

GROUP OVERVIEW

- 50** SUSTAINABILITY MANAGEMENT
- 52** MATERIALITY ASSESSMENT
- 53** OUR MATERIALITY TOPICS
- 54** SUSTAINABLE DEVELOPMENT GOALS

PROTECTING OUR ENVIRONMENT

- 55** WATER MANAGEMENT
- 57** EFFLUENTS AND WASTE
- 59** ENERGY MANAGEMENT

CARING FOR OUR PEOPLE

- 60** OUR PEOPLE, OUR GREATEST ASSET
- 61** FAIR LABOUR PRACTICES - DIVERSITY AND INCLUSION

- 62** HUMAN CAPITAL DEVELOPMENT AND TRAINING
- 65** OCCUPATIONAL HEALTH AND SAFETY

CARING FOR OUR CONSUMERS

- 66** PRODUCT QUALITY AND SAFETY

LEADING OUR MARKETPLACE

- 69** ECONOMIC PERFORMANCE
- 70** CORPORATE SOCIAL RESPONSIBILITY
- 78** CORPORATE GOVERNANCE

OTHER INFORMATION

- 79** ABOUT THIS REPORT
- 79** SUSTAINABILITY TARGETS
- 81** GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

SUSTAINABILITY REPORT CONTENTS



SUSTAINABILITY REPORT

CREATING A SUSTAINABLE FUTURE

YHS SUSTAINABILITY VALUES:

BUILD

Our approach to sustainable development of our business is guided by our sustainability values:



Yeo Hiap Seng Limited (“YHS”)’s sustainability report details our environmental, social and governance (“ESG”) performance for the calendar year 2021.

SUSTAINABILITY AT THE FOREFRONT

Our sustainability vision is embedded in our business and operational strategy underpinned by our values. We conduct our businesses in a fair and responsible manner backed by robust governance structures; optimise the use of resources in delivering high quality products to our consumers; seek continual improvement to minimise environmental footprint; innovate continuously to delight our consumers with healthier and high-quality consumption choices; and contribute to local communities.

This pursuit for sustainability excellence is backed by our sustainability values that emphasises integrity, diligence as well as unity across functions as we stay loyal and committed to achieving our sustainability goals.

In FY2021, YHS has refreshed our sustainability agenda with a renewed focus on areas that impacts both our business and the environment. As a responsible manufacturer, YHS aims to provide the best product and value to our consumers yet at the same time understand that we need to place strong emphasis on sustainability as it presents an opportunity for us to leverage on our business strategies to minimise impact to the environment.

SUSTAINABILITY REPORT (CONT)

