



Business Excellence



Care for Our Customers



SHAPING A SUSTAINABLE FUTURE TOGETHER

Sustainability Report 2022



Care for Our Employees



Care for the Environment



Care for the Community



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ABOUT THIS REPORT

Sheng Siong publishes its sustainability report annually. This is Sheng Siong's sixth sustainability report, which covers the period 1 January to 31 December 2022, or the same reporting period as our financial report. The previous annual sustainability report was published on 27 May 2022. 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 marginally 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. We selected the GRI Standards to guide our reporting as it is currently the most widely used sustainability reporting standards and we sought to apply the GRI reporting principles. The GRI Content Index can be found in our online report on pages 100-105, 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. In 2022, our sustainability reporting process was subjected to internal review by PricewaterhouseCoopers Risk Services Pte. Ltd., our existing outsourced internal auditor, as part of the FY 2022 Internal Audit Plan, approved by the Audit and Risk Committee. 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。

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.

以公平的价格、优质的产品与卓越的服务，以可持续的方式创造价值，为顾客提供便捷又舒适的购物环境。

Our Mission



Our Beliefs

With morality as our bedrock, we continue our legacy by setting self-expectations to walk the talk and to 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）。

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 Values



Our Tagline

... all for
YOU!

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

SHENG SIONG GROUP LTD

昇菘集团

JOINT MESSAGE FROM THE CHAIRMAN AND THE CEO



Lim Hock Eng ^{BBM}
Executive Chairman



Lim Hock Chee ^{BBM}
Chief Executive Officer

Dear Stakeholders,

With the economy reopening and COVID-19 restrictions eased further in 2022, consumer spending has recovered and business sentiment has improved. As the world moves ahead with cautious optimism, there is a lingering sense of concern about emerging challenges including geopolitical tensions affecting supply chain stability, rising costs of production and living, as well as the escalating impacts of climate change. Navigating the post-pandemic era of complexity calls on us to be grounded in our core values and steadfast in our mission, so that we can continue to serve our communities as a preferred supermarket retailer and create value in a sustainable manner for our stakeholders.

In the year under review, we are happy to share the progress made against our five sustainability pillars, demonstrating our firm commitment to responsible and sustainable business.

Highlights of 2022

Business Excellence

The pandemic has catalysed a decisive digital shift across many sectors, including retail. Sheng Siong has always recognised the importance of technology and innovation in driving business success, especially in the areas of productivity and customer experience enhancement.

Enabling improvements with digitalisation

In 2022, we continued to move forward on our digitalisation journey, allocating additional resources to review and improve our operational systems including warehouse and inventory management, logistics management, accounting, human resources, and procurement. We continued integrating operational business functions into the Sheng Siong ("SS") Enterprise App, enabling our employees to perform these functions conveniently from their mobile devices.

JOINT MESSAGE FROM THE CHAIRMAN AND THE CEO

Uplifting capabilities of suppliers

Besides improving our internal business capabilities through technology, Sheng Siong has been supporting Small-Medium Enterprises (SMEs) within its value chain through the SkillsFuture Queen Bee (SFQB) project since 2020 which is extended until 2025. More than 30 SMEs have joined Sheng Siong's SFQB programme to date. In 2022, we hosted Singapore Deputy Prime Minister, Mr Heng Swee Keat, and Minister of State, Ms Gan Siow Huang to share about our experience as a "Queen Bee" and the success stories of suppliers who have benefitted from the SFQB programme, as well as our own digital transformation journey.

Care for Our Customers

Customers are at the heart of our business, embodied in our tagline of "All for You" and it is our priority to deliver exceptional service and experience both in-store and online to meet their needs.

Delivering exceptional service

In 2022, Sheng Siong received top recognition for our exceptional customer service in the Supermarket Sub-Sector of the Customer Satisfaction Index of Singapore (CSISG). Not only did we surpass the industry average, we also came in first place among leading supermarket retailers in Singapore. Additionally, Sheng Siong was awarded the title of Singapore's Best Customer Service 2022/23 Company (Category: Supermarkets) by The Straits Times.

Ensuring affordability

We are committed to maintaining the affordability of daily necessities for our customers. With the impending increment of the Goods and Services Tax (GST) from 7% to 8% in 2023 and 8% to 9% in 2024, we announced on 31st December 2022 that we would provide a 1% discount on all in-store purchases, except for alcohol, tobacco, vouchers, lottery, and infant milk powder (Stage 1 and 2) products, from January to March 2023. We also made a pledge in July 2022 to list all of our Sheng Siong house brand grocery products on the Price Kaki mobile application to enable consumers to compare retail and promotional prices of common household items and groceries, and make informed purchase decisions.

JOINT MESSAGE FROM THE CHAIRMAN AND THE CEO

Promoting healthier choices

As part of the drive to promote healthy lifestyles for consumers, we have increased the number of products in our stores carrying the Healthier Choice Symbol (HCS) to over 2,800 and the number of house brand products with HCS to 124, up from just 25 in 2017. This is to offer our customers healthier yet affordable food choices. We also participated in the Nutri-Grade Labelling Scheme by launching our reformulated and repackaged Heritage Farm 3-in-1 White Coffee (Original/Hazelnut) in December 2022. Sheng Siong is also among the supermarket chains that took the lead in Singapore's latest health campaign against salt over-consumption by introducing more affordable low-sodium products.

Care for Our Employees

The achievements we have attained would not have been possible without the commitment and hard work of our employees.

Showing our appreciation

We seek to recognise and reward work effort and dedication. In 2022, a record 660 employees were rewarded for providing excellent customer service in recognition of their efforts. 393 employees also received long service awards. Our staff purchase scheme disbursed more than S\$487,000 in benefits to employees to help with the rising cost of living.

Investing in our employees

We also seek to empower our employees to upgrade their knowledge and skillsets to ensure they are equipped to perform at their best. In 2022, our online Staff Training Central platform was launched to further improve training accessibility. It is designed to provide bite-sized training that is more easily accessible and engaging for employees.

Care for the Community

To give back to the local communities where we operate, we support our employees and their families and contribute to community initiatives.

Giving back to our community

In 2022, we contributed a total of S\$22,000 to various community initiatives. Besides the longstanding partnerships we have with NGOs like Red Cross Youth and SPD whom we have been supporting since 2012, we supported "Public Transport Workers' Appreciation Day" (PTWAD) in 2022 by offering a 3% special discount to public transport workers between 1st November to 31st December 2022. About S\$7,900 was disbursed to public transport workers through this discount scheme.

Supporting less privileged groups

We prioritise providing extra assistance to vulnerable groups in the community. Previously, we offered separate 3% discount programmes for senior citizens and Merdeka Generation customers on specific days. However, in 2022, we combined these programmes into a 3% discount on Tuesdays and Wednesdays (senior citizen discount programme) for all seniors aged 60 and above, which was later increased to 4% on 5th July 2022. In total, these programmes provided approximately S\$4.0 million in discounts in 2022, compared to S\$3.2 million in 2021.

We also disbursed S\$517,500 to 574 of our employees' children through the Annual Education Grant established by our Founders to alleviate the financial burden of education for our lower-income staff.

JOINT MESSAGE FROM THE CHAIRMAN AND THE CEO

Care for the Environment

We continue to support the advancement of the Singapore Green Plan 2030 and do our part to combat climate change, by taking action to reduce our environmental footprint.

Reducing waste

As a major supermarket retailer, we recognise our ability to influence the choices made by our consumers and suppliers. In 2022, we launched a social media campaign called "Bring-Your-Own-Bag (BYOB)" to encourage our customers to bring their reusable bags when shopping. We estimate that there was a 13% reduction in the usage of plastic bags in 2022 compared to 2021. We also continued to improve on sustainable packaging of our products. As a Group, it is estimated that we have reduced total packaging (kg/mil\$) by about 3% in 2022 as compared to 2021.

Tapping on renewable energy

In 2022, our photovoltaic (PV) system installed on the rooftop of our Mandai Link Distribution Centre supplied about 9.6% of our total energy usage at the DC resulting in the avoidance of 557.1 tonnes of CO₂e.

Looking Ahead

The last few years have shown how we need to constantly adapt to the ever evolving external landscape to remain resilient as a business. We must keep abreast of emerging issues that could impact Sheng Siong's business and its stakeholders.

To this end, we conducted a review of our material sustainability topics to ensure that we take into account shifts in the sustainability context surrounding our industry and corresponding changes in the topics and their impacts. Based on the review, our current list of material topics remains relevant and important. The results of our latest materiality review have been reviewed and approved by the Board, who considers these topics in Sheng Siong's business and strategy formulation. The Board will continue to review and monitor the management and performance of material sustainability topics, as part of their strategic oversight role.

On behalf of the Board, we would like to thank all our stakeholders for their support as we persevere through challenging times ahead on our sustainability journey. We wish you and your family good health in the year ahead.

Lim Hock Eng BBM
Executive Chairman

Lim Hock Chee BBM
Chief Executive Officer



TCFD REPORT



As the impacts of climate change begin to materialise over time, Sheng Siong recognises the potential financial risk this poses to the economy and the continuity of our business operations. To ensure that Sheng Siong’s business remains resilient, we are committed to understanding and assessing the potential climate-related risks and opportunities to support decision-making, strengthen Sheng Siong’s operations against climate change risks, and capitalise on potential opportunities as the world transitions to a low-carbon economy.

The Taskforce on Climate-related Financial Disclosures (TCFD) was established to promote and improve the disclosure of climate-related impacts and financial information to enable stakeholders to make better financial decisions. In accordance with regulations set by the Singapore Exchange in 2021, Sheng Siong fully supports and seeks to align and provide climate-related disclosures based on the recommendations of the TCFD.

In 2022, with the support of an external consultant, we have developed a roadmap to progressively align with the recommendations of the TCFD by 2023 based on its four key pillars. This includes the identification and qualitative assessment of risks and opportunities with the use of climate scenario analysis in 2022, following which we will aim to further progress towards financial quantification of both physical and transition risks.

This section summarises our approach and progress in implementing the TCFD recommendations.

Governance

To ensure the company’s resilience, we seek to continuously embed sustainability into our business operations and strategy formulation. The Board provides active oversight to ensure sustainability-related issues are managed and monitored.

The Board reviews our Group’s sustainability issues at least once a year and receives sustainability-related information periodically to inform its strategy formulation. This is supported through engagement with key stakeholders, the Executive Management Team and the Sustainability Committee.

The Sustainability Committee was set up in 2017 to provide oversight of the Group’s material sustainability topics. It comprises senior management of key business functions such as operations, human resources, quality assurance, finance, procurement, IT and corporate communications, and is led by a member of the Executive Management Team. 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.

The Executive Management Team and Sustainability Committee meet regularly to review and monitor Sheng Siong’s progress and performance on its material sustainability topics. The Sustainability Committee then evaluates and provides advice and recommendations to the CEO and Board on areas of improvement, and formulates possible strategies and actions concerning these topics.

In 2022, workshops were held to review and validate ESG factors material to Sheng Siong, as well as to identify and prioritise relevant climate risks and opportunities. The results from these workshops were presented to the Board for final approval and have been used to guide our sustainability strategy, management approach and reporting in alignment with the recommendations of the TCFD. In 2022, in line with the recommendations of the TCFD, all board directors have undergone mandatory training on sustainability. Nine directors attended the Listed Entity Director Programme - Environmental, Social and Governance Essentials (Mandarin) Core Module course conducted by Singapore Institute of Directors (SID) and one director attended the Independent Directors Seminar which focused on how Boards of REIT Managers can drive the sustainability agenda in their respective REITs, conducted by the REIT Association of Singapore. Sustainability has also been incorporated as part of our annual Board’s Performance Evaluation.

TCFD REPORT

Strategy

Sheng Siong recognises that climate change, as a global issue, presents both risks and opportunities to the business and operations. We are therefore committed to addressing climate impacts and integrating climate-related considerations into our strategy to ensure the business remains resilient and sustainable.

In 2022, Sheng Siong commenced an exercise with the support of an external consultant to identify, assess and prioritise climate-related risks and opportunities. The exercise consisted of a detailed scenario analysis to qualitatively assess the potential impacts of climate-related risks and opportunities on our Group’s operations. Through the exercise, we have assessed that while climate change does present some potential risks over the longer term on Sheng Siong’s operations, they remain manageable with the appropriate mitigation efforts that we will continue to put in place. The results of the scenario analysis have been presented to and approved by the Board and are being used to inform decision-making, including mitigation and risk management, financial planning and opportunity identification.

Overview of Scenario Analysis

Scenario analysis is not a forecast or prediction, nor a full description of the future. It is conducted to stress-test the resilience of the Group’s current strategies and operations against potential future scenarios and to identify potential mitigation options and opportunities to strengthen Sheng Siong’s climate change resilience and strategy. The scenario analysis is aligned with the TCFD recommendations and identifies 3 categories which present potential financial impacts: i) Physical risks, including both acute (event-driven) and chronic (due to longer-term shifts), ii) Transition risks related to potential risks posed by transitioning towards a lower-carbon economy and iii) Climate opportunities relating to potential resource efficiencies and cost savings through mitigation and adaptation efforts.

As part of the assessment, sectoral and geographical research was conducted to identify potential climate-based and regulatory impacts. It also involved engaging with internal stakeholders of key business functions to identify risks and opportunities most relevant to Sheng Siong’s business operations. To inform our scenario analysis, we drew guidance from the Network for Greening the Financial System (NGFS), which had developed a hypothetical set of scenarios in partnership with climate scientists and economists on how climate risks and opportunities could evolve in different futures, to analyse the financial impacts associated with climate change. Two scenarios, i) Orderly and ii) Hot House World from the NGFS, were selected to consider a range of hypothetical futures and across three chosen timeframes i) near-term (present to 2030), medium-term (2031-2040) and long-term (2041-2050). These timeframes were selected to consider varying trajectories of climate risks and opportunities over time and are aligned with timeframes considered in Sheng Siong’s business management processes.

Orderly	Early, ambitious actions to a net zero economy that means both physical and transition risks are relatively subdued. This pathway assumes smooth physical changes in climate over time and that policies and technological actions are adopted in a coordinated and timely manner. Two sub-scenarios, Net Zero and Below 2°C futures are factored.
Hot house world	Limited action leads to a hot house world with significant global warming and, as a result, strongly increased exposure to physical risks. Two sub-scenarios, Current Policies and Nationally Determined Contributions are factored.

The level of risk or opportunity was then examined and scored utilising a 5-scale risk matrix based on two factors: i) the magnitude of the potential impact of risk or opportunity and ii) the likelihood of the risk or opportunity occurring, taking into consideration the assumptions of the scenario and timeframe. Going forward, Sheng Siong will also seek to integrate the identified climate-related risks within its existing Enterprise Risk Management framework.



Scenario Analysis Results for Climate-related Risks, Opportunities and Financial Impacts

The results of the scenario analysis are presented in the table below. Sheng Siong has existing efforts to mitigate these risks and will use the results of the exercise to inform strategic decision-making and the assessment of future mitigation options.

Category	Material Risk and Opportunity Description	Potential Business Impact (Assuming No Mitigation)	Scenarios	Qualitative assessment of risk/opportunity (Assuming No Mitigation)			Mitigation Response
				Near-term (present -2030)	Mid-term (2031-2040)	Long-term (2041-2050)	
Risk	Increasing Carbon Tax Rising carbon tax levels in Singapore lead to direct and indirect associated costs.	Increased operating costs from the usage of electricity and fuel.	Orderly	●	●	●	Current Installed solar panels at HQ and assessing opportunities to improve energy efficiency.
			Hot House World	●	●	●	Future Increase the use of energy from renewables, and aim to set energy efficiency and/or emissions reduction target.
	Costs of lower emissions technology and sources Investments are required to transition to and implement clean technology and renewables to reduce emissions.	Increased capital expenditure and investments.	Orderly	●	●	●	Current Installed solar panels at HQ and assessing opportunities to improve energy efficiency. Sheng Siong has a fleet replacement policy to select vehicles that comply with NEA's Euro VI standard requirement.
			Hot House World	●	●	●	Future Sheng Siong to conduct cost-benefit analysis of future investment options available.

Category	Material Risk and Opportunity Description	Potential Business Impact (Assuming No Mitigation)	Scenarios	Qualitative assessment of risk/opportunity (Assuming No Mitigation)			Mitigation Response
				Near-term (present -2030)	Mid-term (2031-2040)	Long-term (2041-2050)	
Risk (Cont'd)	Enhanced Climate Reporting Obligations Increasing expectations from stakeholders and regulators to disclose the impacts of climate change and mitigation efforts by the business.	Increased operating costs to ensure accurate data collection, compliance and capacity building.	Orderly	●	●	●	Current Sheng Siong is in the process of implementing and complying with the recommendations of the TCFD.
			Hot House World	●	●	●	Future Sheng Siong will continue to enhance our disclosure standards of climate-related impacts to include financial quantification within our analysis.
	Changing Stakeholder Expectations Increasing expectations from stakeholders for low-carbon products and from investors for businesses to decarbonise.	Potential loss of revenue from shifting preferences and reduction in capital availability from investors.	Orderly	●	●	●	Current 95% of Sheng Siong's house brand products are either certified under the FSC or PEFC. Installed solar panels at HQ and assessing opportunities to improve energy efficiency. Work closely with suppliers to offer products that meet the needs and demands of our customers.
			Hot House World	●	●	●	Future Sheng Siong will continue to expand our range of sustainable/low-carbon products to meet the needs and demands of our customers, and aim to set emissions reduction targets.

Category	Material Risk and Opportunity Description	Potential Business Impact (Assuming No Mitigation)	Scenarios	Qualitative assessment of risk/opportunity (Assuming No Mitigation)			Mitigation Response
				Near-term (present -2030)	Mid-term (2031-2040)	Long-term (2041-2050)	
Risk (Cont'd)	Physical Risks Vulnerability to extreme weather conditions, including rising temperatures and increased rainfall, leading to health and safety risks such as heat stress, food spoilage and dangerous work environments.	Increased operating costs from a fall in labour productivity (e.g. increased rate of illnesses and workplace accidents) and increased food spoilage.	Orderly	●	●	●	Current Work closely with Safety Consultant to hazard-proof our retail area and train our colleagues in workplace safety. Adopt Cold-Chain management standards to reduce food spoilage. Future Increase awareness of employee health and safety. Ensure energy use is optimised to keep the environment cool and prevent food spoilage.
			Hot House World	●	●	●	
Opportunity	Energy Efficiency Implementation of energy efficiency initiatives (e.g. installation of LED lights, solar panels, efficient HVAC systems)	Increased cost savings from a reduction in the use of energy and emissions.	Orderly	●	●	●	
			Hot House World	●	●	●	

Assessment of Risks:

Monitor		Manage		Action
Low	Low-Med	Med	Med-High	High



Risk Management

To ensure the proper management and mitigation of climate impacts, Sheng Siong has conducted the assessment of significant physical and transition climate-related risks for all operations in Singapore. The Board and Management are responsible for overseeing the Group's risk management framework and policies for all sustainability topics, including climate change-related issues. In addition, the Group has established a Risk Management Committee, reporting to the CEO, to exercise better oversight on risk management issues.

Moving forward, we will work on integrating the identification, assessment and review of climate-related risks into Sheng Siong's wider Enterprise Risk Management (ERM) process. Sheng Siong is committed to undertaking a financial quantification of both climate-related physical and transition risks to inform strategy formulation and financial planning. With a better understanding of the potential financial impacts, further mitigation and adaptation efforts will be considered and incorporated where feasible.

Metrics and Targets

Sheng Siong is committed to doing its part and making progress towards transforming our business to be increasingly resource-efficient and environmentally friendly. We actively track our Scope 1 and 2 emissions and related metrics, including overall energy consumption, energy intensity, carbon emissions intensity as well as waste. Sheng Siong has set out ongoing targets to ensure the Group reduces energy intensity, water intensity and waste intensity while increasing annual recycling rates year-on-year.

LEADERSHIP COMMITMENTS TO SUSTAINABILITY

Since Sheng Siong's inception in 1985, we have endeavoured to excel in creating value sustainably for our customers, focusing on good service, quality products, and reasonable prices. We embed sustainability into our business operations and strategy to achieve this.

Our sustainability journey is built on five key pillars. Each pillar represents different sustainability issues that are essential to our business success. 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 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 and 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 and is responsible for reviewing and approving the reported information, including the Group's material topics. In addition, sustainability-related information is shared with the Board periodically to inform its strategy formulation. Since 2021, sustainability has also been incorporated as part of our annual Board's Performance Evaluation¹.

In 2022, our sustainability reporting process was subjected to internal review by PricewaterhouseCoopers Risk Services Pte. Ltd., our existing outsourced internal auditor, as part of the FY 2022 Internal Audit Plan, approved by the Audit and Risk Committee. The Board also underwent mandatory training on sustainability as part of the Singapore Exchange (SGX) requirement. Nine directors attended the Listed Entity Director Programme - Environmental, Social and Governance Essentials (Mandarin) Core Module and one director attended the Independent Directors Seminar which focused on how Boards of REIT Managers can drive the sustainability agenda in their respective REITs conducted by the REIT Association of Singapore. 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 had established 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 Management Committee to better oversee 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 sustainability 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 resources, 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, as well as identify, discuss and review the environmental, social and governance risks that concern 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 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 & House brand</i>
4. Fan Hongbo	Financial Controller
5. Nigel Lin Junlin	Executive Assistant to CEO <i>Purchasing, Finance & HR</i>
6. Lin Yuansheng	Executive Assistant to CEO <i>Warehouse & Logistics</i>
7. Lin Zikai	Executive Assistant to CEO <i>Marketing & Retail Operations</i> <i>ShengSiong Online</i>
8. Wong Heng San	Deputy General Manager <i>International Business Development</i>
9. Woo Chee Kit	Acting Chief Information Officer <i>Information Technology</i>
10. Tan Siok Tin	Deputy General Manager <i>Information Technology</i>
11. Tham Wei Chong	Senior Area Manager <i>Operations</i>
12. Kent Lim	Senior Manager <i>Human Resources</i>
13. Hoong Yuqin	Manager <i>Quality Assurance</i>
14. Teo Zhuan Xin	Manager <i>Corporate Affairs</i>
15. Yong Hui Min	Manager <i>Internal Control and Compliance</i>
16. Chng Yi Ming	Senior Executive <i>Business Development</i>

¹ Please refer to Sheng Siong's Annual Report 2022, page 42.

LEADERSHIP COMMITMENTS TO SUSTAINABILITY

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 key corporate policies² for responsible business conduct include the following:

- Employee Handbook and Human Resource Policy
- Workplace Harassment and Grievance Policy
- Anti-Corruption Policy
- Conflict of Interest Policy
- Whistle-Blowing Policy
- Personal Data Protection (PDP) Policy
- Board Diversity Policy
- Procurement 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 and Board Diversity Policy, which are approved by the Board. Our policies are subject to internal audit or internal review periodically. Our policy commitments stipulate conducting due diligence and are also guided by the United Nations Global Compact (UNGC)'s principles on Human Rights and Labour. 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 respect human rights, 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.

