



Sustainability Report 2021



Keeping Sustainability Close To Our Hearts

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About This Report

Sheng Siong publishes its sustainability report annually. This is Sheng Siong's fifth sustainability report, which covers the period 1 January to 31 December 2021, or the same reporting period as our financial report. The previous annual sustainability report was published in May 2021. This sustainability report covers all of the Group's operations in Singapore. Sheng Siong does not have any major operations of significance overseas. Our operation in China has been excluded from the scope of this report as it contributes less than 2% to our revenue. Sheng Siong (M) Sdn. Bhd, a company we registered in Malaysia, has been similarly excluded from this report as it is currently dormant.

This report has been prepared in accordance with the GRI Standards: Core Option. We selected the GRI Standards to guide our reporting as it is currently the most widely used sustainability reporting standards. We sought to apply the GRI reporting principles for defining report content and report quality. The GRI Content Index can be found in our online report on pages 88-95, which can be accessed from our corporate website. This report also adheres to the Singapore Exchange (SGX) Listing Rule 711A on preparing an annual sustainability report and describes our sustainability practices with reference to the primary components set out in Listing Rule 711B. We have not sought external assurance for this report. For any questions or comments, please address them to management@shengsiong.com.sg.

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Sheng Siong Group Ltd

昇菘集团

OUR VISION

To be the preferred retailer in the market, starting from Singapore and expanding further ashore.

从新加坡做起，成为市场首选的零售商，让昇菘迈向国际，生生不息。

OUR MISSION

To create value in a sustainable manner for our customers in a convenient and comfortable shopping environment with good service and quality products at reasonable prices.

以公道的价格、优质的产品 & 卓越的服务，可持续性地创造价值，为顾客提供便捷又舒适的购物环境。

OUR BELIEFS

With morality as our bedrock, we continue our legacy by setting self-expectations to walk the talk and be good examples for others. With this, we will conquer all odds and ensure the continuity of Sheng Siong.

以道德为基础（自我要求，言行一致），以榜样为传承（走出死亡，永续昇菘）。

OUR VALUES

Be reasonable, harmonious, responsible and dedicated. Be earnest and efficient at work, with no empty promises and excuses.

合理、和谐、尽责、敬业。
认真、快、坚守承诺、决不找借口。

Our Tagline



Always there to serve...
用心服务

Always there to listen...
用心聆听

Always from the heart...
由心出发

Always happy to go above and beyond
用心微笑，让我们走得更远

Joint Message from The Chairman and The CEO



Lim Hock Eng PBM
Executive Chairman



Lim Hock Chee BBM
Chief Executive Officer

Dear Stakeholders,

As we pen this letter, economies around the world – including that of Singapore – are beginning to emerge from the throes of the COVID-19 pandemic. Nevertheless, new challenges present themselves in the form of political tensions and economic divisions, which have downstream effects on global supply chains. In these times of uncertainty, decisive leadership and effective crisis management are crucial for companies to successfully navigate through disruptions and ensure business continuity.

In the year under review, these key capabilities have been put to the test time and again. We are heartened that we were able to power through various challenges to emerge stronger, thanks to our tenacity as a team and our close partnerships with stakeholders. For example, when major food distribution centres were temporarily closed due to a spike in COVID-19 cases, we were able to swiftly deploy our contingency measures, ensuring minimal disruptions to our in-store supplies. Details on our pandemic response can be found in the “Special Report on Tackling COVID-19” section of our report.

As an essential service provider, one of our priorities is to ensure we continue to provide for our communities during the pandemic and be a source of stability amidst lives and

livelihoods already disrupted. At the same time, we are proud to have made meaningful progress against our five sustainability pillars despite the challenging operational circumstances we faced in 2021.

Highlights in 2021

Business Excellence

E-commerce sales surged in 2021 as consumers moved online in response to COVID-19 movement restrictions, resulting in a double-digit increase in our e-commerce sales. We streamlined our customers’ user experience by enhancing the interface of our online shopping platform and optimising its underlying operating system. The platform, once known as “allforyou.sg”, has since been rebranded as “Sheng Siong Online” to harmonise with our core branding strategy.

We have also increased our delivery capacity and outfitted our distribution centre with ambient and cold-chain Automated Storage and Retrieval Systems (ASRS), boosting our storage and warehousing capacity by approximately 18%. We also continued to break new ground with our Pick-to-Light and Put-to-Light distribution systems in 2021, helping us to reap distributional efficiencies amidst periods of heightened consumer demand.

Care for Our Customers

We continued to care for our customers’ well-being by developing more products that meet the Healthier Choice Symbol (HCS) criteria. From a humble line-up of just 25 housebrand products in 2017, we have since quadrupled the number of housebrand products carrying the HCS. As of 2021, customers may also choose from the 2,600 HCS labelled products we carry in our stores.

Our efforts to care for and engage with our customers have enabled us to maintain our Customer Satisfaction Index of Singapore (CSISG) score above that of the Supermarket Sub-Sector for five consecutive years. Accordingly, our market share of Singapore’s grocery shopping industry has grown year-on-year despite keen competition.

Care for Our Employees

In 2021, our staff purchase scheme paid out more than \$526,000 in benefits. Beyond helping our employees purchase essential groceries, we actively invest in their development by refining our training approach on our e-learning platform.

In 2021, we also completed the installation of our training supermarket to help new employees learn the ropes in a more conducive environment. However, the prevailing COVID-19 movement restrictions meant that we were unable to use its facilities for training purposes.

Care for the Community

While the number of community development activities we could organise was limited by the prevailing COVID-19 movement restrictions, we continued to invest our resources in legacy projects and partnerships, including Project 100=50 and the Red Cross’ Project R.I.C.E.+.

We also extended our special 3% senior citizen and Merdeka Generation discount programmes for another year and made exceptions for family members to benefit from the discount programmes when purchasing groceries on their behalf.

Finally, we continued to show our appreciation for our frontline heroes by offering a 3% special discount for all public transport workers between 1 November and 31 December 2021.

Joint Message from The Chairman and The CEO

Care for the Environment

We continued to affirm our commitment towards reducing food wastage and the use of single-use plastics by supporting NEA's third "Say YES to Waste Less" campaign. To raise awareness of these issues among consumers, we spread the word on social media and put up informative collaterals such as posters and decals across our stores.

We also joined the "NEA Citizen's Workgroup on Excessive Consumption of Disposables" that was convened between September 2020 and February 2021. As a workgroup panellist, we shared our industry insights with fellow participants and discussed recommendations that inclusively address the issue of excessive plastic consumption.

In 2021, we walked the talk on our own food wastage by founding a new partnership to process unsold fruits into other food products. Through this initiative, we managed to divert close to 3.6 tonnes of fruits away from disposal.

Lim Hock Eng PBM
Executive Chairman

Looking ahead

The challenges of the past year have provided invaluable experience in dealing with disruptions and strengthened our resolve as a company to be more resilient and sustainable. While the pandemic has delayed the progress of some of our sustainability initiatives, we hope to regain momentum and emerge from the tumult of the past two years as a more robust organisation. We also cannot rest on our laurels as global challenges such as climate change continue to pose a threat to economies and livelihoods.

To that end, we reviewed our existing targets and introduced new ones to drive our sustainability performance. We will also work towards complying with the new sustainability reporting requirements set by the Singapore Exchange.

On behalf of the Board, we would like to thank all our stakeholders for their unwavering support as we chart new directions in our sustainability journey. We wish you and your family good health in the year ahead.

Lim Hock Chee BBM
Chief Executive Officer

Special Report on Tackling COVID-19

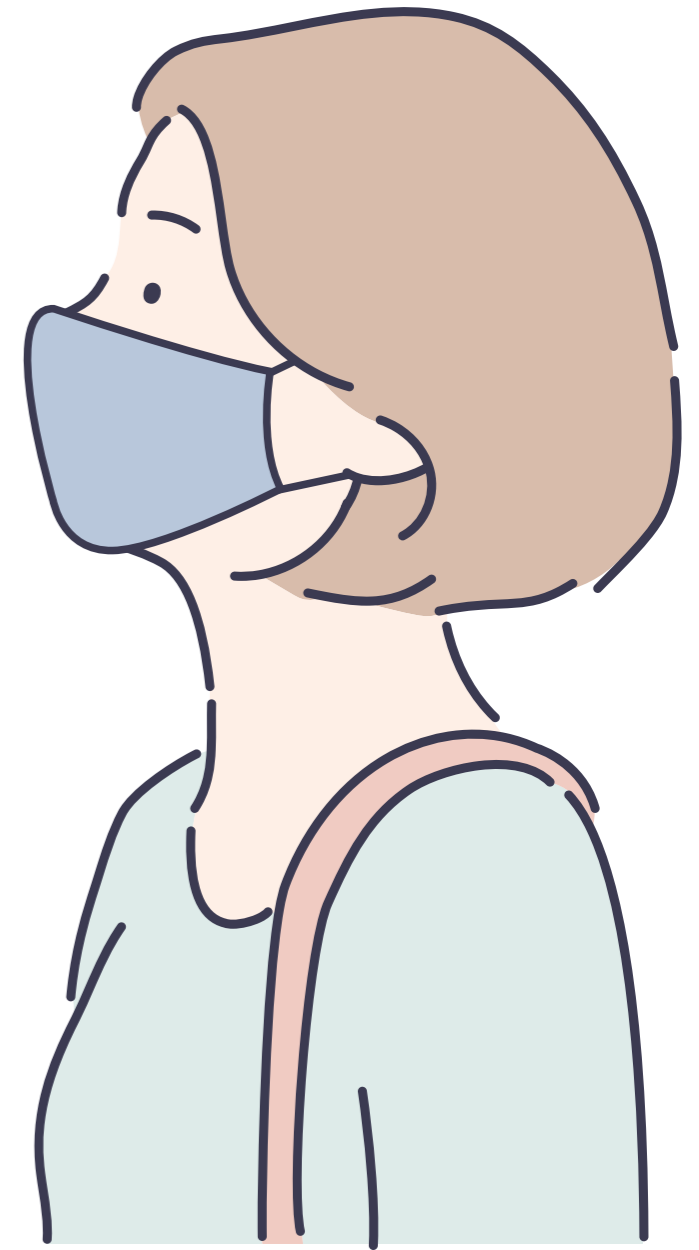
The COVID-19 pandemic persisted through 2021 with the emergence of Delta and the highly transmissible Omicron variants.

We were faced with new challenges, but were able to leverage our strengths and competencies to overcome them.

Maintaining supplies and meeting customer demands

During the year under review, we saw the temporary closure of Jurong Fishery Port (JFP), a major distribution centre for fresh seafood in Singapore, and also the Pasir Panjang Wholesale Centre (PPWC), a major distribution centre for fresh fruits and vegetables, due to the emergence of COVID-19 clusters. This resulted in long lines forming at wet markets as consumers were concerned over an impending shortage for fresh fish, fruits and vegetables, highlighting the importance of having a diversified food supply and maintaining strong supplier relationships. Over the years, Sheng Siong has placed a great focus on diversifying our food supplies, ensuring that we faced minimal disruptions to our supplies. These efforts to enhance the reliability of our supply chains have also gone hand in hand with managing our input costs, helping us consistently create value for our customers.

Our team of seafood specialists operating out of JFP was also impacted by the closure of JFP. Drawing on our strengths, we were able to immediately make alternative operational arrangements and activate alternative supply sources to ensure that supplies to our stores remained largely undisturbed.



Special Report on Tackling COVID-19



Protecting the health and safety of our employees and customers

Vaccination is a key tenet of the Singapore government's COVID-19 strategy, helping the country build resilience and progress towards endemicity. As a business providing an essential service to Singapore during this challenging period, we were given the opportunity to receive our vaccinations earlier under the national vaccination programme. To safeguard the health and safety of our employees and customers, we actively encouraged our employees to get vaccinated. Sensing some degree of vaccine hesitancy among our ranks, our Senior Management took the initiative to lead by example, vaccinating themselves before most of our colleagues to allay any lingering anxieties.



Our staff regularly disinfect high touch points to maintain cleanliness and hygiene.

Beyond encouraging our employees to get vaccinated, we took special precautions to comply with government regulations and limit the spread of the virus in our stores. When one of our employees was confirmed to have been infected by the COVID-19 virus on 16 May 2021, we closed an operating store for the first time in our history. During the two-day closure, we thoroughly disinfected the affected store, arranged swab tests for store employees and placed close contacts on self-isolation. We were swift to repeat this procedure on 14 August 2021, when another employee was infected with the virus. While Singapore has since transitioned away from a zero-COVID strategy in favour of an endemic living approach, we continued to ensure the safety and well-being of our customers and employees in all our stores. We doubled down on our contact tracing efforts, enhanced our safe distancing measures, and encouraged our employees to test themselves regularly for early detection.

With the support of our partners and regulators, we were ultimately able to put in place the necessary safeguards to protect the health and safety of our employees and customers, ensuring the continuity of our business.

Partnerships for the greater good

In support of the nation's fight against COVID-19, we partnered with the Temasek Foundation to distribute oximeters and face masks to the general public. Our supermarkets served as distribution points where residents may conveniently collect the oximeters and masks.



Our store staff assisting in the Temasek Foundation's distribution of facemasks and oximeters.



Photo credit: Temasek Foundation

Special Report on Tackling COVID-19



SMM Officer

Mr Kent Lim
37, HR Senior Manager

"I was appointed as the Safe Management Measures (SMM) Officer at the onset of the pandemic. One of my main responsibilities is to keep abreast of the latest public health measures and developments, and to set up relevant workflows and policies in an evolving situation. Most importantly, we inform employees of our Business Continuity Plan and educate employees on the latest information on the virus, such as putting up hygiene and safe distancing notices around the workplace to reduce the virus transmission.

It had been a great learning experience for the past two years. Apart from having to think on my feet, my team and I had to respond promptly and come up with relevant solutions to cater to different types of situations. We had also reviewed our flexible work arrangements and employee management policies to allow staff to utilise their hospitalisation leave for their isolation period.

As Singapore moves into endemicity, we will still stay alert and vigilant to any developments as our staff return back to the workplace."

Supporting the mental well-being of our employees

The COVID-19 pandemic was especially taxing on the mental well-being of our colleagues. Strict border restrictions meant that many of our colleagues were unable to return to their home countries to visit their loved ones, causing them to feel home sick. Other colleagues grappled with the challenge of disrupted home routines, with many having to accommodate their family members' new work-from-home arrangements. As an organisation, we had to constantly be on our toes to respond to evolving public safety requirements. Some of our employees also had to take on a greater workload to compensate for the absence of their infected peers.

While most have successfully adjusted to living with COVID-19, we continued to render our full support to help our colleagues tide over these difficult circumstances. We ensure that our employees can access communication channels to discuss flexible work arrangement and facilitated essential home visits for some employees. Our key leaders also led the charge to lessen the workload of our frontline staff during critical periods, assisting them in key functions such as goods deliveries, stock replenishments, and crowd control.

Addressing future challenges

Although most COVID-19 restrictions have been eased, it is necessary to remain vigilant as the virus continues to evolve. We will draw on the valuable lessons and insights we gained from tackling COVID-19 to strengthen our management practices, helping us ensure the sustainability of our business.

Leadership Commitments to Sustainability

Since 1985, Sheng Siong has strived to excel in our mission of creating value sustainably for our customers, with a core focus on good service, quality products, and reasonable prices. To achieve this, we embed sustainability into our business operations and strategy formulations.

Our sustainability journey is built on 5 key pillars. Each pillar represents different sustainability issues that we hold close to our hearts. Collectively, they reaffirm our commitment to creating a positive impact for our business, stakeholders, and the environment.



Leadership Commitments to Sustainability

Corporate Governance

The Sheng Siong Board is the highest governance body consisting of the Executive Chairman, Executive Vice-Chairman, CEO, Managing Director, Executive Director, and five Independent Directors. Our Board of Directors has expertise in the fields of business management, accounting, finance, law, real estate, and food safety, and contributes positively to strategy formulation and risk mitigation.

Together, the Board and Management are responsible for overseeing the Group's risk management framework and policies, as well as reviewing their effectiveness for all economic, environmental and social topics. While the Executive Management meets regularly, the Board reviews our Group's sustainability issues at least once a year. Sustainability-related information is shared with the Board periodically to inform its strategy formulation. Starting from 2021, sustainability has also been incorporated as part of our annual Board's Performance Evaluation¹.

In December 2021, the Singapore Exchange (SGX) announced that all board directors of listed companies are required to undergo a one-time training on sustainability. To comply with these requirements, we will be engaging our directors to undergo such training. Subsequently, we also intend to organise briefings and workshops on a needs basis to enhance the Board's collective knowledge, skills, and experience on sustainable development.

Since 2015, the Group has a Business Excellence Committee at the management level to review and discuss topics related to innovation, business excellence and risk management. In 2018, the Group established a Risk and Business Continuity Committee to exercise better oversight on risk management and business continuity issues. Both committees report to the CEO.

The Sustainability Committee was set up in 2017 to provide oversight of the Group's material ESG topics. The committee is led by our Executive Director, Lin Ruiwen, and comprises members from senior management of key business functions such as operations, human resource, quality assurance, finance, procurement, IT and corporate communications. The committee is responsible for formulating sustainability policies, championing sustainability projects, reviewing the effectiveness of Sheng Siong's management approach, and monitoring our overall performance against targets.

We engage with our stakeholders via our regular communication channels and conduct dedicated materiality assessments to identify our material sustainability topics. As champions of sustainability topics within the Group, members of the Sustainability Committee also meet regularly to monitor Sheng Siong's progress and performance, and review, discuss and identify the environmental, social and governance risks that concerns Sheng Siong. The Committee then evaluates and provides advice and recommendations to the CEO and Board of Directors on areas of improvement, and formulates possible strategies and actions concerning these topics. The Committee also works with relevant departments in executing the approved strategies and actions.

SHENG SIONG SUSTAINABILITY COMMITTEE	
1. Lin Ruiwen	Executive Director
2. Leong Weng Fong	Director <i>Purchasing & Promotions</i>
3. Chow Kee Min	Director <i>Marketing & Housebrand</i>
4. Nigel Lin Junlin	Executive Assistant to CEO <i>Purchasing, Finance & HR</i>
5. Lin Yuansheng	Executive Assistant to CEO <i>Warehouse & Logistics</i>
6. Lin Zikai	Executive Assistant to CEO <i>Marketing & Retail Operations</i>
7. Wong Heng San	Deputy General Manager <i>International Business Development</i>
8. Jack Woo	Acting Chief Information Officer <i>Information Technology</i>
9. Tan Siok Tin	Deputy General Manager <i>Information Technology</i>
10. Tham Wei Chong	Senior Area Manager <i>Operations</i>
11. Kent Lim	Senior Manager <i>Human Resources</i>
12. Hoong Yuqin	Manager <i>Quality Assurance</i>
13. Teo Zhuan Xin	Manager <i>Corporate Affairs</i>

¹ Details are provided in Sheng Siong's Annual Report 2021, page 46.

BOARD STATEMENT

"The Board regularly reviews the material environmental, social and governance (ESG) factors facing Sheng Siong and considers them when formulating the company's strategy. The Board also provides oversight to ensure these factors are managed and monitored."

Sheng Siong Board of Directors

Business Values and Ethics

Our core values were developed over years of engaging with our key stakeholders in fulfilling our mission to serve the needs of our customers and create sustainable value for them. These eight core values guide our employees to be reasonable, harmonious, responsible, dedicated, earnest and efficient at work, with no empty promises and excuses. These values form the cornerstone of our conduct, allowing us to foster valuable relationships with our stakeholders. We also observe a high level of business ethics by working closely with regulators to ensure we comply with relevant regulations.

Our corporate policies include:

- Employee Handbook
- Anti-Corruption Policy
- Conflict of Interest Policy
- Whistle-Blowing Policy
- Personal Data Protection Policy

These policies have been established as part of our risk management approach, and have been approved by our Executive Directors, with the exception of the Whistle-blowing Policy, which is approved by the Board. Our employees can access these policies on Sheng Siong's intranet.

Sheng Siong strives to promote the values of trust, transparency, integrity and reliability in our relationships with our stakeholders. As part of our commitment to fair employment practices and progressive human resource management, our Code of Conduct and Employee Handbook are developed in compliance with Singapore's Employment Act and the Tripartite Guidelines on Fair Employment Practices (TGFEPP), ensuring that we uphold meritocratic principles, eliminate workplace discrimination and affirm our employees' right to join a registered labour union.

Beyond articulating our commitments towards employee welfare, our Employee Handbook describes our core values and provides guidelines on the standards of behaviour we expect all employees to uphold. The Employee Handbook, written in both English and Chinese, is accessible through our company's intranet. We regularly communicate our core values and code of conduct during meetings with our staff, suppliers, and vendors. Our management reviews these values and code of conduct regularly.

Our high regard for ethics is further exemplified in our strong organisational culture and belief in unchanging moral principles - "With morality as our bedrock, we continue our legacy by setting self-expectations to walk the talk and be good examples for others. With this, we will conquer all odds and ensure the continuity of Sheng Siong".

Sheng Siong is committed to achieving high standards of corporate governance. These commitments are detailed in our Annual Report, with specific references to the principles of the SGX's Code of Corporate Governance 2018. Our Board of Directors is obligated to disclose any conflicts of interest for reporting in our Annual Report. Once a year, key employees are required to declare any potential conflicts of interest and all employees are earnestly reminded of the Group's anti-corruption policy on accepting gifts and favours. The Group's policies on conflicts of interest and anti-corruption guide our employees in the conduct of their day-to-day business and the management of their trading relationships with suppliers. Our suppliers are also required to sign a Master Agreement, which specifies our terms, conditions and expectations of appropriate behaviour when trading with us.

