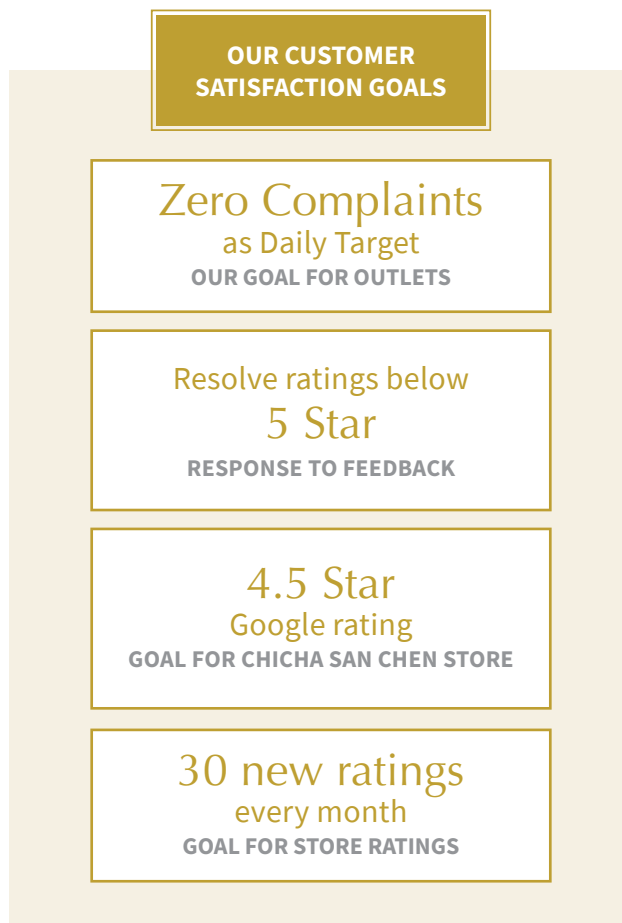
## RESEARCH AND DEVELOPMENT

We have created our own recipes and flavour profiles for specific dishes within our wide-ranging portfolio of brands in connection with our F&B business. Our Yew Kee Duck Rice Food Outlets' braised duck and chilli sauce recipe and our My Kampung Chicken Rice Food Outlets' sauce and rice recipe were both created in-house and are exclusive to our Group. We have created and launched new goods, such as ready-to-eat braised duck and braised spice, to broaden our menu of food and beverage options.



# CUSTOMER WELLBEING AND SATISFACTION

Our Company places a strong emphasis on measuring customer satisfaction through various channels. We rely on Google Reviews and monthly feedback from managers who have direct interactions with customers on the ground. These sources provide us with valuable insights into how our customers perceive our services and products. In addition, we also monitor various online platforms such as Instagram, Xiao Hong Shu, Facebook, TikTok, and more. This multifaceted approach helps us gather a comprehensive view of customer sentiments and opinions.



We have set a goal of achieving zero complaints as a daily target for our outlets, in addition to sales targets, which ultimately impacts store incentives. Our commitment to customer satisfaction is underscored by our formal process for handling customer feedback and ensuring timely responses. We proactively engage with customers by monitoring Google reviews and responding promptly to any rating below five stars. These goals are closely monitored to track our progress.

## ADDRESSING CUSTOMER COMPLAINTS AND IMPROVING RETENTION

Our approach to addressing customer complaints and bolstering customer retention involves a structured process:

1. Our marketing team acknowledges, assesses, and analyses complaints to determine if immediate service recovery is needed.
2. Gather critical information from the customer, such as the date and time of the visit.
3. The information is relayed to our operations team, who analyse the issue and provide a feedback report.
4. Subsequently, the marketing team resolves the complaint accordingly.
5. If the complaint is resolved, the case is closed.
6. However, if the complaint remains unresolved, it is escalated to our marketing director for assessment and determination of the next steps.

Regular reviews and audits of customer service processes and performance are conducted, particularly focusing on achieving the monthly target of 30 new Google reviews for each store. These reviews serve as indicators for our staff to engage with customers more actively. To ensure that customer feedback is shared effectively within our organisation, all feedback is monitored daily by our marketing team and promptly shared with the operations team through instant messaging apps.

The effectiveness of these actions, including our progress toward our goals, has resulted in a positive trend in customer feedback. Swift response to customer feedback has proven to be crucial in enhancing customer satisfaction, and these lessons have been incorporated into our organisation's policies and procedures.