LEADERSHIP COMMITMENTS TO SUSTAINABILITY

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 solemnly 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 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.

In 2022, we conducted a company-wide training on Anti-Corruption, Conflict of Interest, and Whistle-Blowing procedures. As at 31st December 2022, a total of 3274 (95%) employees together with the 5 Executive Directors have attended the mandated training. All our Board Directors and employees have also been informed of the three policies. Moving forward, all new employees and directors will be mandated to attend this training.

The Board's Audit and Risk 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 emphasis on the importance of transparency and access to whistle-blowing procedure. 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. Employees may also provide feedback on the whistle-blowing procedure via various communication channels such as writing directly to our Company Secretary or Audit and Risk Committee, contacting senior management, or via the Human Resources Department. During the year under review, there were no critical concerns raised to the Board.

In the event a grievance has occurred in the course of operations, Sheng Siong is committed to addressing any potential negative impacts that have occurred and will cooperate with all 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 them ample opportunities to raise their feedback, including suggestions 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.

² Our key corporate policies are not publicly available except for the PDP policy which can be accessed at <https://corporate.shengsiong.com.sg/privacy/> and <https://corporate.shengsiong.com.sg/pdpa/>.

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 that our business has a significant impact on and those which hold considerable influence or have a high interest in 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.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

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"> Opened new stores in HDB estates, especially in estates where we do not have a presence Maintained ISO 22000:2018 certification system for Food Safety Management Maintained Cold Chain Management for fresh and frozen food Ensured products offered complied with local regulations Shortened cashier queues by adopting innovations such as Self-Checkout, 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 Continued to roll out "Recycling" cash withdrawal machine called "\$TM" across our stores. Other than bank cards, it also accepts PAYNOW. \$TM is available at 64 stores out of 67 stores Expanded our range of house brand products with a focus on quality and improved nutrition Extended 3% special discount to senior citizens every Tuesday and Wednesday for another year. The discount was raised to 4% from 5th July 2022 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 53 stores out of 67 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 Internal communication via digital channels and print format Orientation programmes for new employees Staff engagement events such as Family Day, Annual Chinese New Year 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 a performance-sharing scheme Aligned our remuneration and promotion practices with employee performance Maintained a whistle-blowing policy to address any fraudulent or unfair practices Conducted regular meetings and follow-ups on workplace and fire safety Conducted regular inspections of workplace and fire safety Offered flexible work arrangements for employees in need Adopted "Made for Families" brand mark Founders continued to disburse education grants to the children of our lower-waged employees
Suppliers	<ul style="list-style-type: none"> Regular business review sessions Supplier visits 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 a whistle-blowing policy is in place to address any fraudulent or unfair practices Collaborated with SkillsFuture Singapore on the Sheng Siong Queen Bee Programme to help suppliers develop digital capabilities, identify skill gaps, and curate training

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholders	Mode and Frequency of Engagement	Issues & Concerns	Sheng Siong's Efforts and Achievements
Government agencies	<ul style="list-style-type: none"> Regular update meetings Participation in dialogue sessions and engagement meetings 	<ul style="list-style-type: none"> Sustainable sourcing Food safety and security Fair and affordable prices 	<ul style="list-style-type: none"> Diversified sources of supply Offered sustainably sourced and plant-based products Maintained 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"> Compliance with industry standards and hygiene practices Management of negative environmental impacts such as food wastage and packaging waste 	<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"> Helping communities in need 	<ul style="list-style-type: none"> Member of Packaging Partnership Programme (PPP) since 2020 Designated all stores as E-waste collection points under the national E-waste Management System Participated in workgroup discussions such as Single-use Carrier Bag Charge and Deposit Return Scheme for Beverage Containers Supported campaigns like "Say Yes to Waste Less" and "Bring Your Own Bag" Supported various charitable organisations such as Heartwarmers, RedCross, and MINDs
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

MATERIALITY ASSESSMENT AND TOPIC BOUNDARIES

Undertaking regular materiality assessments is key to understanding the environmental, social, economic and governance issues that are of greatest significance to Sheng Siong's business and its stakeholders, as well as their impacts on the economy, environment and people. We conducted a materiality assessment in 2018 to identify the sustainability topics that are most important for the long-term success of our business and of greatest importance to our stakeholders. The materiality assessment was conducted based on a systematic 3-stage process, as illustrated below.



MATERIALITY ASSESSMENT AND TOPIC BOUNDARIES

In the years since, we have conducted a yearly review of our material topics, building on the previous assessment, to ensure that we take into account shifts in the sustainability context surrounding our industry and corresponding changes in the topics and their impacts so that we can actively assess and manage them.

In 2022, as businesses sought to recover from the fallout of the pandemic, they continue to face emerging challenges resulting from greater geopolitical instability, heightened expectations on sustainability and future work trends. We undertook a review of our material topics to ensure that our sustainability strategy and reporting remain both relevant and resilient. In this review, we also sought to understand our sustainability topics from a double materiality perspective, assessing if a topic is important because it can impact corporate financial value (financial materiality), or because of its impacts on the environment and people (impact materiality), or both. Double materiality is increasingly regarded as a best practice as combining these outside-in and inside-out views ensures that companies describe and act on material issues that matter most from both a financial, as well as a societal point of view.

A review of the overall industry landscape and emerging trends in the food retail sector was conducted to understand how they influence our operating context and material topics. Members of Board, Key Executives and the Sustainability Committee were surveyed on the relative importance of sustainability topics based on double materiality articulation of each topic. A workshop was subsequently conducted with the Sustainability Committee and key representatives from departments to share findings and validate the review's results.

Based on the review, our current list of material topics remains relevant and important, but three topics are identified as rising in relative importance:

Customer Privacy and Cybersecurity

- The issue of customer privacy and cybersecurity has become more salient due to the increased risk of cyber threats, scams and phishing incidents.
- As Sheng Siong continues to digitalise to improve efficiency and customer experience, it also becomes more exposed to such risks. It is crucial that the company continues to ensure that strong measures are in place to protect customer privacy and ensure cybersecurity.

Inclusive Workplace

- Implementing inclusive workplace practices has become not just a nice-to-have but a necessity to attract a diverse and changing workforce, such as by redesigning job scopes or providing greater role flexibility to better facilitate the elderly, women or marginalised groups to be in the workforce.
- A diverse workforce will also ensure that Sheng Siong can continue to cater to different customer demographics.

Risk Management

- Changes in the operating environment over the past year, including stricter food safety regulations, supply chain disruption risks as a result of pandemic and geopolitical tensions, and an overall less stable business environment, have led to an increasing emphasis on risk management and business resilience.
- Sheng Siong has robust risk management and governance processes in place and has also increased training and workshops to improve general awareness and ability to manage issues. It will also continue to ensure supplier diversification and build strong relationships with Sheng Siong's partners.

The results of our latest materiality review have been reviewed and approved by the Board. Accordingly, greater emphasis has been placed on the reporting of these topics this year and we will also assess how we manage and drive performance on these topics going forward.

MATERIALITY ASSESSMENT AND TOPIC BOUNDARIES

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.		✓	✓
	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 house brand 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.	✓	✓	✓

MATERIALITY ASSESSMENT AND TOPIC BOUNDARIES

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 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.	✓	✓	✓
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 Cybersecurity	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, succession and backup plans are in place.	✓	✓	✓
	Business Excellence	Economic Contributions to Society	Generating and distributing economic value to our stakeholders, providing a clear understanding of the direct monetary contribution to the local economy by the company.	✓	✓	✓
	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



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

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 a shared blueprint for peace and prosperity and an urgent call for change.

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

Having reviewed each SDG, we have decided to concentrate our efforts on driving progress towards four goals. These goals touch on areas where our business can make the most significant 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 AND THE SUSTAINABLE DEVELOPMENT GOALS

Sheng Siong's Approach to support the SDGs



SDG 2	SDG 8	SDG 12	SDG 17
<p>Care for our Customers</p> <ul style="list-style-type: none"> ● Providing healthier choices ● Providing affordable food ● Ensuring food and product safety <p>Care for the Community</p> <ul style="list-style-type: none"> ● Contributing to the community through community initiatives and philanthropic activities 	<p>Business Excellence</p> <ul style="list-style-type: none"> ● Improve economic contributions to society ● Improve productivity and efficiency <p>Care for our Employees</p> <ul style="list-style-type: none"> ● Enhance occupational health, safety and well-being ● Build an inclusive workplace 	<p>Care for the Community</p> <ul style="list-style-type: none"> ● Enhance sustainable supply chain management <p>Care for the Environment</p> <ul style="list-style-type: none"> ● Manage waste and packaging 	<p>Care for Sustainability</p> <ul style="list-style-type: none"> ● Build partnerships for sustainable development


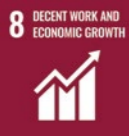
OUR MANAGEMENT APPROACH: EVALUATION, PROGRESS AND TARGETS

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. Our Board of Directors reviewed and approved these targets to ensure they remain relevant and measurable. Our progress against these targets is reviewed and reported on an annual basis.


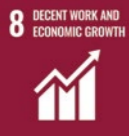


Pillar	Material Topic	Why is this material?	Management Approach (Refer to chapter indicated)	Evaluation of the Management Approach (Refer to chapter indicated, or otherwise explained here)	On-going Target	Short-term Target (1-2 years)	Mid-term Target (3-5 years)	FY2022 Progress	
 <p>Business Excellence</p>	1. Governance and Ethics	<p>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 and maintain good reputation among our stakeholders, and drive performance improvement. It also increases the accountability of our company.</p> <p>With good corporate governance and high ethical standards, Sheng Siong can continue to have a positive impact on both employees and consumers as a business.</p> <p>Non-compliance or adverse incidents can have financial ramifications in the form of penalties and litigation.</p>	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Annual Report 2022 	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Annual Report 2022 	Maintain zero incidents of corruption			● ● ●	
					Maintain zero cases of legal actions for anti-competitive behaviour			● ● ●	
					Continue to ensure all our board members and employees are informed of our anti-corruption policy			● ● ●	
					Continue to ensure all our suppliers are informed of our anti-corruption and anti-competition policies			● ● ●	
					Provide training and education on anti-corruption for all our employees			● ● ●	
				3279 (95% of our total workforce) employees have completed in-house training on anti-corruption.					
	2. Risk Management	<p>The ability to identify, assess, and manage risks is fundamental to weatherproofing our business and helping us make better decisions for the future.</p> <p>Robust risk management ensures Sheng Siong's continued economic viability as a business so it can continue to contribute to society through providing its goods and services, as well as through employment and taxes.</p> <p>Not adhering to adequate risk management processes could lead to negative financial impacts through legal actions from legislators as well as a loss in reputation.</p>	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Materiality Assessment TCFD Annual Report 2022 	<ul style="list-style-type: none"> Leadership Commitments to Sustainability Materiality Assessment TCFD Annual Report 2022 	Annual review of material topics (including the risks and opportunities facing Sheng Siong)			● ● ●	
						Review of climate-related risks and opportunities by 2022			● ● ●
					Annual Review of climate-related risks and opportunities			● ● ●	
3. Economic Contributions to Society	<p>The ability to generate economic contributions for our stakeholders and society is a crucial component to ensure business longevity and social development, such as direct monetary contributions to the local economy through our business, employees and stock value.</p> <p>This is necessary for Sheng Siong to maintain its standing as a business and gain continued support from stakeholders.</p> 	<ul style="list-style-type: none"> Business Excellence Care for our Employees Care for the 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. 	Continuously strive for excellence in our performance.			● ● ●		
							<ul style="list-style-type: none"> Sheng Siong won the SIAS Investors' Choice Awards 2022 - Most Transparent Company Award, Runner Up, Consumer Staples Category Sheng Siong was conferred the Best Performing Stock 2022 in the F&B segment for the Billion Dollar Club by The Edge Singapore 		

**OUR MANAGEMENT APPROACH:
EVALUATION, PROGRESS AND TARGETS**

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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)	FY2022 Progress	
 Business Excellence	4. Productivity and Efficiency 	<p>Managing productivity and efficiency can help the company better utilise its resources and better contribute to society as a business, especially in Singapore, where manpower shortages are intensified by an aging population and tightened foreign labour policies.</p> <p>Sheng Siong's business can also have positive financial impacts through cost reductions achieved through efficient use of resources and growth in productivity improvements.</p>	<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. 			<ul style="list-style-type: none"> ● ● ● Collaborated with SkillsFuture Singapore in driving the Sheng Siong Queen Bee programme. We hosted a closed-door visit by Singapore Deputy Prime Minister Heng Swee Keat in Aug 2022 to share about this programme. 	
	 Care for Our Customers	5. Customer Satisfaction	<p>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 and experience within stores and online.</p> <p>As a key supermarket retailer in Singapore, we provide our customers with the assurance of a stable and good quality supply of daily essentials.</p> <p>A failure to maintain or improve customer satisfaction can result in a loss of revenue if customers switch retailers and affect the brand reputation. Conversely, high customer satisfaction can improve customer retention, and boost reputation and revenue.</p>	<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. 			<ul style="list-style-type: none"> ● ● ● Sheng Siong was ranked 1st place among supermarket retailers for CSISG Score 2022 Sheng Siong was conferred Singapore's Best Customer Service 2022/23 Company (Category: Supermarkets) by The Straits Times.
		6. Providing Healthier Choices 	<p>With increasing awareness and concern about leading a healthy lifestyle in Singapore, we believe we have a role to play by providing healthier and more nutritious options for our customers, to increase their well-being and that of the wider society.</p> <p>As consumer demand for healthier food options rises, this also poses an opportunity for Sheng Siong to capture market share by offering these products.</p>	<ul style="list-style-type: none"> Care for our Customers 	<ul style="list-style-type: none"> We take the opportunity to review nutritional improvements of our products by paying close attention to market trends and observations. 	<ul style="list-style-type: none"> To continuously increase the number of house brand products carrying HCS (Healthier Choice Symbol). Ensure 100% of new house brand products are assessed for health and safety improvements. Conduct at least two education/marketing events annually to raise awareness on healthy eating. 			

**OUR MANAGEMENT APPROACH:
EVALUATION, PROGRESS AND TARGETS**

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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)	FY2022 Progress
 <p>Care for Our Customers</p>	7. Affordable Food 	Keeping essential products and produce affordable has a positive impact on society, as it enables access to daily essentials. This is especially so in an inflationary environment, which might be caused by rising production costs, supply disruptions, etc. As a responsible business, we do not conduct or encourage profiteering or anti-competitive practices. Maintaining affordability helps Sheng Siong to remain competitive in the retail industry and retain customers.	<ul style="list-style-type: none"> Care for our Customers Care for the 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 availability of a sustainable supply of 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. 			<ul style="list-style-type: none">  <ul style="list-style-type: none"> Senior Citizen's discount has been raised from 3% to 4% since July 2022, and is provided every Tuesday and Wednesday of the week.
					<ul style="list-style-type: none"> Maintain house brand products to be cheaper than comparable brands and continue to expand range of house brand products. 			<ul style="list-style-type: none">  <ul style="list-style-type: none"> Listed all house brand grocery products on Price Kaki app (a national price comparison app launched by The Consumers Association of Singapore ("CASE")). In conjunction with the announcement, Sheng Siong hosted a visit for Ms Low Yen Ling, Minister of State, Ministry of Trade and Industry & Ministry of Culture, Community and Youth to its distribution centre.
	8. Customer Privacy and Cybersecurity	The increase in the adoption of digitalisation and the rise of e-payments, e-commerce, and online services, has led to an increase in the possession of customer data. Customers who have entrusted their personal data to us expect that their information is protected and not misused. Data leaks may lead to negative customer sentiment and negative impacts to Sheng Siong's reputation, and consequently revenue loss due to a perceived lack of data protection. Sheng Siong may also face fines and legal action if necessary precautions are not taken. As we continue to digitalise our operations, it is critical to safeguard our information technology systems against these cyber threats.	<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 (PDP) Policy. 			<ul style="list-style-type: none"> 
					<ul style="list-style-type: none"> Maintain zero substantiated complaints received concerning breaches of customer privacy or loss of customer data. 			<ul style="list-style-type: none">  <ul style="list-style-type: none"> A complaint was received resulting from the disclosure of a CCTV video of an incident causing customer's injury at Blk 105 Canberra branch.
						<ul style="list-style-type: none"> Organise at least one event to promote cybersecurity among employees/consumers in 2022/2023. 		<ul style="list-style-type: none">  <ul style="list-style-type: none"> Partnered IMDA to conduct digital training for senior staff and customers.

**OUR MANAGEMENT APPROACH:
EVALUATION, PROGRESS AND TARGETS**

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Legend: Progress Tracking

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 Care for Our Customers	9. Food and Product Safety 	<p>Food and product safety can have significant impacts on society and consumers. 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 well-being of our customers.</p> <p>Building a strong and trusting relationship with our customers encourages them to shop with Sheng Siong. On the other hand, violations of food and product safety can have significant impacts on Sheng Siong such as reputational damage and reduced demand resulting in loss of revenue. It may also be subject to legal action and fines by the relevant authorities, or incur financial losses associated with product recalls or lost inventory.</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. Continue to be certified by ISO 22000:2018 for food safety management. 			<div style="display: flex; justify-content: space-between; width: 100px;"> ● ● ● ● ● ● ● ● </div>
	10. Responsible Marketing and Product Labelling	<p>The process of building trust and loyalty with consumers also includes providing accurate and sufficient product and marketing information for shoppers to make informed choices.</p> <p>Failure to be responsible in marketing and product labelling may lead to potential fines or litigation due to non-compliance or adverse incidents concerning end consumers. This can lead to a loss in reputation and consumers opting not to purchase from Sheng Siong.</p> <p>On the contrary, by adapting to consumer demands for increased labelling transparency to help them make better purchasing decisions can have a positive impact on brand, reputation, and revenue growth.</p>	<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. 			<div style="display: flex; justify-content: space-between; width: 100px;"> ● ● ● ● ● ● ● ● </div>

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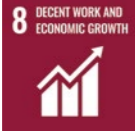





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 Care for our Employees	11. Employee Engagement and Development	The engagement and development of our employees is critical to the success of our business. We want to ensure that employees are compensated fairly and also create a positive impact by providing opportunities for growth and development for staff. Good employee engagement and development practices also enable Sheng Siong to attract and retain employees in order to maintain adequate and capable manpower to support the growth of the business.	• 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.		<ul style="list-style-type: none"> 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 repurposed as a dark store to fulfil e-commerce orders and will be utilised for training as and when required.
						• Review and set up training plans and career roadmap by 2024/2025, and continue to roll out training modules via the in-house training portal.		●●●
	12. Inclusive Workplace	 An open and inclusive work culture motivates our employees to perform to the best of their ability as it allows them to feel safe and respected, and comfortable in the workplace. Diversity in the workplace also allows employees to contribute different perspectives, promoting creativity and innovation in the process. When employees can perform well within the workplace, it enhances productivity while strengthening Sheng Siong's reputation as a business and employer.	• 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.		●●●	

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 Care for our Employees	13. Occupational Health, Safety and Well-being 	Employees are key assets at Sheng Siong and we have a duty of care to them to provide a safe environment to work in where safety measures are upheld. This will also ensure that our customer's health and safety are protected when they shop in our stores. The inability to ensure the safety and health of employees would be financially costly and have negative reputational repercussions for Sheng Siong. Safety incidents involving customers could also result in drop in store visits as customers avoid high risk areas.	• 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.		 <ul style="list-style-type: none"> We have completed a review of our reporting data and find that the metric used is not reflective of our efforts in the reduction of workplace accidents. We will adopt the GRI disclosure metric and revise the target.
					• Improve the rate of recordable work-related injuries as compared to the previous year			
						• Reduce the number of accidents involving customers by at least 10% from 2019 baseline.		 <ul style="list-style-type: none"> We have completed a review of our reporting data and find that the metric used is not reflective of our efforts in the reduction of accidents involving customers. Since 2020, the number of cases has increased due to improved data collection. We will revise the target.
					• Improve the rate of recordable customer injuries as compared to the previous year			
					• Improve the rate of recordable motor accidents as compared to the previous year			

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 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 a sustainable manner through our supply chain, to address the impacts of climate change, resource constraints and labour practices. As consumers become increasingly aware of sustainable practices, ensuring a sustainable supply chain could have a positive impact on the business by developing a positive reputation amongst consumers and improving Sheng Siong's supply chain resiliency.	<ul style="list-style-type: none"> Care for the 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 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 by 2022/2023. 		●●●
							<ul style="list-style-type: none"> 100% of new suppliers screened for social/ environmental criteria by 2026. 	●●●
						<ul style="list-style-type: none"> Review and enhance purchasing policies to include sustainability criteria by 2022/2023. 		●●●
					<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. 			●●●
	15. Contribution to the Community 	As a member of the communities where we operate, it is important for Sheng Siong to lend a hand to the less fortunate and champion causes that are essential for sustainable development. We keep the well-being of our communities in mind when organising our business activities by implementing measures that minimise pollution and promote safety and community spirit. Efforts to contribute to the community also have a positive impact on Sheng Siong as a business, enhancing our reputation and goodwill with our stakeholders.	<ul style="list-style-type: none"> Business Excellence Care for our Employees Care for the 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 the 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 support 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. 							●●●	

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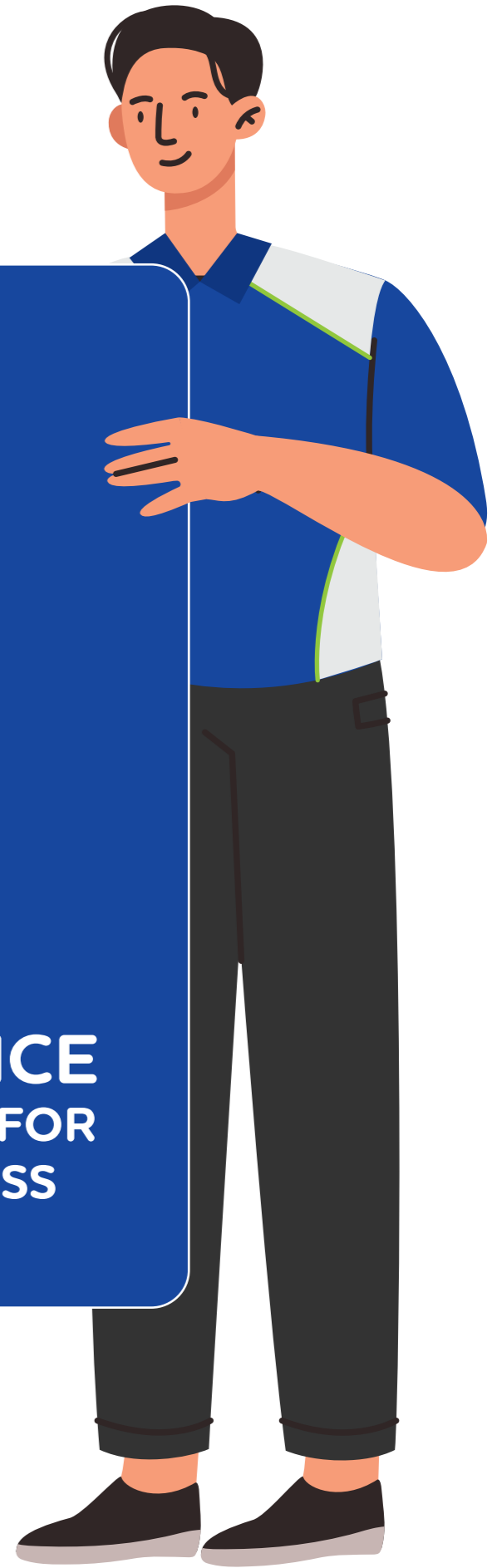
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 Care for the Environment	16. Energy, Greenhouse Gas (GHG) Emissions and Water Use	Resource conservation is not only important for the preservation of our natural environment, but is also essential to the viability of our business as it enables us 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 the 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"> Our energy intensity is slightly higher in 2022 due to new stores opening and a high base effect because of higher revenue in 2020 and 2021 attributed to COVID-19-related restrictions.
	17. Waste and Packaging 	Waste is a by-product of our business activities which can have negative 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 through our 3R (reduce, reuse, recycle) initiatives and measures such as imposing carrier bag charges. Sheng Siong can cut down on procurement of disposable carrier bags, and the costs of production spent on packaging materials for house brand products. Effective food waste management can also present financial opportunities to reduce costs associated with inventory loss.	<ul style="list-style-type: none"> Care for the 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"> Reduce water intensity year-on-year 			<ul style="list-style-type: none"> Target achieved
					<ul style="list-style-type: none"> Increase annual recycling rate year-on-year. 			<ul style="list-style-type: none"> Target achieved
					<ul style="list-style-type: none"> Reduce waste intensity year-on-year. 			<ul style="list-style-type: none"> On track to meet target
					<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"> Target achieved
						<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"> On track to meet target
						<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"> On track to meet target
			<ul style="list-style-type: none"> Work with stakeholders to implement Beverage Container Return Scheme by 2025. 	<ul style="list-style-type: none"> On track to meet target 				



▲ CEO Mr Lim Hock Chee shared with Deputy Prime Minister Mr Heng Swee Keat on the \$TM machine during DPM's visit to our HQ for the Queen Bee Programme.