The Board's Audit Committee has overall authority and oversight over Sheng Siong's whistle-blowing policy. Our whistle-blowing procedure enables employees or any other person to raise their concerns in confidence, without fear of reprisal in any form. The management places great importance on this, so much so that the personal contact information of our senior management, including that of our CEO's, can be found outside our store for ease of accessibility. Over the years, our whistle-blowing procedure has been reviewed by key employees and Human Resource Personnel to ensure that it remains effective and approachable to our employees and stakeholders. During the year under review, there were no critical concerns raised to the Board.

Sheng Siong is committed to addressing any negative impacts that we may have caused or contributed to, and will cooperate with relevant parties to undertake remedial actions. Our stakeholders may contact our management directly via phone, email, written letters, or online feedback forms to have their grievances heard and addressed. The management meets and engages with our stakeholders on a regular basis to give our stakeholders ample opportunities to raise their feedback, including ways to improve our grievance mechanisms. We also actively monitor media outlets for feedback.

Our strict adherence to the highest standards of corporate governance has been recognised and affirmed by our inclusion in SGX Fast Track, allowing us to receive prioritised clearance for submissions of corporate actions to SGX RegCo. Having been included in SGX Fast Track since 2019, we will continue to maintain our good compliance track record in line with the next review cycle in 2023.

Stakeholder Engagement and Materiality

Stakeholder Engagement

Stakeholder engagement is crucial in ensuring that we can continue to create long-term value as a business. As such, we tailored our stakeholder engagement approach to our stakeholders' needs, allowing us to better understand their perspectives and expectations, while communicating our progress in managing topics of concern.

Through an internal stakeholder mapping exercise, we have identified and prioritised seven key stakeholder groups. These include groups which our business has a significant impact on, and those which hold considerable influence or have a high interest over the success of our business.

Table 1: Impact & Significance of Key Stakeholder Groups

STAKEHOLDERS	IMPACT & SIGNIFICANCE
Customers	Our customers are the foundation of our business success. We strive to stay relevant and responsive to our customers' evolving needs by providing a convenient and comfortable shopping environment with good service and quality products at reasonable prices.
Employees	Our employees' performance is critical to the success of our business. Their health, safety, well-being, and competencies are all fundamental to our operational effectiveness. We develop our employees' potential by promoting close, transparent, and direct communication between employees and higher-level management, allowing us to harness new synergies that drive innovation, productivity, and organisational excellence.
Suppliers	Sheng Siong works closely with partners across our value chain to expand our product range, ensure compliance with industry-wide product safety standards, enhance our food and service quality, and reduce sustainability-related risks.
Government Agencies	Besides regulatory compliance, we partner with key government agencies to jointly raise industry standards for food and product safety, food security and other sustainability practices, as well as workplace safety and health standards.
NGOs & Voluntary Welfare Organisations	Our business activities have economic, environmental, and social impacts on the communities where we operate. Therefore, it is critical that we give back to our community and work with industry associations, educational/research institutions as well as not-for-profit organisations to promote sustainability along the Group's value chain. Possible activities range from influencing consumer behaviour to raising industry standards.
Media	News and information outlets are one of the main sources of information for our stakeholders and the public. We aim to engage with members of the media to understand societal expectations of the food retail value chain and positively influence consumer behaviour.
Shareholders/ Investors	Our investors play a vital role in the success and growth of our Group. The investment community serves as a vital feedback loop for us to formulate and improve our growth strategies. We strive to maximise shareholder returns, observe good corporate governance, and improve levels of transparency through timely financial and sustainability reporting.

Table 2: Stakeholder Engagement Activity Matrix

STAKEHOLDERS	MODE AND FREQUENCY OF ENGAGEMENT	ISSUES & CONCERNS	SHENG SIONG'S EFFORTS AND ACHIEVEMENTS
Customers	<ul style="list-style-type: none"> Customer feedback forms (in-store and online) Customer service hotline and email Social Media Market research groups such as NielsenIQ 	<ul style="list-style-type: none"> Competitive product pricing, affordability, and value for money Product safety and quality Providing healthier food Availability of high-quality fresh food and premium brands Customer service and customer experience considerations, such as: <ul style="list-style-type: none"> All-in-one store, well-stocked and well-displayed store Ease of finding products Store accessibility Fast and helpful cashier service Range and variety of products, new products Store hygiene and cleanliness Long opening hours Loyalty programme 	<ul style="list-style-type: none"> Increased the frequency of our supply and delivery trips to restock shelves as fast as possible when wholesale distribution centres and wet markets were closed due to COVID-19 Opened new stores in HDB estates, especially in estates where we do not have a presence Transited to ISO 22000:2018 certification system for Food Safety Management Maintained Cold Chain Management for fresh and frozen food Ensured products offered comply with local regulations Shortened cashier queues by adopting innovations such as Hybrid Self-Checkout, Unified POS and other cashless payment methods Continued to refresh and renovate older stores Continued to improve our Customer Satisfaction Index of Singapore (CSISG) score Rolled out "Recycling" cash withdrawal machine called "\$TM" across all stores Expanded our range of housebrand products with a focus on quality and improved nutrition Extended 3% special discount to senior citizens every Tuesday and Wednesday for another year Offered more quality fresh produce at affordable prices Hosted "The Sheng Siong Show" since 2007, engaging customers with entertaining games and fun competitions Partnered banks and financial institutions such as POSB, Bank of China and Diners Club to offer attractive credit card rebates to customers 48 stores out of 64 are open 24-hours Launched the SS Connect mobile application in 2018 to better connect with customers

Stakeholder Engagement and Materiality

STAKEHOLDERS	MODE AND FREQUENCY OF ENGAGEMENT	ISSUES & CONCERNS	SHENG SIONG'S EFFORTS AND ACHIEVEMENTS
Employees	<ul style="list-style-type: none"> Regular staff meetings and dialogue sessions Orientation programmes for new employees Staff engagement events such as Family Day, Annual CNY Dinner, 7th Lunar Month Festival Grievance and whistle-blowing procedures 	<ul style="list-style-type: none"> Competitive rewards and employee recognition Occupational health, safety, and well-being Opportunities for career progression Learning and development opportunities Job stability Good leadership 	<ul style="list-style-type: none"> Implemented safety measures in line with local regulations to protect employees during the COVID-19 pandemic Implemented performance-sharing scheme Aligned our remuneration and promotion practices with employee performance Maintained whistle-blowing policy to address any fraudulent or unfair practices Conducted regular meetings and follow-up on workplace and fire safety Conducted regular inspections on workplace and fire safety Supported flexible work arrangements for employees affected by COVID-19 restrictions
Suppliers	<ul style="list-style-type: none"> Regular business review sessions Supplier visits and audits Annual meetings with key suppliers 	<ul style="list-style-type: none"> Fair trading agreements Short credit terms Punctual payment for supplies Stable, long-term business relations 	<ul style="list-style-type: none"> Enhanced the Suppliers' Portal to streamline business administration, communication, and payment Ensured whistle-blowing policy is in place to address any fraudulent or unfair practices

STAKEHOLDERS	MODE AND FREQUENCY OF ENGAGEMENT	ISSUES & CONCERNS	SHENG SIONG'S EFFORTS AND ACHIEVEMENTS
Government agencies	<ul style="list-style-type: none"> Engagement meetings with NGOs & VWOs Participation in projects and/or volunteer activities Philanthropy and in-kind sponsorships 	<ul style="list-style-type: none"> Sustainable sourcing Food safety and security Fair and affordable prices Compliance with industry standards and hygiene practices 	<ul style="list-style-type: none"> Diversified food supply Offered sustainably sourced products in relevant categories such as seafood and paper products Transited to ISO 22000:2018 certification system for Food Safety Management Adopted Cold Chain Management
NGOs & Voluntary Welfare Organisations (VWOs)	<ul style="list-style-type: none"> Engagement meetings with NGOs & VWOs Participation in projects and/or volunteer activities Philanthropy and in-kind sponsorships 	<ul style="list-style-type: none"> Management of negative environmental impacts such as food wastage and packaging waste Helping communities in need 	<ul style="list-style-type: none"> Implemented 'Reduce, Reuse, Recycle' approach towards environmental protection Implemented food waste management initiatives
Media	<ul style="list-style-type: none"> Media relations engagement Media monitoring 		<ul style="list-style-type: none"> Served as a signatory to the Singapore Packaging Agreement since 2018 (ended June 2020), earning the SPA Excellence Award in 2019. Member of Packaging Partnership Programme (PPP) since 2020 Designated all 64 stores as E-waste collection points under the national E-waste Management System Participated in engagement on Single-use Carrier Bags charge, Mandatory Packaging Reporting, and Deposit Return Scheme for Beverage Containers
Shareholders / Investors	<ul style="list-style-type: none"> Regular investor relations meetings 	<ul style="list-style-type: none"> Financial performance Dividend payout Sound business strategies Risk management Governance and transparency Business continuity Sustainability 	<ul style="list-style-type: none"> Reiterated commitment to business excellence and profitability Ensured consistent dividend distribution Reported sustainability progress through an annual sustainability reporting exercise Developed a talent management programme for succession planning

Stakeholder Engagement and Materiality

Materiality Assessment & Topic Boundaries

In 2018, we conducted a materiality assessment to identify the sustainability topics that are most important for the long-term success of our business and of greatest importance to our stakeholders. A three-step approach (shown in Figure 1) was adopted to determine and prioritise our material sustainability topics.



Figure 1: Materiality Assessment Process



In view of the ever-evolving sustainability context surrounding the food retail industry, as well as the emergence of a post-pandemic new normal, we conducted a materiality review to determine if our material topics remained relevant in 2021. The review examined the pandemic’s impacts on the food retail industry, evaluated emerging sector trends, assessed new reporting requirements set by the Singapore Exchange (SGX), and synthesized stakeholder feedback against our business objectives. A workshop was subsequently conducted with representatives from key departments to share and validate the review’s results:

- Our current list of material topics remains relevant.
- The six topics identified as important for COVID-19 recovery last year remain important this year. These include:
 1. Affordable Food
 2. Customer Satisfaction
 3. Food and Product Safety
 4. Occupational Health, Safety and Well-being
 5. Productivity and Efficiency; and
 6. Sustainable Supply Chain Management.

Accordingly, greater emphasis has been placed on the management and reporting of these topics in 2021:

- Cybersecurity and Data Privacy given the increasing pace at which businesses have been digitalising their operations.
- Energy and Greenhouse Gas (GHG) emissions as climate change continues to pose a threat and stakeholder expectations for companies to provide climate-related disclosures.
- Waste and packaging given the efforts from the Singapore government to move towards a zero waste future, as well as the mandatory reporting requirements from the National Environment Agency.

Stakeholder Engagement and Materiality

The results of our materiality assessment are represented as a materiality matrix (Figure 2), whereby the x-axis illustrates the importance of each topic to Sheng Siong, while the y-axis represents stakeholder perceptions of how important a topic is for Sheng Siong to manage. The six material topics that were assessed to have grown in importance are indicated on the matrix with enlarged icons. This materiality matrix, alongside the results of our latest materiality review, have been submitted to the Board for approval.

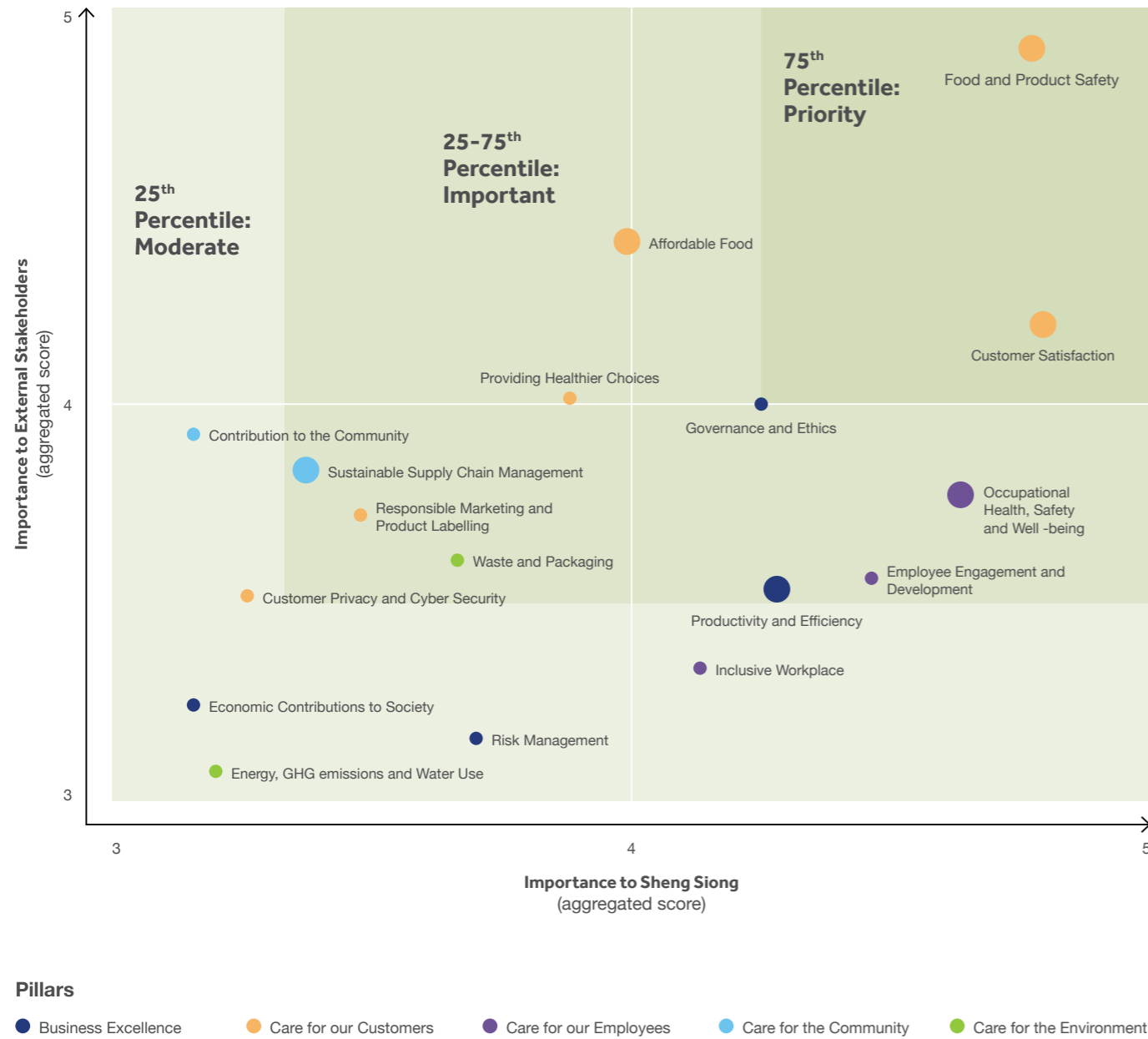


Figure 2: Materiality Matrix

Table 3: List of Material Topics Categorised According to their Level of Importance

RANKING	PILLAR	MATERIAL ISSUES	DEFINITION	WHERE IN OUR VALUE CHAIN THE IMPACTS OCCUR		
				SUPPLIERS	STORAGE & DISTRIBUTION CENTRE, FOOD PROCESSING FACILITIES, RETAIL AND ONLINE STORES	CUSTOMERS
Priority	Care for our Customers	Food and Product Safety	Ensuring food and products are safe for consumption and use, and comply with the relevant standards and certifications.	✓	✓	✓
	Care for our Customers	Customer Satisfaction	Focusing on customer care and service and improving the customer experience at all our retail outlets and online store.		✓	✓
	Business Excellence	Governance and Ethics	Conducting our business activities with integrity, maintaining the highest ethical standards and good governance, and complying with the relevant regulations.	✓	✓	✓
Important	Care for our Customers	Affordable Food	Keeping our products and produce affordable and competitively priced.	✓	✓	✓
	Care for our Employees	Occupational Health, Safety and Well-being	Safeguarding and protecting the health, safety and well-being of our employees. This includes our continued focus on maintaining a safe environment for our employees and customers.	✓	✓	✓
	Care for our Employees	Employee Engagement and Development	Attracting, retaining and developing our employees. This includes maintaining a fair remuneration system and recognising employee contributions.		✓	✓

Stakeholder Engagement and Materiality

RANKING	PILLAR	MATERIAL ISSUES	DEFINITION	WHERE IN OUR VALUE CHAIN THE IMPACTS OCCUR		
				SUPPLIERS	STORAGE & DISTRIBUTION CENTRE, FOOD PROCESSING FACILITIES, RETAIL AND ONLINE STORES	CUSTOMERS
Important	Care for our Customers	Providing Healthier Choices	Enabling our customers to lead healthier lives. This includes providing healthier food options and improving the nutritional standards of our housebrand products.	✓	✓	✓
	Business Excellence	Productivity and Efficiency	Improving business processes and operational efficiencies, adopting new methods and innovative technologies where feasible.	✓	✓	✓
	Care for our Customers	Responsible Marketing and Product Labelling	Providing accurate and sufficient product information and ensure responsible marketing practices to help customers make informed purchasing decisions.	✓	✓	✓
	Care for the Community	Sustainable Supply Chain Management	Ensuring the responsible and sustainable sourcing of goods and services, and supply chain resiliency. This includes maintaining strong relationships with our diverse suppliers and integrating locally made products as part of our food supply.	✓	✓	✓
	Care for the Environment	Waste and Packaging	Driving the 3Rs (Reuse, Reduce and Recycle) approach towards waste and packaging, including food waste.	✓	✓	✓

RANKING	PILLAR	MATERIAL ISSUES	DEFINITION	WHERE IN OUR VALUE CHAIN THE IMPACTS OCCUR		
				SUPPLIERS	STORAGE & DISTRIBUTION CENTRE, FOOD PROCESSING FACILITIES, RETAIL AND ONLINE STORES	CUSTOMERS
Moderate	Care for our Employees	Inclusive Workplace	Committing to the principles of equality and non-discrimination, and respecting labour rights.		✓	
	Care for the Community	Contribution to the Community	Giving back to the local communities where we operate through community initiatives and philanthropic activities.		✓	
	Care for our Customers	Customer Privacy and Cyber Security	Protecting customers' rights to privacy and safeguarding important information from the growing risk of cyber threats.	✓	✓	✓
	Business Excellence	Risk Management	Identifying and managing material risks, and ensuring business continuity and succession contingency plans are in place.	✓	✓	✓
	Business Excellence	Economic Contributions to Society	Generating and distributing economic value to our stakeholders, while providing a clear understanding of our direct monetary contribution to the local economy.	✓	✓	✓
	Care for the Environment	Energy, Greenhouse Gas (GHG) Emissions and Water Use	Improving water and energy usage efficiency within our operations, and reducing our GHG emissions.	✓	✓	✓

Sheng Siong and the Sustainable Development Goals

Endorsed by the United Nations in 2015, the Sustainable Development Goals (SDGs) define 17 of the world's most pressing development challenges. The 169 targets serve as both a shared blueprint for peace and prosperity, as well as an urgent call for change.

While Sheng Siong has been contributing to sustainable development in several ways over the years, we believe it is important for us to communicate our commitment towards supporting the SDGs.

Having reviewed each of the SDGs, we have decided to concentrate our efforts on driving progress towards four goals. These goals touch on areas where our business can make the biggest impact and are closely aligned with the five pillars underpinning our sustainability journey. These four goals and the relevant targets will continue to guide our sustainability strategy and reporting.



Sheng Siong's Approach to support the SDGs



Care for our Customers

- Providing healthier choices
- Providing affordable food
- Ensuring food and product safety

Care for our Community

- Contributing to the community through community initiatives and philanthropic activities

Business Excellence

- Improve economic contributions to society
- Improve productivity and efficiency

Care for our Employees

- Enhance occupational health, safety and well-being
- Build an inclusive workplace

Care for our Community

- Enhance sustainable supply chain management

Care for our Environment

- Manage waste and packaging

Care for Sustainability

- Build partnerships for sustainable development


Our Management Approach Evaluation, Progress and Targets

Legend: Progress Tracking

- ● ● New target
- ● ● Target achieved
- ● ● On track to meet target
- ● ● Not on track, requires review

The table below provides an overview of our management approach for each material issue, based on the GRI standards 3-3. Where applicable, we have included chapter references to where relevant content can be found in the fifth column. To measure our ongoing sustainability performance and drive continuous improvement, we have developed a set of targets related to our material sustainability issues. In 2021, we have reviewed and restructured these targets to ensure they remain relevant and measurable. Our progress against these targets will be reviewed and reported on an annual basis.

In 2021, the progress for some of our sustainability targets was regrettably delayed as our immediate priority was to mitigate disruptions and address key operational issues triggered by the COVID-19 pandemic. Nevertheless, we remain committed to meeting our targets and will step up our efforts to regain our sustainability momentum.


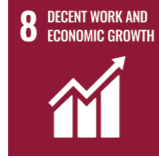
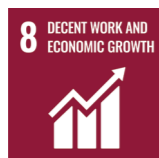


PILLAR	MATERIAL TOPIC	WHY IS THIS MATERIAL?	MANAGEMENT APPROACH (Refer to chapter indicated)	EVALUATION OF THE MANAGEMENT APPROACH (Refer to chapter indicated, or otherwise explained here)	ON-GOING TARGET	SHORT-TERM TARGET (1-2 YEARS)	MID-TERM TARGET (3-5 YEARS)	FY2021 PROGRESS
 Business Excellence	1. Governance and Ethics	As a responsible business, it is critical that we uphold good standards of corporate governance and business ethics in order to achieve our business objectives, build trust among our stakeholders, and drive performance improvement. It also increases the accountability of our company.	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Annual Report 2021 	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Annual Report 2021 	<ul style="list-style-type: none"> Maintain zero incidents of corruption 			● ● ●
					<ul style="list-style-type: none"> Maintain zero cases of Legal Actions for Anti-Competitive Behaviour 			● ● ●
					<ul style="list-style-type: none"> Continue to ensure all our board members and employees are informed of our anti-corruption policy 			● ● ●
					<ul style="list-style-type: none"> Continue to ensure all our suppliers are informed of our anti-corruption and anti-competition policies 			● ● ●
					<ul style="list-style-type: none"> Provide training and education on anti-corruption for all our employees 			● ● ●
	2. Risk Management	The ability to identify, assess, and manage risks is fundamental to weatherproofing our business and helping us make better decisions for the future.	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Materiality Assessment Annual Report 2021 	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Materiality Assessment Annual Report 2021 	<ul style="list-style-type: none"> Annual review of material topics (including the risks and opportunities facing Sheng Siong) 			● ● ●
					<ul style="list-style-type: none"> Review climate-related risks and opportunities by 2022 			● ● ●

About 58 or more than 50% of our employees at HQ Corporate Office have attended formal training. We are curating and formalising the training content for the rest of the employees by 2023.