# CUSTOMER WELLBEING AND SATISFACTION

## NEW INITIATIVES TO IMPROVE CUSTOMER EXPERIENCE

To enhance the customer experience, we have implemented various solutions. These include:

1. Introduce a customer relationship management (“**CRM**”) initiative for CHICHA San Chen, offering customers rewards for their in-store spending through a stamp and point accumulation system, which can be redeemed for complimentary beverages.
2. Enable a mobile ordering system to allow customers to place advance orders, eliminating the need to wait in queues.
3. Introduce cashless payment alternatives to expedite queue movement during peak hours and eliminate the inconvenience of dealing with cash.
4. Enhance the backend of the store’s TV system by transitioning to a cloud-based platform, ensuring customers receive timely notifications about promotions and the launch of new items.
5. Onboard new packaging suppliers to address issues with leakage and durability, all based on customer feedback.

## PROMOTING CUSTOMER-CENTRIC CULTURE

We are promoting a customer-centric culture through various current and proposed measures as follows:

1. Regular staff training and open conversations with our employees to address their difficulties and support their efforts to enhance customer satisfaction.
2. Plan to enrol a comprehensive omnichannel messaging service that unifies various communication channels such as email, WhatsApp, Facebook, and Instagram for all our brands. This will facilitate the issuance of tracking numbers, ensuring that all customer inquiries receive prompt attention.
3. Plan to generate a monthly report categorising feedback based on the responsible managers and specific brands.
4. Plan to implement focus group discussions as a means to gain deeper insights into the desires and preferences of our customers across different brands.
5. Plan to launch a mystery shopper programme to enhance our customer service and overall customer experience.

## CUSTOMER HEALTH AND SAFETY

Ensuring the health and safety of our customers is a top priority for our company. We are committed to providing safe and wholesome products while minimising any potential risks associated with our operations. We have outlined our efforts and initiatives in maintaining the highest standards of customer health and safety.



# EMPLOYEE WELLBEING AND SATISFACTION

We recognise that our employees are the driving force behind our success in the F&B industry. Our commitment to sustainability extends beyond environmental initiatives; it also encompasses our dedication to fostering a diverse, inclusive, and equitable work environment that values and supports our workforce.

Our commitment to providing equitable and fair employment practices is reflected in the benefits we offer to our employees. While we strive to create a positive work environment for all, there are certain benefits that are standard for full-time employees but not extended to temporary or part-time employees, depending on significant locations of operation. These benefits include annual leave, sick leave, and parental leave, which are entitlements provided exclusively to our full-time employees. We continuously review our employment policies to ensure that they align with our values of inclusivity and fairness.

To promote employee satisfaction and engagement, we organise staff bonding activities, celebrate staff birthdays, and host an annual appreciation dinner. We prioritise work-life balance by offering flexible scheduling, encouraging regular breaks, setting realistic workloads, and supporting employee well-being through programmes that emphasize both mental and physical health within our company. The Group's employee turnover rate is consistent with the standard in the F&B industry, nevertheless we recognize the vital role of a stable workforce in ensuring long-term success. To achieve this, we'll enhance the employee management and regularly assess salary packages for competitiveness.

## OUR EMPLOYMENT PROFILE

Particulars	UOM	FY2022
<b>Geography of Employee</b>		
Local Employee	Number	471
Foreign Employee	Number	162
<b>Gender of Employee</b>		
Male	Number	256
Female	Number	377
<b>Age Wise Bifurcation of Employee</b>		
< 30	Number	343
30 to 50	Number	128
> 50	Number	162

## GENDER-WISE TURNOVER AND NEW HIRES

Particulars	UOM	FY2022
<b>Resigned during the year</b>		
Male	Number	95
Female	Number	146
Total	Number	241
<b>New Hires during the year</b>		
Male	Number	161
Female	Number	283
Total		444
<b>Employee Turnover Rate<sup>3</sup> (Gender-Wise)</b>		
Male	Percentage	53.2%
Female	Percentage	40.5%

## AGE GROUP-WISE TURNOVER AND NEW HIRES

Particulars	UOM	FY2022
<b>Resigned during the year</b>		
< 30	Number	122
30 to 50	Number	65
> 50	Number	54
Total	Number	241
<b>New Hires during the year</b>		
< 30	Number	270
30 to 50	Number	95
> 50	Number	79
Total		444
<b>Employee Turnover Rate<sup>3</sup> (Age-Wise)</b>		
< 30	Percentage	39.8%
30 to 50	Percentage	58.2%
> 50	Percentage	44.8%

3 The attrition rate is calculated using the number of resigned employees divided by average headcount of the staff during the entire year.