BUSINESS EXCELLENCE PARTNERSHIP FOR SMART BUSINESS



BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

Leveraging on Technology and Innovation

At Sheng Siong, we recognise that innovation and technology play a crucial role in driving our business success. Despite the persistent manpower challenge, we aim to stay ahead of the curve by leveraging new processes and technologies that enhance productivity and enrich our customers' experience, resulting in exceptional performance.

In addition to tapping into our internal competencies, we also value partnerships with external entities like Enterprise Singapore to develop and adopt new processes and technology, enhancing our business capabilities. We believe that strengthening our business processes and technologies is fundamental to our goal of expanding our presence in Singapore and overseas markets.

We are pleased to share some of our recent initiatives in adopting new technologies and enhancing existing ones. While many of these efforts are still ongoing, we remain dedicated to continually improving and refining them.

Moving Forward on our Digital Transformation Journey

We believe that innovation does not always involve radical change. Instead, it requires a meticulous process of fine-tuning and making incremental improvements that can have a significant impact on the productivity and efficiency of our daily operations.

To this end, we conduct regular reviews of our administrative and operational workflows to identify processes that can be digitised or improved. This includes a range of areas, such as human resources, customer relationship management, procurement, checkout processes, and inventory and warehouse management.

In 2022, we allocated additional resources to review and improve our operational systems, which encompass warehouse and inventory management, logistics management, accounting, human resources, and procurement.

Since 2021, we have been developing an online training platform designed to provide bite-sized training that is more easily accessible and engaging for employees. This approach has been well-received by our staff, and we have already rolled out training programmes through this platform. We are committed to expanding our training programmes to promote learning and skill development in the future.

We also enhanced our supplier portal with new features that streamline communication with our suppliers and simplify administrative procedures. This has allowed our clerical staff to focus on more supervisory roles while also improving communication with our suppliers.

As part of our digitalisation drive, we continued integrating operational business functions into the Sheng Siong ("SS") Enterprise App, enabling our employees to perform these functions conveniently from their mobile devices. This includes purchase order approvals, real-time inventory inquiry, human resource management and sales monitoring.

As work is likely to become less desk-bound in the future, adopting digital solutions early will set us on a good path to achieve higher productivity and efficiency going forward. We will continue to invest in digital technology to drive productivity and achieve operational excellence.

Improving Warehouse Management System and Logistics Planning

We have made significant strides in improving our warehouse management system and logistics planning. Our Distribution Centre has been equipped with ambient and cold-chain Automated Storage and Retrieval Systems (ASRS) since 2021, increasing our storage and warehousing capacity by approximately 18%. This upgrade is necessary to support Sheng Siong's expansion plans in Singapore. The ASRS automatically stores and retrieves products and inventory as needed, reducing our reliance on physical labour while also helping us optimise floor space, minimise human error, and enhance inventory control.

Furthermore, we have revamped our logistics planning to enable better delivery route planning and real-time monitoring of traffic and delivery situations.



BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

Advancing with Data Analytics

Data analytics has become an indispensable tool for our business functions and decision-making. We are continuously enhancing our data analytics capabilities and exploring new ways to leverage data to improve our processes in areas such as manpower planning, in-store crowd control, theft prevention, workplace safety, product promotions, category management, and inventory management. We are committed to ensuring the security of all shared data.



Mr Tony Oon
39, Warehouse Senior Manager

As a warehouse manager, I have been using the Fleet Management System (FMS) developed by our in-house IT team for the past year, and it has made a significant difference in our daily operations. The system is highly customised to our needs and includes useful features such as real-time vehicle tracking, route optimisation, asset management, fuel tracking, and also a centralised dashboard for the warehouse-in-charge and a customised dashboard for each of the drivers.

With real-time vehicle tracking, I can monitor the status of our trucks and deliveries instantaneously, giving visibility to all the store deliveries. This allows us to make informed decisions as we know how fast the next truck will be returning and this truck can be directed straight to a loading bay for the next delivery assignment.

There would be alerts when drivers are running late and we can communicate directly with drivers through WhatsApp on the dashboard. Store managers would also receive notifications when the delivery truck is approaching the stores, improving coordination and efficiency. Our fleet assets such as vehicle registration, COE prices and expiry periods can now be managed in one place. Overall, the system has revolutionised our logistics planning and we appreciate that everything can be nicely controlled through a centralised dashboard.

Online Grocery Shopping through Sheng Siong Online

We have been offering online grocery shopping since 2014 under the name "allforyou.sg", and in 2021 we rebranded it to "Sheng Siong Online" to better align with our core branding strategy. With over 7,000 products and fresh produce, our mobile-friendly platform has been given a facelift, improving both its appearance and user interface. We have also made technological improvements to our operating systems to optimise deliveries and inventory management.



Sheng Siong Connect

Connecting with our Customers through Sheng Siong ("SS") Connect

To enhance our communication and engagement with customers, we have introduced the SS Connect app. It features functions 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. We have collaborated with corporate partners to roll out an e-voucher redemption feature, providing more flexibility and ease of administration for corporate gifting. We envision SS Connect as a shopping assistant for our customers and will continue to experiment with new functions and features for the app.

BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

Enhancing Customers' In-Store Experience through Technology

Since 2015, we have successfully implemented our Hybrid Self-Checkout System ("HSCO") in all 67 stores. With HSCO, our staff scans and bags the items for our customers, who then proceed to make payment at a kiosk. The HSCO system has enabled us to reduce customer waiting times at checkout by more than 30 seconds while freeing up cashiers and tellers to take on expanded roles and responsibilities that broaden their skill sets.

At the new Hougang Rivercourt, Margaret Drive, and Junction Ten stores, we have rolled out full self-checkout counters. This feature is intended for digitally savvy customers who can self-serve and want to avoid chokepoints at the checkout counters. With the self-checkout system accepting only QR and card payments, customers with smaller baskets can quickly and easily complete their checkout, while customers with larger trolleys can still be served by staffed hybrid self-checkout counters. One staff member can monitor up to six self-checkout counters, resulting in improved productivity compared to traditional checkout counters that require a cashier to operate.

To provide greater convenience for our customers and community, we continue to roll out Singapore's first cash withdrawal machines that recycle the cashflow from our stores. Our Simple Teller Machines ("STM") allow customers to withdraw money from their OCBC and UOB bank accounts, as well as top up their Singtel Dash Wallets. All but three of our 67 stores now have a STM machine, which is supplied with cash from our supermarket sales. In 2021, we added a new function to the STM for residents to withdraw cash using PayNow, with participating banks like POSB, DBS, OCBC, UOB, Citibank, Standard Chartered, Bank of China, Maybank, and more.

The STM machines not only enhance our customers' shopping experience but also reduce the amount of cash our cash handling service provider needs to deposit daily at the bank, resulting in savings on cash handling charges and improved productivity. In new housing estates where Automated Teller Machines ("ATM") are not available, the STM serves as an important amenity and convenient means of cash withdrawal for residents.

Partnerships for Excellence

Sheng Siong joined the SkillsFuture Queen Bee (SFQB) project in 2020 as an anchor company to support the development of Small-Medium Enterprises (SMEs) within its value chain and business networks. Through this partnership, Sheng Siong aims to equip SMEs with the necessary digital capabilities to scale and achieve business growth. More than 30 SMEs have joined Sheng Siong's SFQB programme, and training programmes are tailored to meet their business needs. In this closed-loop ecosystem, our productivity depends on our suppliers and their success is closely linked to the success of Sheng Siong. The partnership has been extended for another three years until 2025.

During a visit by Singapore Deputy Prime Minister, Mr Heng Swee Keat, and Minister of State, Ms Gan Siow Huang, in August 2022, Sheng Siong shared its experience as a "Queen Bee" and the success stories of suppliers who have benefitted from the SFQB programme. The Group also shared its digital transformation journey through the adoption of technologies to strengthen business capabilities and operations.

The Group has also partnered with Infocomm Media Development Authority (IMDA) to encourage its suppliers to go green and be more environmentally responsible. Since 2021, the Group has encouraged its suppliers to adopt e-invoicing method InvoiceNow to enjoy faster payments and smoother invoicing, which is also more sustainable in the long run.

Sheng Siong signed an MOU with the Institute of Technical Education (ITE) in 2018 to formalise a partnership for student and staff development. The partnership includes collaborations in areas such as internships, staff attachments, and industry projects related to Sheng Siong's business and operations. Since 2019, the Group has recruited interns from ITE and sent its trainers for training in a programme specially tailored to its needs. The MOU has been renewed for another three years until 2023.

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 programme is designed for students aspiring to work in the food retail industry and existing employees to update their skill sets and develop their careers. Sheng Siong hopes that the programme can help develop a pipeline of future talent and improve locals' perceptions of a career in the food retail industry.

BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

Protecting Our Digital Infrastructure & Intellectual Property

As our business undergoes a digital transformation, the risk of cybersecurity threats increases. Recognising the potential risks, we have implemented measures to secure and safeguard our digital infrastructure and intellectual property. We have set up internal protocols to monitor and prevent data breaches, along with a business continuity plan to recover critical technology infrastructure in the event of system failures.

In addition, we have established a data protection and non-disclosure agreement that key personnel must sign. This agreement mandates employees to maintain confidentiality for all company information and documents and provides guidance to prevent data breaches and uphold data confidentiality. We remain vigilant and will continuously monitor emerging cybersecurity trends to further enhance our security measures and safeguard against cyber threats.

Communication and Training on Anti-Corruption and Anti-Competition

At Sheng Siong, we uphold a strict zero-tolerance approach towards any form of corruption or collusion. We conduct a thorough assessment of all our operations to identify and mitigate potential corruption-related risks. These include any instances of fraud, bribery, or corruption, whether committed by employees, third parties, or through collusion, that may arise during the procurement, receiving, storage, distribution, and payment processes. Such risks pose severe consequence for our Group. Additionally, we extend our corruption-related risk assessment to our human resource management processes.

The Group's policies on conflicts of interest and anti-corruption can be accessed by all employees via the company's intranet. We have also provided a set of guidelines to assist our employees in clarifying their responsibilities and identifying, addressing, and preventing any potential instances of corruption. Furthermore, we

require key personnel in sensitive positions to declare any conflicts of interest annually. Once a conflict of interest is declared, the personnel concerned must sign an agreement with the company acknowledging that their job responsibilities may be reassigned, and they should refrain from making or influencing any significant business decisions.

We have informed all of our Board of Directors and current employees of the anti-corruption policy. In 2022, 3274 employees, representing 95% of our workforce, completed the in-house training on anti-corruption. All five executive directors have also received the in-house training.

Informed of anti-corruption policies and procedures	Total No.	Percentage
Board of Directors	10	100%
Employees (excluding Executive Directors)	3463	100%

Received training on anti-corruption policies and procedures	Total No.	Percentage
Board of Directors	5	50%*
Employees (excluding Executive Directors)	3274	95%
Non-managerial	3183	95%
Managerial	91	83%

* Although the 5 Independent Directors did not receive formal training, the Group's anti-corruption policy has been presented to them for review and acknowledgement.

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. Our anti-corruption policies have been communicated to all our suppliers via our purchase agreements. 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 2022, 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 promote a culture of continuous learning from both our mistakes and experiences. In situations where we do make errors, we take great care to ensure that they were not made with malicious intent. As such, we conduct thorough investigations and reviews of our business processes, learn from our errors, make necessary corrections, communicate the findings of our process, and take steps to prevent any potential recurrences.

	2018	2019	2020	2021	2022	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	*2	0	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	*1	*1	0	<ul style="list-style-type: none"> Immediately cleaned-up affected area. Conducted more regular inspections.
Waste Disposal	0	0	0	*2	0	<ul style="list-style-type: none"> Improved training and awareness on waste disposal procedure.

BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

	2018	2019	2020	2021	2022	Corrective Actions & Management Approach
No. of Incidents of Non-Compliance with Laws and Regulations in the Social and Economic Area						
Fire Safety	*8	*5	1 - The Group was fined a total of S\$5,100.00 for non-compliance with the Fire Safety Act (Cap. 109A) at Blk 539 Bedok North branch. A fire broke out on 25 January 2020.	*5	*3	<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	*6	*5	*10	*8	*11	<ul style="list-style-type: none"> Spaces were reverted to their original purpose of use.
Employment related	0	*1	*2	*1	*3	<ul style="list-style-type: none"> The offence has been corrected immediately with the employee updating his correct residential address in the MOM's register. Further steps have been taken to check on the accommodation of our foreign employees.
			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 - 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	2 - The group was fined S\$6,000.00 for failing to ensure that the residential address of foreign employees were updated in the Ministry of Manpower's register. 3 warnings	

BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

	2018	2019	2020	2021	2022	Corrective Actions & Management Approach
Workplace Health & Safety	1 - The group was fined S\$2,000.00 for non-compliance concerning workplace safety.	*1 3 - warnings	*1	0	1 - The group was fined S\$3,000.00 for non-compliance concerning workplace safety.	<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	-
Others	1 - The Group was fined S\$19,662.26 for mistakes made in our GST reporting. Remedial: Improved training of accounting staff on GST reporting.	2 <ul style="list-style-type: none"> 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	1* - The Group was fined for unauthorised use/change of use of place.	<ul style="list-style-type: none"> The offences have been corrected.

BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

	2018	2019	2020	2021	2022	Corrective Actions & Management Approach
No. of Incidents of Non-Compliance concerning Products & Services						
Health and Safety Impacts of Products and Services	*4 2 warnings 1 internal finding	*2 4 warnings	*5 2 warnings 1 internal finding	*2 3 warnings	*1 2 warnings	<ul style="list-style-type: none"> Enhanced Internal Quality Assurance Programme
Product and Service Information and Labelling	2 warnings	2 warnings	*2 2 warnings	2 warnings	*1 1 warning	<ul style="list-style-type: none"> 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	1* - A complaint was received concerning a breach of customer's privacy resulting from the disclosure of a CCTV video of an incident causing customer's injury at Blk 105 Canberra branch.	<ul style="list-style-type: none"> Took steps to increase awareness of our privacy policy among our employees and implemented stronger procedures to safeguard data privacy protection.

* 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

External Initiatives

At Sheng Siong, we prioritise maintaining the highest standards for food and product quality and management systems, which align with our values and meet the expectations of our customers and other stakeholders. We strive to improve ourselves continuously as a retailer, employer, and organisation. Additionally, we endorse or subscribe to the following external initiatives:

- 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 (TGFEF)
- Forest Stewardship Council (FSC)

Community Development Council (CDC) Vouchers Scheme

To alleviate the impact of the additional Goods & Service Tax (GST) on Singaporean households, the government is providing support by issuing CDC vouchers that can be used at participating supermarkets, such as Sheng Siong. Our Point-of-Sales (POS) system has been integrated to accept these vouchers, ensuring a seamless shopping experience for customers.

Packaging Partnership Programme (PPP)

Sheng Siong joined the Singapore Packaging Agreement (SPA) in 2018, which is a collaborative effort by the government, industry, and NGOs to minimise packaging waste in Singapore. Our exceptional contribution towards reducing packaging waste was acknowledged with the Excellence Award (MNC and LLE) by SPA in 2019. As the SPA ended on 30th June 2020, the National Environment Agency (NEA) partnered with the Singapore Manufacturing Federation (SMF) to create the Packaging Partnership Programme (PPP). This programme supports companies in fulfilling their obligations under the Mandatory Packaging Reporting framework from 1st January 2021 and promotes knowledge sharing in sustainable packaging and waste management. Sheng Siong joined the PPP in October 2020.



Climate Action SG: Climate Friendly Households Programme

The "Switch and Save - Use LED" (SSUL) campaign, initiated in August 2018 by Climate Action SG, aims to encourage households living in 1- and 2-room HDB flats to use LED lights. The National Environment Agency (NEA) extended this initiative with the "Climate Friendly Households Programme" (CFHP) launched on 28th November 2020. The CFHP offers e-Vouchers to households residing in 1-, 2-, and 3-room HDB flats, enabling them to purchase energy and water-efficient appliances and fittings. Eligible households receive a \$25 voucher from the government to purchase LED lights from participating retailers, including Sheng Siong. This programme will continue until 31st December 2023.

BUSINESS EXCELLENCE PARTNERSHIPS FOR SMART BUSINESS

Singapore Healthier Choice Symbol Programme

From 2017 to 2022, the number of our house brand products carrying the Healthier Choice Symbol (HCS) has grown significantly from 25 to 124. This includes a wide range of products such as 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 options such as baked nuts, peanut butter, tuna chunks in olive oil and frozen vegetables are some of the latest additions to our product line-up.

Digital for Life (IMDA)

In today's technology-driven environment, enhancing the digital skills of our employees is crucial for our success. In 2019, we pledged our commitment to support our employees in acquiring digital skills and encourage our stakeholders to use our digital services by participating in the Digital Participation Pledge initiated by the Infocomm Media Development Authority (IMDA). We continue to actively support the Digital for Life movement, which aims to foster a culture of lifelong digital learning among Singaporeans.

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.

Made for Families

The Made for Families initiative was launched by the National Population and Talent Division in the Strategy Group, Prime Minister's Office, to assure families in Singapore of support from the government and community at large. As both an employer and a business, we have adopted the brand mark and pledged to uphold its principles. As an employer, we are committed to implementing pro-family measures to support our employees in balancing their work and family obligations. As a business, we pledge to provide family-friendly products and services, including promotions and programmes.

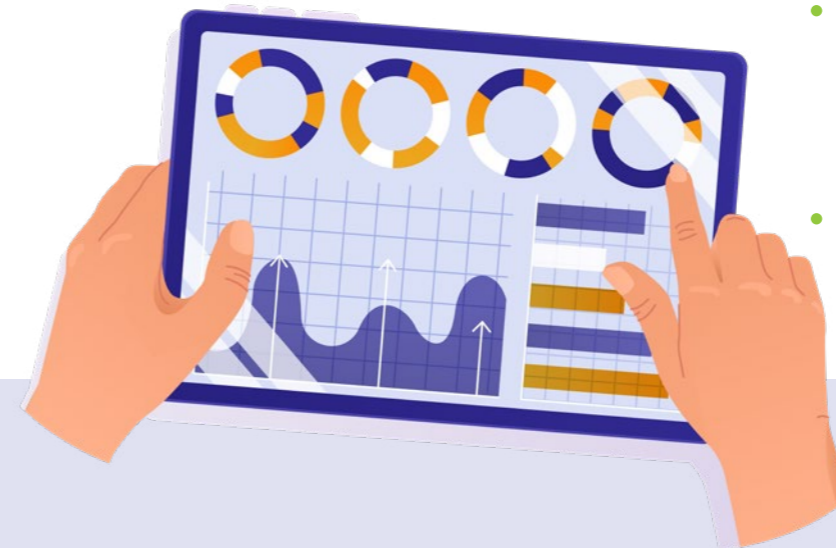


NS Mark Accreditation

We have pledged and signed the declaration of support for National Service and Total Defence 2022- 2027. The NS Mark is a national-level accreditation scheme that recognises businesses and organisations with policies and human resource practices that support National Service and Total Defence.

Membership of Associations

- Food Drinks & Allied Workers Union (FDAWU): We are a member of the FDAWU which represents employees in accommodation, food manufacturing, food retail and food services. We serve as a council member of the Executive Council and also on one of the committees to oversee programmes and coordinate activities for union members.
- Singapore Chinese Chamber of Commerce and Industry (SCCCI): Besides being a corporate member of the SCCCI, our CEO Mr Lim Hock Chee has also been serving as a Council Member since 2010. In 2022, he was elected as the vice-president of the 61st Council for a 3-year term.
- Singapore Business Federation (SBF): We are a member of the SBF which is the local business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations.





**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 takes its responsibility to safeguard the health, safety, and interests of its customers seriously. We pledge to provide our customers with high quality products, service, and price. Additionally, we are dedicated to providing accurate and adequate product and marketing information to enable shoppers to make informed decisions. Our commitment to our customers also includes protecting the privacy of their personal information.