Our Management Approach Evaluation, Progress and Targets

Legend: Progress Tracking




- New target
- Target achieved
- On track to meet target
- Not on track, requires review

PILLAR	MATERIAL TOPIC	WHY IS THIS MATERIAL?	MANAGEMENT APPROACH (Refer to chapter indicated)	EVALUATION OF THE MANAGEMENT APPROACH (Refer to chapter indicated, or otherwise explained here)	ON-GOING TARGET	SHORT-TERM TARGET (1-2 YEARS)	MID-TERM TARGET (3-5 YEARS)	FY2021 PROGRESS
 Business Excellence	3. Economic Contributions to Society 	The ability to generate economic contributions for our stakeholders and society is a crucial component to ensure business longevity and social development.	<ul style="list-style-type: none"> Business Excellence Care for our Employees Care for our Community 	<ul style="list-style-type: none"> Our Board of Directors meet regularly to discuss and evaluate the business performance of the Group and formulate growth strategies. We measure our financial performance against targets set. Our sustainability report is used to evaluate our contributions towards the community and our lower salaried employees. 	<ul style="list-style-type: none"> Continuously strive for excellence in our performance. 			
	4. Productivity and Efficiency 	Managing productivity and efficiency can help the company better utilise its resources, especially in Singapore, where manpower shortages are intensified by an aging population and tightened foreign labour policies.	<ul style="list-style-type: none"> Joint Statement Business Excellence 	<ul style="list-style-type: none"> When new technologies or business processes are adopted, we evaluate productivity based on performance indicators such as man-hours saved, the number of errors reduced, and/or higher output levels. We also evaluate our financial results to concretely assess whether these innovations have improved our productivity. 	<ul style="list-style-type: none"> Work closely with key partners to develop and adopt new processes and technology to improve business capabilities. 			
 Care for Our Customers	5. Customer Satisfaction	Customers are the foundation of our business and therefore it is imperative to ensure that we manage their needs and concerns properly as well as provide better service in-store and online.	<ul style="list-style-type: none"> Care for our Customers 	<ul style="list-style-type: none"> Our operations and service team monitor feedback from consumers across different channels, such as email, in-store feedback forms, service hotline, social media platforms etc. We strive to respond to feedback within one working day, and address the issues raised within seven working days. The contact numbers of our senior management are also made available on the notice board of every store to improve accessibility for our customers, enabling us to address stakeholders' concerns directly. 	<ul style="list-style-type: none"> We seek to improve our customer satisfaction score (CSISG) year-on-year by providing excellent service, meeting the evolving needs of our customers, and keeping our prices competitive and affordable. 			
	6. Providing Healthier Choices 	With an increasing awareness and concern on leading a healthy lifestyle in Singapore, we believe we have a role to play by providing healthier and more nutritious options for our customers.	<ul style="list-style-type: none"> Care for our Customers 	<ul style="list-style-type: none"> We take the opportunity to review our products for potential nutritional improvements by paying close attention to market trends and observations. 	<ul style="list-style-type: none"> To continuously increase the number of housebrand products carrying HCS. Ensure 100% of new housebrand products are assessed for health and safety improvements. 			
					<ul style="list-style-type: none"> Conduct at least two education/marketing events to raise awareness on healthy eating in 2022. 			

Our Management Approach Evaluation, Progress and Targets

Legend: Progress Tracking


- ● ● New target
- ● ● Target achieved
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PILLAR	MATERIAL TOPIC	WHY IS THIS MATERIAL?	MANAGEMENT APPROACH (Refer to chapter indicated)	EVALUATION OF THE MANAGEMENT APPROACH (Refer to chapter indicated, or otherwise explained here)	ON-GOING TARGET	SHORT-TERM TARGET (1-2 YEARS)	MID-TERM TARGET (3-5 YEARS)	FY2021 PROGRESS
 <p>Care for Our Customers</p>	7. Affordable Food 	Keeping essential products and produce affordable is critical for Sheng Siong to remain competitive in the retail industry. As a responsible business, we do not conduct or encourage profiteering or anti-competitive practices.	<ul style="list-style-type: none"> Care for our Customers Care for our Community 	<ul style="list-style-type: none"> We conduct market research regularly to ensure our products are affordable and competitively priced. We practise diversification in our sourcing and procurement strategy to ensure the continued availability of sustainable food and products at a stable price. 	<ul style="list-style-type: none"> Extend special discount to senior citizens at least once a week for another year. 			● ● ●
	8. Customer Privacy and Cyber Security	<p>With the increasing frequency at cybercrimes occur, customers who have entrusted their personal data to us expect that their information is protected and not misused.</p> <p>As we continue to digitalise our operations, it is critical to safeguard our information technology systems against these cyber threats.</p>	<ul style="list-style-type: none"> Business Excellence Care for our Customers 	<ul style="list-style-type: none"> Our IT policy comprises of a regular risk assessment that allows us to monitor and establish safeguards within our systems to prevent breaches. We have also established a business continuity plan (BCP) which focuses on the recovery of technology facilities and platforms, such as critical applications, databases, servers or other infrastructure required for the viability of the business. We review our policy and BCP regularly to ensure they remain relevant. 	<ul style="list-style-type: none"> Ensure all of our employees are aware of and understand our Group's personal data protection policy. 			● ● ●
					<ul style="list-style-type: none"> Maintain zero complaints received concerning breaches of customer privacy or loss of customers' data. 			● ● ●
	9. Food and Product Safety 	<p>Safeguarding food and product safety is a basic founding principle of our business and is essential to our success. We recognise our responsibility as the final gatekeeper in the supply chain to safeguard the health, safety and interests of our customers.</p> <p>Building a strong and trusting relationship with our customers encourages them to shop with Sheng Siong.</p>	<ul style="list-style-type: none"> Care for our Customers 	<ul style="list-style-type: none"> We monitor our performance in food and product safety through certification assessments such as HACCP and ISO 22000:2018 Food Safety Management System. An in-house Quality Assurance Programme is in place to ensure that our products meet stringent quality standards, and our stores and processing facilities meet hygiene, sanitation, and processing standards in order to comply with regulations. Any non-compliance may warrant a warning or fine from the regulatory authorities and is informed through this report. 	<ul style="list-style-type: none"> Reduce number of incidents of non-compliance concerning the health and safety impacts of products and services compared to previous year. 			● ● ●
					<ul style="list-style-type: none"> Continue to be certified by ISO 22000:2018 for food safety management. 			● ● ●
10. Responsible Marketing and Product Labelling	Similar to safeguarding food and product safety, the process of building trust and loyalty also includes providing accurate and sufficient product and marketing information for shoppers to make informed choices.	<ul style="list-style-type: none"> Care for our Customers 	<ul style="list-style-type: none"> We require all our suppliers to comply with the Singapore Sale of Food Act, which includes food labelling requirements. Any non-compliance may warrant a warning or fine from the regulatory authorities and is informed through this report. 	<ul style="list-style-type: none"> Reduce number of incidents of non-compliance concerning product and service information and labelling compared to previous year. 			● ● ●	

Our Management Approach Evaluation, Progress and Targets

Legend: Progress Tracking













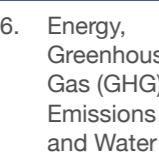


- New target
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PILLAR	MATERIAL TOPIC	WHY IS THIS MATERIAL?	MANAGEMENT APPROACH (Refer to chapter indicated)	EVALUATION OF THE MANAGEMENT APPROACH (Refer to chapter indicated, or otherwise explained here)	ON-GOING TARGET	SHORT-TERM TARGET (1-2 YEARS)	MID-TERM TARGET (3-5 YEARS)	FY2021 PROGRESS
 Care for our Employees	11. Employee Engagement and Development	The performance of our employees is critical to the success of our business. At Sheng Siong, we seek to attract and retain the best employees by providing equal opportunities for growth and development, as well as ensuring that they are recognised for their performance through a fair remuneration and reward system.	• Care for our Employees	<ul style="list-style-type: none"> We closely monitor our employee turnover rate, training hours, and turnout to company events. Employee engagement surveys are also conducted from time-to-time to gather satisfaction level and feedback. 	• Maintain employee annual turnover rate below 40%.			
						• Set up in-house training centre by 2022.		
	12. Inclusive Workplace	An open and inclusive work culture motivates our employees to perform well as it allows them to be comfortable in the workplace. Diversity in the workplace also allows employees to contribute different perspectives, promoting creativity and innovation.	• Care for our Employees	• Disclosures in our sustainability report are used to evaluate the results of our diversity practices.	• Maintain zero incidence of discrimination.			
						• Develop a Board Diversity Policy by 2022.		
	13. Occupational Health, Safety and Well-being	Employees are key assets of Sheng Siong and it is therefore crucial for the company to provide a safe environment where safety measures are upheld. This will also ensure that our customers' health and safety are protected when they shop in our stores.	• Care for our Employees	• Our WSH committees meet regularly to discuss and review related issues and statistics. Suggestions for improvements are then reported to the management for their review and endorsement.	• Reduce the number of workplace accidents by at least 10% from 2019 baseline.			
						• Reduce the number of accidents involving customers by at least 10% from 2019 baseline.		
					• Reduce the number of motor accidents caused by our delivery drivers by at least 20% from 2019 baseline.			

Our Management Approach Evaluation, Progress and Targets

Legend: Progress Tracking



- ● ● New target
- ● ● Target achieved
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PILLAR	MATERIAL TOPIC	WHY IS THIS MATERIAL?	MANAGEMENT APPROACH (Refer to chapter indicated)	EVALUATION OF THE MANAGEMENT APPROACH (Refer to chapter indicated, or otherwise explained here)	ON-GOING TARGET	SHORT-TERM TARGET (1-2 YEARS)	MID-TERM TARGET (3-5 YEARS)	FY2021 PROGRESS
 Care for the Community	14. Sustainable Supply Chain Management 	Building strong and enduring relationships with our suppliers is essential to the success of our business. With increasing challenges brought about by issues such as climate change, resource conservation and labour practices, Sheng Siong has a role to play in positively influencing how goods and services are produced and supplied, in order to build a sustainable future.	<ul style="list-style-type: none"> Care for our Community 	<ul style="list-style-type: none"> We actively engage with the government, NGOs and VWOs to discuss Sheng Siong's role in sustainable sourcing. Our aim is to continue keeping our products and fresh food affordable while exploring new ways to move forward in our sustainable sourcing journey. 		<ul style="list-style-type: none"> Provide education and training to our procurement team on sustainable supply chain. 		
						<ul style="list-style-type: none"> 100% of new suppliers screened for social/ environmental criteria 		
					<ul style="list-style-type: none"> Review and enhance purchasing policies to include sustainability criteria. 			
						<ul style="list-style-type: none"> Organise at least one event each year to provide education, raise awareness, and promote uptake of sustainability products and local produce among consumers. 		
 Care for the Community	15. Contribution to the Community 	As a member of the communities where we operate, we believe that it is important for us to lend a hand to the less fortunate and champion causes that are essential for sustainable development. It is also critical that we keep the well-being of our communities in mind when organising our business activities. This includes implementing measures that minimise pollution and promote safety and community spirit.	<ul style="list-style-type: none"> Business Excellence Care for our Employees Care for our Community 	<ul style="list-style-type: none"> Our sustainability report is used to report on our philanthropic activities and contributions towards community initiatives. Our operations and service team regularly monitor feedback from consumers about possible disturbances, and address any feedback immediately. We may receive warnings or fines from regulators if these issues are not resolved. 	<ul style="list-style-type: none"> Support community initiatives and make charitable donations and sponsorships to the local community. 			
					<ul style="list-style-type: none"> Founders commit to supporting the annual Education Grant for children of our lower salaried employees. 			
					<ul style="list-style-type: none"> Reduce number of feedback and non-compliance incidents related to community disturbances year-on-year. 			
 Care for the Environment	16. Energy, Greenhouse Gas (GHG) Emissions and Water Use 	Resource conservation is not only important for the preservation of our natural environment, but is also essential to the viability of our business as it enables us to lower costs and create greater value for our stakeholders. We also have a role to play in the fight against climate change and contribute to Singapore's net-zero ambitions.	<ul style="list-style-type: none"> Care for our Environment 	<ul style="list-style-type: none"> We monitor and measure the usage of our resources. This data is then reported in our sustainability report. By improving the quality of our disclosures, we strive to strengthen our performance in resource conservation by formulating strategies in line with business and stakeholder priorities. 	<ul style="list-style-type: none"> Reduce energy intensity year-on-year 			
					<ul style="list-style-type: none"> Reduce water intensity year-on-year 	Our energy intensity is slightly higher in 2021 due to the increase in deliveries and introduction of an e-commerce dark store		

Our Management Approach Evaluation, Progress and Targets

Legend: Progress Tracking

- New target
- Target achieved
- On track to meet target
- Not on track, requires review

PILLAR	MATERIAL TOPIC	WHY IS THIS MATERIAL?	MANAGEMENT APPROACH (Refer to chapter indicated)	EVALUATION OF THE MANAGEMENT APPROACH (Refer to chapter indicated, or otherwise explained here)	ON-GOING TARGET	SHORT-TERM TARGET (1-2 YEARS)	MID-TERM TARGET (3-5 YEARS)	FY2021 PROGRESS
 Care for the Environment	17. Waste and Packaging 	Waste is a by-product of our business activities that can have serious impacts on our environment if not managed properly. As a responsible business, Sheng Siong is committed to reducing the amount of waste generated and supporting a circular economy.	<ul style="list-style-type: none"> • Care for our Environment 	<ul style="list-style-type: none"> • We monitor and measure our waste streams. This data is then reported in our sustainability report. By improving the quality of our disclosures, we strive to strengthen our performance in waste management by formulating strategies in line with business and stakeholder priorities. 	<ul style="list-style-type: none"> • Increase annual recycling rate year-on-year. ●●● 			●●●
					<ul style="list-style-type: none"> • Reduce waste intensity year-on-year. ●●● 			●●● Waste intensity was maintained in 2021.
					<ul style="list-style-type: none"> • Organise at least one event each year to advocate for waste reduction among consumers. ●●● 			●●●
						<ul style="list-style-type: none"> • Implement carrier bag charge by mid 2023 according to regulatory requirements, and reduce usage by 20% against 2021 baseline (measured according to NEA's Mandatory Packaging Reporting Framework) by 2024. ●●● 		●●●
						<ul style="list-style-type: none"> • Reduce total packaging by 10% against 2021 baseline (measured according to NEA's Mandatory Packaging Reporting Framework) by 2024. ●●● 		●●●
						<ul style="list-style-type: none"> • Work with stakeholders to implement Beverage Container Return Scheme by 2025. ●●● 		●●●
	<ul style="list-style-type: none"> • Develop a packaging guideline for our suppliers that incorporates the Environmental Code of Practice for the Packaging of Consumer Goods (ECOPP). ●●● 		●●● We have reviewed this target and have decided not to proceed as there are already sustainable packaging guidelines and 3R Practices guide provided by the NEA and PPP. We will instead channel our efforts to assessing our suppliers and their products with sustainability criteria.					



Business Excellence Partnerships for Smart Business



Business Excellence Partnerships for Smart Business

Leveraging on Technology and Innovation

Innovation and technology are key enablers of our business success. Sheng Siong strives to be a forerunner in the adoption of new processes and technology that improve our productivity and enhance our customers' experience to achieve outstanding performance. These efforts to infuse innovation into our business have earned us the SPRING Innovation Excellence Award in 2015.

Besides drawing on internal capabilities, we welcome new partnerships and continued to work closely with key partners such as Enterprise Singapore to develop and adopt new processes and technology, allowing us to improve our business capabilities. We believe that building a strong foundation in our business processes and technology is an essential element of our ambition to grow our presence in Singapore and expand into the international market.

We would like to share our recent efforts in adopting new technologies and making improvements to existing ones. Many of them continue to be a work-in-progress, as we constantly strive to improve them.

Moving Forward on our Digital Transformation Journey

At Sheng Siong, we believe that innovation is rarely revolutionary. Rather, innovation is a pain-staking process, involving countless hours of subtle refinements that collectively create a major impact on our daily operations.

In line with this philosophy towards innovation, we continually review our administrative and operational workflow to identify key processes that can be improved or digitised. The processes we focus on vary widely, ranging from human resource and customer relationship management, to procurement and finally, inventory and warehouse management.

In 2020, we upgraded our customer relations management system, enhancing our ability to monitor and address customer and stakeholder feedback in a timely manner. This upgrade also enables us to analyse the nature of the feedback we receive, helping us learn and improve on our weaknesses.

We also continued to enhance our suppliers' portal to include new features that streamline communication with our suppliers, contract management, and other administrative procedures. The introduction of these features helped to relieve our clerical staff of their more administrative duties, allowing them to upskill and take on more supervisory roles.

As part of our digitalisation drive, we integrated a number of our business processes into the SS Enterprise App, empowering our employees to perform several key functions from the convenience of their mobile devices. These key operational business functions include purchase order (PO) approvals, real-time inventory inquiry and sales monitoring.

Transformative digital solutions are also increasingly crucial in a post-pandemic world, where flexible or hybrid work arrangements have become the new normal. The SS Enterprise App fulfills this need within our organisation by digitalising core workflows, allowing our colleagues to work from home productively and with ease.

We have also made changes to our HR system in 2020 to replace certain manual processes, including the introduction of facial recognition stations for employees to monitor their temperature and check-in with SafeEntry. This is also applicable to visitors and suppliers when they register at our Distribution Centre, allowing us to further optimise our product deliveries and conduct contact tracing when required.

Work is likely to be less desk-bound in the future; hence, adopting digital solutions early will have a lasting impact on productivity and efficiency. Looking ahead, we will continue to invest in digital technology to drive productivity and achieve operational excellence.



SS
Connect

Improving Warehouse Management System

Our Distribution Centre is now outfitted with both ambient and cold-chain Automated Storage and Retrieval Systems (ASRS), boosting our storage and warehousing capacity by about 18%. The system automatically places and retrieves products and inventory on demand from defined storage locations, thereby reducing our reliance on physical labour. It also helps us to better utilize the floor space, reduce human error, and improve inventory control.

We continue to enhance our Pick-to-Light and Put-to-Light distribution systems in order to improve our distribution efficiencies, especially during the pandemic which saw heightened consumer demand.

Adopting Data Analytics

Data analytics has become an important tool in supporting our business functions and decision-making. We have continued to work on improving our data analytics capabilities and are currently exploring more ways to leverage data to drive process improvements in the areas of manpower planning, in-store crowd control, theft prevention, workplace safety, product promotions and inventory management. While we seek to break new ground in data analytics, we remain committed to ensuring the security of all data shared between business units.



Productivity
– ASRS System

Mr Lee Lin Wee 36, Senior Executive

"In 2003, I joined our warehouse operations at Marsiling. Order picking was done via picking stickers, and the unloading of goods and inventory storage was done with a manual power jack. In 2011, we shifted to our current Distribution Centre at Mandai Link. The implementation of Put-to-Light/ Pick-to-Light systems and the usage of handheld PDA for stocktaking have changed the way we work and enhanced our work efficiency."

With the installation of the ASRS system, we just need to put the pallets on the ASRS platform using the forklift, and the pallet of goods would be placed precisely onto the racks through automated storage. When we need to retrieve the goods, we can key in the item code into the system, and the pallet will be retrieved and delivered to us, without the need to walk and search. The ASRS has also reduced replenishment errors, increased productivity and minimised aisle space wastage. It has definitely made our work simpler and easier."

Online Grocery Shopping through Sheng Siong Online

In 2014, we started our "allforyou.sg" online shopping platform for groceries, which offers e-commerce services in almost all postal districts in Singapore. The online platform has been rebranded as "Sheng Siong Online" in 2021 for consistency with our core branding strategy. The mobile-friendly platform has also been given a face-lift to not only improve its look, but also enhance its user interface. Technology enhancements have also been made to the operating systems to optimise deliveries and inventory management.

Connecting with our Customers through Sheng Siong (SS) Connect

We created the SS Connect App with the vision to better connect, communicate and engage with our customers. Currently, we have included features such as in-store promotion alerts, an autofill function for Sheng Siong's mega promotion lucky draw entry form, e-receipts, purchase history records and a store locator. More recently, we have also worked with partners to trial an e-voucher redemption feature. We envision SS Connect to play the role of a shopping assistant to our customers and see ourselves adding more exciting functions and features in the near future.



Cashless
Payment

Enhancing Customers' In-Store Experience through Technology

Since 2015, we have successfully rolled out our Hybrid Self-Checkout System (HSCO) in all 64 stores. The HSCO has allowed us to successfully reduce customer waiting times at checkout by more than 30 seconds, while freeing up cashiers and tellers to take on roles that expand the scope of their responsibilities and skillsets.