# EMPLOYEE WELLBEING AND SATISFACTION

## AGE GROUP-WISE TURNOVER AND TARGET

Particulars	UOM	FY2022	Target for FY2027
<b>Employee Turnover Rate<sup>3</sup> (Gender-Wise)</b>			
Male	Percentage	53.2%	40.0%
Female	Percentage	40.5%	30.0%
<b>Employee Turnover Rate<sup>3</sup> (Age-Wise)</b>			
< 30	Percentage	39.8%	30.0%
30 to 50	Percentage	58.2%	45.0%
> 50	Percentage	44.8%	35.0%

## PROMOTING HUMAN RIGHTS AND INCLUSION

We are unwavering in our commitment to fostering a culture that emphasizes respect, inclusivity, and accountability, both within our organisation and the broader F&B industry. We regard the promotion of human rights and inclusion not only as a moral necessity but also as an integral aspect of sustainability. Guided by these core values, we constantly aim for a more just and sustainable world. To ensure transparency and accountability, we've instituted a whistleblowing framework, endorsed by the Audit and Risk Management Committee. Employees can confidentially report concerns to [ac@ykgi.com.sg](mailto:ac@ykgi.com.sg). Comprehensive details of this policy, including dedicated communication channels, are accessible to all staff. This robust system guarantees independent investigation, proper action on raised concerns, and protection for whistleblowers from retaliation, in accordance with the law. Reports made anonymously will also be addressed, ensuring the informant's anonymity is preserved.

Our organisation is committed to ensuring the fair and equal treatment of all employees, regardless of their background or characteristics. We have anti-discrimination policies, provide diversity training, maintain unbiased hiring and promotion processes, foster an inclusive workplace culture, and address reported incidents promptly.

We implement policies against discrimination and in favour of diversity. This involves establishing clear guidelines, promoting inclusive hiring practices, providing diversity training, and fostering an environment where all employees are valued and respected in our company.

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Our commitment to the safety and health of our employees is unwavering. We have established detailed policies and operating procedures that prioritise employee safety. These guidelines are regularly reviewed in accordance with prevailing regulations and codes of practice to ensure their continued relevance and effectiveness.

Our new hires are provided on-the-job training regarding work safety. Workplace-related incidents and statistics are shared during monthly meetings. YKGI also conducts monthly workplace safety talks for our store managers.

Our occupational health and safety management system encompasses all workers, activities, and workplaces within our organisation. We firmly believe that personal responsibility is essential for protecting one's health and safety, and this philosophy guides our approach to workplace safety.

3 The attrition rate is calculated using the number of resigned employees divided by average headcount of the staff during the entire year.

## AGE GROUP-WISE TURNOVER AND TARGET

Particulars	UOM	FY2022	Target for FY2027
<b>Workers covered by an occupational health and safety management system</b>			
If the organisation has implemented an occupational health and safety management system based on legal requirements and/or recognised standards/guidelines:			
Employees	Number	633	800
What is the number of recordable work-related injuries	Number	1	0
What is the percentage of all employees whose work and/or workplace is controlled by the organisation, who are covered by such a system?	Percentage	100%	100%

## IDENTIFYING AND REPORTING HAZARDS AND ASSESSING RISKS

We have robust processes in place to identify work-related hazards and assess risks both on a routine and non-routine basis. These processes enable us to apply the hierarchy of controls effectively to eliminate hazards and minimise risks. For example, we closely monitor high-temperature conditions during the cooking process and address common risks, such as burns and cut injuries resulting from food preparation.

We encourage a culture of open communication, where workers can readily report work-related hazards and hazardous situations during regular operation meetings. To protect workers against reprisals, we have established channels for workers to report directly to the Chairman of the Audit and Risk Management Committee if they are unsatisfied with the actions taken.

Our human resource department oversees the functions of occupational health services, ensuring that occupational health cases are thoroughly investigated and managed to safeguard the well-being of our employees.

The main types of work-related injuries in our organisation are burns and cuts that occur during food and drink preparation. In FY2022, we recorded 1 injury, and in FY2021, 3 injuries were reported, highlighting our ongoing commitment to enhancing workplace safety.