Meeting Essential Needs

During the COVID-19 pandemic, when consumers were panic buying and stockpiling essential goods, Sheng Siong stepped up its efforts to ensure a stable supply of food to meet the increased demand. However, supply chain disruptions were still a concern, including export restrictions on items such as palm oil, fresh chicken, and eggs. To address these issues, Sheng Siong worked closely with suppliers and partners to find alternative solutions and ensure the timely delivery of fresh produce to stores.

In recognition of its contributions to Singapore's fight against COVID-19, Sheng Siong was awarded The President's Certificate of Commendation (COVID-19) in 2022.

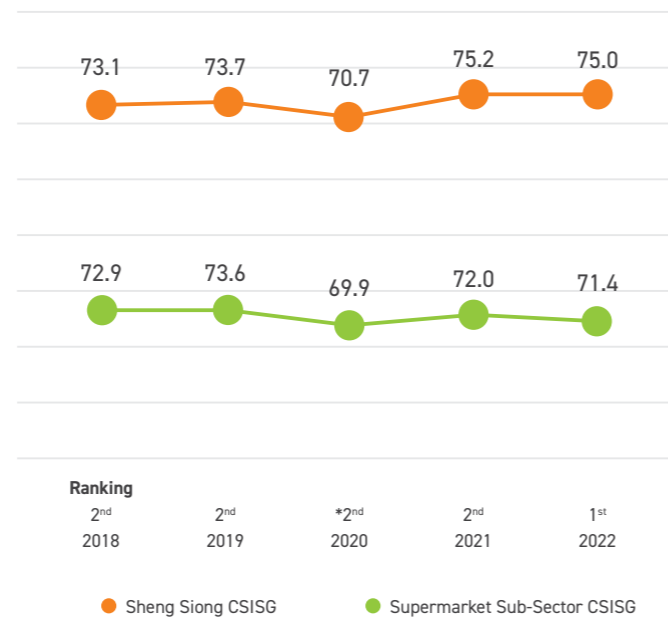
The pandemic has highlighted the importance of achieving food security, and Sheng Siong is committed to supporting local producers to achieve the Singapore Food Agency's "30 by 30" goal of producing 30% of Singapore's nutritional needs locally by 2030.

Customer Satisfaction

At the heart of our business are our customers, and it is crucial to prioritise their needs and concerns while striving to deliver exceptional service and experiences both in-store and online.

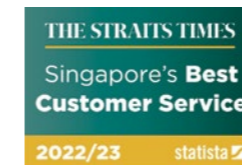
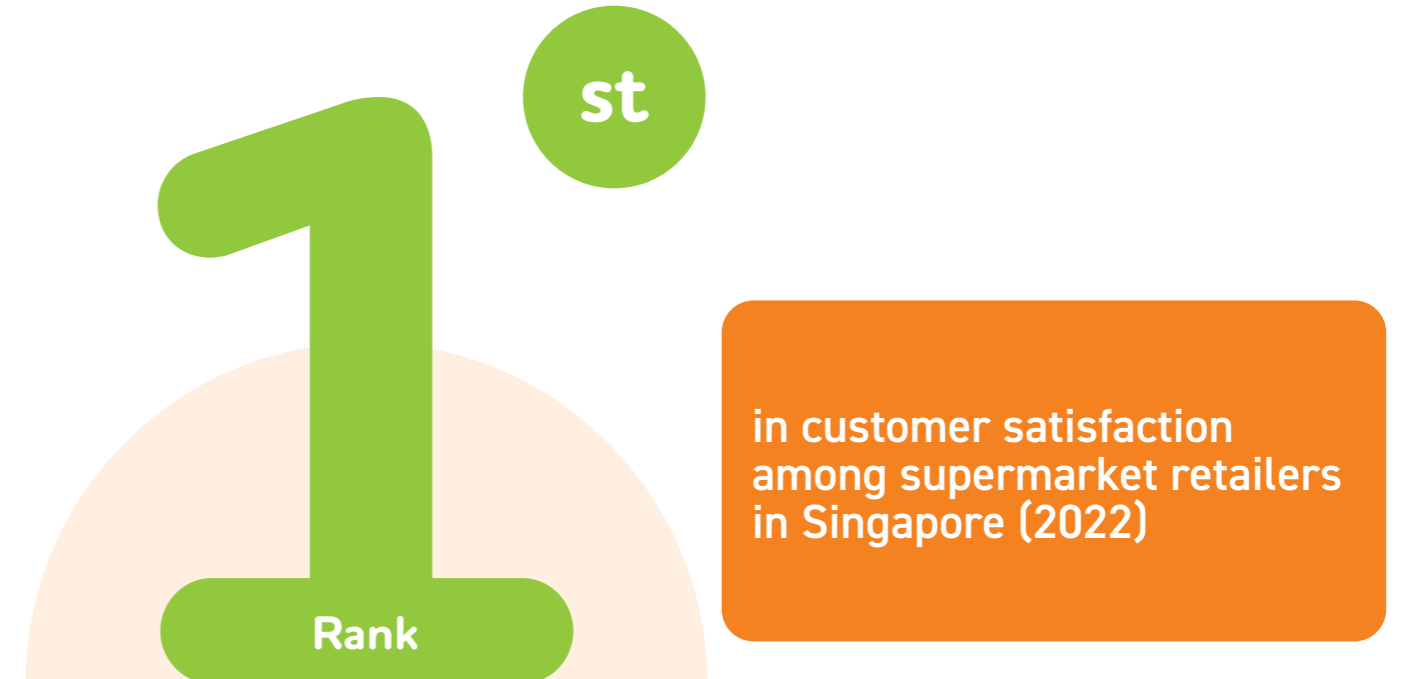
As a prominent supermarket retailer in Singapore, we pride ourselves on ensuring a stable and high-quality supply of daily essentials for our customers.

Sheng Siong's tagline "All for You" embodies our organisation's focus on customer care and service, as we continuously strive to improve the shopping experience at all our retail outlets. To this end, we have adopted the Customer Satisfaction Index of Singapore (CSISG) to monitor our progress and identify areas for improvement. Over the last few years, our CSISG score has consistently improved, indicating the effectiveness of our efforts to enhance customer satisfaction.



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

CARE FOR OUR CUSTOMERS A RESPONSIBLE RETAILER



We are proud to announce that in 2022, Sheng Siong received top recognition for our exceptional customer service in the Supermarket Sub-Sector. Not only did we surpass the industry average, we also came in first place among leading supermarket retailers in Singapore. Additionally, Sheng Siong was awarded the title of Singapore's Best Customer Service 2022/23 Company (Category: Supermarkets) by The Straits Times.

Customer Engagement

Effective communication, engagement and feedback channels are important in helping us understand our customers' evolving needs. We strive to establish meaningful relationships with our customers through in-store engagements and growing our online presence on platforms such as Facebook to better understand their preferences and offer them after-sales care. As at end 2022, we have over 140,000 followers on Facebook.

The achievements we have attained would not have been possible without the commitment and hard work of our employees. Their diligent efforts enabled us to keep 26 of our stores operational during the two-day Chinese New Year holiday, and 53 out of 67 stores running on a 24-hour operating cycle (as at the end 2022). In recognition of their efforts and sacrifice, a record 660 employees were rewarded for providing excellent customer service in 2022.

Omni-Channel Sales

We continue to offer online grocery shopping through our Sheng Siong Online platform. We have 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 still 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.

Apart from 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 measuring our complaint-to-compliment ratio. From 2021 to 2022, our complaint-to-compliment ratio increased from 1.79 to 2.66 primarily due to increased feedback for our e-commerce segment, mostly relating to non-delivered items, quality, and last-mile delivery. However, if we exclude the e-commerce segment, the ratio has improved from 1.22 to 1.09 instead. We are dedicated to addressing our customers' feedback and concerns to uphold our commitment to our tagline, "All for You".

CARE FOR OUR CUSTOMERS A RESPONSIBLE RETAILER



Affordability of Daily Necessities

We maintain close collaboration with government agencies to monitor and prevent excessive price increases in daily essentials, thereby enabling us to tackle anti-competitive and profiteering practices in Singapore. In conjunction with the announcement of the increment of the Goods and Services Tax (GST) from 7% to 8% in 2023 and 8% to 9% in 2024, the Committee Against Profiteering (CAP) was established in March 2022, at the national level, to investigate unwarranted price hikes in essential goods and services, using the Goods and Services Tax (GST) increment as a pretext. Our CEO, Mr. Lim Hock Chee, is a member of the CAP, and Ms. Low Yen Ling, Minister of State for the Ministry of Trade and Industry (MTI) and the Ministry of Culture, Community and Youth (MCCY), serves as the Chairperson. This demonstrates our commitment to ethical business practices and corporate responsibility.

In a bid to promote the affordability of daily essentials, we made a pledge in July 2022 to list all of our Sheng Siong house brand grocery products on the Price Kaki mobile application. The application, developed by the Consumers Association of Singapore (CASE) with the support of the Ministry of Trade and Industry (MTI), promotes price transparency by enabling consumers to compare retail and promotional prices of common household items and groceries. By doing so, consumers can make informed purchasing decisions. This announcement was made during a visit to our distribution centre by Minister Low Yen Ling. Moreover, to assist seniors and their families in coping with inflationary pressures and rising living costs, we increased the Senior Citizen discount from 3% to 4% on Tuesdays and Wednesdays, effective from 5th July 2022. In addition, we provide customers with regular promotions and discounts on products, and with the backing of our bank partners, customers can enjoy cash rebates by using preferred credit cards at Sheng Siong.

Amidst the current inflationary environment, our house brand products offer viable and comparable alternatives for consumers. With over 1,600 products across 23 labels like Tasty Bites, Heritage Farm and Happy Family, our house brand products span seven product categories, including groceries, frozen, dried food, seafood, meat, fruits, and vegetables. These products are developed with a focus on health, nutrition, quality, and value, providing a healthier choice for Singaporeans while remaining affordable. Compared to other branded products, our house brand products are typically priced 5%-20% lower, enabling our customers to stretch their dollars without compromising on quality.

To further assist families in coping with inflation and the GST hike, we announced on 31st December 2022 that we would provide a 1% discount on all in-store purchases, except for alcohol, tobacco, vouchers, lottery, and infant milk powder (Stage 1 and 2) products, from January to March 2023.

To alleviate the impact of the additional GST on Singaporean households, the government is providing support by distributing Community Development Council (CDC) vouchers that are redeemable at participating supermarkets, such as Sheng Siong. Our Point-of-Sales (POS) system has been integrated to accept these vouchers, ensuring a seamless shopping experience for customers.

As an additional safeguard to ensure product affordability, we diversify our food sources when formulating our sourcing and procurement strategy. We also conduct regular market research and benchmarking exercises to ensure that Sheng Siong provides the best value in a basket of essential goods. This demonstrates our commitment to providing affordable and high-quality products to our customers.

CARE FOR OUR CUSTOMERS A RESPONSIBLE RETAILER

Customer-Centric Initiatives

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

Our market share growth is a positive indication of our success in improving customer satisfaction, which has remained steady despite the increase in store count. In addition to expanding our presence, we also implemented several initiatives in 2022 to further enhance our customers' experience and satisfaction, including:

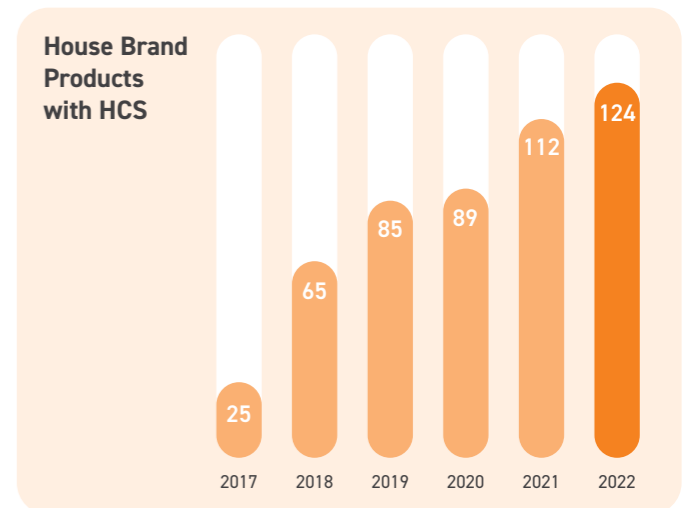
- Extended 3% Special Discount for Senior Citizens every Wednesday. The discount has been raised to 4% since 5th July 2022.
- Extended 3% Special Discount for the Merdeka Generation every Tuesday. Since 2022, senior citizens can also enjoy the 3% special discount on every Tuesday. The discount has been raised to 4% since 5th July 2022.
- Announcement of 1% counter-inflation discount on all in-store purchases, except for alcohol, tobacco, vouchers, lottery, and infant milk powder (Stage 1 and 2) products, from January to March 2023.
- Completed roll-out of Hybrid Self-Checkout systems that shorten customers' queue time, to all new stores
- Completed roll-out of Cash Withdrawal Machines known as "\$TM" to provide our customers with convenient and value-added services, to all new stores
- Continued to reward customers for their loyalty through the Sheng Siong Mega Promotion Campaign (The Sheng Siong Show)
- Continued to reward customers for their loyalty through the Sheng Siong Hari Raya Grand Lucky Draw Campaign
- Committed to offer family-friendly products and services by adopting the Made for Families brand mark. This includes offering promotions and programmes such as Baby Fairs.
- Improved procedures and increased awareness among employees to ensure the safety of customers in our stores
- Conducted two promotion events to raise awareness on healthy eating

Healthier Diet Choices, Healthier Singapore

At Sheng Siong, we are committed to promoting healthy lifestyles for our consumers. To this end, we continually strive to improve the health and nutritional standards of our house brand processed food products. This is aligned with the national movement towards healthier living, which saw the Health Promotion Board (HPB) introducing the Healthier Choice Symbol (HCS) programme to help consumers make informed and healthier choices in their grocery shopping. As of 2022, we are proud to offer over 2,800 (compared to about 2,600 in 2021) products that carry the HCS label.

Healthier Choice

As consumer demand for healthier products grows, we have been developing more products in-house that meet the Healthier Choice Symbol criteria. As of 2022, the number of products under our house brands carrying the Healthier Choice Symbol (HCS) has increased significantly to 124, up from just 25 in 2017. Our range of HCS products now includes a variety of food categories, such as canned seafood and vegetables, frozen mixed vegetables, rice, plant-based protein like tofu, cooking oil, ready-to-eat snacks, nuts, instant beverages, canned tuna, and condiments. This is part of our commitment to promoting a healthier lifestyle and providing our customers with more options to make informed choices for their well-being.



CARE FOR OUR CUSTOMERS A RESPONSIBLE RETAILER

Every year, we assess 100% of our new house brand items for potential health and safety enhancements. Starting at the product development stage, we strive to improve on existing formulas to provide our customers with healthier choices. Take, for instance, the Bake For You Creamy and Crunchy Peanut Butter 340g, which was introduced in 2019. We continually scrutinise our formulas to enhance the nutritional value of our products while collaborating with our R&D team to develop innovative, healthier products for our customers. In 2022, we released the Bake For You Peanut Butter 340g with no added sugar and salt, to cater to health-conscious consumers as it contains protein and is naturally cholesterol-free. The sweetness is derived naturally from the peanut itself, with no additional sugar added to the formula. The product was formulated in accordance with the Health Promotion Board guidelines and has earned the HCS label.



Bake For You Creamy and Crunchy Peanut Butter 340g (2019)



Bake For You Peanut Butter 340g with no added sugar and salt (2022, HCS)

Starting in 2017, we collaborated with the HPB in the “Eat, Drink, Shop Healthy Challenge” to encourage consumers to make healthier choices when shopping. By purchasing any HCS product, customers can scan the QR code on their receipts to receive Healthpoints, which they can then exchange for grocery shopping vouchers. We are committed to partnering with our suppliers to broaden the variety and assortment of healthier choice items available.

Nutri-Grade Labelling Scheme

To aid consumers in making healthier choices, the Ministry of Health (MOH) and the HPB have launched the Nutri-Grade labelling scheme for pre-packaged drinks. The labelling is mandatory for pre-packaged beverages rated “C” and “D,” with those graded as “D” subject to advertising restrictions due to their higher sugar and saturated fat content. In compliance with the updated labelling regulations, we assessed and reformulated our Heritage Farm 3-in-1 White Coffee (Original/Hazelnut) by reducing the sugar content, resulting in a reclassification from “D” to “C” for these two products. The new packaging, featuring the Nutri-Grade label, was introduced in December 2022.



Reformulated Heritage Farm 3-in-1 White Coffee (Original/Hazelnut) with Nutri-Grade mark ‘C’

War on Salt: Sodium Reduction Campaign

Singapore’s latest health campaign against overconsumption of salt follows a similar initiative against sugar, which gave rise to the Nutri-Grade rating to encourage Singaporeans to reduce their sugar intake. Over the years, Singaporeans’ salt intake has risen, surpassing the World Health Organization’s daily recommended salt intake. Studies have linked excessive sodium consumption to high blood pressure, which can result in heart attacks and strokes. The HPB launched a public education campaign in October 2022, urging consumers to reduce their sodium consumption by about 15% over the next five years.

One approach to reducing sodium consumption is to use salt substitutes like potassium chloride, which has a similar taste to regular salt and also helps regulate blood pressure by increasing potassium intake. This is useful as the average daily potassium intake of Singaporeans is below the recommended level. However, salt substitutes are approximately 10 times more costly than standard salt.

CARE FOR OUR CUSTOMERS A RESPONSIBLE RETAILER

Sheng Siong is among the supermarket chains that took the lead to provide a more affordable salt substitute product and have since introduced another two following the HPB’s announcement. We will continue to partner with our suppliers to offer low-sodium options for our customers.

Keeping Our Products Fresh and Safe

Cold chain management is crucial for maintaining the safety, freshness, shelf life, quality (including nutritional value and sensory characteristics) and reducing food waste of fresh produce by minimising spoilage across the supply chain. Our company has been utilising cold chain management techniques since 2011, covering key links in the supply chain such as transportation, distribution, and storage at our distribution centre, and retail outlets. Furthermore, we have obtained and maintained our ISO 22000 certification for Food Safety Management Systems since 2016, which includes the processing facility where we handle seafood, meat, vegetables, repackaged dried food, frozen food, and fruits. To ensure hygiene and cleanliness, we have implemented an internal grading system in our stores.

We also established a self-test assessment as part of our Quality Assurance Programme to check and review products that are susceptible to food safety issues. We routinely send samples of our products and fresh produce to an external laboratory for testing of 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 2022, we had three 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 two warnings and one non-significant monetary fine from relevant authorities*.

We also received one warning and one non-significant* monetary fine 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.

We have since taken action to investigate these incidents and prevent such lapses in future.

Respecting Customer Privacy

We hold two seasons of our weekly “Sheng Siong Show” annually, during which customers can participate and win prizes by submitting their receipts at our retail outlets. To ensure the protection of our customers’ personal data, we shred receipts containing their personal information every two weeks. A video of the disposal process is available at <https://corporate.shengsiong.com.sg/the-sheng-siong-show/>.

As a responsible organisation, Sheng Siong complies with the Personal Data Protection Act (PDPA) of 2012 to safeguard our customers’ personal data. 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/>.

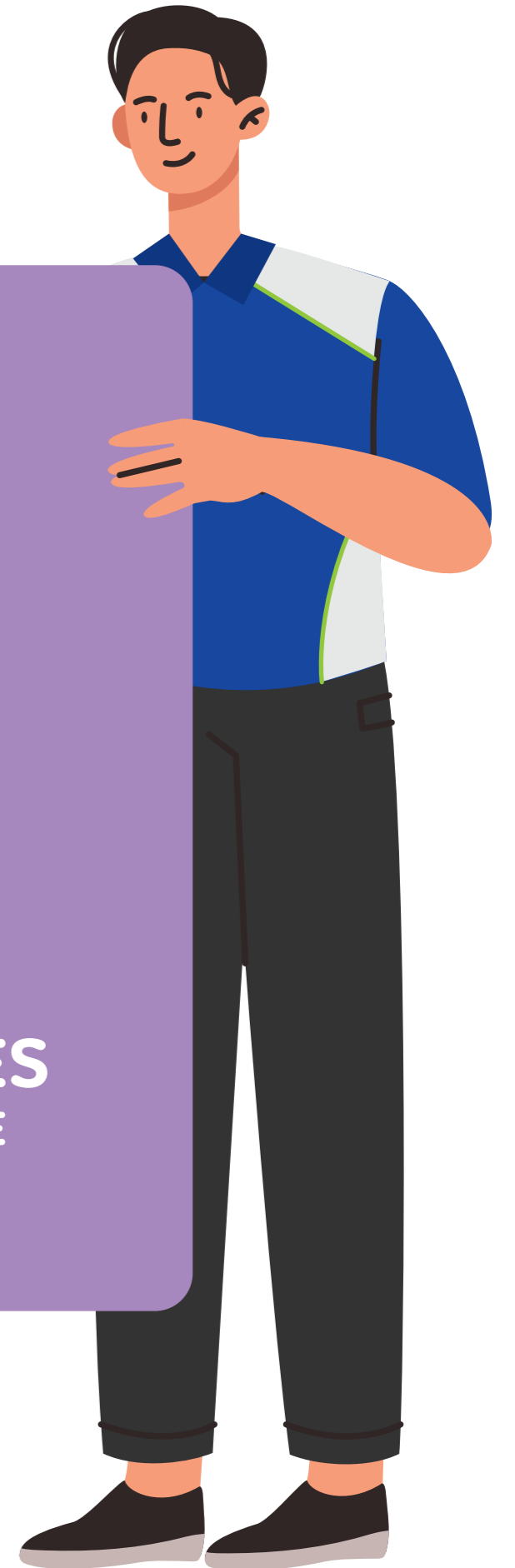
Our IT Policy outlines a set of procedures covering various aspects of the management of our IT system to protect our information technology assets. We regularly conduct risk assessments as part of our IT Policy to monitor and establish safeguards within our systems to prevent breaches. In 2022, we conducted an internal audit review of our network security in order to identify any possible gaps in our systems.

During the year, we received a single substantiated complaint concerning the breach of customer privacy. This was due to the disclosure of a CCTV video of an incident that caused injury to a customer at our Blk 105 Canberra branch. This incident has been resolved. However, we did not receive any substantiated complaints related to the loss of customer data. We have since taken steps to increase awareness of our privacy policy among our employees and implemented stronger procedures to safeguard data privacy protection.