To provide greater convenience for our customers and the community, we continued to roll out Singapore's first cash withdrawal machine that "recycles" the cashflow from our stores. Also known as "\$TM" or Simple Teller Machines, all but one of our 64 stores now have a \$TM machine. The \$TM machines are supplied with cash from our supermarket sales, allowing customers to withdraw money from their OCBC and UOB bank accounts without the hassle of finding an Automated Teller Machine (ATM). Customers can also top up their Singtel Dash Wallets at the \$TM and withdraw cash using PayNow on their banking applications. In addition to enhancing our customers' shopping experience, the \$TM machines reduce the amount of cash needed to be deposited daily at the bank by our cash handling service provider, allowing us to save on cash handling charges and improve productivity.

Business Excellence Partnerships for Smart Business

Partnerships for Excellence

In 2020, we partnered with SkillsFuture Singapore to be part of the SkillsFuture Queen Bee (SFQB) project. Under this project, Sheng Siong will serve as an anchor company, also known as a "Queen Bee", to support the training and development needs of Small-Medium Enterprises (SMEs), empowering them to achieve business growth and transformation. To date, more than 30 SMEs within our value-chain and business networks have joined Sheng Siong's SFQB programme. We are honored to be part of this project for the success of our partners is also that of our own.

In 2018, we signed an MOU with the Institute of Technical Education (ITE) to formalise a partnership for student and staff development through collaborations in areas such as internship opportunities, attachments for ITE staff and industry projects related to Sheng Siong's business and operations. Since 2019, we have recruited interns from ITE and sent our trainers for training in a programme specially tailored to our needs, alongside the establishment of our supermarket training centre. We believe that our partnership will bring about opportunities for learning and innovation for both organisations, and enhance the practical training for students who will form the future workforce in the retail business industry. The MOU has been renewed for another three years (2021-2023).

In order to attract and retain talent in the food retail industry, Sheng Siong is also partnering with ITE and other major supermarket retail chains in Singapore to develop a Work-Study Diploma in E-Commerce & Retail (Supermarket Management). The course is designed for students aspiring to work in the food retail industry, as well as for existing employees to update their skillsets and develop their careers. We hope that the programme can help us develop a pipeline of future talent and improve locals' perceptions of the food retail industry.



Protecting Our Digital Infrastructure & Intellectual Property

The digital transformation of our business brings increasing cybersecurity threats. We recognise this growing risk and have taken steps to secure and protect our digital infrastructure and intellectual property. Besides regular monitoring and establishing safeguards within our systems to prevent breaches, we have also established a business continuity plan that outlines a series of protocols to recover critical technology infrastructure in the event of system failures.

As an additional safeguard to protect our data and intellectual property, we established a data protection and non-disclosure agreement that key personnel are required to sign. This agreement requires employees to treat all company information and documents as confidential. The agreement also provides guidance to protect data confidentiality and prevent data breaches. We will continue to monitor relevant cybersecurity trends in an ongoing effort to tighten our security measures.

CEO Mr Lim Hock Chee shared on Sheng Siong's transformation journey with suppliers who participated in the SkillsFuture Queen Bee programme.



Communication and Training on Anti-Corruption and Anti-Competition

Sheng Siong has a zero-tolerance stance towards all forms of corruption and collusion. The Group's policies on conflict of interest and anti-corruption are available to all employees via the company's intranet. We also provided a set of guidelines on the company intranet to help our employees clarify their responsibilities as well as recognise, address and prevent potential instances of corruption. Key personnel identified as holding sensitive positions are also required to declare any conflicts of interest annually. When a conflict of interest is declared, the personnel is required to sign an agreement with the company to acknowledge that their job responsibilities may be reassigned and that they should refrain from making or influencing key business decisions.

While the majority of our current employees are aware of and understood these policies, we will continue to arrange relevant training sessions for our Board members and employees.

We also recognise the importance of conducting business with our suppliers in a manner that is ethical and fair and strive to improve transparency in our business dealings. To address any fraudulent or unfair practices, our whistle-blowing channel is made available to all suppliers, providing them with direct access to our senior management. Our senior management also meets key suppliers annually for business discussions.

In 2021, we had zero incidents of corruption and zero cases of actions from the Competition Commission of Singapore for anti-competitive behaviour.

Business Excellence Partnerships for Smart Business

Striving for Improvement

At Sheng Siong, we embrace a culture of learning from mistakes and experiences. When we do make mistakes, we want to make sure that they were not made with ill intentions. Thus, we investigate and review our business processes, learn from our mistakes, make corrections, communicate on our process, and implement preventive measures to avoid recurrences.

	2017	2018	2019	2020	2021	CORRECTIVE ACTIONS & MANAGEMENT APPROACH
No. of Incidents of Corruption						
Corruption	0	0	0	0	0	-
No. of Cases of Legal Actions for Anti-Competitive Behaviour						
Anti-Competitive Behaviour	0	0	0	0	0	-
No. of Incidents of Non-Compliance with Environmental Law and Regulations						
Mosquito Breeding	0	*2	0	0	0	<ul style="list-style-type: none"> • Immediately cleaned-up mosquito breeding area. • Conducted more regular inspections, especially during rainy seasons. • Improved training and awareness on mosquito breeding problems.
Pest Infestation	0	0	0	*1 [#]	*1	<ul style="list-style-type: none"> • Immediately cleaned-up affected area. • Conducted more regular inspections.
Waste Disposal	0	0	0	0	*2	<ul style="list-style-type: none"> • Improved training and awareness on waste disposal procedure.

* No Significant monetary fine was imposed. Significant monetary fines are defined as being greater than \$1,000 per incident.

[#] In 2020, an incident was recorded under "Health and Safety Impacts of Products and Services" which should have been recorded as "Pest Infestation".

	2017	2018	2019	2020	2021	CORRECTIVE ACTIONS & MANAGEMENT APPROACH
No. of Incidents of Non-Compliance with Laws and Regulations in the Social and Economic Area						
Fire Safety	0	*8	*5	1 - The group was fined a total of S\$5,100.00 for non-compliance of the Fire Safety Act (Cap. 109A) at Blk 539 Bedok North branch. A fire broke out on 25 January 2020.	*5	<ul style="list-style-type: none"> • The offence has been corrected to comply with the fire safety regulations. • Improved the training of our employees in fire safety.
Obstruction and misuse of common spaces	*14	*6	*5	*10	*8	<ul style="list-style-type: none"> • Spaces were reverted to their original purpose of use.
Employment related	0	0	*1	*2 1 - The group was fined S\$2,000.00 for failing to ensure that the residential address of a foreign employee was updated in the Ministry of Manpower's register.	*1 1 - The group was fined S\$4,000.00 for failing to ensure that the residential address of foreign employees were updated in the Ministry of Manpower's register. 1 warning	<ul style="list-style-type: none"> • The offence has been corrected immediately with the employees updating their correct residential address in the MOM's register. • Further steps have been taken to check on the accommodation of our foreign employees.
Workplace Health & Safety	0	1 - The group was fined S\$2,000.00 for non-compliance concerning workplace safety.	*1 3 - warnings	*1	0	<ul style="list-style-type: none"> • Improved the training of our employees in workplace health & safety.
No. of Incidents of Discrimination	0	0	0	0	0	-

* No Significant monetary fine was imposed. Significant monetary fines are defined as being greater than \$1,000 per incident.

Business Excellence Partnerships for Smart Business

	2017	2018	2019	2020	2021	CORRECTIVE ACTIONS & MANAGEMENT APPROACH
Others	0	1 - The group was fined S\$19,662.26 for mistakes made in our GST reporting. Remedial: Improve training of accounting staff on GST reporting.	2 • The group was fined S\$2,500.00 for operating without Temporary Occupation Permit at Blk 539 Bedok North branch. • The Group was fined S\$2,000.00 for failure to renew the permit to operate a lift located within Blk 539 Bedok North branch, although the lift has been regularly serviced.	0	0	-
No. of Incidents of Non-Compliance concerning Products & Services						
Health and Safety Impacts of Products and Services	*2 fines 3 warnings 2 internal findings	*4 fines 2 warnings 1 internal finding	*2 fines 4 warnings	*5 fines* 2 warnings 1 internal finding	*2 fines 3 warnings	• Enhanced Internal Quality Assurance Programme
Product and Service Information and Labelling	0	2 warnings	2 warnings	*2 fines 2 warnings	2 warnings	• Improved product label checks. • Reviewed and improved product weighing procedures.
Marketing Communications	0	0	0	0	0	-
Substantiated Complaints concerning Breaches of Customer Privacy and Losses of Customer Data	0	0	0	0	0	-

* No Significant monetary fine was imposed. Significant monetary fines are defined as being greater than \$1,000 per incident.
 * In 2020, an incident was recorded under "Health and Safety Impacts of Products and Services" which should have been recorded as "Pest Infestation".

External Initiatives

Sheng Siong is committed to upholding the highest food and product standards and quality management systems that reflect our values and meet the demands of our customers and other stakeholders. We continuously challenge ourselves to be better – a better retailer, a better employer, and a better organisation. External initiatives that we subscribe to or endorse are as follows:

- Singapore Code of Corporate Governance (2018)
- ISO 22000:2018 Food Safety Management
- Singapore Standard for Cold Chain Management of Chilled and Frozen Foods:
 - Part 1: General Requirements SS 668 : Part 1 : 2020
 - Part 2: Code of practice for meat SS 668 : Part 2 : 2020
 - Part 3: Code of practice for vegetables and fruits SS 668 : Part 3 : 2020
 - Part 4: Code of practice for fish SS 668 : Part 4 : 2020
- Singapore Standard Code of practice for food storage in warehouses – Ambient / air-conditioned SS629: 2017
- Singapore Standard Code of practice for food waste management for food retail, wholesale and distribution establishments SS 640 : 2018
- Tripartite Guidelines on Fair Employment Practices (TGFEPP)
- Forest Stewardship Council (FSC)

Packaging Partnership Programme (PPP)

The Singapore Packaging Agreement (SPA) is a voluntary agreement and joint initiative by the government, industry and NGOs to reduce packaging waste in Singapore. We became a signatory of the Agreement in 2018. In 2019, we were conferred the Excellence Award (MNC and LLE) by SPA for our exemplary efforts in reducing packaging waste. With the agreement ending on 30 June 2020, the National Environment Agency (NEA) has partnered the Singapore Manufacturing Federation (SMF) to create the Packaging Partnership Programme (PPP). The PPP is a joint capability development programme that will support companies in fulfilling their new obligations under the Mandatory Packaging Reporting framework commencing on 1 January 2021, and enable knowledge sharing in sustainable packaging waste management. Sheng Siong became a member of the PPP in October 2020.



Climate Action SG: Climate Friendly Households Programme

"Switch and Save – Use LED" (SSUL) is a Climate Action SG initiative that started in August 2018 to encourage households living in 1- and 2-room HDB flats to use LED lights. The "Climate Friendly Households Programme" (CFHP) is an extension of the SSUL programme by NEA. Launched on 28 November 2020, the CFHP provides e-Vouchers to households living in 1- ,2- and 3-room HDB flats to purchase energy and water efficient appliances and fittings. Eligible households will receive a \$25 voucher by the government to purchase LED lights from participating retailers. Sheng Siong is one of the supermarket retailers which accept these e-Vouchers for the purchase of LED lights.

Singapore Healthier Choice Symbol Programme

By 2021, the number of products under our housebrands carrying the Healthier Choice Symbol (HCS) has increased to 112 products, up from 25 products in 2017. These products include brown rice, red rice, cooking oil, red cargo rice vermicelli, baked beans, sardines in tomato sauce, wholemeal bread products, no sugar added fruit juice, and instant oatmeal. Healthier snacks such as roasted chestnuts, unsalted roasted mixed nuts, and frozen vegetables are some of the latest additions to our product line-up.

Digital Participation Pledge (IMDA)

Amid a technology-driven landscape, improving the digital readiness of our employees is paramount to our success. We took the Digital Participation Pledge initiated by the Infocomm Media Development Authority (IMDA) in 2019 to show our commitment in supporting our employees to acquire digital skills and encouraging our stakeholders to use our digital services.

Sustainable Employment Pledge

In 2019, we joined the Singapore Business Federation in pledging our commitment towards sustainable employment by treating our employees with fairness, dignity and respect, and by supporting them to unlock their potential.

Membership of Associations

We are a member of the following associations:

- Food Drinks & Allied Workers Union (FDAWU)
- Corporate Member of Singapore Chinese Chamber of Commerce and Industry (SCCCI)
- Singapore Business Federation (SBF)



Care for Our
Customers
A Responsible
Retailer

Care for Our Customers A Responsible Retailer

Gatekeeper of Consumer Health & Safety

As the final gatekeeper in the supply chain, Sheng Siong recognises its responsibility to safeguard the health, safety and interests of its customers. We promise our customers that we will deliver products of the best quality with the best service and price. We are committed to providing accurate and adequate product and marketing information for shoppers to make informed choices. We also protect the privacy of any personal information that our customers have entrusted to us.

Meeting Essential Needs

When the COVID-19 pandemic triggered waves of panic buying and pantry loading among consumers, Sheng Siong doubled down on its responsibility to ensure stable food supplies and meet the heightened demand for essential goods. Supply chain disruptions continued to be a prominent risk during the year under review as we saw the temporary closure of Jurong Fishery Port (a major distribution centre for fresh seafood), Pasir Panjang Wholesale Centre (for fresh fruits and vegetables), and multiple wet markets around Singapore. We worked quickly with our suppliers and partners to mitigate the impact of supply chain disruptions, and made alternative arrangements to ensure that fresh produce continued to be delivered in a timely manner to our stores.

Importantly, the various supply chain disruptions that persisted throughout the pandemic have underscored the importance of achieving food security. Hence, we will continue to support our local producers in achieving the Singapore Food Agency's "30 by 30" goal to produce 30% of our nutritional needs locally by 2030.

Customer Satisfaction

Sheng Siong's tagline "all for you" reflects our organisation's focus on customer care and service, underpinning our key objective to constantly improve consumer experience at all our retail outlets. To this end, we have adopted the Customer Satisfaction Index of Singapore (CSISG) to track our progress and identify areas of improvement. Our CSISG score has seen consistent improvement over the last few years, attesting to the effectiveness of our efforts to enhance our customers' shopping experience.

YEAR	2017	2018	2019	2020	2021
Supermarket Sub-Sector CSISG	72.4	72.9	73.6	69.9	72.0
Sheng Siong CSISG	72.4	73.1	73.7	70.7	75.2
Ranking	2nd	2nd	2nd	*2nd	2nd

* excluding Marketplace/ Jasons which were included in the study in 2020



In 2021, we are pleased to have achieved a higher score than industry average across the Supermarket Sub-Sector. Similarly, we continued to rank 2nd place among the leading supermarket retailers in Singapore.

These results could not have been achieved without dedication of our employees, whose diligent efforts have allowed us to keep 25 of our stores operational throughout the two-day Chinese New Year holiday and 48 out of 64 stores on a 24-hour operating cycle (as at end 2021). In recognition of their effort and sacrifice, 476 employees were rewarded for good service rendered to our customers in 2021.

Omni-Channel Sales

The COVID-19 pandemic has accelerated the growth of e-commerce sales as consumers were encouraged to stay at home as much as possible. Accordingly, we saw a double-digit growth to our online sales in 2021. Given the higher demand for our e-commerce delivery service in 2021, we have increased our delivery capacity and updated our website to enhance the user experience. We have also upgraded our operating systems to streamline inventory management and optimise our picking and last-mile delivery services. Although the growth of our e-commerce segment has improved, the majority of our consumers prefer to purchase from physical stores, especially for fresh food products. We are committed to enhancing our product offerings to meet the needs of our customers through both our e-commerce platform and at our physical stores.

Customer Engagement

Effective communication, engagement and feedback channels are important in helping us understand our customers' evolving needs. We strive to form meaningful relationships with our customers through in-store engagements and are currently growing our online presence on platforms such as Facebook to better ascertain their preferences and offer them after-sales care. As at end 2021, we have over 130,000 followers on Facebook.

Beyond social media, customers can also reach out to us via email, phone calls and the online feedback form on our website. We actively monitor consumer sentiment by calculating a complaint to compliment ratio. Between 2020 and 2021, our complaint to compliment ratio increased from 1.29 to 1.79. We earnestly strive to address the feedback and concerns of our customers to live-up to our tagline "all for you".

Affordability of Daily Necessities

We continue to collaborate closely with government agencies to monitor excessive price increases in daily necessities, allowing us to address profiteering and anti-competitive practices in Singapore. In 2019, we took a step further and supported the launch of the Price Kaki mobile application. Developed by the Consumers Association of Singapore (CASE) and supported by the Ministry of Trade and Industry (MTI), Price Kaki allows consumers to compare the retail and promotional prices of common household items and groceries, empowering consumers to make informed purchasing decisions.

We have also introduced a wide range of housebrand products, ranging from cooking essentials such as cooking oil and rice to paper products, household cleaning supplies, frozen food, bread, eggs, and snacks. To date, we have over 1,500 products under 23 housebrands. Our housebrand products are usually more affordably priced at a savings of 5-20% as compared to other branded products, allowing our customers to stretch their dollar without compromising on product quality.

As an added safeguard to ensure product affordability, we strive to diversify our food sources when formulating our sourcing and procurement strategy, and conduct regular market research and benchmarking exercise to ensure that Sheng Siong provides the best value in a basket of essential goods.

Care for Our Customers A Responsible Retailer

Customer-Centric Initiatives

Our market share of Singapore's supermarket/hypermarket segment has continued to grow despite keen competition.

The continuous growth in our market share is a good proxy indicator of our success in improving customer satisfaction, notwithstanding the increase in store count. Besides, we also implemented the following initiatives to enhance customer satisfaction in 2021:

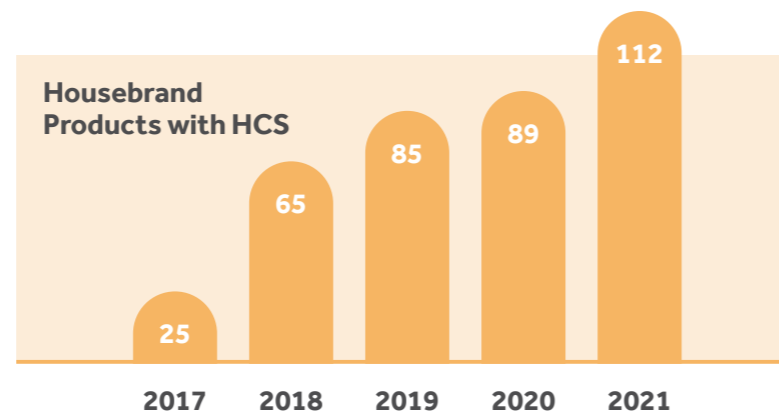
- Extended 3% Special Discount for Senior Citizens every Wednesday
- Extended 3% Special Discount for the Merdeka Generation every Tuesday
- Completed roll-out of Hybrid Self-Checkout systems that shorten customers' queue time
- Completed roll-out of Cash Withdrawal Machines known as "\$TM" to provide our customers with convenient and value-added services
- Continued to reward lucky customers for their loyalty through the Sheng Siong Mega Promotion Campaign (The Sheng Siong Show)
- Continued to reward lucky customers for their loyalty through the Sheng Siong Hari Raya Grand Lucky Draw Campaign
- Improved procedures and increased awareness among employees to ensure the safety of customers in our stores

Healthier Diet Choices, Healthier Singapore

We care about our impact on consumers' health, which is why we seek to continuously improve the health and nutritional standards of processed food products under our housebrands. This is in line with the national movement towards leading a healthier lifestyle, which saw the Health Promotion Board (HPB) introducing the Healthier Choice Symbol (HCS) programme to help consumers make healthier choices in their grocery shopping. As of 2021, we carry close to 2,600 products that are labelled with the Healthier Choice Symbol.

Healthier Choice

Consumers are increasingly health conscious and are demanding a wider range of healthier products. We continued to develop more products that meet the Healthier Choice Symbol criteria. By 2021, the number of products under our housebrands carrying the Healthier Choice Symbol (HCS) has increased to 112 products, up from 25 products in 2017. These include canned seafood, canned vegetables, frozen mixed vegetables, rice, plant based protein (tofu), cooking oil, ready-to-eat snacks, nuts, instant beverages, canned tuna and condiments.



Annually, we assess 100% of our new housebrand products for health and safety improvements. Right from the start of the product development phase, we have asked ourselves how we can improve on a current product formula to make it a healthier choice. For example, we released the Heritage Farm 3 in 1 Instant Oats & Cereal Drink in December 2021. The pre-mixed Oats & Cereal Drink is a great healthy beverage option as it contains 40.8% of wholegrains, Vitamin C, dietary fibre, iron as well as Vitamins E, B1, B2 and B6. The formula was specially designed in compliance with HPB guidelines and has since been awarded with the HCS label.

Since 2017, we partnered with the HPB in the "Eat, Drink, Shop Healthy Challenge" to encourage consumers to make healthier choices when shopping. For every HCS product purchased, customers can scan the QR code generated on their receipts to be awarded Healthpoints. These Healthpoints can be used to redeem grocery shopping vouchers. We will continue to work with our suppliers to expand the range and selection of healthier choice products.



Trans Fat Free

Partially hydrogenated oil (PHO) is the main source of trans fat in the Singaporean diet and is linked to an increased risk of cardiovascular diseases. Four high-risk food categories – baked goods, snacks, ready meals and spreads – make up the majority of packaged foods containing PHO. Sheng Siong has pledged to be PHO-free for our housebrand products. We removed all traces of PHO from 172 housebrand products one year ahead of the Ministry of Health's on PHOs in all foods, which was effective from June 2021.