To eliminate work-related hazards and minimise risks, we employ various measures, including:

- i. Safety training: Employees receive on-the-job training and attend safety courses conducted by third parties to educate them on occupational health and safety practices.
- ii. SOPs established.
- iii. Use of personal protective equipment (“PPE”).
- iv. Annual enterprise risk reassessments to identify potential hazards and mitigate risks effectively.
- v. Regular operation meetings provide a platform for worker participation and consultation, ensuring their voices are heard in shaping safety measures.
- vi. Establishment of emergency preparedness and response procedures for the identification of, and quick response to, emergency situations including internal and external notification, and follow-up procedures.
- vii. Each of our Food Outlets and CHICHA San Chen tea shops is managed by a supervisor, who reports to an area manager. These supervisors are responsible for ensuring compliance with health and safety regulations.

In addition to occupational health services, we facilitate workers’ access to non-occupational medical and healthcare services. We provide reimbursement for outpatient consultation fees and medical expenses for our employees each year.

# COMMUNITY

In the F&B industry, our commitment to sustainability extends beyond our operations to encompass the communities we serve and operate in. We recognise that our success is intertwined with the well-being of these communities, and we continually seek ways to contribute positively.

We actively engage with local communities by participating in events, supporting local charities, collaborating with community organisations, and promoting social inclusion initiatives. These efforts help us foster positive relationships and contribute to the well-being of the community within our company.

## CORPORATE SOCIAL RESPONSIBILITY (“CSR”) INITIATIVES

To have a positive impact on society, our Group supports several organisations and causes. By supporting the local community and the environment, we firmly believe in giving back to society. Our CSR initiatives have included visiting nursing homes to engage in social and recreational activities with the elderly inhabitants as well as providing nursing homes and hospitals with boxed meals during the COVID-19 pandemic.

The following are our key focus areas of community development and engagement:

- Providing affordable meals to all
- Increase number of employees from vulnerable groups
- Organise employees to participate in community charitable activities
- Cash donations and donation-in-kind to support the local community (e.g. Mandai Wildlife Reserve ‘Adopt an Animal’ Programme)



We acknowledge that as we manage our business and operating activities, our corporate and social responsibility efforts will continue to change. As a result, we will constantly evaluate the corresponding impact on society, the environment, our shareholders, and other stakeholders. We are committed to consistently advancing and enhancing our corporate and social responsibility initiatives.

# GRI CONTENT INDEX

<b>Statement of use</b>	YKGI Limited has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
<b>GRI 1</b>	GRI 1: Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Reference</b>
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	1
	2-2 Entities included in the organisation's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	1
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	3
	2-7 Employees	23
	2-9 Governance structure and composition	10
	2-10 Nomination and selection of the highest governance body	10
	2-11 Chair of the highest governance body	10 – 11
	2-12 Role of the highest governance body in overseeing the management of impacts	10 – 11
	2-13 Delegation of responsibility for managing impacts	11
	2-14 Role of the highest governance body in sustainability reporting	10 – 13
	2-16 Communication of critical concerns	11
	2-17 Collective knowledge of the highest governance body	13
	2-19 Remuneration policies	Refer page 30-34 of Annual Report 2022: <a href="https://ykgi.com.sg/annual-reports/">https://ykgi.com.sg/annual-reports/</a>
	2-20 Process to determine remuneration	Refer page 30-34 of Annual Report 2022: <a href="https://ykgi.com.sg/annual-reports/">https://ykgi.com.sg/annual-reports/</a>
	2-22 Statement on sustainable development strategy	4 – 5
2-23 Policy commitments	11 – 12	
2-24 Embedding policy commitments	11 – 12	
2-25 Processes to remediate negative impacts	8 – 9	
2-26 Mechanisms for seeking advice and raising concerns	11	
2-27 Compliance with laws and regulations	12	
2-29 Approach to stakeholder engagement	6	