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



**CARE
FOR OUR
EMPLOYEES**
A RESPONSIBLE
EMPLOYER



CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

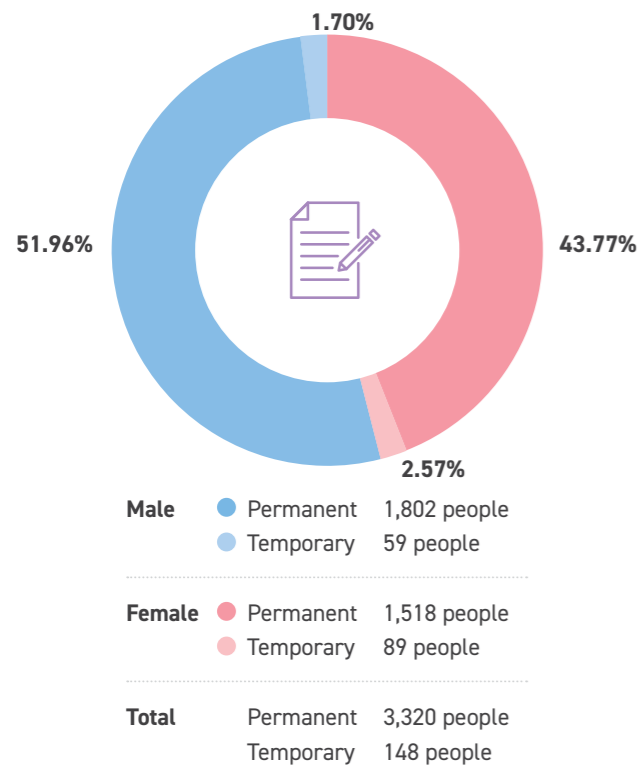
Building an Inclusive Workplace

At Sheng Siong, we value and recognise the contributions of our colleagues regardless of gender, age, race, religion, nationality or disability. Guided by the Tripartite Guidelines on Fair Employment Practices (TGFE), we treat our employees equally and without discrimination. Apart from providing an inclusive, safe and conducive working environment, we believe in empowering our colleagues by creating an innovative and ownership-driven culture.

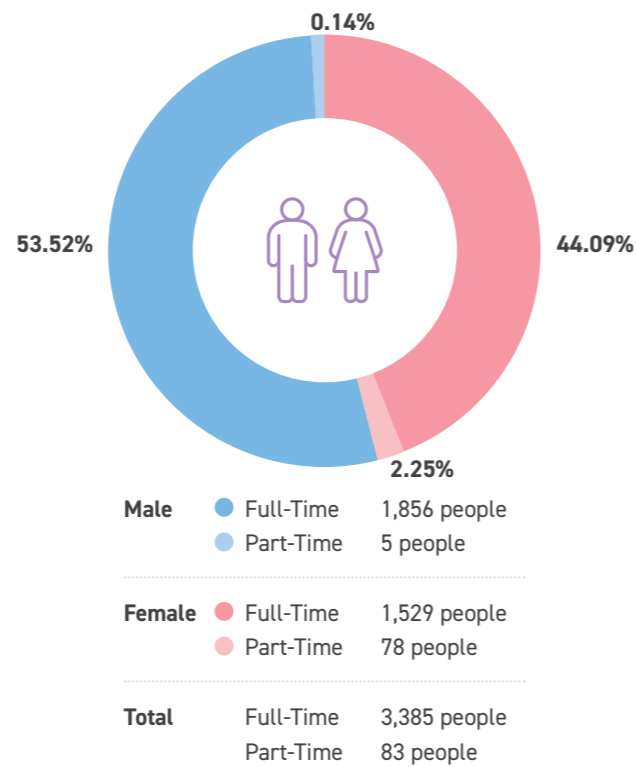
As at 31st December 2022, Sheng Siong has a workforce of 3468 employees with an equal gender distribution. Most of our employees are engaged on a full-time, permanent basis in Singapore. 99% of our managerial employees are Singapore Citizens or Permanent Residents.

 **Total Employees**
3,468

Distribution of Sheng Siong Employees by Employment Contract and Gender
As at 31st December 2022



Distribution of Sheng Siong Employees by Employment Type and Gender
As at 31st December 2022



Employee numbers are reported based on headcount at the end of the reporting period.

There were no significant fluctuations in the number of employees during the reporting period as compared to 2021.

As at 31st December 2022, there are 99¹ non-guaranteed hours employees of whom 16 are female and 83 are male. These employees are remunerated based on piece rate.

We had 16 workers who were not employees as at 31st December 2022². They include interns, trainees from MINDS, delivery drivers and workshop workers. There were no significant fluctuations in the number of workers who were not employees as compared to 2021.

¹ In 2021, it was reported that we had zero non-guaranteed hours employees, where in fact this information was not available.
² In 2021, it was stated that we had about 30 workers who were not employees, based on workers hired during the year. We have changed the methodology to report the number of workers who are not employees at the end of the reporting period. As at 31st Dec 2021, we had 20 workers who were not employees.

CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

Embracing Diversity

Sheng Siong promotes direct communication and transparency via a flat corporate structure. Close relationships and mutual trust between employees and top-level management are nurtured by frequent and open communication via direct and indirect channels. We strive to remain approachable to all employees by maintaining an open-door policy.

Our employees are informed and trained on our whistle-blowing policy in the event that cases of discrimination are encountered. Our whistle-blowing policy guarantees whistle-blowers' safety against victimisation and retaliation. Proper procedures have also been established to address employee misconduct and complaints of abusive, fraudulent or unethical behaviour.

There were no incidents relating to discrimination in the year under review.

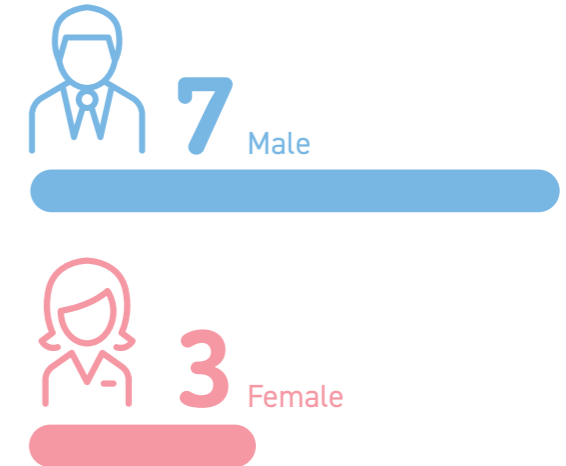


Mr Punesan A/L Periyasamy
56, Vegetable Packer

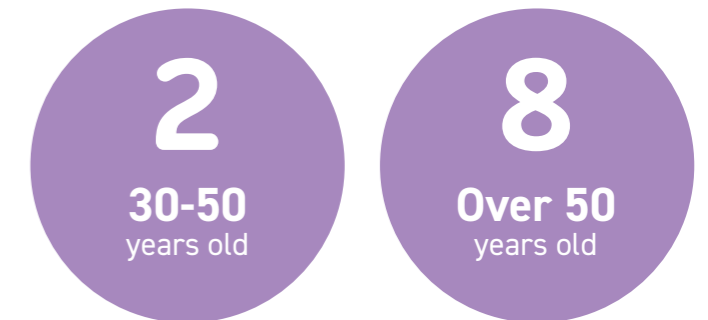
This is my 11th year working at the Distribution Centre and I am glad to be part of the team. Although most of my colleagues are Chinese, we get along very well. We usually converse in English and Malay and everyone has been very easy-going. I abstain from pork due to personal reasons, but I appreciate that my superiors made arrangements with our staff canteen to make sure that I can have a non-pork bento for my work lunch every day for the past decade. The company has treated me well and I hope I can continue to work till retirement.

Composition of Board of Directors (as at 31st December 2022)

Composition of Board by Gender:

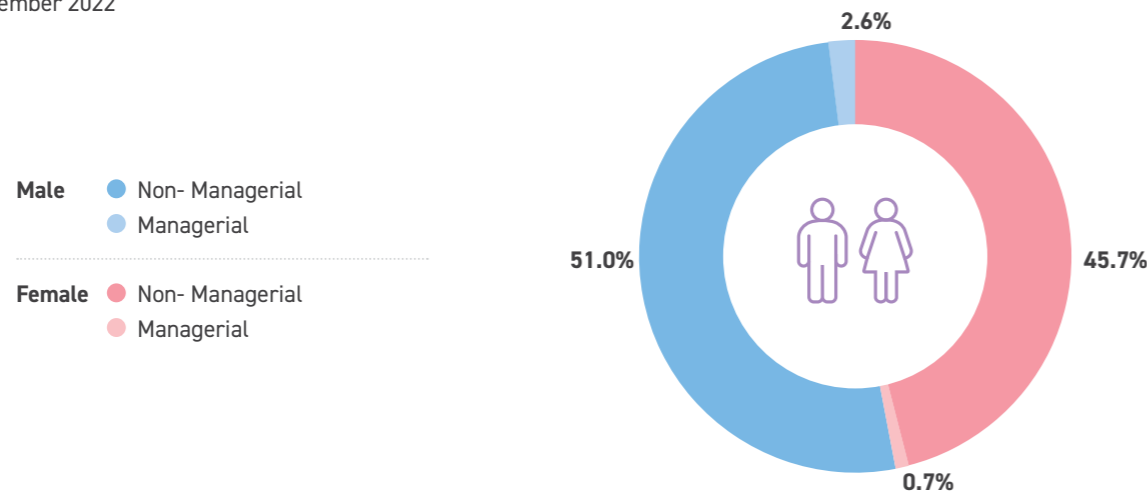


Composition of Board by Age Group:



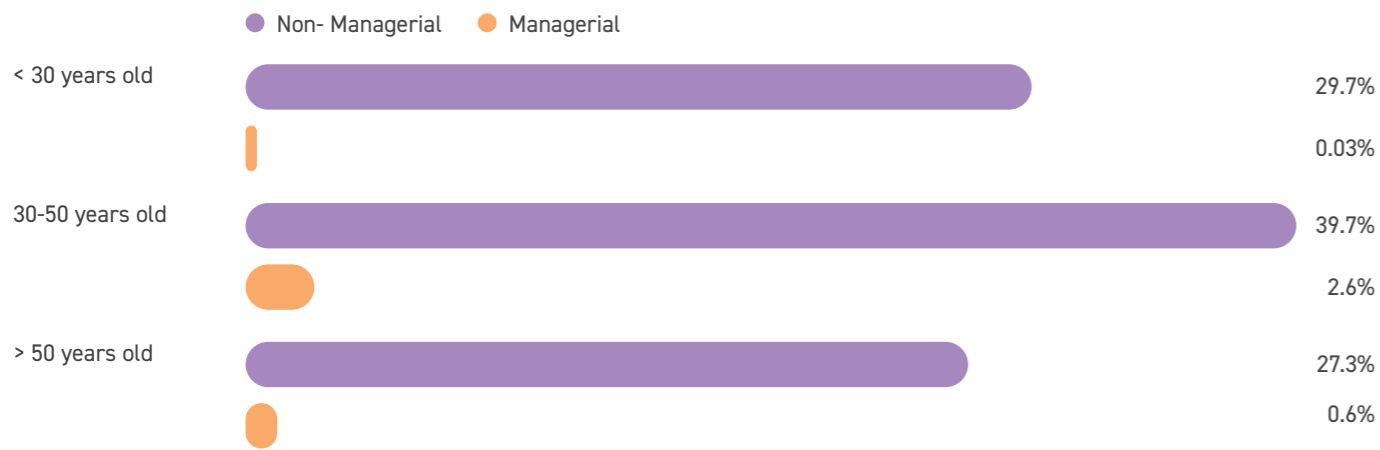
CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

Percentage of Employees per Employee Category (Managerial/Non-Managerial)* by Gender
As at 31st December 2022



* The managerial category is made up of staff from the rank of "assistant manager" and above.

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



* The managerial category is made up of staff from the rank of "assistant manager" and above.



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.

CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

Remuneration Policy

Sheng Siong is proud to be able to provide a fair, attractive and competitive remuneration package that is able to attract and retain talents. The procedures for developing our remuneration policies are explained in our Annual Report 2022. Stakeholders may communicate their views on remuneration by providing feedback to our management whilst Union members may share their views through their respective unions.

From 1st September 2022, Sheng Siong is obliged to meet the Progressive Wage Model (PWM) requirements for retail workers. Developed by the Tripartite Cluster for Retail Industry, the PWM stipulates specific training requirement for retail workers, and progressive wages to ensure retail workers are paid wages that commensurate with their skills and productivity. Sheng Siong has complied with these requirements and is expected to meet the training requirements by 2023.

Employee Rights

Sheng Siong respects employee rights in compliance with the Singapore Employment Act. In the event of contract termination, employees in non-managerial roles who have served for a minimum of two years are given at least two weeks' notice period or two weeks' salary in lieu of notice. Employees in non-managerial roles who have served a minimum of five years and employees in managerial roles are given at least one month's notice or one month's salary in lieu of notice.

Any change to employment arrangements such as work shifts and work locations are made after consultation with an affected employee. Agreements are made only after taking employees' feedback into consideration.

88.8%³ of our 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. Working conditions and terms of employment for employees not covered by collective bargaining agreements are also based on collective bargaining agreements that cover the other employees.

³ In 2021, it was reported that 97.5% of our employees are covered by collective bargaining agreements. This is computed using a smaller employee base that excluded temporary employees. We have since updated our methodology to include all employees.

Rewarding Work Effort and Excellence

Our employees play a critical role in the success of our business. We value their effort, dedication, sacrifice and ensure commensurate remuneration. Sheng Siong has committed to a profit-sharing scheme as recognition of employees' efforts and to further motivate them for their good performance. This scheme is in addition to our standard remuneration package which includes salary, medical benefits and annual leave among others.

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 Recipient
Mr Cheo Thiam Ming
44, Senior Area Manager

My family has made a living in the grocery business for three generations. My grandfather used to have a grocery distribution business and my father runs a minimart. After I graduated from ITE, my father told me to find a job in a supermarket since it is what we are familiar with.

I joined Sheng Siong as a stacker and worked my way up to be a store manager. After five years as a store manager, I was given a chance to take on an assistant area manager role. When you are a store manager, you need to learn the ropes of running the business from each department and managing various customer issues. But when you have the portfolio of an area manager, you have to assist the stores in your charge to grow and each store has its own set of challenges.

I was fortunate to have bosses who are great mentors. They have taught me a lot along the way. This would probably be my first and only job. Hopefully, I can continue to contribute to the growth of the company and guide my younger colleagues with my experience.

CARE FOR OUR EMPLOYEES
A RESPONSIBLE EMPLOYER

Total Number and Rate of New Hires
by Age Group and Gender in FY2021 and FY2022

● Male ● Female

28.9%
OVERALL RATE OF NEW HIRES

VS 22.8% IN 2021
VS 31.3% IN 2020

2022

< 30 years old



30-50 years old

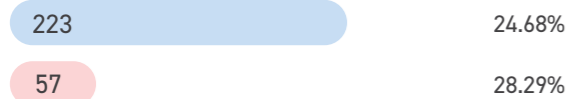


> 50 years old



2021

< 30 years old



30-50 years old



> 50 years old



Total Number and Rate of Employee Turnover
by Age Group and Gender in FY2021 and FY2022

● Male ● Female

28.5%
OVERALL RATE OF TURNOVER

VS 23.0% IN 2021
VS 24.3% IN 2020

2022

< 30 years old



30-50 years old

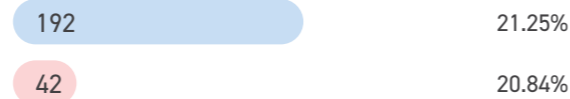


> 50 years old



2021

< 30 years old



30-50 years old



> 50 years old



CARE FOR OUR EMPLOYEES
A RESPONSIBLE EMPLOYER

Staff Training

Sheng Siong places a strong emphasis on training, empowering and upgrading employees' knowledge and skill sets. Apart from structured classroom training, our retail experience over the years has demonstrated the effectiveness of on-the-job training. As such, on-the-job training remains central to our training approach as learning through role modelling and experience nurtures bonding among colleagues, resulting in greater team cohesiveness and operational effectiveness.

In 2022, our online Staff Training Central platform was launched to further improve formal training accessibility. Sheng Siong employees are able to access training material conveniently on-the-go via personal mobile devices. Training content is assigned based on specific job roles, allowing targeted and effective knowledge transfer. We also assess skills and performance of employees regularly and share learning points via our communication channels. Our daily staff briefings and monthly meetings with store managers and head of departments remain as a key channel to disseminate bite-size training content.

With the relaxation of COVID-19 pandemic regulations, we gradually resumed formal training, resulting in an increase of training hours. We remain committed to enhancing our employees' potential through continuous learning and upskilling.

Our employee upgrading courses include the following:

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



Staff Training
(IMDA, Food Safety
Course Level 1
(Chinese))

Mdm You Jun Sin
63, Vegetable Packer

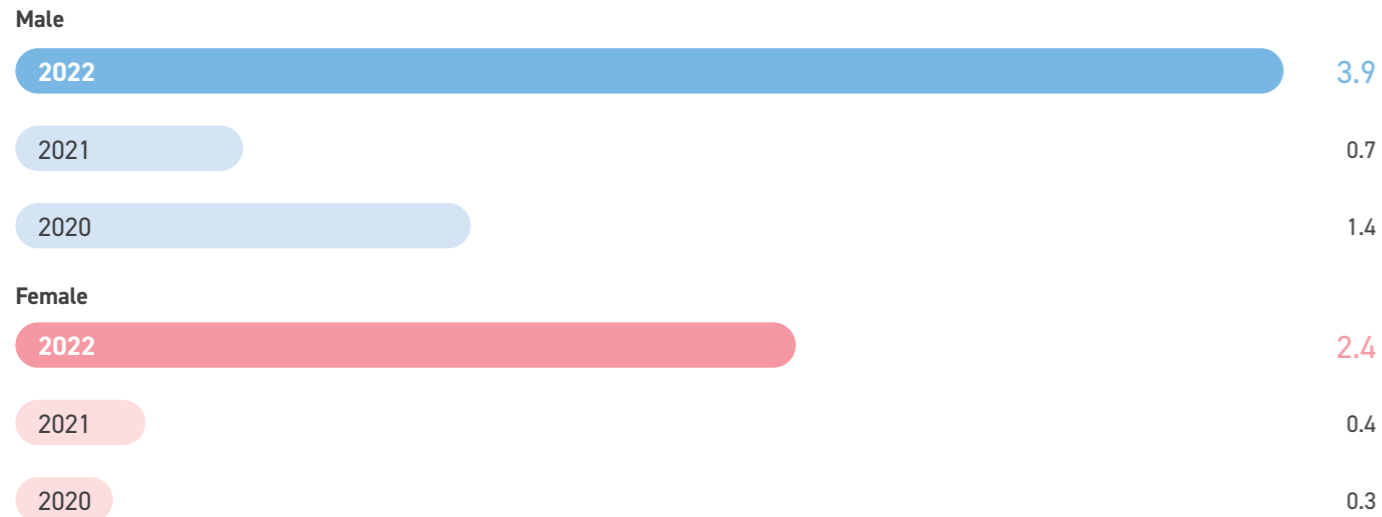
As a senior, it could be an apprehensive experience to use technology, but the digital upskilling session organised by the Singapore Digital Office@Workplace was incredibly enriching. It was a one-on-one Mandarin session and the staff from IMDA was very patient in explaining cybersecurity and communications topics, like the tell-tale signs of phone scams and the precautions that seniors like us should take. She went through the basic use of WhatsApp and it would have been great if the session can be longer so that I can have some hands-on in using Zoom and banking applications such as DBS PayLah.

Besides the digital upskilling session, I was also sent for the "Food Safety Course Level 1 (Chinese)" last year. It was relevant to my work as the course provided comprehensive training on food hygiene and safety and I am glad that I was able to pass the assessment and attain a Statement of Attainment. Besides the course, our company's Quality Assurance personnel, who is also a certified trainer, will also conduct refresher training for us. Regardless of age, it feels good to be able to learn new skills, stay relevant in the workforce and connect with my colleagues.

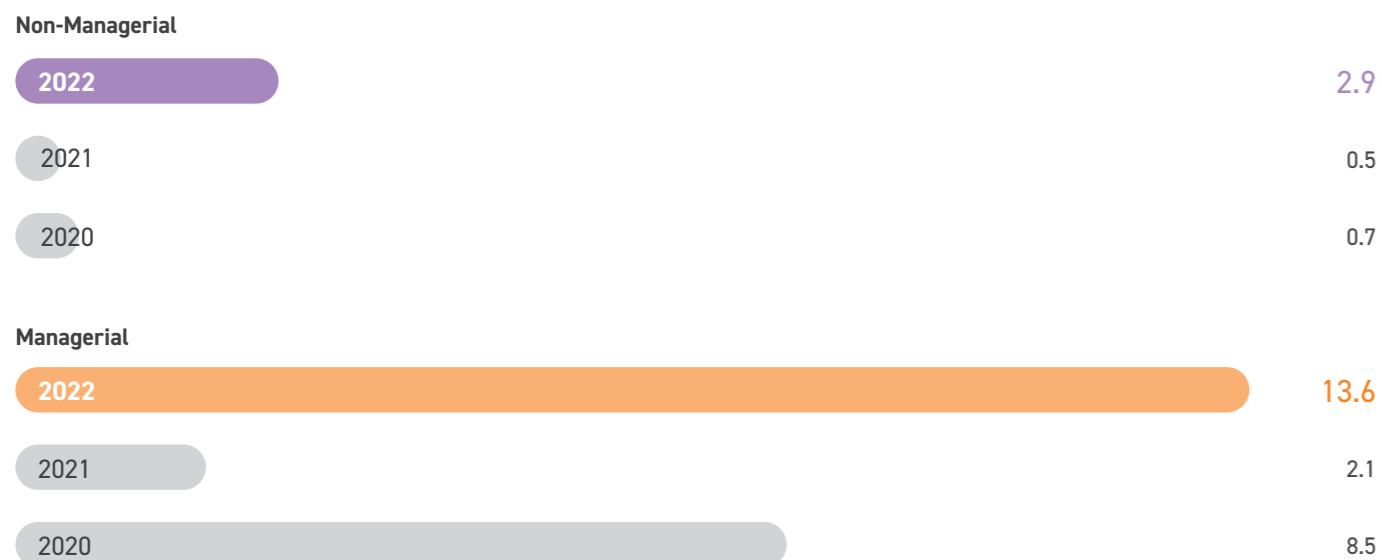


CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

Average Training Hours* Per Employee by Gender



Average Training Hours* Per Employee by Employee Category



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

CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

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. A workplace risk assessment was last 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. We also developed an Emergency Response Plan (ERP) and established a Company Emergency Response Team (CERT) in compliance 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. Both committees report to the Risk Management 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. We also hold regular review meetings with our insurance brokerage firm, who provides advice on risk management.