Keeping Our Products Fresh and Safe

Cold chain management is important for preserving the safety, freshness, shelf life and quality (including nutritional value and sensory characteristics) of fresh produce. In turn, cold chain management reduces food waste by minimising spoilage across the supply chain. We adopted cold chain management techniques in the storage and handling of our fresh produce in 2011. This covers major supply chain links including transportation, distribution as well as storage at our logistics centre and retail outlets. In addition, we have maintained our ISO 22000 certification for Food Safety Management Systems since 2016, which covers the processing facility where we process seafood, meat, vegetables, repackaged dried food, frozen food and fruits. At our stores, an internal grading system has also been put in place to check and improve hygiene and cleanliness.

As part of our Quality Assurance Programme, we established a self-test assessment to check and review products that are prone to food safety issues. We regularly send samples of products and fresh produce from our logistics centre to an external laboratory to test their microbial, chemical and pesticide residue levels.

Certifications

- HACCP certified since 2013
- ISO 22000:2005 Food Safety Management System certified since 2016
- ISO 22000:2018 Food Safety Management System certified since 2021

Non-Compliance

In 2021, we had five incidents relating to food safety that were raised by the authorities. Whenever such incidents arise, our suppliers are immediately informed, and the products are recalled and disposed of. We have received three warnings and two non-significant monetary fines from relevant authorities*. We have since taken actions to prevent such lapses.

We also received two warnings for non-compliance concerning product and service information and labelling. There have been no cases of non-compliance concerning marketing communications that have resulted in a fine, penalty or warning.

* Significant monetary fines are defined as being greater than \$1,000 per incident.

Respecting Customer Privacy

Every year, we run two seasons of our weekly "Sheng Siong Show", where customers can participate for prizes by submitting their receipts at our retail outlets. To protect the privacy of customer data, receipts which contain personal particulars of customers are shredded fortnightly. A video about the disposal process can be accessed at <https://corporate.shengsiong.com.sg/the-sheng-siong-show/>.

Sheng Siong is committed to the protection of our customers' personal data in compliance with the Personal Data Protection Act (PDPA) of 2012. For transparency, we implemented a Personal Data Privacy Policy to disclose our personal data management practices to our stakeholders. This policy can be accessed at <https://corporate.shengsiong.com.sg/privacy/>.

Our IT policy also includes a regular risk assessment that allows us to monitor and establish safeguards within our systems to prevent breaches. In 2021, there were zero substantiated complaints received concerning breaches of customer privacy or loss of customers' data.



Care for Our Employees A Responsible Employer

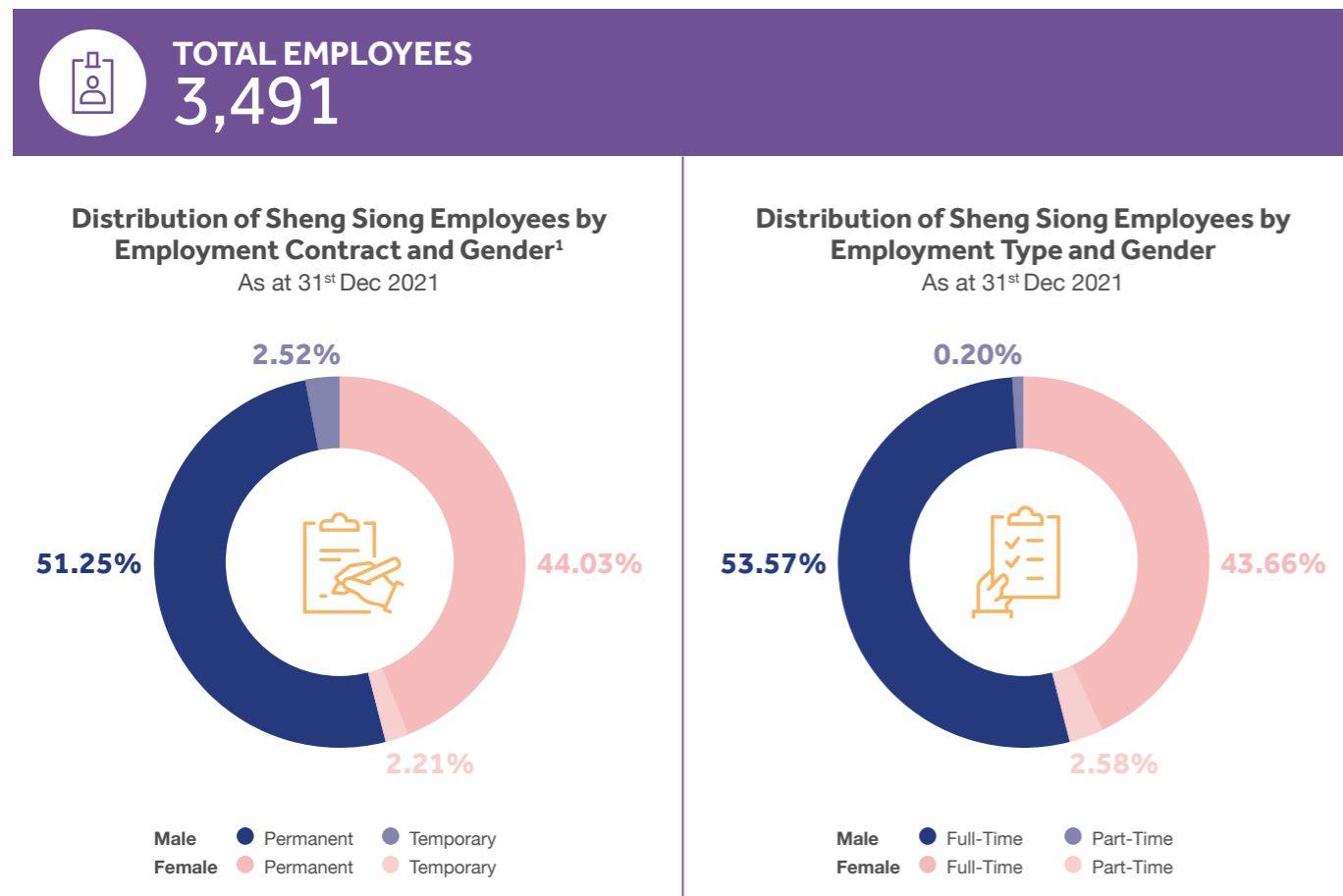


Care for Our Employees A Responsible Employer

Building an Inclusive Workplace

We value and recognise the contributions of our colleagues and strive to provide a safe and conducive working environment based on an inclusive, productive, innovative and ownership-driven culture. As we observe the Tripartite Guidelines on Fair Employment Practices (TGFEPP) and uphold the principles of equality and non-discrimination, employees are treated equally regardless of their gender, age, race or religion.

As at 31st Dec 2021, Sheng Siong has a workforce of 3,491 employees with an equal gender distribution. Most of our employees are engaged on a full-time basis in Singapore. 99% of our managerial employees are Singapore Citizens or Permanent Residents.



There were no significant fluctuations in the number of employees during the reporting period as compared to 2020.

During the year under review, we had about 30 workers who were not employees. They include interns, trainees from MINDS, and delivery drivers. There were no significant fluctuations in the number of workers who were not employees as compared to 2020.

¹ There are zero non-guaranteed hours employees.

Embracing Diversity

Sheng Siong's flat corporate hierarchy promotes transparency and direct communication, enabling employees and top-level management to form close relationships based on mutual trust. As a family-friendly institution, we strive to remain approachable to all by maintaining an open-door policy.

Our whistle-blowing policy offers a channel for our employees to raise sensitive issues without the fear of retaliation. Proper procedures have also been established to address employee misconduct and complaints of abusive, fraudulent or unethical behaviour.

In 2021, we encountered zero cases of incidents relating to discrimination.



Inclusive Workplace

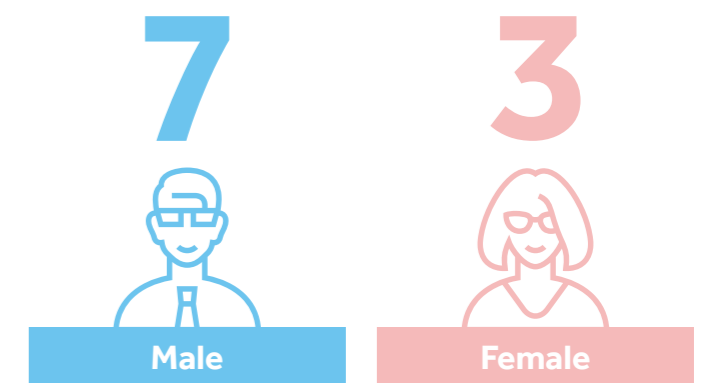
Mdm Mirana Jaman
37, Cashier

"I came with my husband to Singapore from Bangladesh many years ago and we are Singapore Citizens now. It has been my 16th year working at Sheng Siong. In the beginning, I was only speaking simple English on the job. However, I get to meet with people from different races at the store and gradually learn to understand Malay and Mandarin. My three children who are 4, 12 and 17 years old, are all learning Mandarin as their mother tongue, which I find beneficial for them.

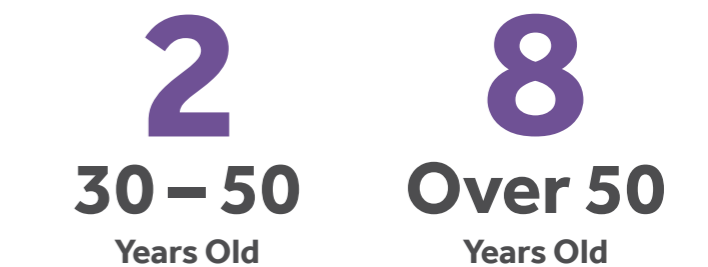
I feel very comfortable with my customers and colleagues as Singapore is a multi-racial and friendly society. Sometimes when assisting Chinese customers to check out at the counter, even though I assure them it is fine, they would help to place the non-halal products that they have purchased into the grocery bags so that I would not have to touch the items. Although I could try other jobs, but I have never given it a thought because our bosses are very different from others and I am contented working here."

Composition of Board of Directors

Composition of Board by Gender



Composition of Board by Age Group

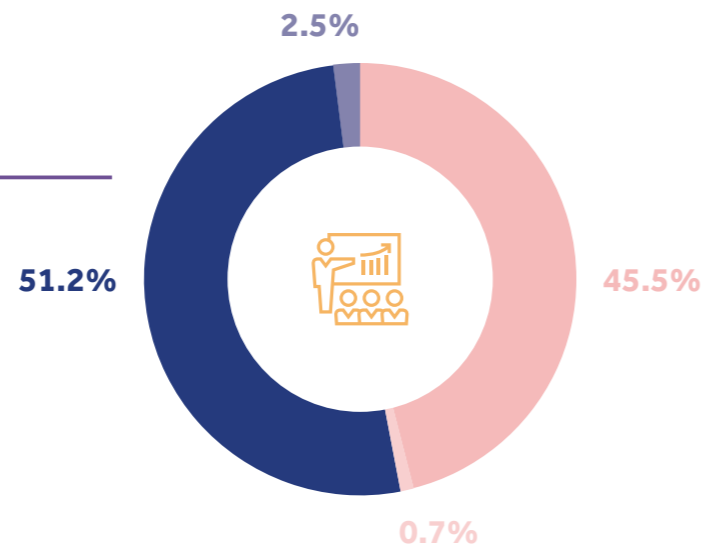


Care for Our Employees A Responsible Employer

Percentage of Employees per Employee Category (Managerial/Non-Managerial)¹ by Gender

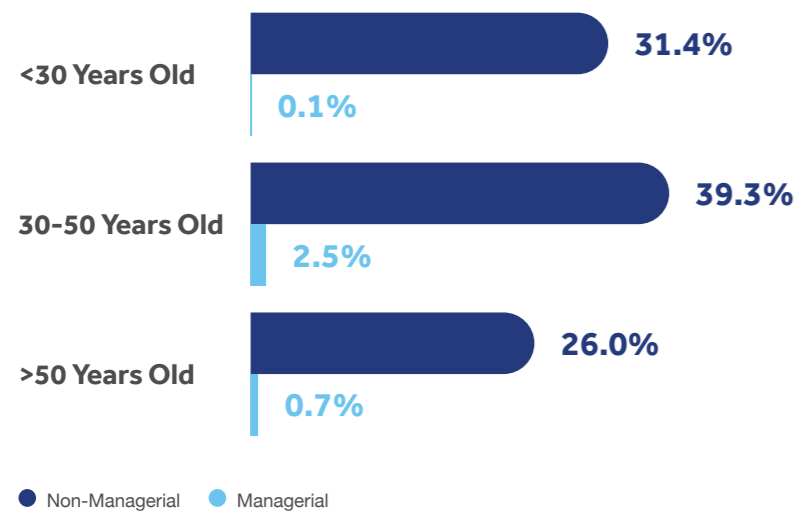
As at 31st Dec 2021

Male ● Non-Managerial ● Managerial
Female ● Non-Managerial ● Managerial



Percentage of Employees per Employee Category (Managerial/Non-Managerial)¹ by Age Group

As at 31st Dec 2021



● Non-Managerial ● Managerial

Sheng Siong upholds the principles of transparency and equal treatment in its remuneration and promotion practices. There is no disparity in pay scale and career opportunities for reasons arising from gender, religion, and race in each employee category.

¹ The managerial category is made up of staff from the rank of “assistant manager” and above.

Remuneration Policy

At Sheng Siong, we pride ourselves on our ability to provide a fair, attractive, and competitive remuneration package that can attract and retain talents. Our procedures for developing remuneration policies are currently articulated in our Annual Report 2021. While our stakeholders may share their views on remuneration by providing feedback to our management, the Union members may also communicate their views through their respective Unions.

Employee Rights

Sheng Siong complies with Singapore’s Employment Act by upholding the minimum notice period in the event of a contract termination. When faced with contract termination, employees in non-managerial roles who have served for a minimum of two years are given at least two weeks’ notice or two weeks’ salary, whereas employees in non-managerial roles who have served for a minimum of five years are given at least one month’s notice or one month’s salary. At least one month’s notice or one month’s salary will be given to an affected employee in a managerial position.

Other changes to employment arrangements, including changes in work shifts and work locations, are discussed amicably with the employee before an agreement is reached.

97.6% of total employees are covered by collective bargaining agreements. The notice period and provisions for consultation and negotiation are specified in the collective agreements and are binding for three years. Both parties may negotiate a new collective agreement three months before the current agreement expires. For employees not covered by collective bargaining agreements, their working conditions and terms of employment are determined based on collective bargaining agreements that cover the other employees.

Rewarding Work Effort and Excellence

Our employees play a critical role in the success of our business. As such, we ensure that their effort, dedication and sacrifice are duly recognised and remunerated. In addition to providing our employees with a standard remuneration package which includes salary, medical benefits and annual leave among others, we have also committed to a profit-sharing scheme to further motivate them for their good performance.

We also reward our employees based on the following merits:

- Long service
- Innovation
- Making recommendations for new products
- Excellent service
- Reporting theft - Everyone is an effective “security officer”
- Workplace safety



Long Service Award

Mr Chye Ah Ong
40, Area Manager

“I joined Sheng Siong when I was 19 years old at a friend’s recommendation, right after I finished high school. I started as a stacker at the store. For the first few days, the thought of quitting did cross my mind as the work was really backbreaking. But I told myself to persevere for a while, and in a blink of an eye, I have stayed on for 20 years. The company culture is very unique; our bosses lead by example by working together with us on the ground, be it sweeping the floor, picking up the litter or checking on the stores personally.”

We always say Sheng Siong is like a school; you encounter people who guide you along and learn more than the skill-sets required at work. Everyone is given a pocket book - it is our silent teacher that teaches us to be grateful, honest and sincere in life. As one of the sayings in the pocket book goes, “When you do the small things right, everything would fall in place.””

Care for Our Employees A Responsible Employer

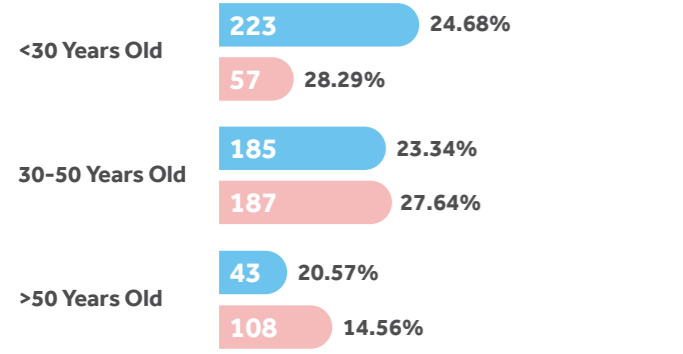
Total Number and Rate of New Hires by Age Group and Gender in FY2020 and FY2021

● Male ● Female

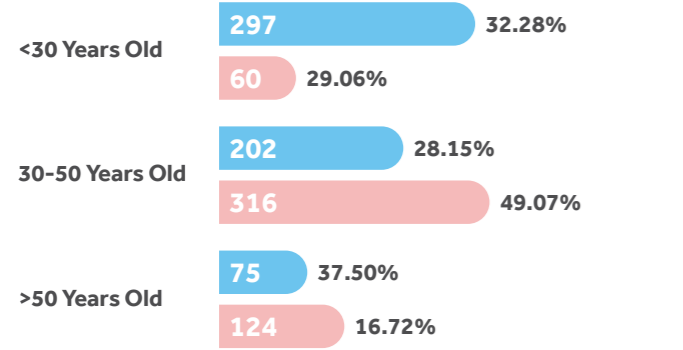
22.8%
OVERALL RATE OF NEW HIRES

VS. 31.3% IN 2020
VS. 40.6% IN 2019

2021



2020

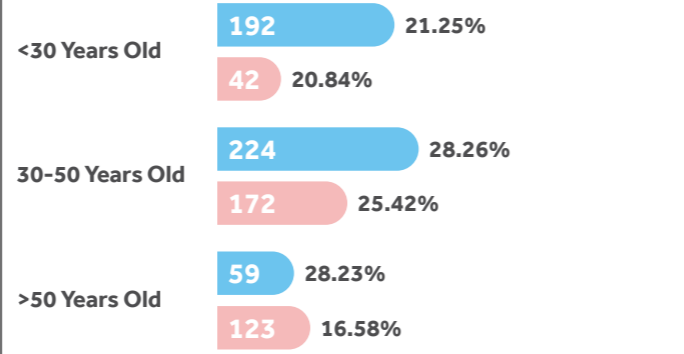


Total Number and Rate of Employee Turnover by Age Group and Gender in FY2020 and FY2021

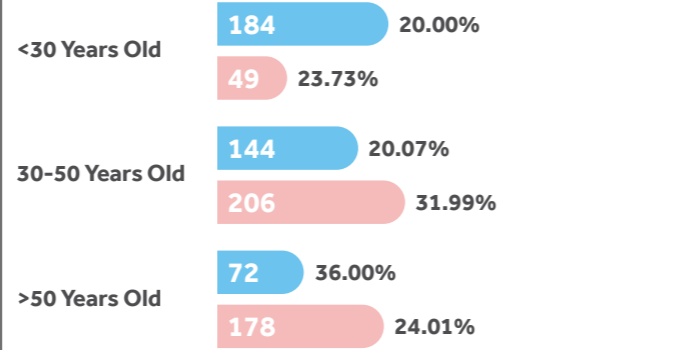
23.0%
OVERALL RATE OF TURNOVER

VS. 24.3% IN 2020
VS. 33.5% IN 2019

2021



2020



* In 2020, it was recorded that the rate of new female hires between 30-50 years old is 46.07%, which should have been recorded as 49.07%. This was due to a typo error.

Staff Training

New employees are welcomed into Sheng Siong through a one-day orientation programme. Due to the nature of our business, strong emphasis is placed on on-the-job training. This remains a key feature of our training method as learning through role modelling and experience promotes bonding among team members, allowing us to bolster our operational effectiveness. We assess the skills and performance of our employees on a regular basis and are quick to share learning points with all employees via our communication channels. We also deliver bite-sized training content via daily staff briefings and monthly meetings with store managers and heads of departments.

The rapid expansion of the Group, coupled with a tightened immigration policy, has resulted in a persistent manpower shortage since 2018. During the COVID-19 pandemic, this manpower shortage was further exacerbated by periodic surges in consumer demand. As such, while we remain committed to unlocking our employees' potential through various up-skilling programmes, we were unable to send our employees for continuous sessions of formal training without compromising on our core business functions.

Nevertheless, we are currently in the process of refining our training approaches on our online training platform, allowing employees to access more engaging training content and learn on-the-go. To complement our online training programmes, we have designed and constructed a training supermarket located in our HQ and distribution centre. While the training supermarket was also meant to be operational for customers, this was not possible due to COVID-19 movement restrictions. The supermarket has since been used as a dark store to fulfil e-commerce orders and will be utilised for training as well.