# GRI CONTENT INDEX

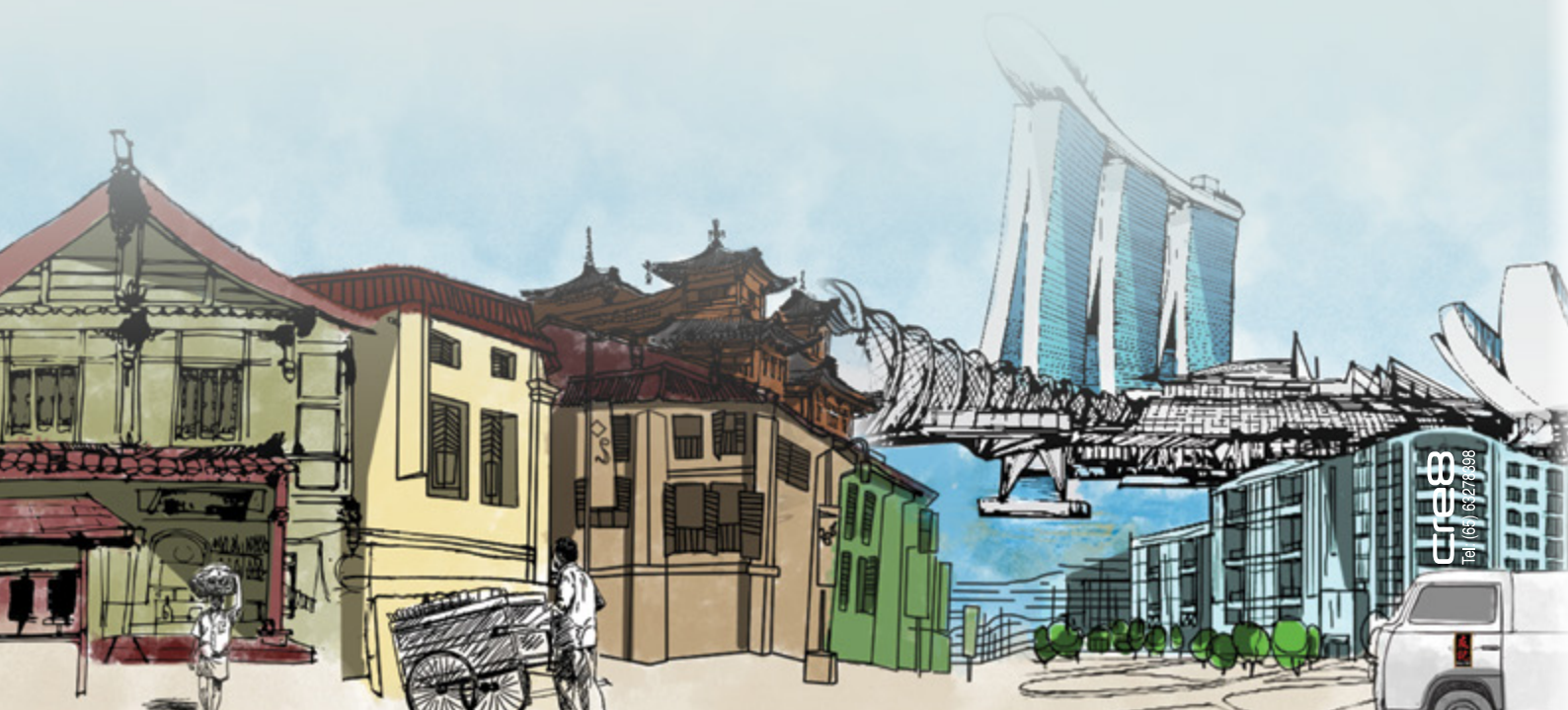
GRI Standard	Disclosure	Reference
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	7
	3-2 List of material topics	7
	3-3 Management of material topics	8 – 9
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	13
	205-2 Communication and training about anti-corruption policies and procedures	13
	205-3 Confirmed incidents of corruption and actions taken	13
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	15
	302-3 Energy intensity	15
	302-4 Reduction of energy consumption	14 – 15
	302-5 Reductions in energy requirements of products and services	14 – 15
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	16 – 17
	303-2 Management of water discharge-related impacts	16 – 17
	303-3 Water withdrawal	16
	303-4 Water discharge	16 – 17
	303-5 Water consumption	16
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	15
	305-2 Energy indirect (Scope 2) GHG emissions	15
	305-4 GHG emissions intensity	15
	305-5 Reduction of GHG emissions	16
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	23
	401-3 Parental leave	23

GRI Standard	Disclosure	Reference
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	24 – 25
	403-2 Hazard identification, risk assessment, and incident investigation	24 – 25
	403-3 Occupational health services	24 – 25
	403-4 Worker participation, consultation, and communication on occupational health and safety	24 – 25
	403-5 Worker training on occupational health and safety	24 – 25
	403-6 Promotion of worker health	24 – 25
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	25
	403-8 Workers covered by an occupational health and safety management system	24 – 25
	403-9 Work-related injuries	25
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	13
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	26
	413-2 Operations with significant actual and potential negative impacts on local communities	26
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	20
	414-2 Negative social impacts in the supply chain and actions taken	20
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	18 – 22
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	21



**YKGI Limited**

(Incorporated in the Republic of Singapore on 8 August 2022)  
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