Based on an analysis conducted in 2022, the most common causes of our workplace injuries include:

- Cut or laceration – 37.8%
- Hit by/against objects – 24.1%
- Slip/Fall – 19.1%
- Over-exertions – 13.7%
- Others – 5.3%

Safety Performance in 2022¹

	2022
No. and rate of work-related fatalities	0
No. of high-consequence work-related injuries (excluding fatalities) ²	2
Rate. of high-consequence work-related injuries (excluding fatalities) ³	0.05
No. of recordable work-related injuries (excluding fatalities)	134
Rate. of recordable work-related injuries (excluding fatalities) ⁴	3.23

¹ The work-related injury calculation methodology has been reviewed and updated in accordance to GRI's methodology

² High-consequence injuries refer to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

³ Calculated as number of high-consequence work-related injuries per 200,000 hours worked

⁴ Calculated as number of work-related injuries per 200,000 hours worked

	2020	2021	2022
No. of accidents involving customers per million transactions	6.94	8.09	16.17
No. of motor accidents per 100 delivery trips	0.020	0.014	0.009

¹ We have reviewed the reasons behind the increasing number of accidents involving customers and have found that this is largely due to an increase in the reporting of cases where customers have accidentally injured themselves. These cases include incidents where customers have fainted due to health reasons or lost their balance. In 2022, we have updated our methodology to remove such cases.

The safety of our employees is prioritised across all work areas at our warehousing and distribution centre and at our stores. Safety measures such as anti-cut gloves, safety shoes, and safety vests are incorporated as part of our mandatory uniform in order to reduce workplace injuries. Employees are also trained in safety procedures through formal training on our Staff Training Central platform and regular on-the-job briefings.

In 2022, we have reviewed the workplace injury calculation methodology and adopted GRI's prescribed methodology in alignment with Singapore's Ministry of Manpower (MOM) injury category definitions. The revised methodology provides a more precise work-related injury rate as compared to our previous methodology which included non-recordable incidents.

CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

We are committed to improving workplace safety continuously. Employees are encouraged to report potential WSH hazards through our whistle-blowing channels so that improvements can be made. Our whistle-blowing procedure allows our employees to anonymously raise their concerns in confidence and remain protected against reprisals.

Placing customers at the forefront of what we do, we strive to provide a comfortable and safe shopping experience for our customers. Employees are constantly reminded to be attentive to shopfloor clutter such as unattended shopping baskets, in order to minimise risks of trips and falls. To maintain a safe shopping environment for our customers, we will continue to work closely with our WSH Consultant to hazard-proof our retail area and train our colleagues in workplace safety.

While our sub-contractors make up less than 1% of our workforce, they are also 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. Sheng Siong will continue to strengthen workplace health and safety across our supply chain with all stakeholders.

Non-Compliance

In 2022, the Group received three warnings and six fines. Of these fines, three were non-significant monetary fines, whereas the other three were penalties imposed by the MOM for failing to update the residential address of employees and workplace safety oversights. All offences have been corrected immediately and safeguards put in place to mitigate potential future lapses.

Workplace safety improvement is an ongoing process where we actively identify gaps in our risk management procedure, especially with regards to the safe use of equipment. We work closely with our partners and consultants to train our employees and conduct necessary audits to ensure full compliance with safety procedures. Learning points from past incidents are shared with employees during briefings to encourage employees to follow established safety procedures.

Workplace Safety Training and Education

The nature of our business requires heavy usage of forklifts and electronic power jacks. On an annual basis, 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.



CARE FOR OUR EMPLOYEES A RESPONSIBLE EMPLOYER

Providing More Healthcare Benefits

Our employees are entitled to reimbursements for medical consultation fees charged by government polyclinics and hospitals. In addition to employees' entitlement, Sheng Siong provides financial assistance to employees facing financial difficulties and chronic medical conditions on a case-by-case basis.

We are also proud to be able to provide healthy and balanced daily meals to all employees across our distribution centre and at our stores. Vegetables, fruits and healthier alternatives such as brown rice are incorporated into the daily meals to promote a healthy diet. Our founders also distribute healthcare devices such as electronic toothbrushes and massage pads to our employees to encourage preventive care and healthy living.

Care for Employees

In recognition of our employees' services, 393 employees were awarded long service award in 2022. Remarkably, 33 employees were awarded for 20 years of service and 87 employees were awarded for 15 years of service. Our long service award serves as a token of appreciation to employees for their unwavering dedication to the Group.

In 2022, Sheng Siong disbursed more than S\$487,000 to employees via our staff purchase scheme. We introduced the scheme in 2017 to ease the rising cost of living for our employees.

Sheng Siong continues to promote work-life balance and a pro-family culture through activities and benefits for employees such as:

- 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.

Sustainable Employment Pledge

As employers, we recognise our duty to treat our employees with fairness, dignity and respect. We pledged our commitment to sustainable employment when we joined the Singapore Business Federation in 2019, ensuring that we take purposeful and meaningful steps towards better employee welfare. We aim to improve continuously so as to create a fulfilling and meaningful career for our employees.





**CARE FOR THE
COMMUNITY
CARE FOR OUR
HOME**



▲ Our colleagues volunteering as helpers to man booths and assist beneficiaries at a Heartwarmers "Project 100-50" pop-up event.

CARE FOR THE COMMUNITY CARE FOR OUR HOME

Giving Back to The Community

Supermarkets are spaces where the community gathers. Sheng Siong believes that we play a crucial role in fostering community spirit, promoting racial harmony, and encouraging neighbourliness. In addition to promoting camaraderie among neighbours, we believe we have a duty to support important conversations that matter to our community and the environment.

To give back to the local communities where we operate, we support our employees and their families and contribute to community initiatives organised by NGOs, educational institutions, and our suppliers. Our community contributions and philanthropic activities align with our core mission of creating value for our stakeholders. In 2022, we contributed a total of S\$22,000 to various community initiatives. While this may not seem like a significant amount, these donations were supplemented with a variety of in-kind contributions such as retail space, time, effort and labour.

In 2022, we are proud 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. This marked our 10th consecutive year of collaboration. Over the years, we have collected more than 222,000 hampers, with an estimated value of S\$2 million, and donated them to low-income households. In 2022, we gathered 43,188 hampers and helped to prepare them for distribution to beneficiaries from various groups, including skipped-generation families, single-parent households, low-income households, elderly individuals, and migrant workers. We firmly believe in the power of collaboration with our valued customers and partners to make a positive impact on society.



Project R.I.C.E.+

Mr Jerrold Lam
Assistant Director, Red Cross Youth – Chapters

Sheng Siong has been very supportive of Project R.I.C.E.+ throughout the years. During the COVID-19 pandemic, when many businesses were hesitant to commit to events due to manpower constraints and logistical challenges, Sheng Siong actually stepped up their support for our event.

There were several occasions when we had to change our plans at the eleventh hour due to the tightening of COVID-19 restrictions, but the Sheng Siong delivery team was always very understanding and helpful. Without their patience and willingness to accommodate our needs, we would not have been able to pull off the logistics for the event at all. We are very grateful to Sheng Siong, and thank them for their enduring and steadfast support of Project R.I.C.E.+.

Sheng Siong's substantial network enables us to extend our fundraising efforts to a wide market, helping us to raise more funds, and help more beneficiaries. From pre-pandemic days through to the uncertain times during the COVID-19 pandemic, Sheng Siong has been unwavering in its commitment to provide the logistics for Project R.I.C.E.+ by delivering the bulk of the items for our beneficiaries, to our distribution centres and Family Service Centres around the island. We would not be able to deliver the items to our beneficiaries if not for Sheng Siong.



Image Credit: Red Cross Youth



CARE FOR THE COMMUNITY CARE FOR OUR HOME

Supporting People with Disabilities

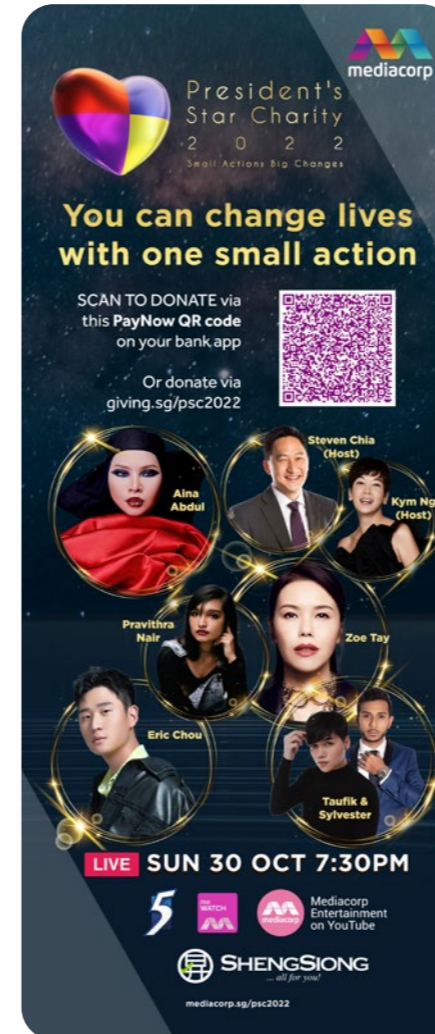
Since July 2012, we have been collaborating with SPD, a Singapore charity that helps people with disabilities, to arrange the placement of donation boxes at our stores. In 2022, SPD placed 30 donation boxes at 21 Sheng Siong stores, helping them to raise close to S\$40,000 for their cause.

Support for World No Tobacco Day

Since 2015, Sheng Siong has voluntarily supported "World No Tobacco Day" by suspending tobacco sales once a year on 31st 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 approximately 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 2022. About S\$7,900 was disbursed to public transport workers through this discount scheme.



President's Challenge

President's Challenge 2022 was launched with a focus on people with disabilities. Sheng Siong assisted by placing collaterals at our supermarkets to raise awareness.

PUB World Water Day

Every year, Singapore's National Water Agency PUB dedicates the month of March to World Water Day. On World Water Day 2022, PUB hoped to increase Singaporeans' mindfulness towards their water habits. At Sheng Siong, we assisted to share the message in-store and on our social media to raise awareness to "Make Every Drop Count".

Alliance for Action (AfA) on Norms for Joss Paper Burning

The AfA on Norms for Joss Paper Burning is a cross-sector collaboration involving stakeholders from the community, businesses, and government with the goal of forging a consensus within the Chinese community on desired norms for the traditional custom of joss paper burning. Sheng Siong supported its education campaign in 2022 by putting up posters at our stores and sharing the educational video on our Facebook page.

CARE FOR THE COMMUNITY CARE FOR OUR HOME

Helping with the Rising Cost of Living

While we aim to keep our essential products affordable, we also prioritise providing extra assistance to vulnerable groups in the community. Previously, we offered separate 3% discount programmes for senior citizens and Merdeka Generation customers on specific days. However, in 2022, we combined these programmes into a 3% discount on Tuesdays and Wednesdays (senior citizen discount programme) for all seniors aged 60 and above, which was later increased to 4% on 5th July 2022. In total, these programmes provided approximately S\$4.0 million in discounts in 2022, compared to S\$3.2 million in 2021.

To further support families in coping with inflation and the GST hike, we announced on 31st December 2022 that we would provide a 1% discount on all in-store purchases (excluding alcohol, tobacco, vouchers, lottery, and infant milk powder Stage 1 and 2) from January to March 2023.

The government is also helping households cope with the impact of the GST hike by distributing CDC vouchers, which can be redeemed at participating supermarkets like Sheng Siong. Our POS system has been integrated to accept these vouchers, making redemptions more convenient for customers shopping at our stores.

In light of the current inflationary environment, we offer a range of house brand products that are comparable in quality to branded products but typically priced 5% to 20% lower. These products prioritise health, nutrition, quality, and value, providing a healthier choice for Singaporeans while remaining affordable. We remain committed to expanding our house brand product range and promoting them to our customers.

COUNTER-INFLATION DISCOUNT ON ALL ITEMS*

1 Jan to 31 Mar 2023
1% off on everything* to help relieve the pressure from the GST hike.
A little gesture...all for you!



Education Grants for Lower-Salaried Employees' Children

As part of our commitment towards community development and education, our founders established an Annual Education Grant in 2013. This programme aims to alleviate the financial burden of education for our lower-income staff by providing them with financial support for their children's education. The programme is funded entirely by the Group's three founders, who are also major shareholders. In 2022, we disbursed S\$517,500 to 574 children under this programme.



Education Grant

Mdm Jainanta Chalita 43, Cashier

I have been a homemaker until I joined Sheng Siong around two years ago to help supplement our household income. I was very lucky to have joined the company earlier in the year and my daughters were eligible to apply for the education grant. Last year was the second consecutive year they received the education grant, and each of them was given \$900. Now that both of them are in secondary school, the grant money comes in handy in paying for their tuition fees and buying things they need for school.

CARE FOR THE COMMUNITY CARE FOR OUR HOME

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 2022, they made contributions in the name of Sheng Siong to:

- ALittleChange - ALittleCare Package programme
- Ang Mo Kio Family Service Centre - Project Pilih Pilih
- Blind Community Day 2022 - Organised by the Singapore Association of the Visually Handicapped
- Child at Street 11
- Club Rainbow - Ride for Rainbow 2022
- Darul Ihsan Orphanage
- Fei Yue Family Service Centre (Yew Tee)
- Foreign Domestic Worker Association for Social Support and Training
- 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
- Mendaki - Harun Ghani Education Fund
- Ministry of Manpower, Assurance, Care & Engagement (ACE) Group - CNY Celebrations for Migrant Workers
- National Heritage Board - Bulan Bahasa
- President's Challenge 2022
- RLAF Humanitarian Aid for Gaza Campaign
- The Speak Mandarin Campaign Family Talent Competition



Heartwarmers Volunteer Group

At Sheng Siong, we believe in providing long-term support to community initiatives. Since 2009, we have been a committed partner of the Heartwarmers' Goodies Bag Distribution, a ground-up initiative which has expanded into "Project 100=50" since 2017. This project involves organising monthly pop-up supermarket events, 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. This project empowers families to purchase products with a subsidy, rather than relying on donated goods that they might not be able to use.

Project 100=50 was originally a collaboration by Heartwarmers with Henderson-Dawson CCC, Nee Soon Central CCC and Sree Narayana Mission (Singapore), with strong support from the respective Members of Parliament of these constituencies, 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.

At Sheng Siong, we support each pop-up supermarket event by providing products, setting up booths, and supplying shopping trolleys, baskets, fridges, and shopping bags. In addition to arranging logistics, our colleagues also volunteer as event helpers to assist beneficiaries with their shopping. In 2022, we supported 41 such events and contributed around 874 volunteer hours.



CARE FOR THE COMMUNITY CARE FOR OUR HOME



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 in 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.

Managing Our Supply Chain and Meeting Customers' Needs

Due to Singapore's limited agricultural base, the country relies on imports from many different countries to ensure its national food security. As a result, Sheng Siong's supply chain is 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 a stable and affordable range of products, it remains challenging to screen and select suppliers based on ESG criteria without affecting product availability and cost.

However, we are committed to addressing this challenge by collaborating with suppliers who have good business track records, engaging in regular dialogues with key suppliers, and conducting visits to suppliers' offices, factories, and farms to observe their ESG practices. In addition, we require our suppliers to comply with Singapore's regulations on food safety, product labelling, and intellectual property rights as part of our purchasing agreement.

We strive to continually improve our supplier and product selection procedures. 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 doing so positively within reasonable means.

In 2022, we organised a Sustainable Procurement Workshop with the objective of enhancing the knowledge of our procurement team on sustainable supply chains. During the workshop, we discussed the Group's goals and potential measures to improve our procurement policy and procedures with ESG criteria. A total of 46 colleagues attended the workshop, and it produced several significant outcomes, including:

- There was a consensus that Sheng Siong could improve our procurement policy and procedures by incorporating ESG criteria.
- A questionnaire or scorecard could be developed for assessment purposes, but further discussion is necessary on how to use the information as part of the Group's overall supplier screening.
- There were concerns regarding suppliers' readiness for ESG screening and if they could fulfil the required ESG criteria, especially in Singapore's fragmented supply market where the majority of suppliers are Small-Medium Enterprises (SMEs). Additionally, suppliers may be deterred from collaborating with Sheng Siong if the requirements are too stringent, thus we need to strike a balance.
- There were also queries on how to verify and monitor suppliers' ESG performance over the long term.
- An overall industry drive towards enhancing ESG reporting or certifications is necessary to make the screening process effective and meaningful.

We will be analysing the outcomes of the workshop and determining the next steps, which will be communicated through our annual Sustainability Report.

The primary driver of our business's success is satisfying the needs of our customers, making it essential to comprehend and adapt to their ever-changing demands. Despite the complex nature of consumer preferences, our customers' concerns about the security and reliability of their food supply remain consistent. Therefore, we enshrined supply chain resiliency as a key part of our sourcing fundamentals. To bolster the robustness of our supply chains, we strive to establish strong and enduring relationships with our suppliers, diversify our sources of food, and incorporate locally-grown produce into our food supply.

In addition, our company has implemented a direct sourcing strategy, particularly for our fresh food category, to enhance competitiveness and create greater value for our shoppers. This approach has resulted in a shorter supply chain, cost savings, and improved oversight of food quality, safety, and security.

CARE FOR THE COMMUNITY CARE FOR OUR HOME

Local
Supplier



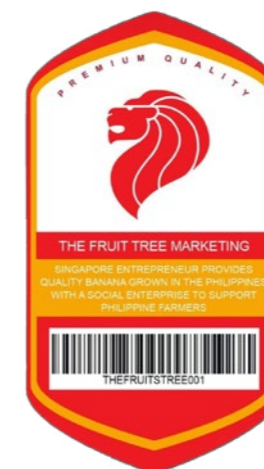
Image Credit: The Fruits Tree

You may have come across Hortia bananas on our shelves and these bananas are grown by a fellow Singaporean in the Philippines. Currently, Fruits Tree Marketing has about 80 hectares of land in the Philippines growing Cavendish bananas. The vision of its founder is to provide sustainability for farmers and their families so that local growers can have a stable source of income.

Kelvin Tay
52, Founder of Fruits Tree Marketing

With consistent orders from Sheng Siong every month, it has allowed me to draw up a better farming programme that focuses on quality and stability. The bigger players in the banana business are able to cover the whole supply chain from growing to ripening. Hence, small growers like us are grateful to have the opportunity to sell our bananas at Sheng Siong as the company has its own ripening facilities. Bananas are grown in the Philippines, ripened at Sheng Siong's facilities and sold at the stores.

We are running a social enterprise concept in the Philippines to grow agricultural products with the help of indigenous people, with the hope of establishing stability for our growers and better food security for all. As a Singaporean, I also take pride to be able to contribute to Singapore's food security story by supplying the bananas I grow to Singapore through Sheng Siong. We appreciate the guidance and suggestions provided by Sheng Siong, and we will continue to improve and provide more competitive and high-quality products in the future.



CARE FOR THE COMMUNITY
CARE FOR OUR HOME

Supporting our Suppliers

In 2022, we collaborated with over 1,300 local and international suppliers, where approximately 85% of them are locally registered companies and represent about 93.7% of our total purchase value. To support our locally registered suppliers, we have enhanced communication and business administration procedures through our suppliers' portal and implemented bulk handling of their products. Additionally, in 2020, we participated in the SkillsFuture Queen Bee (SFQB) project, with Sheng Siong serving as an anchor company to aid in the training and development of our SME suppliers. The aim is to empower them to achieve business growth and transformation, and more than 30 suppliers have enrolled in Sheng Siong's SFQB program. The training programmes are customised to meet their specific business requirements. The partnership has been extended until 2025, and we hope to assist even more suppliers.

The Group has partnered with Infocomm Media Development Authority (IMDA) to encourage our suppliers to adopt green practices and become more environmentally responsible. Since 2021, we have urged our suppliers to switch to the e-invoicing method InvoiceNow, which not only facilitates faster payments and smoother invoicing but is also more sustainable in the long run.

As we progress on our sustainability journey, we aim to share our experiences and inspire our partners and suppliers.



Supporting Local Farms

In response to the need to strengthen national food security in the face of climate change, the Singapore government has set a goal to produce 30% of the country's nutritional needs domestically by 2030. According to the Singapore Food Agency (SFA), about 14%¹ of vegetables consumed in Singapore were grown locally by more than 110 vegetable farms. These include leafy greens such as bok choy, choy sum, lettuce, kale and bayam (spinach) and other produce like mushrooms, including premium ones such as pink oyster and black fungus. The local fish farms produced about 10% of the fish consumed, focusing on freshwater fish such as tilapia, catfish, and carp, as well as marine fish such as barramundi and sea bass. On the other hand, local egg farms produced around 26% of the eggs consumed locally.

As part of our commitment to enhancing food security, we have continued to support local vegetable farmers and egg farms by carrying and promoting their products in our stores and providing more favourable trading terms. Since 2020, we have supported SFA's "Support Local Produce" campaign by sharing related materials in our stores, on our Facebook page, and website. We have also created a "Support Local" category on our e-commerce site, Sheng Siong Online, to help promote these products.

In 2022, we further expanded our product range by introducing produce from local farm LivFresh. However, our chains have observed a decline in the number of local produce sold (measured in SKUs) from 2021 to 2022, as our suppliers are rationalising their product offerings based on demand. Customers have been hesitant to purchase local produce, with the higher prices being the main factor cited for this reluctance.

Year	2020	2021	2022
Number of Local Produce Products	70	82	68

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, and make these produce more accessible for Singaporeans. This will help local farmers to build a strong brand of safe, high quality, and affordable local produce, further enhancing the local produce industry in Singapore to meet our "30 by 30" food security goal.

1 Source: <https://www.sfa.gov.sg/food-farming/sgfoodstory/grow-local>

CARE FOR THE COMMUNITY
CARE FOR OUR HOME

Sustainable Sourcing

We understand that achieving a sustainable future requires our active involvement in promoting sustainable practices in the production and supply of goods and services. In light of urgent issues such as climate change, resource conservation, and sustainable labour practices, we are committed to building sustainability and resilience throughout our value chain. To achieve this goal, we will pursue a diversified sourcing strategy and enhance our purchasing policies to address our material issues with suppliers. While we strive to source sustainably, we will also ensure that our products remain affordable and competitively priced to meet our customers' needs.

Raising awareness of sustainability among consumers is key to driving behavioural changes. While we work to introduce and carry a wider range of sustainable products, such as plant-based, RSPO-certified, and reduced packaging-certified products, the demand for these products is primarily driven by consumers. Our store formats typically range between 5,000 to 10,000 square feet, with a core focus on providing essential products and convenience to our shoppers. Therefore, curating a well-balanced mix of products is critical to our business success, particularly when retail space is limited. To this end, we will continue to monitor and expand our product range to grow consumer interest in sustainable products while meeting our customers' basic needs.