Our employee upgrading courses include the following:

- Management Trainee Programme
- Ongoing Product Knowledge Workshops
- First-Aid
- Workplace & Fire Safety
- Food Safety & Hygiene
- Cybersecurity & Awareness
- Others



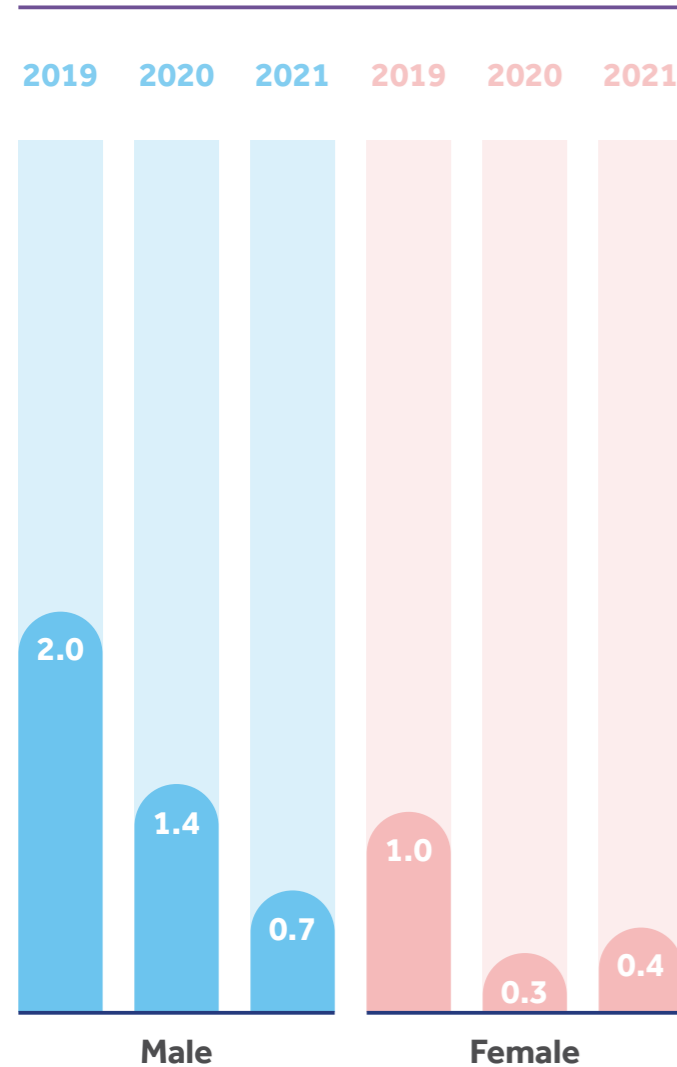
Mr Siew Kae Yaw
36, Store Manager

"Last August, I underwent training to perform the role of a supervisor for employer supervised self-swab (ESSS) as part of the requirements. As a store-in-charge responsible for the well-being of my team and customers, the supervised self-swab training had provided greater clarity on the preparation, procedures and safeguards required to ensure the testing activity was carried out in a safe and accurate manner.

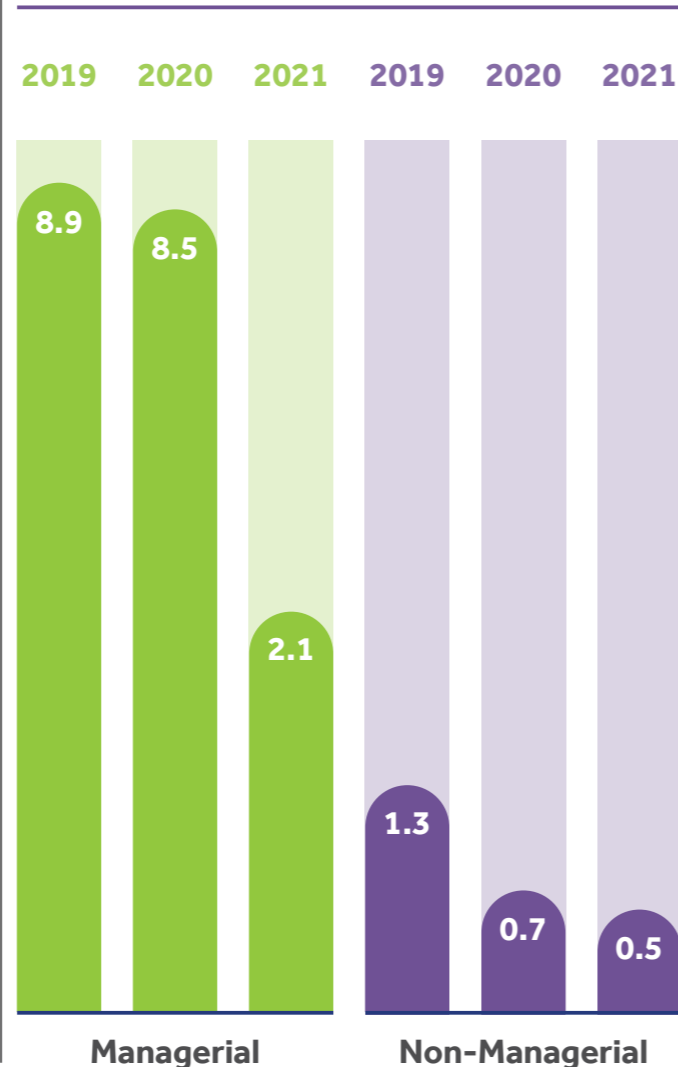
The training had been very informative and gave us the confidence in responding to various situations. When a positive result turned up, we could handle the situation calmly by following the procedures we learnt. Although the safe management measures have eased, the knowledge is still practical and applicable as we should always stay prepared."

Care for Our Employees A Responsible Employer

Average Training Hours¹ Per Employee by Gender



Average Training Hours¹ Per Employee by Employee Category



¹ On-the-job training hours are not included.

Workplace Safety and Health

Our Workplace Safety and Health (WSH) management system is developed based on our risk assessment and covers all our employees, business activities and locations. The last workplace risk assessment was conducted in 2021. We established a Workplace Safety and Health Committee in accordance with the Singapore Workplace Safety and Health Act, ensuring our full compliance with relevant legislation. Additionally, we developed an Emergency Response Plan (ERP) and established a Company Emergency Response Team (CERT) to comply with the Fire Safety Act.

100% of our workforce is represented by two joint management-worker WSH Committees – one for our warehousing and distribution centre, and the other for our stores. The committees report to the Risk Management and Business Continuity Committee that is chaired by the Executive Director.

Each WSH Committee:

- Meets on a monthly basis to discuss matters related to WSH and fire safety.
- Conducts monthly workplace inspections and provides reports documenting the observations and recommendations on remedial actions required.
- Investigates and reports on accidents to recommend follow-up actions.
- Promotes WSH among colleagues.
- Collects feedback on WSH related issues from employees.
- Conducts regular WSH related training and staff briefings.

We have been working with a professional WSH consultant since 2015 to advise us on our Group's WSH related issues. Regular review meetings are also conducted with our insurance brokerage firm, who also provides advice on risk management.

Based on an analysis conducted in 2021, the most common causes of our workplace injuries include:

- Cut or laceration – 43.8%
- Hit by/against objects – 18.8%
- Slip/Fall – 16.3%
- Over-exertions – 11.5%
- Others – 9.6%

Safety Performance in 2021

	2019	2020	2021
No. of fatalities	0	0	0
*No. of workplace accidents per 100 employees	7	8	9
*No. of accidents involving customers per million transactions	2.72	6.94	8.09
No. of motor accidents per 100 delivery trips	0.028	0.020	0.014

* These data include all internally reported cases and minor first aid cases.

At Sheng Siong, we prioritise the safety of our employees and strive to safeguard their wellbeing. To minimise workplace injuries, we incorporated anti-cut gloves and safety shoes as part of our mandatory uniform and organised training sessions to coach our employees on proper ergonomic practices when lifting heavy objects. Despite our continued efforts to improve workplace safety, we recorded an increase in the number of workplace accidents. Nevertheless, we observed an overall reduction in incident severity, affirming the effectiveness of our workplace safety measures.

Regrettably, due to higher footfall in our stores, the number of accidents involving customers has risen as well. Of these incidents, more than 50% involved customers slipping on wet floors during periods of intense rainfall, or tripping over unattended shopping baskets. There were also more incidents of customers falling on travellers. Following these accidents, remedial actions have been swiftly identified and implemented to prevent recurrences. For instance, we increased the frequency at which we dry our floors, slow down our traveller speeds, and use our in-store public announcement system to remind customers to be mindful of potential hazards. To maintain a safe shopping environment for our customers, we will continue to work closely with our Safety Consultant to hazard-proof our retail area and train our colleagues in workplace safety.

As part of our commitment to workplace safety, all employees are also encouraged to report potential WSH hazards through our feedback box. Our whistle-blowing procedure allows our employees to anonymously raise their concerns in confidence and remain protected against reprisals.

Care for Our Employees A Responsible Employer



While our sub-contractors make up less than 1% of our workforce, they are similarly required to comply with our WSH policies. To facilitate the flow of feedback, the management of our sub-contractors can contact our Group's senior management directly when raising concerns. Moving forward, Sheng Siong will continue to explore possible areas of collaboration to strengthen workplace health and safety across its supply chain.

Non-Compliance

In 2021, the Group received one warning and two fines. Of these fines, one was a non-significant monetary fine, whereas the other was a S\$4,000.00 fine that was imposed by the Ministry of Manpower (MOM) for failing to update the residential address of several employees. Both offences have been corrected immediately and we have since ensured that the details of all our foreign employees are updated in MOM's register.

To go beyond compliance, we actively identify gaps in our risk management procedure, especially with regards to the safe use of equipment. We continue to work closely with our partners and consultants to train our employees and conduct necessary audits, ensuring our full compliance with safety procedures. Whenever incidents occur, affected employees will be briefed again on relevant safety procedures. Lessons learnt are also shared during staff briefings, encouraging everyone to follow established safety procedures.

Workplace Safety Training & Education

Every year, we conduct two refresher training sessions on the use of forklifts and electronic power jacks at our distribution centre. We also continue to provide training sessions in:

- First Aid
- Fire Safety
- Emergency Response

A group sharing channel has also been established to send regular safety reminders, share best practices on workplace safety, and promote learning from accidents that have occurred within the Group.

Providing More Healthcare Benefits

The medical benefits we offer to our employees include reimbursements for medical consultation fees charged by government polyclinics or hospitals. Employees who face financial difficulties and chronic medical conditions may also apply for financial assistance from us.

Throughout the COVID-19 pandemic, we also distributed gloves, face masks, face shields and hand sanitisers to our employees to protect them against the transmission of COVID-19. Every year, our founders also distribute medical devices such as electronic toothbrushes and massage pads to our employees to promote preventive care and healthy living.

Care For Employees

To ease the rising cost of living and encourage our employees to eat more healthily, we introduced a staff purchase scheme in 2017 for groceries and fresh produce at our stores. Last year, benefits amounting to more than S\$526,000 were disbursed to employees through the scheme, a slight decrease of 1.95% as compared to 2020.

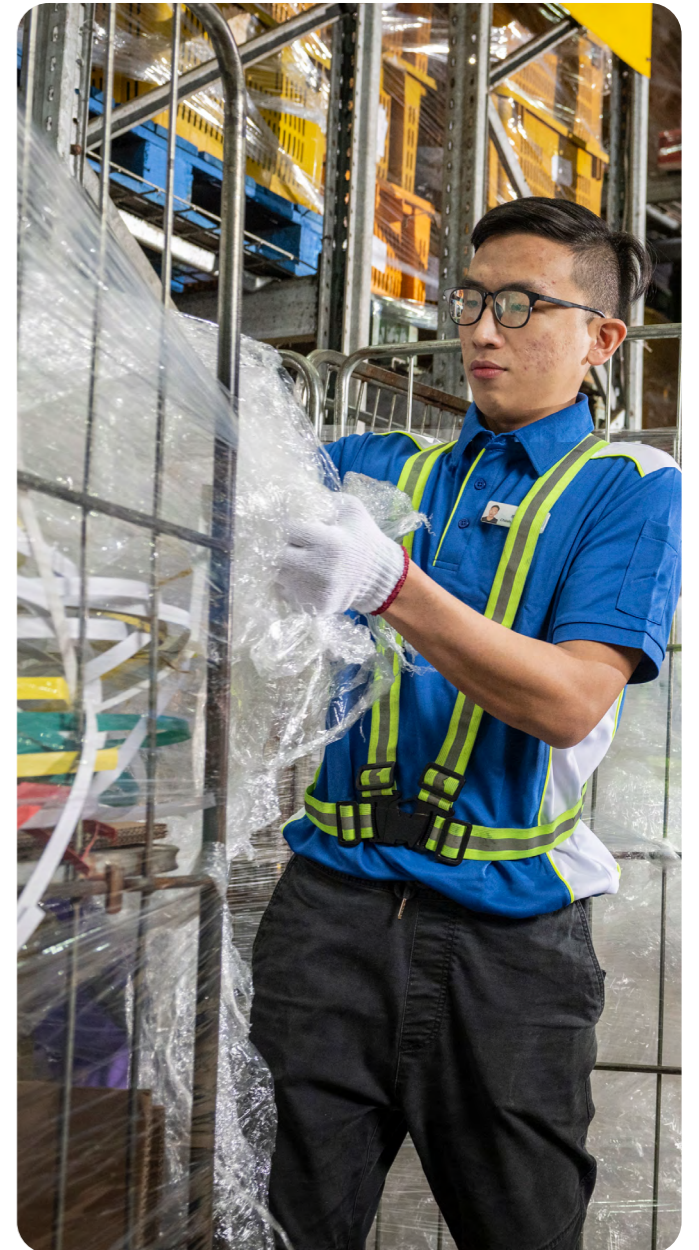
Other employee benefits that promote work-life balance and a pro-family culture include:

- Annual family day
- Family care leave
- Marriage leave and a congratulatory gift that is given to eligible staff for their wedding or honeymoon
- A new-born care package that is presented to female employees and the wives of our male employees
- Bereavement contributions to employees who have lost loved ones
- Flexi-work arrangements where employees are allowed to take half-day leave. Employees are also given flexibility in work-time arrangements as required.

This year, another 46 employees received their long service award for 20 years of service to the Group.

Sustainable Employment Pledge

As employers, we recognise our duty to treat our employees with fairness, dignity and respect. As such, we pledged our commitment to sustainable employment when we joined the Singapore Business Federation in 2019, ensuring that we make purposeful and meaningful steps towards better employee welfare.





Care for the
Community
Care for Our
Home

Care for the Community Care for Our Home

Giving Back to The Community

Supermarkets are spaces where the community gathers. As such, we believe that we have an important role to play in promoting community spirit, racial harmony, and neighbourliness. Beyond promoting camaraderie among neighbours, we believe we have a duty to support conversations that matter to our community and the environment.

Sheng Siong gives back to the local communities where we operate by supporting our employees and their families as well as contributing to community initiatives organised by NGOs, educational institutions and our suppliers. Our approach to community contribution and philanthropic activities are in line with our core mission of value creation for our stakeholders. In 2021, the Group contributed a total of S\$17,888 to our various community initiatives. While this may not seem like a significant amount, these donations were supplemented with a variety of in-kind resources such as retail space, time, effort, and labour.

As COVID-19 related restrictions were still in place, only a limited range of activities were allowed to be carried out at our retail stores. Hence, we could only organise a handful of campaigns in 2021. Nevertheless, we are pleased to have supported the following initiatives:



Red Cross Project R.I.C.E.+

Since 2012, we have been collaborating with the Red Cross Youth on an annual basis to collect hampers of food, toiletries and household items from our customers for donation to underprivileged households. Over 9 years, more than 179,000 hampers – worth approximately S\$1.59m – have been gathered and donated to low-income households. In 2021, 22,905 hampers were collected and donated. With safety measures in place, we assisted in preparing the hampers for distribution to beneficiaries from skipped-generation families, single-parent households, low income households, elderly and migrant workers. We strongly believe that we can do good together with our valued customers and partners.



Supporting People with Disabilities

Since July 2012, we have been collaborating with SPD, a Singapore charity that helps people with disabilities, to arrange the placement of donation boxes at our stores. In 2021, SPD has placed 31 donation boxes at 21 Sheng Siong stores, helping them to raise close to S\$40,000 for their cause.

Support for World No Tobacco Day

Since 2015, Sheng Siong has voluntarily supported the “World No Tobacco Day” by suspending tobacco sales once a year on the 31st of May.



Appreciation for Frontline Workers

The “Public Transport Workers’ Appreciation Day” (PTWAD) was organised by the Land Transport Authority (LTA) in partnership with the National Transport Workers’ Union (NTWU) and the four Public Transport Operators (PTOs) to recognise and celebrate the contributions of 23,000 public transport workers. In support of PTWAD, we showed our appreciation by offering a 3% special discount to public transport workers between 1st November to 31st December 2021. Over S\$7,000 was disbursed to public transport workers through this discount scheme.

Budget 2020 Vouchers



Helping with Rising Cost of Living

While we strive to keep our essential products as affordable as possible, we also believe in extending additional aid to vulnerable groups in the community. In 2021, we extended our special 3% senior citizen discount programme (given out on every Wednesday for seniors aged 60 years and above) for another year.

The Merdeka Generation discount programme was also launched in 2019 to show our support and appreciation for their contributions towards Singapore’s development. The programme offers this group of seniors another 3% discount on every Tuesday of the week. As seniors are more susceptible to COVID-19 and were encouraged to stay at home during the lockdown period, we made an exception to allow their family members to enjoy these special savings when they purchased groceries on their behalf. The total discount provided under the two programmes was about S\$3.2 million in 2021, as compared to S\$2.8 million in 2020.

Sheng Siong is one of the major supermarkets to accept grocery vouchers given to low-income Singaporeans. The vouchers were distributed as part of the Care and Support Package rolled out for Budget 2020, aimed at helping less well-off Singaporeans with their household expenses during this period of economic uncertainty. To promote healthy living among the beneficiaries, we further supported the programme by offering a 5% discount off all Healthier Choice Symbol (HCS) products, capped at 5% of voucher value. The total discount provided in 2021 was about S\$60,000.

Care for the Community Care for Our Home

Education Grants for Lower-Salaried Employees' Children

As part of our commitment towards community development and education, we established our Annual Education Grant in 2013 to help our lower-salaried employees offset the cost of their children's education. The Annual Education Grant is fully paid for by the three founders of the Group, who are also our major shareholders. Last year, we disbursed a total amount of S\$532,800 to 649 children.

Philanthropic Contributions

Our three founders remain committed to supporting the philanthropic activities of the Group and have contributed to many causes over the years. In 2021, they have made contributions in the name of Sheng Siong to:

- ALittleChange – ALittleCare Package programme
- Ang Mo Kio Family Service Centre - Project Pilih Pilih
- Asian Medical Foundation (AMF)
- Heartware Network
- Industrial & Services Co-operative Society Ltd (ISCOS) – Gift of Hope programme
- ISCOS ReGen Fund - Bursary Awards and Book Grants, Steady Growth Initiative
- Kampung Senang Charity and Education Foundation
- President's Challenge 2021
- RLAH Humanitarian Aid for Gaza Campaign
- Silent Heroes Award
- Singapore Clay Festival
- The Speak Mandarin Campaign Family Talent Competition



Children's
Education
Grant

Mdm Nurlisa Binte Hazali 37, Cashier

"I chanced upon the recruitment advertisement at the store and went in to interview as a cashier. It has been five years since I joined Sheng Siong and three of my children have been receiving the education grant every year. My eldest daughter is in ITE and my two sons are in secondary school. Last year, they received \$2800 in total for the education grant.

The education grant has been a great help, especially three years ago when I was going through a divorce. My salary was not enough for the family and the education grant helped the kids in buying their school books and uniforms, and we would save the rest.

I have started a new family since with two young toddlers in tow and another baby on the way. I hope to continue with my job. The older kids mentioned that they are very happy and hope I work at Sheng Siong forever."



Heartwarmers Volunteer Group

Since 2017, we have provided support to Heartwarmers Volunteer Group's ground-up initiative called "Project 100=50". The project involves a series of pop-up supermarket events each month where selected beneficiaries from lower to middle income families can purchase products with a subsidy from Heartwarmers at \$50 or 50% of the total bill, whichever is lower. Compared to an in-kind donation scheme, "Project 100=50" empowers families to buy their own products with a subsidy, preventing situations in which families receive donated products that they might not be able to use.

This project started in 2017 as a collaboration by Heartwarmers with Henderson-Dawson CCC, Nee Soon Central CCC and Sree Narayana Mission (Singapore), with strong support from Ms Indranee Rajah, Ms Joan Pereira and Prof Muhammad Faishal Ibrahim. The project has since expanded to include Tampines GRC CCCs, Kembangan-Chai Chee Social Team, Boon Lay CCC, Jurong Central CCC, Jurong Spring CCC, Keat Hong CCC, PCF Punggol West Foundation, Henderson-Dawson, Tanjong Pagar-Tiong Bahru CCC and Queenstown Grassroots Organisations.

Sheng Siong supports each pop-up supermarket event by supplying products, setting up booths, and providing shopping trolleys, baskets, fridges, and shopping bags. Beyond arranging the logistics of these events, our colleagues also joined other volunteers as event helpers in overseeing booths and assisting beneficiaries with their shopping. In 2021, Sheng Siong had supported 27 such events. Our colleagues have contributed about 488 volunteer hours at these events.



Creating Job Opportunities for MINDS' Trainees

Since 2014, we have collaborated with the Movement for the Intellectually Disabled of Singapore (MINDS), offering their trainees a chance to work in the food retail industry. Every year, we host 10 beneficiaries from MINDS. These beneficiaries get the opportunity to gain first-hand experience working at our vegetable packing department. They work alongside our staff, dine with us at our canteen and are also invited to our company's annual family day event to socialise with our employees. We continue to support the programme today.



Care for the Community Care for Our Home



Managing Our Supply Chain and Meeting Customers' Needs

As Singapore has a limited agricultural base, we must import our food sources from a diverse range of countries to ensure our national food security. Accordingly, Sheng Siong's supply chain is long and complex, involving an intricate and interlocking web of relations between farmers, manufacturers, local distributors, concessionaires, importers, and exporters from many countries. Given our need to maintain a diverse supplier network and offer our communities an affordable range of products, screening our suppliers with strict ESG criteria without substantially compromising on product availability and cost remains challenging.

Nevertheless, we strive to meaningfully overcome this challenge by working with suppliers with good business track records, having regular dialogues with key suppliers, and visiting suppliers' offices, factories, and farms to observe their ESG practices. Additionally, our purchasing agreement also requires our suppliers to comply with Singapore's regulations on food safety, product labelling, and intellectual property rights.