To demonstrate our commitment to sustainable sourcing, 95% of our house brand 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 Abalone	Aquaculture Stewardship Council (ASC)
Live Oysters	Origin Green Sustainability Programme
Frozen Shrimp Paste	Best Aquaculture Practices (BAP)
Frozen Golden Pompano	Best Aquaculture Practices (BAP)
Frozen Toothfish (Dissotichus Elegionides)	Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)

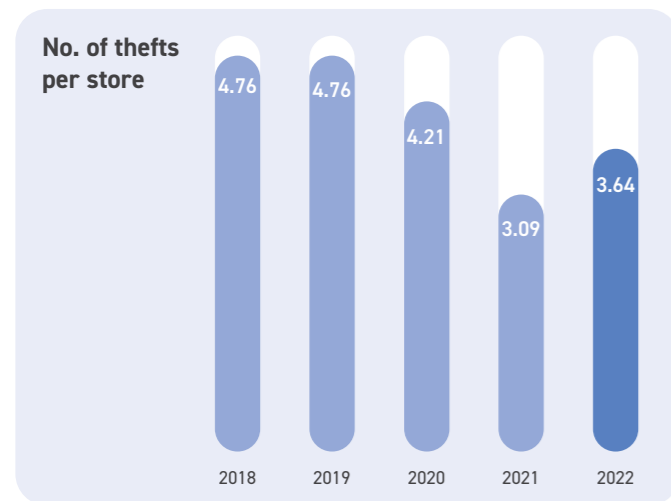
CARE FOR THE COMMUNITY
CARE FOR OUR HOME

Safe, Quiet and Clean
Neighbourhoods

Sheng Siong Supermarket has been supporting the Singapore Police Force (SPF) in its efforts to combat crime and deter shop thefts. Our employees wear vests bearing the words "SHOPWATCH. May I help you?", signalling our commitment towards theft deterrence. These vests are also a non-intrusive way for us to offer assistance to our customers, thus promoting quality customer service.

In particular, we have collaborated extensively with SPF - Woodlands Division to execute a range of initiatives aimed at tackling crime. These include implementing anti-shop theft measures by actively displaying anti-shop theft posters and advisories, in addition to adopting the A.S.K Protocol Framework, which mobilises frontline staff to approach customers and provide them with high-quality customer service, thereby deterring potential shoplifters. In 2021, our stores located within the Woodlands Division also participated in the anti-scam campaign to help raise scam awareness among our shoppers and community residents.

Sheng Siong Supermarket was awarded the Excellence Award under the Minister for Home Affairs National Day Award 2022 (Home Team Partner) under the nomination of the Woodlands Neighbourhood Police Centre, recognising our close partnership and collaborative efforts with the Singapore Police Force (SPF) in keeping Singapore safe and secure.



With the relaxation of COVID-19 measures and the resumption of more activities, as well as the rising cost of living, the total number of reported shop thefts² increased in 2022 as compared to 2021. However, this is lower than the number of cases pre-COVID-19.

² In Singapore, shop theft cases increased to 3,244 cases in 2022 from 2,652 in 2021. 67.0% of the cases occurred at retail chains/shops such as department stores, supermarkets, pharmacies, and mini marts/convenience stores. Source: Annual Crime Brief 2022, Singapore Police Force
³ Source: Annual Scams and Cybercrime Brief 2022, Singapore Police Force.

In addition to tightening security in our stores, we collaborated closely with town councils to reduce noise pollution by restricting our goods 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 2022, a total of 11 instances of feedback were received on noise disturbances. All feedback were reviewed and addressed immediately.

Let's Fight Scams

Singapore reported an increase of 25.2% in scam and cybercrime cases in 2022 as compared to 2021³. The top ten scams included phishing scams, 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. Any incidents were 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.



▲ Our store manager and staff from Clementi 720 store were recognised for their efforts in adopting the A.S.K protocol to deter theft.

CARE FOR THE COMMUNITY
CARE FOR OUR HOME

Digital for Life

In 2022, we collaborated with the Infocomm Media Development Authority (IMDA) to promote the Digital for Life movement. The goal of this movement is to encourage lifelong digital learning among Singaporeans of all ages and build a digitally inclusive society. Five of our stores participated by organising roadshows to reach out to customers, especially seniors, and teach them digital skills such as how to use platforms like Singpass, Whatsapp, e-payment etc.

"Break the Silence" Campaign

Sheng Siong supported the "Break the Silence" Campaign spearheaded by the Ministry of Social and Family Development (MSF) in 2022. The MSF provided "Family and Domestic Violence Awareness Training" to our store managers and chief cashiers, to raise awareness and detection of family and domestic violence and avenues for support. Sheng Siong has a wide network of supermarkets which is a key touch point for families. Our frontline staff can play a part in Singapore's effort to eliminate family and domestic violence.

Dementia go-to point

Sheng Siong stores have been designated as dementia Go-To-Points (GTPs), serving as a secure return location for individuals with dementia who appear lost or cannot recall their way home. These GTPs help reunite them with their caregivers. In June 2022, our store managers underwent a Dementia Awareness Workshop organised by Dementia Singapore and Agency for Integrated Care. At Sheng Siong, we firmly believe in the spirit of gotong-royong⁴ and are delighted to lend a helping hand in any way we can.

Made for Families



In 2022, Sheng Siong adopted the Made for Families brand mark, an initiative led by the National Population and Talent Division in the Strategy Group, Prime Minister's Office. The initiative aims to encourage stakeholders to build strong foundational support for families. Sheng Siong pledged to offer family-friendly products and services including offering promotions and programmes such as Baby Fairs.

⁴ Originating from Indonesia, the phrase is translated into English as "cooperation in a community" or "communal helping of one another".

The Sheng Siong Show

"The Sheng Siong Show" is a Mandarin television variety show that made its debut in 2007 and is broadcast live. Throughout the years, we have collaborated with Community Centres, Residents' Committees, Neighbourhood Committees, and Active Aging Groups to offer senior citizens a delightful evening at the show. For many elderly people, this is a cherished and unforgettable experience since they get to witness the behind-the-scenes of a live performance for the first time. This programme is popular among Singaporeans and suitable for all ages. It also provides cash prizes to Sheng Siong's customers through various game segments such as in-studio games, talent show competitions, outdoor cooking contests, and exciting lucky draws. We will continue to give away complimentary tickets to the show.



Intern

Ms Vicki Neoh
21, ITE College Central Graduate (Games Art Design)

In the beginning, I was not too used to staying deskbound and working solo as I am the only intern in the department, though the assignments and deadlines were pretty flexible. But I eventually had a lot of fun learning and finding ways to improve my 2D art and trying different styles and variations while designing the artwork. I learned to be independent and to manage my deadlines.

Besides designing, I also assisted with some administrative work, which I first thought might not be up my alley, but I had fun doing it in the end. Just like the maxim, "You'll never know till you try", which will definitely apply to my future studies and career. Compared to my previous internship stint, the folks at Sheng Siong are friendlier and I have gained more office experience too.



**CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES**



CARE FOR THE ENVIRONMENT CONSERVING RESOURCES

The Singapore Green Plan 2030 was launched in 2021 with the aim of combatting climate change and reinforcing Singapore's commitments to the UN's 2030 Sustainable Development Agenda and the Paris Agreement by rallying bold and collective action.

As one of the major supermarket retailers operating in Singapore, we recognise our obligation to advance the Green Plan, as failure to appropriately manage climate change-related risks such as physical, transition, and food security risks could impact Sheng Siong's business operations and negatively affect our environment and society. It is more than just a cost-saving measure for our company; it serves as an extension of our duty to our nation and planet. We would like to showcase our progress in transforming our business to become more eco-friendly and resource efficient.

Reducing Our Carbon Footprint

Improving Energy Efficiency

Sheng Siong's completion of its distribution centre (DC) in 2011 was a significant milestone in the company's business development. The centralisation of distribution operations resulted in improved bulk handling capabilities, leading to a decrease from 50-60 daily supplier deliveries required, to 5-6 deliveries per store. This change also resulted in a considerable reduction of greenhouse gas emissions associated with transportation.

The DC is designed with numerous eco-friendly features that work together to reduce environmental impact. These include a rainwater recovery system, cold storage heat recovery system to minimise energy loss, and 100% LED lighting system to reduce our electricity consumption. The building is BCA Green Mark compliant for eco-friendly buildings. We also upgraded our inventory and distribution management systems to gain better control over logistics operations and further reduce environmental impact.

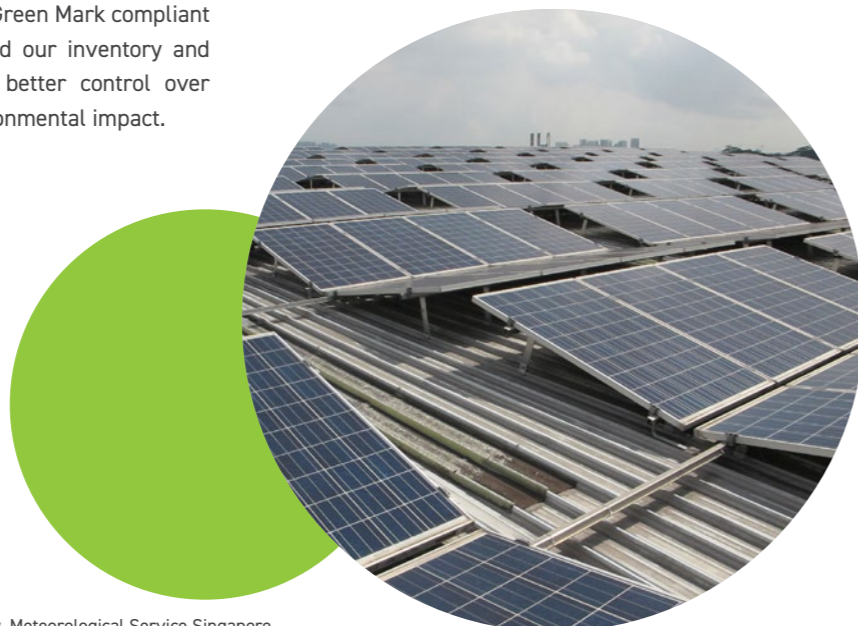
Sheng Siong's commitment to energy conservation extends beyond its distribution centre to its delivery vehicles and stores. As of 2022, Sheng Siong owns a fleet of 81 delivery vehicles. In compliance with the National Environment Agency's requirements, we established a fleet replacement policy to ensure all new diesel vehicles meet the Euro VI emission standard.

To minimise energy use, all 67 Sheng Siong stores have been fully fitted with LED lights, which use significantly less energy than fluorescent lights. This change has the potential to reduce lighting energy consumption by up to 80%.

In 2022, we consumed more electricity as we added four new stores to our network, while more fuel was consumed at the DC due to increased delivery trips to the new stores. Overall, total energy consumption increased marginally by 2.4% as compared to 2021.

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 2022, our PV (Solar) system supplied about 9.6% (9.4% in 2021) of our total energy usage at our distribution centre resulting in the avoidance of 557.1 tonnes of CO₂e. This was despite a lower solar energy yield in 2022 as the year recorded the third highest number of annual rain days since 1927 and registered higher-than-average rainfall¹.



¹ Source: 2022 Climate and Weather: The Year in Review, Meteorological Service Singapore.

CARE FOR THE ENVIRONMENT CONSERVING RESOURCES

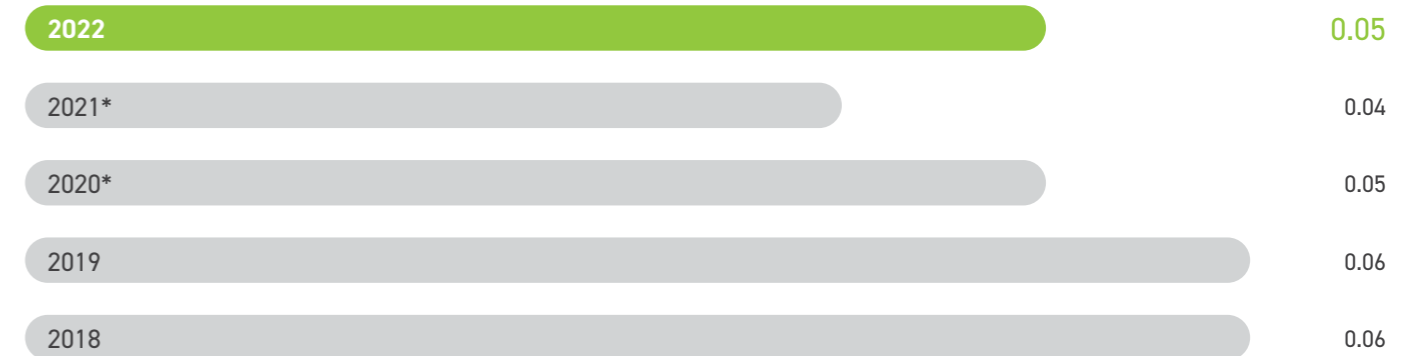
Energy Intensity

(Megajoules per \$ revenue)



Greenhouse Gas Emissions Intensity[#]

(kg CO₂e per \$ revenue)



* High base effect due to COVID-19 related restrictions in place that created an elevated demand of goods.

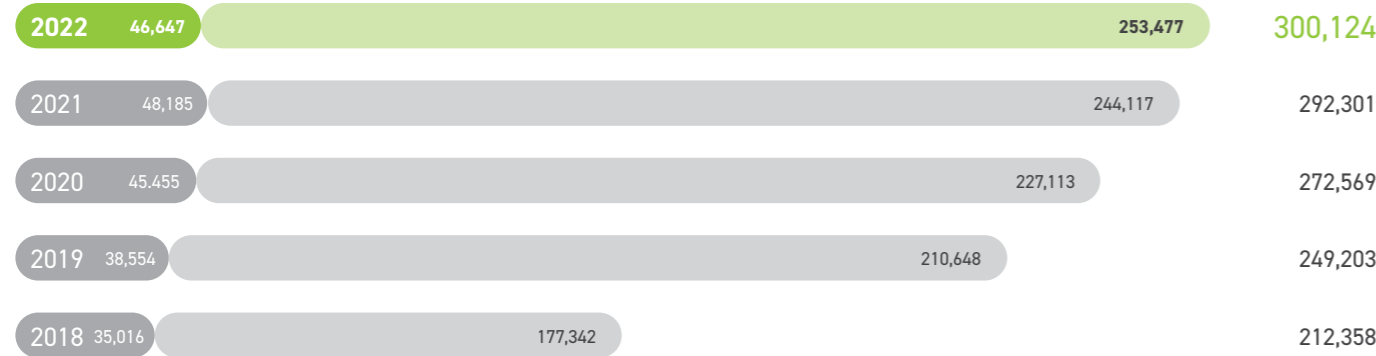
Both Scope 1 and Scope 2 emissions are included in the intensity ratio.

CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES

Energy Consumption within Sheng Siong² (gigajoules)

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

Non-renewable:
Electricity Grid Consumption³



Fuel Consumption⁴

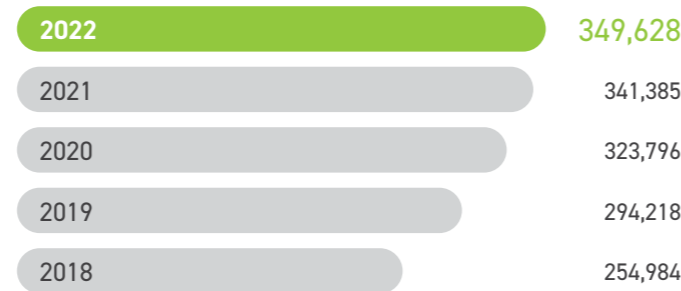


Renewable:

PV (Solar) System⁵



Total Energy Consumption:



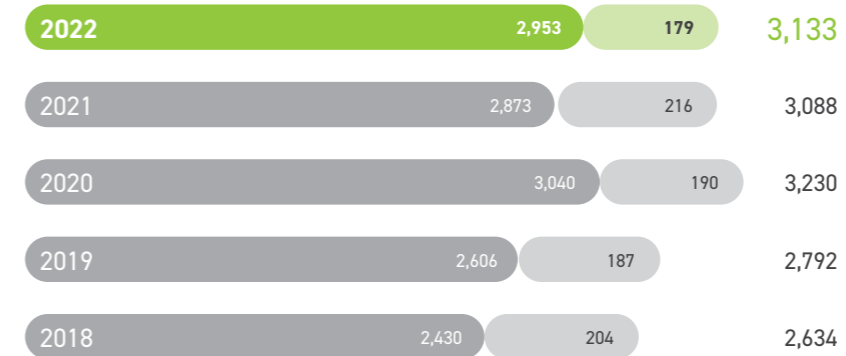
2 Source: <https://www.eia.gov/energyexplained/units-and-calculators/energy-conversion-calculators.php>
 3 Data on energy consumption is collected through monthly utility bills.
 4 Sheng Siong Group's own fleet of delivery trucks.
 5 A monitoring system is installed with our PV (Solar) system.

CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES

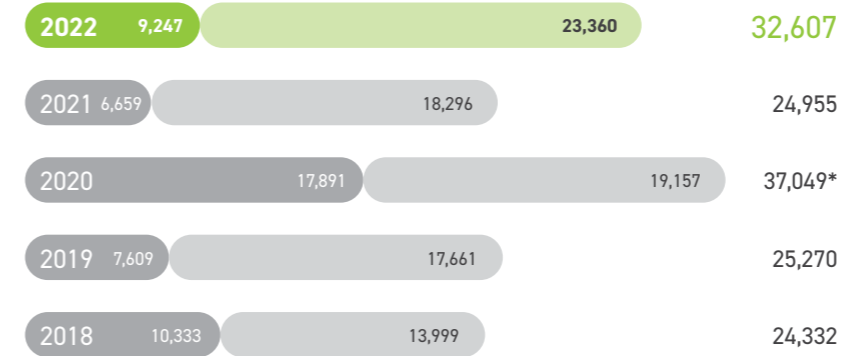
Greenhouse Gas Emissions (tonnes of CO₂e)

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

Direct Emissions (Scope-1)⁶:
Via Diesel Fuel⁷

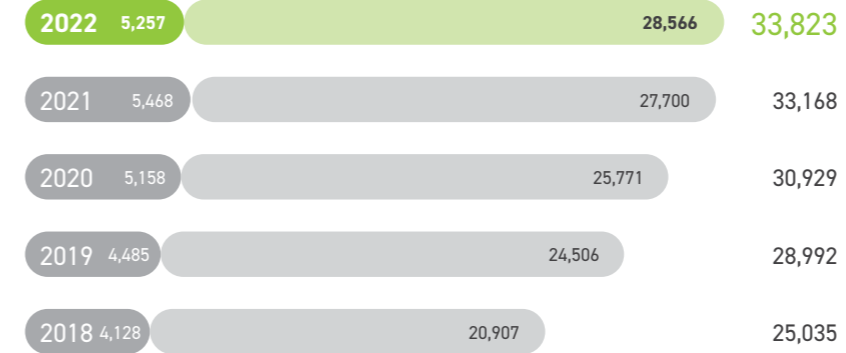


Via Refrigerant⁸

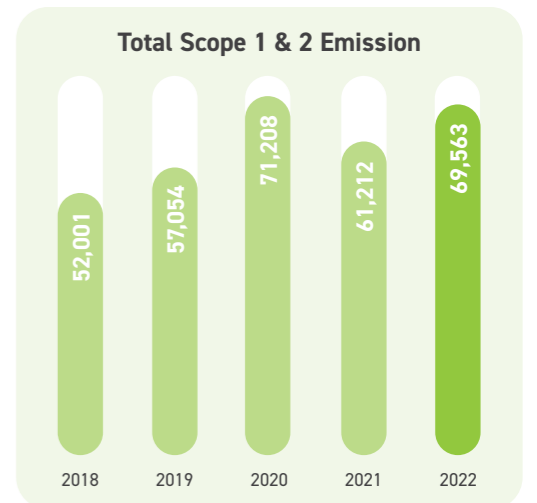


* A larger volume of refrigerant was used because of the opening of new stores and the completion of our warehouse extension, which consisted of more chiller rooms.

Indirect Emissions (Scope-2)⁹:
Via Purchased Electricity¹⁰



6 Gases included in the calculation of Scope 1 emissions are CO₂ and HFCs.
 7 Source: https://www.eia.gov/environment/emissions/co2_vol_mass.php
 8 Source: <https://www.epa.gov/sites/default/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
 9 Scope 2 emissions are location-based.
 10 Source: https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Statistics/18RSU.pdf Electricity Grid Emission Factor and Upstream Fugitive Methane Emission Factor, 2005 - 2021



CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES

Managing Our Waste

At the rate which Singapore is generating waste, its only landfill, Semakau Landfill, is expected to be filled by 2035. In response to this issue, the Singapore Green Plan 2030 has outlined a goal to achieve a 20% reduction in the amount of waste sent to the landfill per capita per day by 2026, in order to extend the lifespan of the landfill.

Sheng Siong supports the country's objective of becoming a Zero Waste Nation. We prioritise responsible resource utilisation and waste management by implementing the principles of the 3Rs: reduce, reuse, and recycle. This approach guides our handling of both the resources we use and the 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 take great care in the management of our waste and prioritise recycling as a means of reducing our environmental impact. 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. To optimise our recycling efforts, we compact the carton boxes collected from our stores with a specialised paper-compacting machine before delivery to the recycling plant, allowing us to deliver a greater number of boxes in each load. In addition to carton boxes, we recycle a variety of other materials such as food waste, plastic, wooden pallets, stretch film, Styrofoam boxes, cans, and metals.

In 2022, our operations generated a total of 14,659 tonnes of waste. However, we are proud to report that our overall recycling rate for the year was 80.8%, reflecting our strong commitment to sustainable waste management practices.

Year	2020	2021	2022
Total waste generated (tonnes)	15,291	15,192	14,659
Overall recycling rate ¹¹	79.7%	80.4%	80.8%
Waste generated per \$ revenue (kg) ¹²	0.011	0.011	0.011

11 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).
12 In 2021, it was recorded that the waste generated per \$ revenue (kg) in 2020 and 2021 is 0.11kg, which should have been 0.011kg. This was due to a typo error.