We seek to continuously improve the procedures by which we select our suppliers and products. We are also encouraged by the global movement towards sustainability, noting that Enterprise Singapore has initiated the Enterprise Sustainability Programme to support local companies, especially SMEs, to build capabilities and integrate sustainability into their businesses. We recognise our ability to influence our supply chain and are committed to do so positively within reasonable means.

The success of our business is primarily driven by meeting the demands of our customers; it is therefore imperative to understand and respond to their evolving needs. While consumer preferences continue to be in flux, the security and reliability of food supplies remain a constant concern for our customers. As such, we enshrined supply chain resiliency as a key part of our sourcing fundamentals. To fortify the resilience of our supply chains, we aim to foster strong and enduring relationships with our suppliers, diversify our food sources, and integrate local produce into our food supply.

Our Group has also adopted a direct sourcing strategy, especially for our fresh food category, to remain competitive and create greater value for our shoppers. This has not only shortened the supply chain and yielded cost savings, but also helped us to gain better oversight over food quality, food safety and food security issues.

In 2021, we worked with over 1,300 local and international suppliers, where 88.5% of them are locally registered companies and represent about 93.6% of our total purchases. We support our locally registered suppliers by improving communications and business administration procedures through our suppliers' portal and bulk handling of their products. In 2020, we also joined the SkillsFuture Queen Bee (SFQB) project, where Sheng Siong serves as an anchor company to support the training and development needs of SMEs, empowering them to achieve business growth and transformation. As we continue on our journey, we also hope to share our sustainability experiences and inspire our partners and suppliers.

Local Supplier



Best known for the SōngHè and RiceField brands, Tong Seng Produce Pte Ltd is a well-established local rice importer and food commodities distributor since 1990. Over the past three decades, Tong Seng has taken its dedication for quality staples to another level by establishing Singapore's first and only chilled warehouse for rice storage.

Tong Seng's commitment to customers' assurance in its products manifests in its mantra of "Good Man, Good Deeds, Good Rice", as they have gone beyond its rice business to encourage altruism. They also work diligently to ensure that supermarkets, hawker stalls, restaurants and homes are well-stocked with quality cooking staples.

Recently, Tong Seng has also signed an exclusive distributorship with Alchemy Fibre, to make Alchemy Fibre For Rice available in our supermarket chain. This plant-based fibre blend helps people to enjoy white rice healthily, as it lowers the glycemic index for rice while increasing the fibre content to 10x that of white rice.

In the same innovative and people-centric spirit, Tong Seng joined Sheng Siong's SkillsFuture Queen Bee programme to acquire skills to grow their business and upskill its employees.

"We see the SkillsFuture Queen Bee programme as an opportunity to complement Tong Seng's ongoing business transformation. As we upgrade and automate our systems, we need to upskill staff to perform higher-value work, reduce physical work where possible, and also retain our mature workers at the same time. Sheng Siong's transformative journey has inspired us to put people at the heart of any transformation, digital or otherwise. Excellence is a continuous process, and we're committed to serving the community. Starting with the goodness of a single grain of rice, Tong Seng will strive for a sustainable food culture for generations to come."

Ms Ally Ng
Marketing Director, Tong Seng Produce Pte Ltd

[1] White jasmine rice with Alchemy Fibre™ For Rice is tested Medium Glycemic Index (same range as brown rice) by Sydney University of Research Services.
[2] Based on rice cooked according to package instructions and dry weight.

好人好事好米

Good Man • Good Deeds • Good Rice



Care for the Community Care for Our Home

Supporting Local Farms

Recognising the importance of strengthening food security amidst climate change, the Singapore government announced its target to produce 30% of Singapore's nutritional needs locally by 2030 in the 2019 Budget. While efforts to do so have already been underway, the severity of supply chain disruptions experienced during the COVID-19 pandemic have accelerated their momentum.

As part of our commitment to enhancing food security, we continued to support local vegetable farmers such as Quan Fa Organic Farm (全发有机农业), Yili Vegetation & Trading Pte Ltd, Kin Yan Agrotech Pte Ltd, Sunrise Greens Marketing Pte Ltd and local egg farms such as Chew's Egg and Seng Choon Farm, by carrying and promoting their products in-store. In 2021, we further expanded our product range by introducing produce from Sustenir Agriculture (Singapore) Pte Ltd, and Vegeponics Singapore Pte Ltd.

We hope that the presence of local produce in Sheng Siong's mass market distribution channels will help encourage venture capital firms to support farms in Singapore, allowing local farmers to build a strong brand of safe, high quality, and affordable locally-produced vegetables.

Sustainable Sourcing

We recognise that a sustainable future can only be realised if we play our part to positively influence the production and supply of goods and services. Given the urgency of issues such as climate change, resource conservation and sustainable labour practices, we are committed to promoting sustainability and resilience along our value chain. We will continue to practice diversification in our sourcing strategy and intend to enhance our purchasing policies to address our material topics with our suppliers. We are mindful of our customers' needs, and while we strive to source more sustainably, it is our goal to continue to ensure that our products and produce remain affordable and competitively priced.

Raising awareness about sustainability among consumers is key to driving behavioral changes. While Sheng Siong works towards introducing and carrying a wider range of sustainable products that are plant-based, RSPO-certified and reduced packaging-certified, the demand for these products is still very much consumer-driven. As such, Sheng Siong will continue to monitor and expand its product range to grow consumer interest in sustainable products, all while ensuring that its customers' basic needs are met.

To demonstrate our commitment to sustainable sourcing, 95% of our housebrand paper products are either certified under the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). We also carry cage-free eggs and a selection of sustainable seafood as shown in the table below.

Our Selection of Sustainable Seafood

Seafood Type	Certification
Fresh Norwegian Salmon	GLOBAL G.A.P., Global Sustainable Seafood Initiative (GSSI)
Frozen Norwegian Mackerel	Marine Stewardship Council (MSC)
Live Boston Lobsters	Marine Stewardship Council (MSC)
Live Oysters	Ocean Wise Seafood Programme
Frozen Shrimp Paste	Aquaculture Stewardship Council (ASC)
Frozen Golden Pompano	Best Aquaculture Practices (BAP)
Frozen Toothfish (Dissotichus Elegionides)	Marine Stewardship Council (MSC)



The Community Partnership Award 2021 was given to our Tanglin Halt store in appreciation of the store's strong partnership and contributions to deter shop theft.



Let's Fight Scams

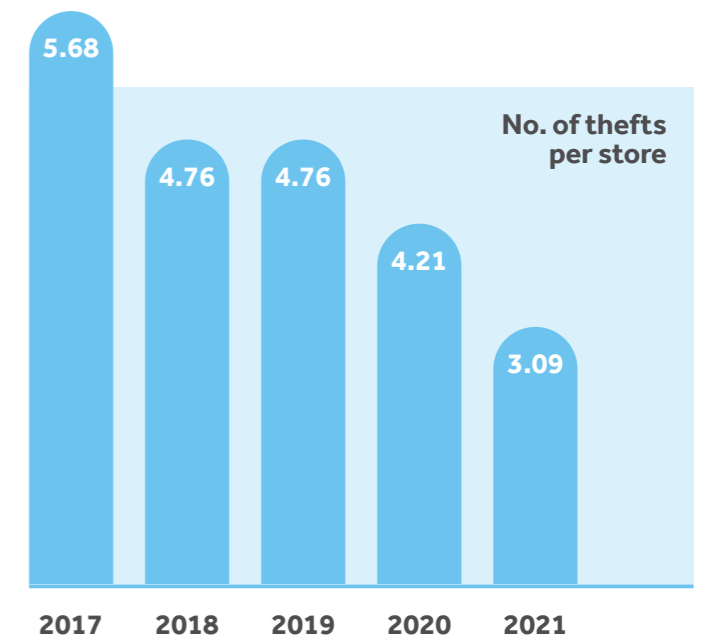
Singapore reported an increase of 52.9% in scam cases, which made up 51.8% of the overall crime in 2021¹, up from 42% in 2020. The top ten scams included e-commerce scams and social media impersonation scams. Sheng Siong was a victim of various social media impersonation scams, where our brand was used to phish for netizens' personal information or money.

Since 2018, we have collaborated with the National Crime Prevention Council (NCPC) to provide anti-scam and crime prevention training for staff. We have also put up posters at all outlets to alert customers on the latest scams. Any incidents are reported to the Singapore Computer Emergency Response Team (SingCERT), part of the Cyber Security Agency of Singapore. In addition, we update our social media sites on a timely basis to inform netizens of circulating scams, and encourage the public to only trust information from our official website and social media accounts.

Safe, Quiet and Clean Neighbourhoods

We continued to work closely with the Singapore Police Force to deter shop thefts. Sheng Siong supermarket employees wear vests bearing the words "SHOPWATCH. May I help you?", signalling their commitment towards theft deterrence. These vests are also a non-intrusive way for us to offer assistance for our customers' shopping needs, thus promoting quality customer service. We have also upgraded our CCTV monitoring system to enhance our surveillance capabilities.

Beyond tightening security in our stores, we worked closely with town councils to reduce noise pollution by restricting our food delivery times. Special delivery arrangements were made to ensure that store deliveries were carried out at appropriate timings, and that extreme care is taken during loading and unloading with the use of noise-reducing equipment such as noise-absorbing pallet jacks to mitigate any disturbances. In 2021, a total of 19 instances of feedback were received on noise disturbances. All feedback was reviewed and addressed immediately.



¹ Source: Annual Crime Brief 2021, Singapore Police Force



Care for the Environment
Conserving Resources



Care for the Environment Conserving Resources

In 2016, Singapore joined 170 other countries in signing the Paris Agreement to combat climate change. Three years later, the Zero Waste Masterplan was launched, mapping out Singapore's key strategies to build a sustainable, resource-efficient and climate-resilient nation. These sustainability efforts were further consolidated under the Singapore Green Plan 2030, which seeks to tackle climate change and strengthen Singapore's commitments under the UN's 2030 Sustainable Development Agenda and the Paris Agreement by rallying bold and collective action.

As a supermarket retailer in Singapore, Sheng Siong has a responsibility towards advancing the Green Plan and the country's goal of becoming a Zero Waste Nation. Resource conservation is more than just a cost-saving measure for our organisation; rather, it serves as an extension of our duty to our nation and planet.

As such, we are conscious of our resource use and practice the 3Rs of 'reduce, reuse, recycle'. We would like to share our progress in transforming our business to be more resource-efficient and environment-friendly.

Reducing Our Carbon Footprint

Improving Energy Efficiency

A key milestone for Sheng Siong in our business development is the completion of our distribution centre (DC) in 2011. Centralising our distribution operations enhanced our bulk handling capacities, reducing the daily number of trips our suppliers had to make from 50-60 to 5-6 deliveries for each store. In turn, we were able to reduce our greenhouse gas emissions associated with the transportation of goods.

Our DC is also outfitted with several features that work in concert to reduce our environmental impact. For instance, our DC has a rainwater recovery system to harvest rainwater, a cold storage heat recovery system to minimise energy loss, and a 100% LED lighting system to reduce our electricity consumption. Taken together, these features earned us the BCA Green Mark Compliance for eco-friendly buildings. In addition, our DC has been upgraded with efficient inventory and distribution management systems, allowing us to exercise better control over our logistics operations and further reduce our environmental impact.

Beyond minimising the environmental impact of our distribution centre, we strive to minimise the energy used by our delivery vehicles and stores. As such, we established a fleet replacement policy to select vehicles that comply with the National Environment Agency's requirement for all new diesel vehicles to meet the Euro VI emission standard. As of 2021, Sheng Siong owns a fleet of 82 delivery vehicles.

To minimise energy use, all our 64 stores have also been fitted with LED lights. As LED bulbs use only a third of the energy used by fluorescent lights, they potentially reduce our lighting energy consumption by up to 80%.

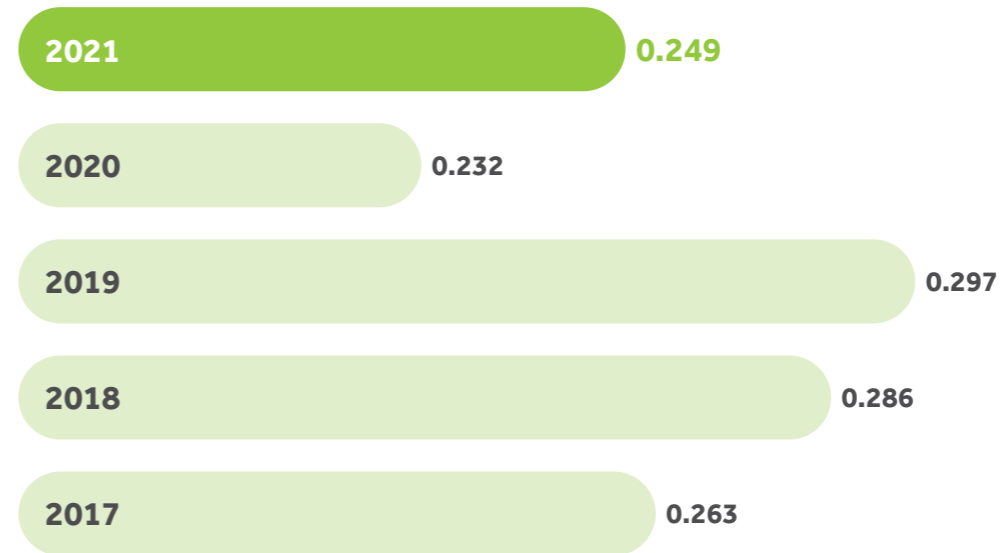
Using Solar Energy

Sheng Siong is an early adopter of renewable energy in Singapore and a recipient of the Singapore Economic Development Board (EDB) Solar Pioneer Award in 2013. The photovoltaic (PV) system installed on the rooftop of our Mandai Link Distribution Centre consists of panels occupying an area of about 11,000 square metres. Upon commissioning in 2014, the installation was the largest single PV system in Singapore with a capacity of 1.2 MWp (megawatt-peak). In 2021, our PV (Solar) system supplied about 9.4% of our total energy usage at our distribution centre, compared to 10.2% in 2020. The decrease was due to a lower solar energy yield in 2021 as well as a higher business volume, which resulted in an increase in energy consumption.



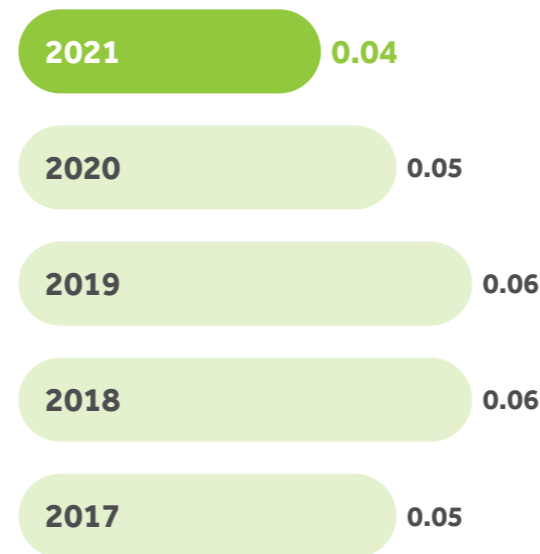
Energy Intensity

(Megajoules per \$ revenue)



Greenhouse Gas Emissions Intensity

(kg CO₂e per \$ revenue)¹



¹ Both Scope 1 and Scope 2 emissions are included in the intensity ratio.

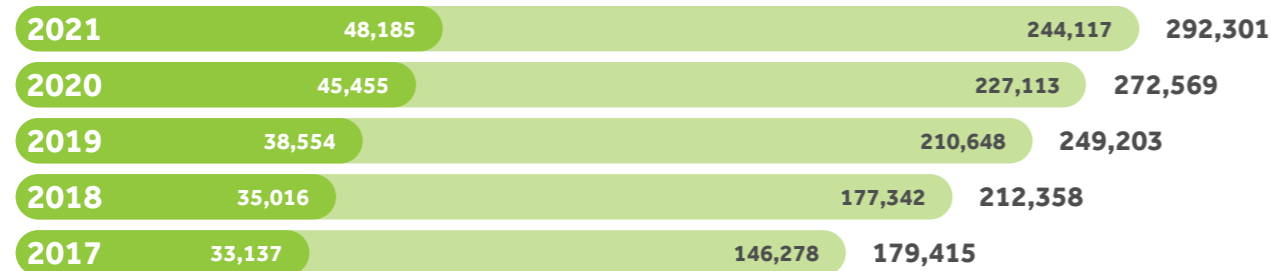
Care for the Environment Conserving Resources

Energy Consumption within Sheng Siong (gigajoules)¹

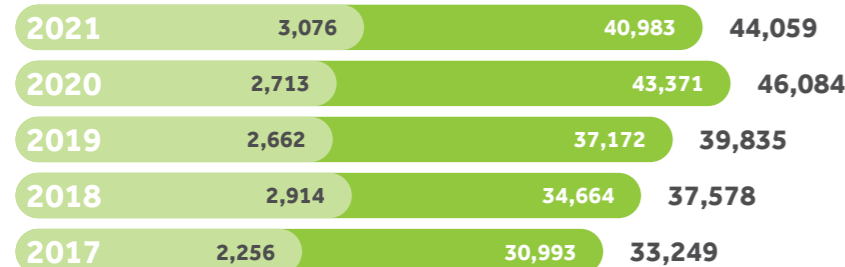
- HQ - Mandai Link HQ cum Distribution Centre
- SN - Store Network

Non-renewable:

Electricity Grid Consumption²

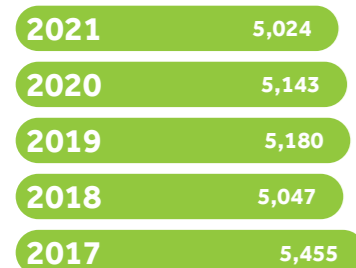


Fuel Consumption³



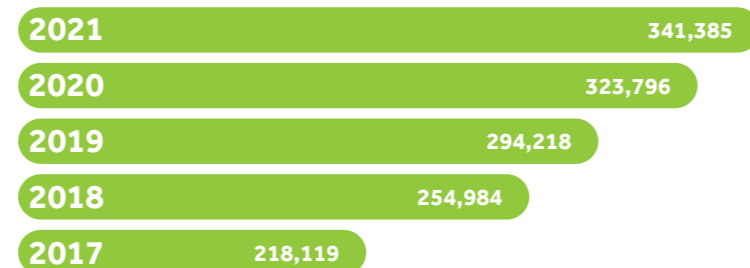
Renewable:

PV (Solar) System⁴



Total Energy:

Total Energy Consumption



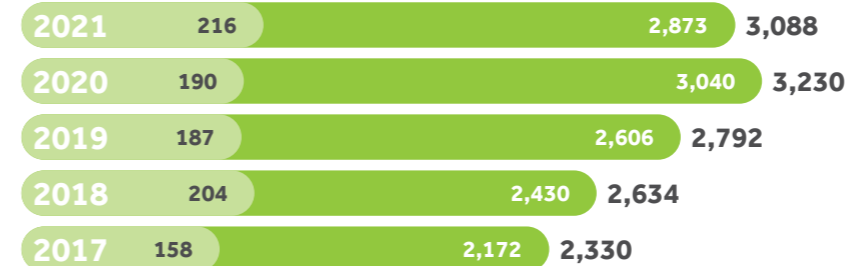
1 Source: https://www.eia.gov/energyexplained/index.cfm?page=about_energy_conversion_calculator
 2 Data on energy consumption is collected through monthly utility bills.
 3 Sheng Siong Group's own fleet of delivery trucks.
 4 A monitoring system is installed with our PV (Solar) system.

Greenhouse Gas Emissions (tonnes of CO₂e)

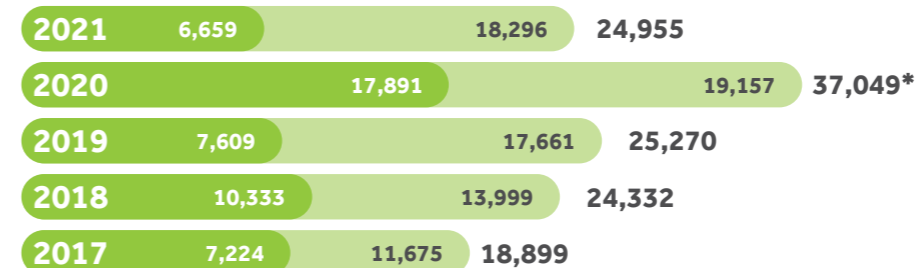
- HQ - Mandai Link HQ cum Distribution Centre
- SN - Store Network

Direct Emissions (Scope-1):

Via Diesel Fuel¹



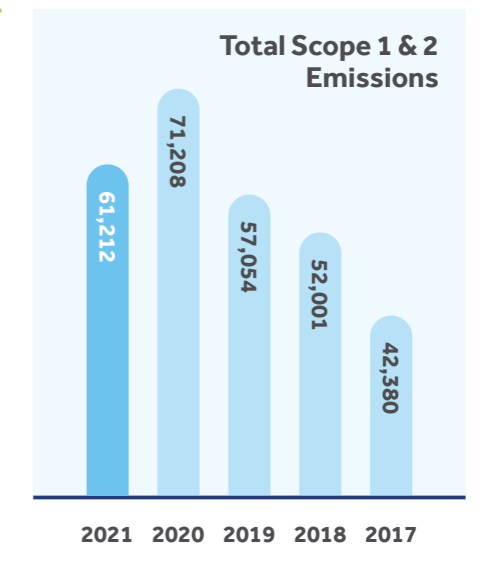
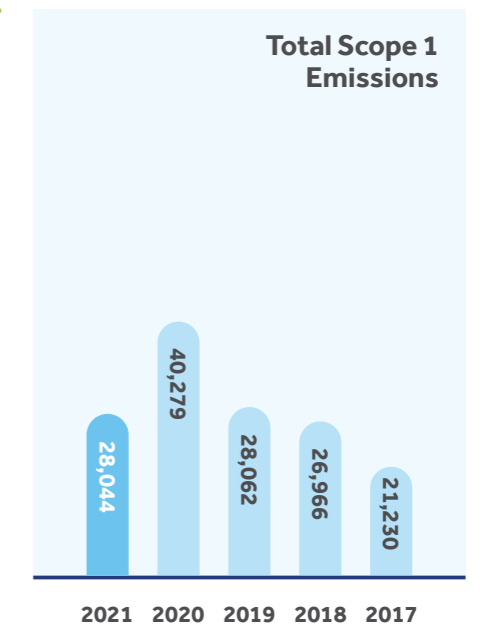
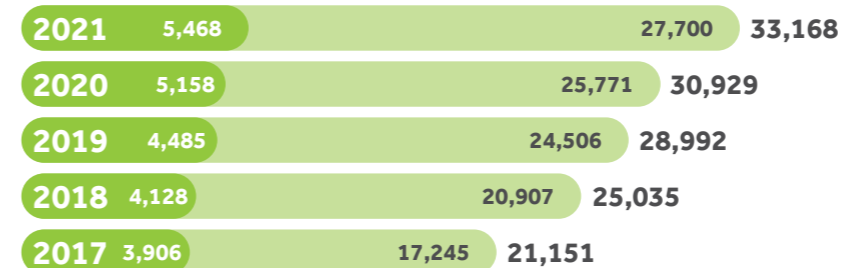
Via Refrigerant²



* A larger volume of refrigerant was used because of the opening of new stores and the completion of our warehouse extension, which consisted of more chiller rooms.

Indirect Emissions (Scope-2):

Via Purchased Electricity³



1 Source: https://www.eia.gov/environment/emissions/co2_vol_mass.php
 2 Source: <https://www.epa.gov/sites/production/files/2015-07/documents/fugitiveemissions.pdf>
 United States Environmental Protection Agency, Greenhouse Gas Inventory Guidance Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases Nov 2014
 3 Source: <https://www.ema.gov.sg/singapore-energy-statistics/Ch02/index2>
 Electricity Grid Emissions Factors and Upstream Fugitive Methane Emission Factor
 Scope 2 emissions are location-based.

Care for the Environment Conserving Resources

Managing Our Waste

About 6.94 million tonnes of solid waste was generated in Singapore in 2021¹. Considering such staggering volumes of waste, it is unsurprising that Singapore’s only landfill, Semakau Landfill, is expected to be fully filled by 2035. As such, one of the targets set under the Singapore Green Plan 2030 is to achieve a 20 per cent reduction in the volume of waste sent to landfill per capita per day by 2026 in order to extend the lifespan of the landfill.

At Sheng Siong, we practice the 3Rs of ‘reduce, reuse, recycle’ in the management of both resources and waste generated by our supply chain and business operations.

Flowchart of key business activities and waste generation within our value chain



Recycling and Reducing Our Waste

We carefully sort our waste for recycling. The waste we generate during transportation includes tertiary packaging such as carton boxes, wooden pallets, and stretch film. Prior to delivery, we compact the carton boxes collected from our stores with a paper-compacting machine, allowing us to deliver more boxes to the recycling plant. Apart from carton boxes, we also recycle food waste, plastic, wooden pallets, stretched film, Styrofoam boxes, cans and metals. In 2021, we generated 15,192 tonnes² of waste. Our overall recycling rate in 2021 is 80.4%³.

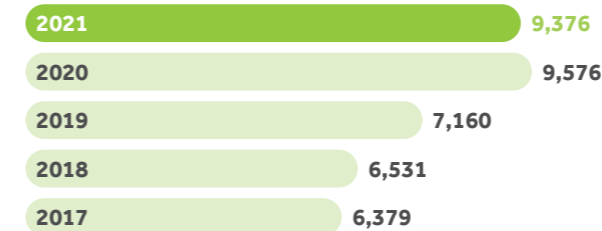
YEAR	2020	2021
Total waste generated (tonnes)	15,291	15,192
Overall recycling rate	79.7%	80.4%
Waste generated per \$ revenue (kg)	0.11	0.11

Where possible, some of our suppliers reuse plastic crates when supplying our fresh vegetables, fruits, seafood and eggs. We also collect the Styrofoam boxes used by our suppliers to transport temperature-sensitive products for internal use. Styrofoam boxes collected for this purpose are thoroughly washed and sanitised, whereas excess material is aggregated for recycling. Undamaged pallets used for the delivery of goods are also reused by suppliers for storage purposes.

¹ <https://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling>
² In 2020, it was recorded that the total waste generated is 16,291 tonnes, which should have been recorded as 15,291 tonnes. This was due to a typo error.
³ The formula used for calculating overall recycling rate is the total waste recycled divided by total waste generated (sum of total waste recycled and general waste disposed).

Quantity of Waste Recycled

Carton Materials (tonnes)

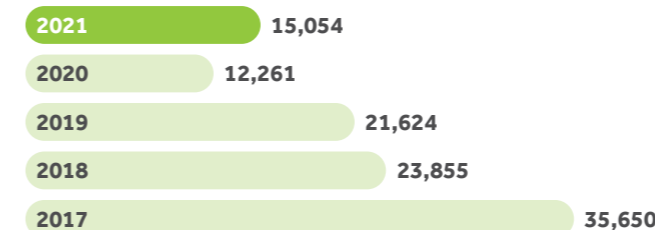


Styrofoam Box (tonnes)

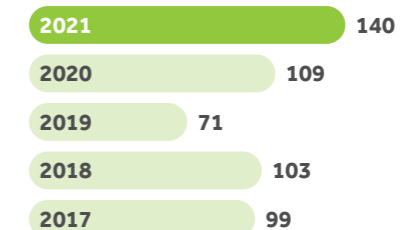


* The lack of demand by recyclers in 2020 resulted in the large decline in the quantity of Styrofoam boxes recycled.

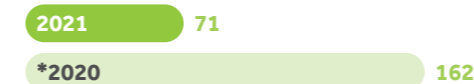
Rice Sacks (units)



Plastic Stretch Film (tonnes)



Wood (tonnes)



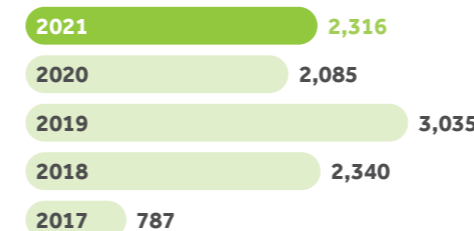
* While we have been previously reporting on “Wooden Pallets”, it was found that the data covered both wooden and plastic pallets at the point of recycling. This has been corrected and going forward, this category will only include recycled wood.

Plastic - Others (tonnes)

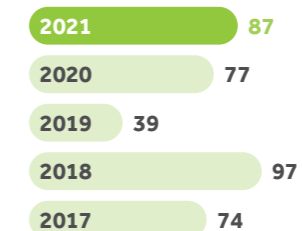


* Historical data is not included as we have changed the reporting category from “Plastic Crates/Baskets” to “Plastic - Others” which covers plastic pallets, plastic crates/baskets and others.

Food Waste (tonnes)



Metal (tonnes)



E-Waste (tonnes)



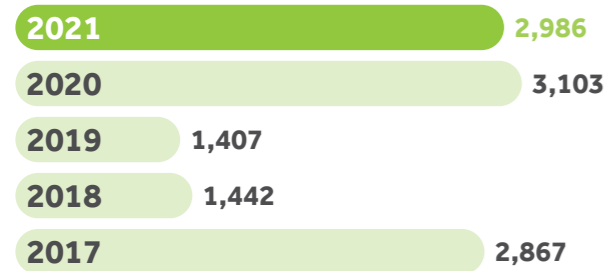
Care for the Environment Conserving Resources

Waste Disposal

We dispose our waste directly at local incineration plants, except for general waste from supermarkets, which is in turn collected by the public waste management companies. General waste is incinerated at one of the four waste-to-energy plants in Singapore. Sheng Siong does not produce any hazardous waste.

General Waste disposed by incineration (mass burn)

General Waste disposed by incineration^{1,2} (mass burn) (tonnes)



A greater amount of general waste was generated in 2020 and 2021 due to the increased business volume in our retail and distribution activities, which was primarily driven by heightened consumer demand during the COVID-19 pandemic.

1 Excludes general waste generated by the supermarkets that are collected by the public waste management companies. This data is not available.
2 A further breakdown of the total waste disposed of by incineration is not available as general waste is not segregated at source.

Managing Food Waste

SAY YES TO WASTE LESS

Sheng Siong has been a long-standing partner of NEA's "Say YES to Waste Less" (SYTWL) campaign. The third SYTWL campaign, launched on 27 September 2021, aims to encourage the public to minimise food wastage and the use of disposables. Sheng Siong has continued to support efforts to reduce the use of disposables and food wastage by sharing social media posts and placing collaterals such as posters, wobblers and decals across our stores. We encourage our customers to bring their own bags, handle our fresh produce with care, shop wisely and adopt good storage practices at home to reduce food wastage and the excessive use of disposables.

Despite these efforts to minimise wastage, food waste still ranks as one of the top five waste streams in Singapore. In fact, approximately 817 million kilograms of food waste¹ was generated in 2021 alone. However, the need to manage food waste is not just a matter of national importance, but a moral imperative. After all, food wastage represents the squandering of precious time, labour and resources used to nurture and prepare fresh produce.

As such, Sheng Siong is fully committed to minimising food waste throughout our operations. We have put in place sound purchasing and inventory management policies, implemented excellent storage and food handling standards and systems, and adopted state-of-the-art packaging and processing techniques to prolong the shelf life of our products and produce. In 2020, we installed a patented technology to remove airborne organic compounds from the air in our distribution centre chillers. Removing substances such as ethylene gas, bacteria, mould spores, and viruses from the air in our chillers not only helps us to prolong the freshness and quality of our produce, but also prevent food wastage.

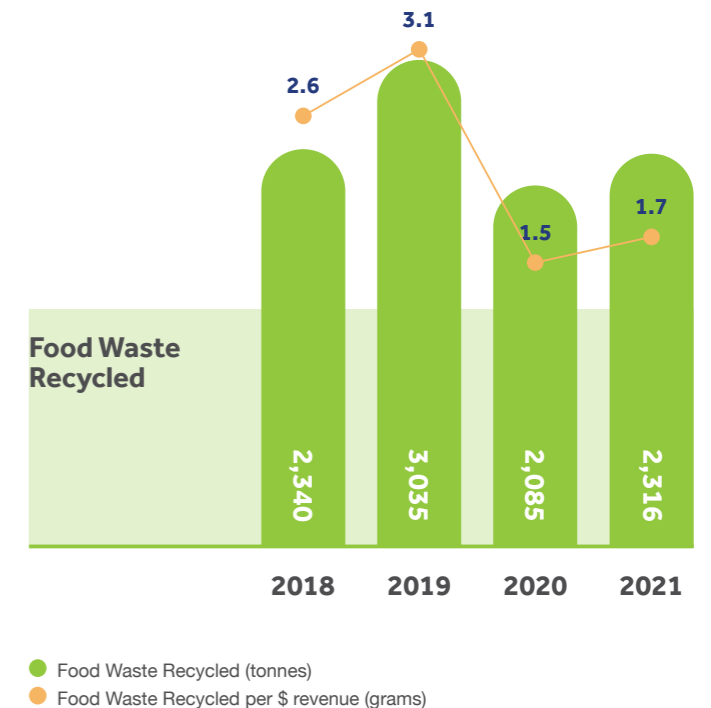
"Reduced to Clear" sections have also been introduced since 2011, where fresh produce that is slightly blemished but still wholesome, or is close to expiry are sold at reduced prices.

However, where food waste is still generated, we work with different partners to recover the food waste. In 2021, we started a new initiative to work with a partner to divert some of our unsold and blemished fruits for processing into other food products. Under this initiative, we managed to divert close to 3.6 tonnes of fruits. We also partnered with an animal interest group to minimise food waste by donating vegetable trimmings for use as animal feed. Since 2020, we have diverted about 2.1 tonnes of vegetable trimmings.

1 <https://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling>

To comply with the Singapore's Resource Sustainability Act (RSA), all large commercial and industrial food waste generators must segregate their food waste for treatment from 2024 onwards. Since 2017, we have been collaborating with NEA on a food waste co-digestion project, where source-segregated food waste collected from 13 of our stores and distribution centre is sent daily to a facility at Ulu Pandan Water Reclamation Plant for co-digestion with used water sludge. This co-digestion process yields more biogas from the anaerobic digestion process compared to the treatment of used water sludge alone, thereby enhancing energy recovery.

In 2018, the project was extended incrementally to include 54 stores, and by 2019, all our 59 stores participated in the programme. We have continued to extend the programme to all new stores. In 2021, we successfully diverted an estimated 2,316 tonnes of food waste generated by our 64 stores and our distribution centre. More food waste was generated as compared to 2020 due to unanticipated shipments delays, which caused the quality of fresh produce to deteriorate. However, the amount of food waste generated is still lower than the pre-COVID period between 2018 and 2019 because of the higher turnover rate of fresh produce at our retail stores.



Reducing Plastic Waste

One of the most concerning environmental problems today is the excessive usage and disposal of plastics. In 2021, 982 million kilograms of plastics were generated in Singapore, causing plastics to rank fourth among the most common waste types¹.

While most agree that the indiscriminate use and disposal of plastics is harmful to the environment, the best solution to this pressing problem remains hotly contested. For instance, some support the imposition of a plastic bag charge, whereas others prefer incentives to bring their own bags. There also remains an ongoing debate on whether reusable bags are more harmful to the environment if they are not reused enough times, or if disposables made from paper or other biodegradable materials are truly better for the environment². Regardless of whether there are straightforward solutions to this complex problem, the underlying consensus remains clear: every stakeholder must do their utmost to reduce society's dependency on plastics and other disposables.

Notably, while some shoppers remain indifferent to their plastic bag use, others have become increasingly concerned about their dependence on plastic bags. As a supermarket retailer,

we recognise our ability to positively influence the choices made by our consumers and suppliers. Hence, we have taken a more proactive stance to campaign for minimal plastic bag use, and will continue to review our operational procedures on the bagging of products at the checkout counters and weighing stations. In 2021, we estimated that the rate of usage of plastic bags has increased by about 3% as compared to 2020, back to a similar rate in 2018 (pre-COVID-19 and before the SYTWL movement). This continues to be driven by higher business volume as a result of the COVID-19 restrictions.

Sheng Siong also participated in the "NEA Citizens' Workgroup on Reducing Excessive Consumption of Disposables" as a panellist to share industry insights with workgroup participants. Convened between September 2020 and February 2021, the workgroup saw participants coming together to discuss inclusive recommendations that address the issue of excessive disposable plastic consumption. Among the recommendations raised during the workgroup, NEA has adopted the suggestion to implement a disposable carrier bag charge at supermarkets from mid-2023. This is a huge step forward in our journey to curb the excessive consumption of disposable carrier bags. We will continue to work closely with the Government and other relevant stakeholders to further develop and implement the recommendation.

1 <https://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling>
2 Study commissioned by the NEA in 2016 and released in 2018

Care for the Environment Conserving Resources

Continuation of Efforts in Reducing Packaging Waste

Sheng Siong has been a signatory to the Singapore Packaging Agreement (SPA) since 2018. In 2019, we were conferred the Excellence Award (Multinational Company and Local Large Enterprise Category) by SPA for our exemplary efforts in reducing packaging waste. By 2020, the SPA agreement ended, and we subsequently joined the Packaging Partnership Programme, which was created by the National Environment Agency in partnership with the Singapore Manufacturing Federation (SMF). The Packaging Partnership Programme is a joint capability development programme that supports companies in fulfilling their new obligations under the Mandatory Packaging Reporting framework introduced on 1st January 2021, as well as enable the exchange of best practices in sustainable packaging waste management.

We continued to ensure that the packaging used for our new housebrand products fall within the “Lightest” to “Median” range of the Packaging Benchmarking Database developed by the SPA. This is only applicable for products where information about packaging is available.



Tasty Bites Crispy Curry Samosa

The original product weight of Tasty Bites Crispy Curry Samosa was 400g. In 2021, we increased the product weight to 500g, but managed to reduce its packaging from 19g to 18g without affecting its functionality. It is estimated that we would avoid about 50kg of plastic packaging per year.

At our supermarkets today, we continue to sell some food ingredients and produce like potatoes, tomatoes, carrots, onions, and ginger on loose display without the use of packaging. However, certain fresh produce requires packaging due to considerations such as hygiene, shelf-life, and potential food wastage caused by inappropriate handling. As the supermarket’s air-conditioning causes fresh fruits and vegetables to lose moisture more easily, moderate packaging can also help to retain the moisture content in fresh produce and prevent cross-contamination. Nevertheless, we remain committed to working closely with our suppliers to avoid unnecessary packaging or use environment-friendly alternatives while keeping food competitively priced and affordable.

Some of the initiatives we have continued to implement include:

1. Making a conscientious effort in the design and choice of packaging when developing new housebrand products.
2. Working with suppliers to replace Styrofoam packing with alternative materials such as paper cartons wherever possible without compromising on the freshness and quality of our fresh food products.
3. Collaborating with partners to continue raising awareness on the need to reduce packaging waste, improve the recyclability of packaging, and actions that every shopper can take.

We would like to share two examples of our efforts to improve the sustainability of our packaging design:



Happy Family Vinegar 5L

We improved the bottle packaging of Happy Family Vinegar 5L by switching from HDPE to PET material. The packaging weight has been reduced from 185g to 122g per bottle, and we estimate that we would avoid about 600kg of plastic packaging per year.

Extended Producer Responsibility

The Mandatory Packaging Reporting (MPR) scheme has been effective since 2021. As a supermarket retailer, we are required to provide information on the packaging placed on the Singapore market, broken down according to type of packaging material (e.g. plastic, paper, metal, glass), packaging form (e.g. carrier bags, bottles) and the corresponding weights, as well as our 3R plans. As the report is currently under review by NEA, we will share the relevant data in due course.

According to NEA, the MPR scheme will lay foundation for an Extended Producer Responsibility (EPR) scheme for packaging waste management, which will be implemented no later than 2025.

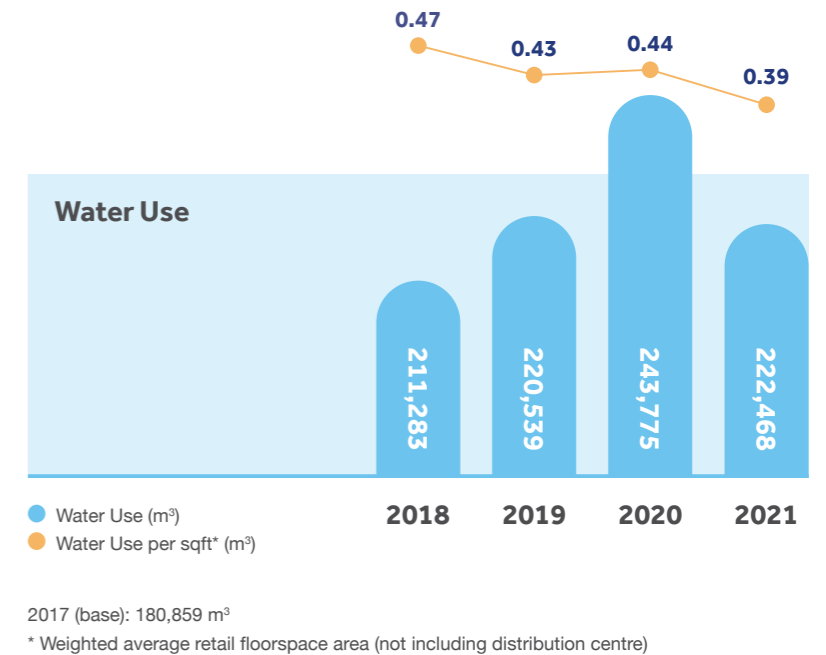
The NEA has also shared that it is working to introduce a Beverage Container Return Scheme to support plastics recycling and cultivate recycling habits among consumers. Sheng Siong has been participating in the stakeholder engagement sessions organised by NEA to provide our views and feedback.

Additionally, the NEA has introduced a regulated e-waste management system under the RSA. Effective from 1 July 2021, the RSA stipulates that retailers that operate with a floor space of 300 sqm or more must set up in-store collection services for the types of consumer electrical and electronic products they sell. In compliance with the act, Sheng Siong has set up e-waste recycling bins in all of its 64 outlets to collect portable batteries and light bulbs.

Managing Our Water Usage

Water is a scarce resource in Singapore and everyone has a part to play in its conservation. The water at our distribution centre and retail outlets is supplied by a public utility company¹ and is mainly used for general cleaning, food processing, and meal preparation. We are committed to reducing our water usage by implementing initiatives such as the new rainwater recovery system in our distribution centre, which allows us to use recovered rainwater for toilet flushing, general washing and gardening on the distribution centre’s premises.

Since 2020, Sheng Siong has also participated in PUB’s (Singapore’s National Water Agency) annual Singapore World Water Day movement by spreading the word about water conservation to our customers.



Our overall water usage was higher in 2020 due to the opening of new stores, and more cleaning was required to maintain the high standard of hygiene and sanitation needed to prevent the transmission of COVID-19.

Sheng Siong also complies with the NEA’s Environmental Protection and Management (Trade Effluent) Regulations, which regulates the quality of trade effluent discharge in Singapore.

¹ Data on water use is collected through monthly utility bills. The figure excludes rainwater recovered at our distribution centre – this information is not available.

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GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	We are currently looking to enhance our purchasing policies to address our material topics with our suppliers.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	We are currently looking to enhance our purchasing policies to address our material topics with our suppliers.
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