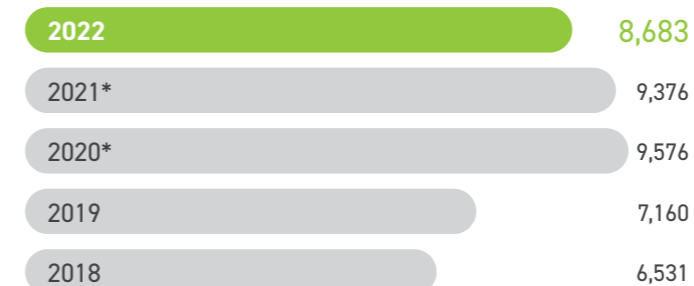
We work closely with our suppliers to minimise waste and encourage the reuse of materials wherever possible. For instance, some of our suppliers reuse plastic crates when delivering fresh produce such as vegetables, fruits, seafood, and eggs to us. We also collect Styrofoam boxes used by our suppliers to transport temperature-sensitive products, which are then repurposed for internal use after thorough washing and sanitisation. Any excess Styrofoam material is also collected and sent for recycling into new materials for other purposes. Undamaged pallets used for the delivery of goods are also reused for storage purposes, thereby reducing the need for new pallets to be manufactured. Overall, these efforts allow us to minimise waste and contribute to a more sustainable supply chain.

In 2022, Sheng Siong also supported the Recycle Right Campaign 2022 launched by the National Environment Agency (NEA) to encourage members of the public to recycle more and recycle right through the proper use of blue recycling bins and recycling chute. Sheng Siong has supported the initiative by spreading awareness of the campaign to our customers through the sharing of social media posts.

CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES

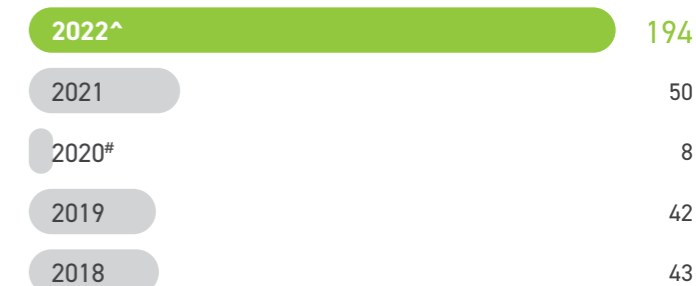
Quantity of Waste Recycled

Carton Materials (tonnes):



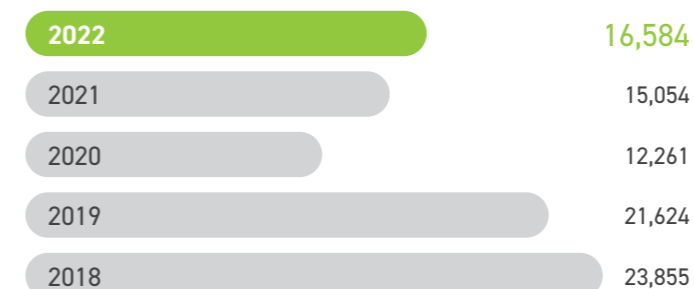
* Due to Covid-19 related restrictions in place there was an elevated demand of goods which resulted in more carton boxes.

Styrofoam Box (tonnes):

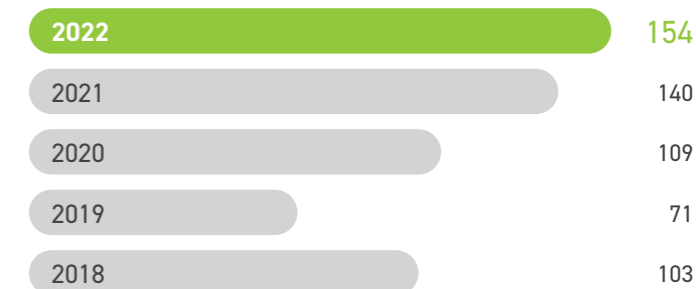


^ We improved the collection of Styrofoam boxes.
The lack of demand by recyclers in 2020 resulted in the large decline in the quantity of Styrofoam boxes recycled.

Rice Sacks (unit):



Plastic Stretch Film (tonnes):

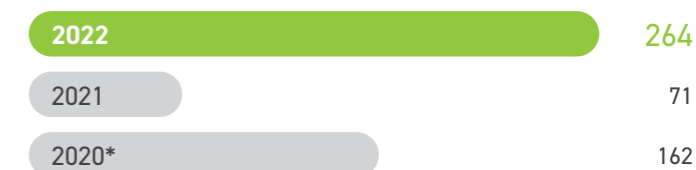


Plastic - Others (tonnes):



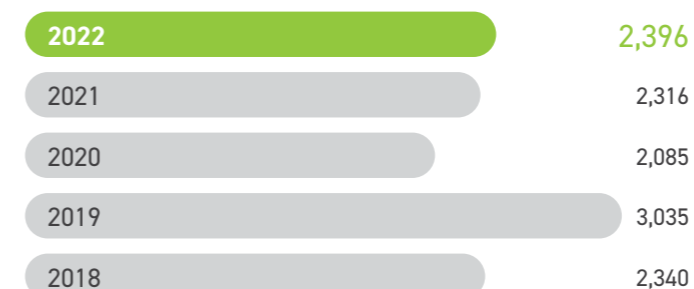
* Historical data is not included as we have changed the reporting category from "Plastic Crates/Baskets" to "Plastic - Others" which covers plastic pallets, plastic crates/baskets and others.

Wood (tonnes):

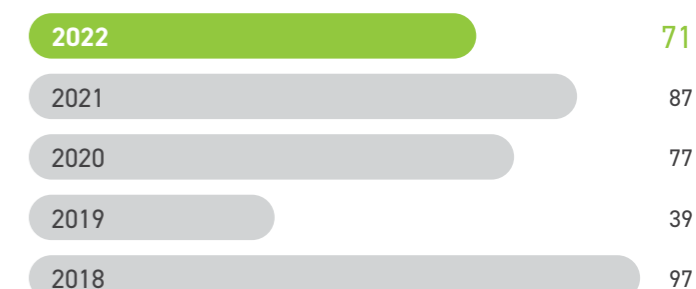


* While we have been previously reporting on "Wooden Pallets", it was found that the data covered both wooden and plastic pallets at the point of recycling. This has been corrected and going forward, this category will only include recycled wood.

Food Waste (tonnes):



Metal (tonnes):



E-Waste (tonnes):



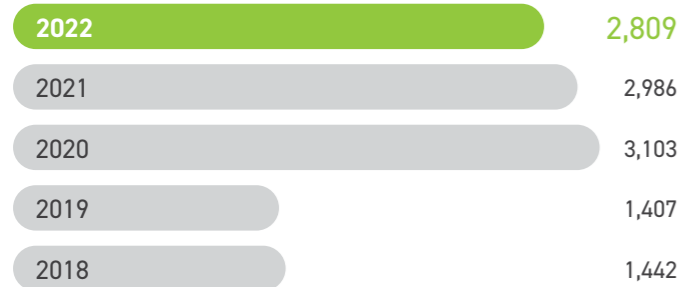
CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES

Waste Disposal

We dispose our waste directly at local incineration plants, except for general waste from supermarkets, which is in turn collected by licensed 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^{13 14} (mass burn) (tonnes)



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, actively supporting efforts to reduce disposables and food wastage through social media posts and in-store marketing collaterals such as posters, wobblers, and decals. We encourage customers to bring their own bags, handle fresh produce with care, make informed shopping choices, and adopt appropriate storage practices at home to minimise food wastage and the excessive use of disposables.

Despite these efforts, food waste remains one of Singapore's top five waste streams, with approximately 817 million kilograms of food waste¹⁵ generated in 2021. At Sheng Siong, we recognise that minimising food waste is not just a national imperative but a moral one, as it represents the squandering of valuable time, labour, and resources used to grow and prepare fresh produce. As such, we are fully committed to minimising food waste throughout our operations by implementing sound purchasing and inventory management policies, excellent storage and food handling standards, and state-of-the-art packaging and processing techniques to prolong the shelf life of our products.

To further minimise food waste, we have installed a patented technology in our distribution centre chillers to remove airborne organic compounds, including ethylene gas, bacteria, mould spores, and viruses, to extend the freshness and quality of our produce. In addition, since 2011, we have introduced "Reduced to Clear" sections, where slightly blemished but still wholesome or close-to-expiry fresh produce is sold at reduced prices.

Where food waste is still generated, we work with partners to recover and repurpose it. For instance, in 2021, we started an initiative to divert unsold and blemished fruits for processing into other food products. Under this initiative, we managed to divert about 930 kg of fruits in 2022. The initiative has ended as the partner undergoes restructuring. We also partner with animal interest groups to donate vegetable trimmings for use as animal feed, diverting about 2.4 tonnes of vegetable trimmings in 2022.

13 Excludes general waste generated by the supermarkets that are collected by the public waste management companies. This data is not available.

14 A further breakdown of the total waste disposed of by incineration is not available as general waste is not segregated at source.

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

CARE FOR THE ENVIRONMENT
CONSERVING RESOURCES

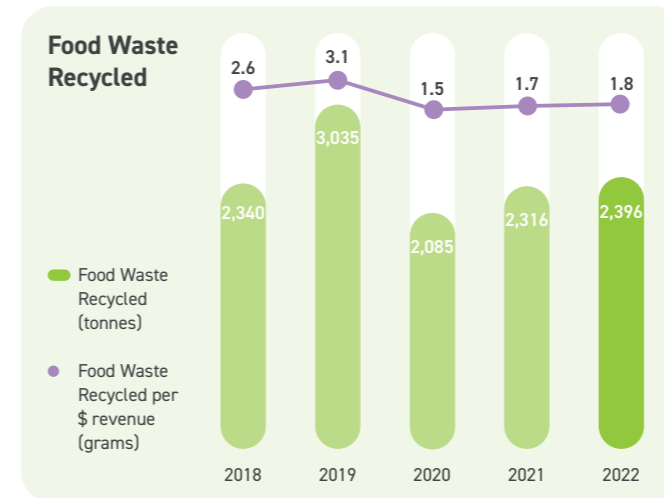
Reducing Plastic Waste

Starting in 2017, we have collaborated 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. Since 2018, we have gradually extended the food waste co-digestion project to include all 67 of our stores, successfully diverting an estimated 2,396 tonnes of food waste in 2022. More food waste was generated than previous years due to unanticipated shipment delays, lifting of COVID-19 related restrictions that required us to recalibrate supply, and fine-tune the demand forecast of the new stores. We have continued to extend the project to all new stores, demonstrating our commitment to reducing food waste and contributing to a more sustainable future. As a large commercial and industrial food waste generator, our DC will be required to segregate our food waste for treatment from 2025 onwards under the Singapore Resource Sustainability Act (RSA).

Excessive usage and disposal of plastics is one of the most pressing environmental issues today, with Singapore generating 982 million kilograms of plastics in 2021, making it the fourth most common waste type¹⁵. While there is consensus that the indiscriminate use and disposal of plastics is harmful to the environment, finding the best solution to this complex problem remains hotly debated. Some support a plastic bag charge, while others prefer incentives to bring reusable bags. There are also ongoing debates about the environmental impact of reusable bags versus disposable ones made from biodegradable materials¹⁶.

Despite the lack of straightforward solutions, there is a clear consensus that every stakeholder must do their part to reduce society's dependency on plastics and other disposables. In 2022, NEA announced that large supermarkets like Sheng Siong will be required to implement a disposable carrier bag charge of at least S\$0.05 from mid-2023, which is a significant step towards reducing the consumption of disposable bags.

As a supermarket retailer, we recognise our ability to influence the choices made by our consumers and suppliers. We have taken a proactive stance to campaign for minimal plastic bag use and continually review our operational procedures for bagging products at checkout counters and weighing stations. In 2022, we launched a social media campaign called "Bring-Your-Own-Bag (BYOB)" to encourage our customers and Facebook followers to share their favourite reusable bags and tips for remembering to bring them when shopping. We estimate that there is a 13% reduction in the usage of plastic bags in 2022 compared to 2021, returning to a similar rate as 2019, before the COVID-19 pandemic and the launch of the "Say Yes to Waste Less" movement. This improvement is a positive sign that consumers are taking the issue seriously, and we attribute it in part to the impending bag charge.



16 Source: 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 committed to reducing packaging waste and improving sustainability since 2018, when we became a signatory to the Singapore Packaging Agreement (SPA). In 2019, we were proud to receive the Excellence Award in the Multinational Company and Local Large Enterprise category from SPA, in recognition of our outstanding efforts in this area. When the SPA ended in 2020, we joined the Packaging Partnership Programme, which was established by the National Environment Agency in collaboration with the Singapore Manufacturing Federation (SMF). This programme is aimed at supporting companies in meeting their obligations under the Mandatory Packaging Reporting framework introduced on 1st January 2021, as well as promoting best practices in sustainable packaging waste management.

As part of our ongoing efforts, we strive to ensure that the packaging used for our new house brand products falls within the "Lightest" to "Median" range of the Packaging Benchmarking Database developed by SPA, where applicable.

Vepo Pure Drinking Water 600ml & 1.5L

The Vepo Pure Drinking water 600 ml and 1.5L was originally transported in carton boxes weighing 340g and 320g respectively. In 2022, we made the switch to plastic material thereby reducing the tertiary packaging weight to 43.37g and 44.77g respectively. The new packaging was launched in September 2022, and we estimate to have avoided 169 tonnes of packaging from September to December 2022.



At our supermarkets today, we continue to offer loose display of certain food ingredients and produce like potatoes, tomatoes, carrots, onions, and ginger, without any packaging. However, some types of fresh produce require packaging due to various factors, such as hygiene, shelf-life, and to prevent potential food wastage caused by inappropriate handling. Additionally, as the air-conditioning in our supermarkets can cause fresh fruits and vegetables to lose moisture quickly, moderate packaging can be beneficial in retaining the moisture content in these products and preventing cross-contamination. Despite this, we remain committed to collaborating closely with our suppliers to minimise unnecessary packaging and explore environmentally friendly alternatives wherever possible, 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 house brand 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 encourage shoppers to take action to support sustainable packaging practices.

We would like to share an example of our efforts to improve the sustainability of our packaging design:

CARE FOR THE ENVIRONMENT CONSERVING RESOURCES

Extended Producer Responsibility

Since 2021, the Mandatory Packaging Reporting (MPR) scheme has been in effect, requiring us as a supermarket retailer to furnish information on the packaging materials used in our products, categorised by packaging material types (e.g., plastic, paper, metal, glass), packaging forms (e.g., carrier bags, bottles), their respective weights, and our 3R (Reduce, Reuse, Recycle) plans. As a Group, it is estimated that we have reduced total packaging (kg/mil\$) by about 3% in 2022 as compared to 2021.

The MPR scheme will form the groundwork for an Extended Producer Responsibility (EPR) scheme for packaging waste management, which NEA will implement no later than 2025, according to their statements. Recently, in a bid to reduce waste and increase recycling rates in Singapore, NEA has announced that the Beverage Container Return Scheme will kick-in by April 2025, mandating supermarkets like Sheng Siong as return points. Consumers will be required to pay a deposit of 10 cents for bottled and canned drinks, which will be refunded when the empty container is returned. At the same time, all importers and manufacturers of covered beverage containers will be required to join the scheme and put a unique Singapore deposit mark and barcode on all containers that are part of the scheme.

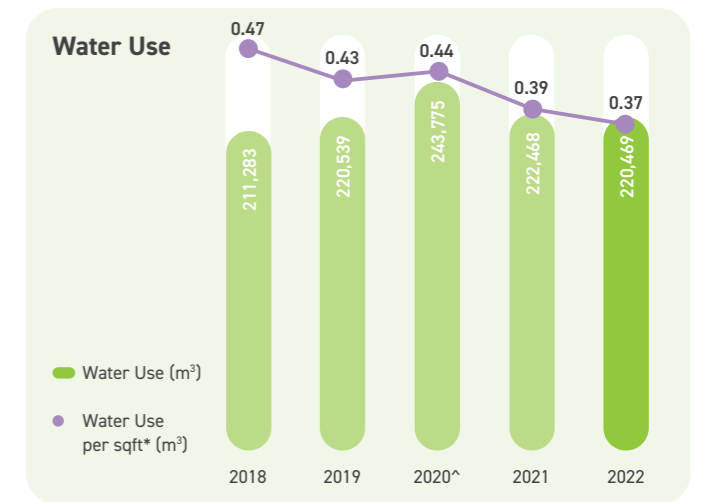
As part of the regulated e-waste management system under the RSA, retailers with a floor space of 300 sqm or more are required to establish in-store collection services for consumer electrical and electronic products they sell. The RSA came into effect on 1st July 2021, and in accordance with this legislation, Sheng Siong is collecting e-waste such as household batteries and light bulbs at all of its 67 outlets.

Managing Our Water Usage

Water conservation is essential in water-scarce Singapore, and we believe that everyone should contribute to it. At our distribution centre and retail outlets, we source our water supply from a public utility company¹⁷ and use it mainly for food processing, meal preparation, and general cleaning. We are committed to reducing our water consumption by implementing various initiatives, including the rainwater recovery system in our distribution centre. This system enables us to reuse rainwater for toilet flushing, general washing, and gardening on the premises of our distribution centre. Sheng Siong complies with the NEA's Environmental Protection and Management (Trade Effluent) Regulations, which regulates the quality of trade effluent discharge in Singapore. Our effluent discharge mainly comes from the processing of meat at our distribution centre.

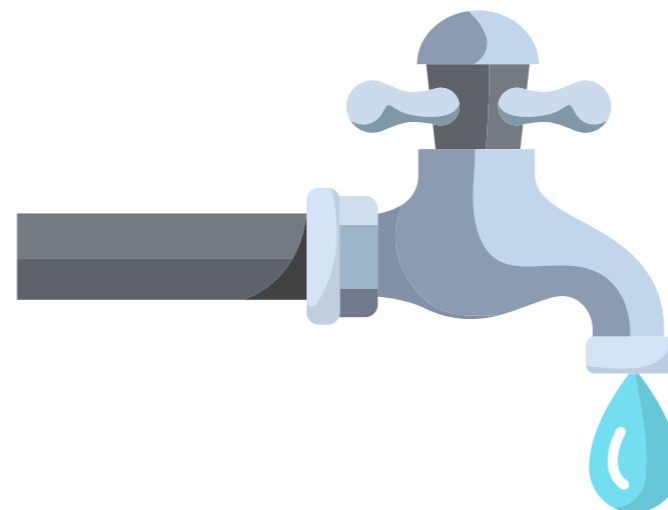
We have also been actively participating in PUB's (Singapore's National Water Agency) annual Singapore World Water Day movement since 2020 to raise awareness of water conservation among our customers.

Water Use (m³)



[^] 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.

* Weighted average retail floorspace area (not including distribution centre)



GRI CONTENT INDEX

Statement of use	Sheng Siong Group Ltd has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	Not applicable

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References & Omissions
General Disclosures			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1	Organisational details	1
	2-2	Entities included in the organisation's sustainability reporting	1
	2-3	Reporting period, frequency and contact point	1
	2-4	Restatements of information	66, 94
	2-5	External assurance	1
	Activities and workers		
	2-6	Activities, value chain and other business relationships	1,78, 82, Annual Report 2022: 1
	2-7	Employees	66-68
	2-8	Workers who are not employees	
	Governance		
	2-9	Governance structure and composition	15, Annual Report 2022: 17-22, 30-32
	2-10	Nomination and selection of the highest governance body	Annual Report 2022: 33-35
	2-11	Chair of the highest governance body	Annual Report 2022: 18, 33-34
	2-12	Role of the highest governance body in overseeing the management of impacts	15
	2-13	Delegation of responsibility for managing impacts	15
	2-14	Role of the highest governance body in sustainability reporting	15, Annual Report 2022: 30
	2-15	Conflicts of interest	17, Annual Report 2022: 29
	2-16	Communication of critical concerns	17
	2-17	Collective knowledge of the highest governance body	15
	2-18	Evaluation of the performance of the highest governance body	15, Annual Report 2022: 42
2-19	Remuneration policies	69, Annual Report: 42-46	
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio	Sheng Siong will not be providing this information due to confidentiality constraints.	

GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References & Omissions
GRI 2: General Disclosures 2021 (cont'd)	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	4-7
	2-23	Policy commitments	16-17, 49, 63, 69, 73, 90
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	17, 73
	2-26	Mechanisms for seeking and raising concerns	17, 67, 74
	2-27	Compliance with laws and regulations	16, 50-53, 62-63, 74
	2-28	Membership associations	55
	Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	18-21
2-30	Collective bargaining agreements	69	
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	22-23
	3-2	List of material topics	24-25
Topic Specific Disclosures			
Business Excellence			
Economic Contributions to Society			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 28-29, 66, 78
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	69, 75, 78, Annual Report 2022: 28, 71-74
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	66
Governance and Ethics			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 24, 28-29, 49
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	49
	205-2	Communication and training about anti-corruption training and procedures	16, 49
	205-3	Confirmed incidents of corruption and actions taken	49
GRI 206: Anti-Competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	49
Productivity and Efficiency			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 30-31
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	46-48

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References & Omissions
Risk Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	13, 15, 23, 25, 28-29 Annual Report: 47-48, 55-63
Care for our Customers			
Affordable Food			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 32-33, 60
Customer Satisfaction			
GRI 3: Material Topics 2021	3-3	Management of material topics	19, 24, 30-31, 58-63
Non-GRI Disclosure	N/A	Customer satisfaction scores	58
Customer Privacy and Cybersecurity			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 32-33, 49, 63
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	53, 63
Food and Product Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 34-35, 54, 63
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	53, 63
Providing Healthier Choices			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 30-31, 55, 60-62, 80
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	30-31, 60-62
Non-GRI Disclosure	N/A	No. of products that carry the Healthier Choice Symbol	30-31, 55, 61
Responsible Marketing and Product Labelling			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 34-35
GRI 417: Marketing and Labelling 2016	417-2	Incidents of non-compliance concerning product and service information and labelling	53, 63
	417-3	Incidents of non-compliance concerning marketing communications	53, 63

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References & Omissions
Care for our Employees			
Employee Engagement and Development			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 36-37, 75
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	70
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	69
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	72
Inclusive Workplace			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 36-37, 66-68
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	66-68
	405-2	Ratio of basic salary and remuneration of women to men	68
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	67
Occupational Health and Safety Well-being			
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 38-39
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	73-74
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References & Omissions
Care for the Community			
Contribution to the Community			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 40-41
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	69, 75, 78, Annual Report: 28, 71-74
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	86
Sustainable Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 40-41, 82-85
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	84
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.

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References & Omissions
Care for the Environment			
Energy, Greenhouse Gas (GHG) Emissions and Water Use			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 42-43, 90-93, 99
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	92
	302-3	Energy intensity	91
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	93
	305-2	Energy indirect (Scope 2) GHG emissions	93
	305-4	GHG emissions intensity	91
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	99
	303-2	Management of water discharge-related impacts	99
	303-3	Water withdrawal	99
Waste and Packaging			
GRI 3: Material Topics 2021	3-3	Management of material topics	25, 42-43, 94-99
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	94-98
	306-2	Management of significant waste-related impacts	94-98
	306-3	Waste generated	96
	306-4	Waste diverted from disposal	95
	306-5	Waste directed to disposal	96





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