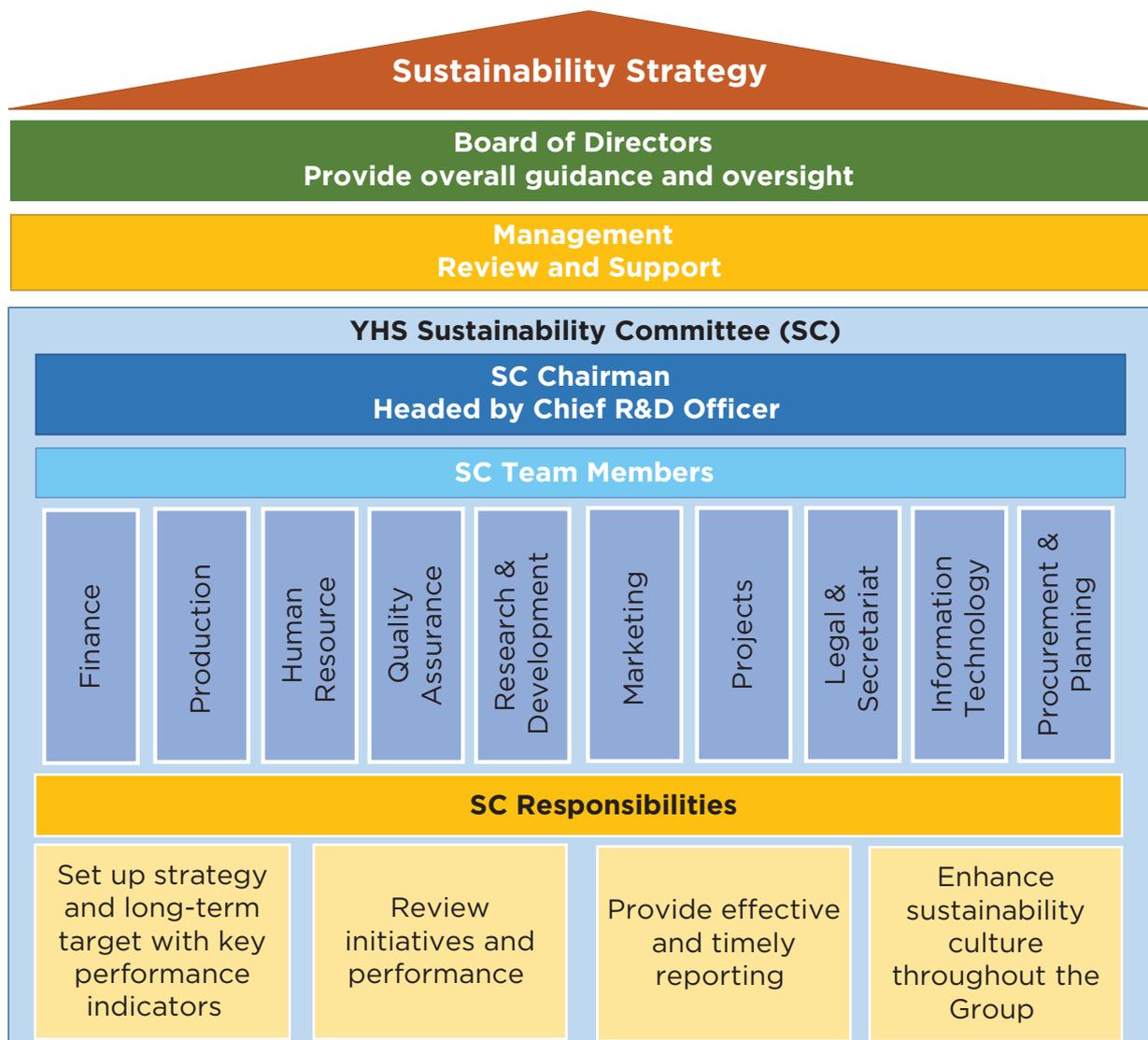
Group Overview

SUSTAINABILITY MANAGEMENT

At YHS, the Board of Directors has oversight of the Group’s sustainability strategy. The Board’s responsibilities include providing guidance on the material ESG factors that impact the Group’s activities. In managing the sustainability strategy, the Board is assisted by the Sustainability Committee (“SC”) which is headed by the Chief Research & Development Officer, and reports to the Leadership Group.

Reporting Process

YHS’ SC is represented by members from major functions and provides the overall support to ensure that the sustainability work is communicated and well supported.



While we have not sought independent assurance, we rely on our internal processes to verify the accuracy of ESG performance data, and the information presented in the report.

Stakeholder Engagement

Stakeholder engagement is key to our sustainability strategy, and we recognise that our actions can impact our stakeholders' assessment of our performance. Our selection of stakeholders is determined by the influence, dependency, representation and proximity between the stakeholders and our businesses, as well as our responsibility towards them.

Stakeholder Groups

At YHS, we have categorised our stakeholders into six groups and engaged them as follows:

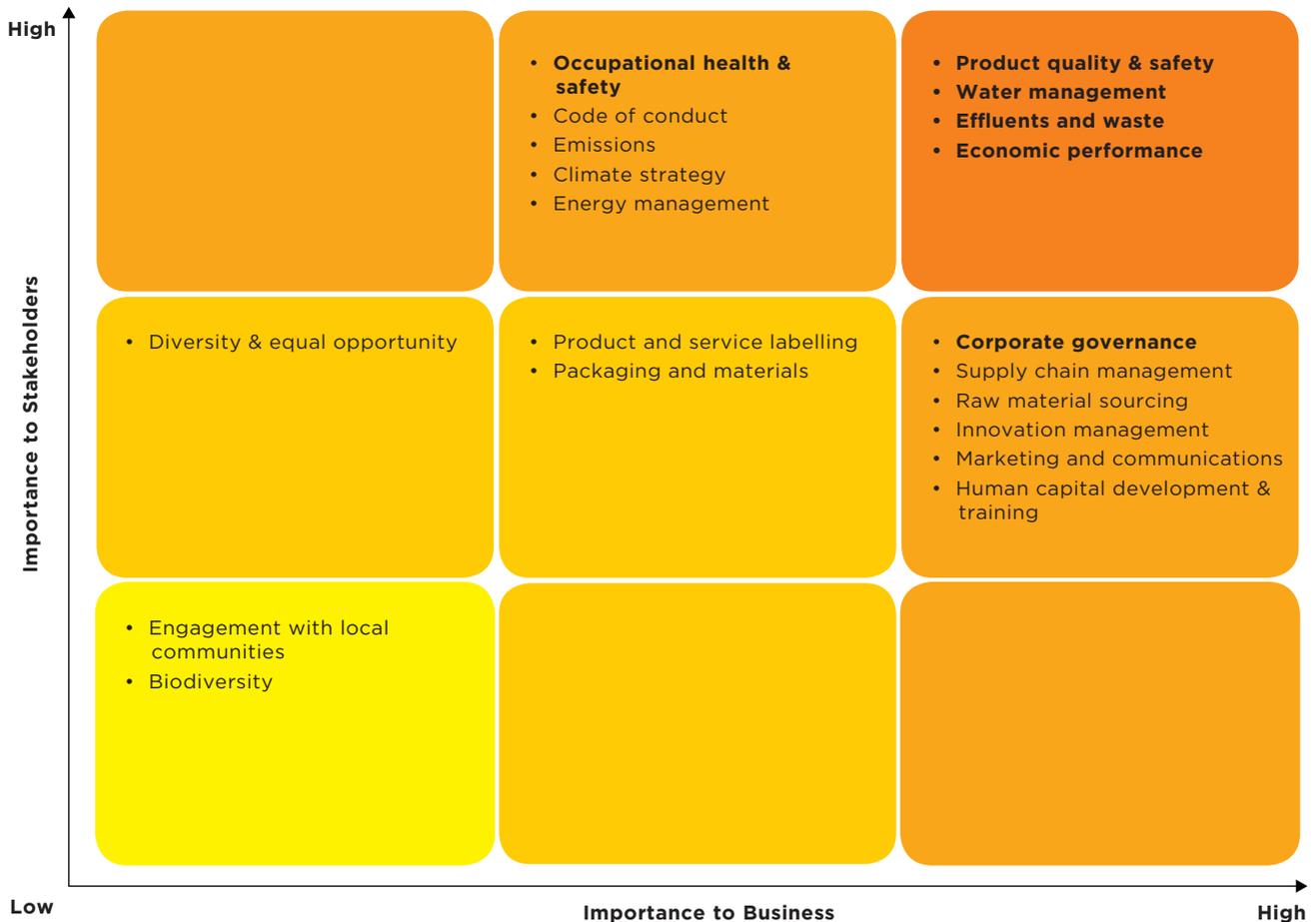
	Significance	Key Topics & Concerns	Engagement Platforms
Employees	Human capital is our most valuable asset, and we are committed to investing in the development of our people. We create a performance-led culture with learning opportunities where our people can develop and grow.	<ul style="list-style-type: none"> • Training and development • Safe and healthy work environment • Engaging employment experience 	<ul style="list-style-type: none"> • Intranet/Circulars/ Newsletter • Email communication • Briefings/Trainings • Townhalls
Suppliers	Strong and effective relationships with our suppliers give our businesses strategic advantages, including better value. By effecting stringent procurement processes, we foster an ethical culture and comply with all legal requirements.	<ul style="list-style-type: none"> • Responsible business practices • Governance and compliance structure • Sustainable procurement 	<ul style="list-style-type: none"> • Face-to-face and/or virtual meetings • Email communication
Customers/Retailers	We are committed to keeping abreast of consumer trends and preferences, as well as research and development initiatives to continually improve our range of products to better meet consumers' needs for high quality, healthier and innovative offerings.	<ul style="list-style-type: none"> • Product quality • Understanding consumer needs • Innovation and creation 	<ul style="list-style-type: none"> • Corporate website • Social media channels • Product marketing promotions and campaigns
Government/Regulators/Activists	Governments and regulations can affect how businesses are run and create new challenges and opportunities for us. We keep a close eye on topics of concern to governments, regulatory bodies and activist groups wherever we operate. In our key markets, we also engage with the regulators regularly to understand their concerns and to provide our feedback.	<ul style="list-style-type: none"> • Compliance with laws and regulations • Opportunities for collaboration 	<ul style="list-style-type: none"> • Regulatory filings • Meetings and dialogues

SUSTAINABILITY REPORT (CONT)

	Significance	Key Topics & Concerns	Engagement Platforms
Investors	Our investors believe firmly that a sustainable business approach is important in creating long-term value for the company.	<ul style="list-style-type: none"> • Relevant disclosure to shareholders • Business strategy • Economic and financial performance 	<ul style="list-style-type: none"> • Annual general meeting • Annual report • Corporate website and communications
Local Communities	As active members of our communities, we aim to contribute towards their continued well-being.	<ul style="list-style-type: none"> • Sustainable development of our communities • Supporting social needs and events 	<ul style="list-style-type: none"> • Corporate social responsibility events

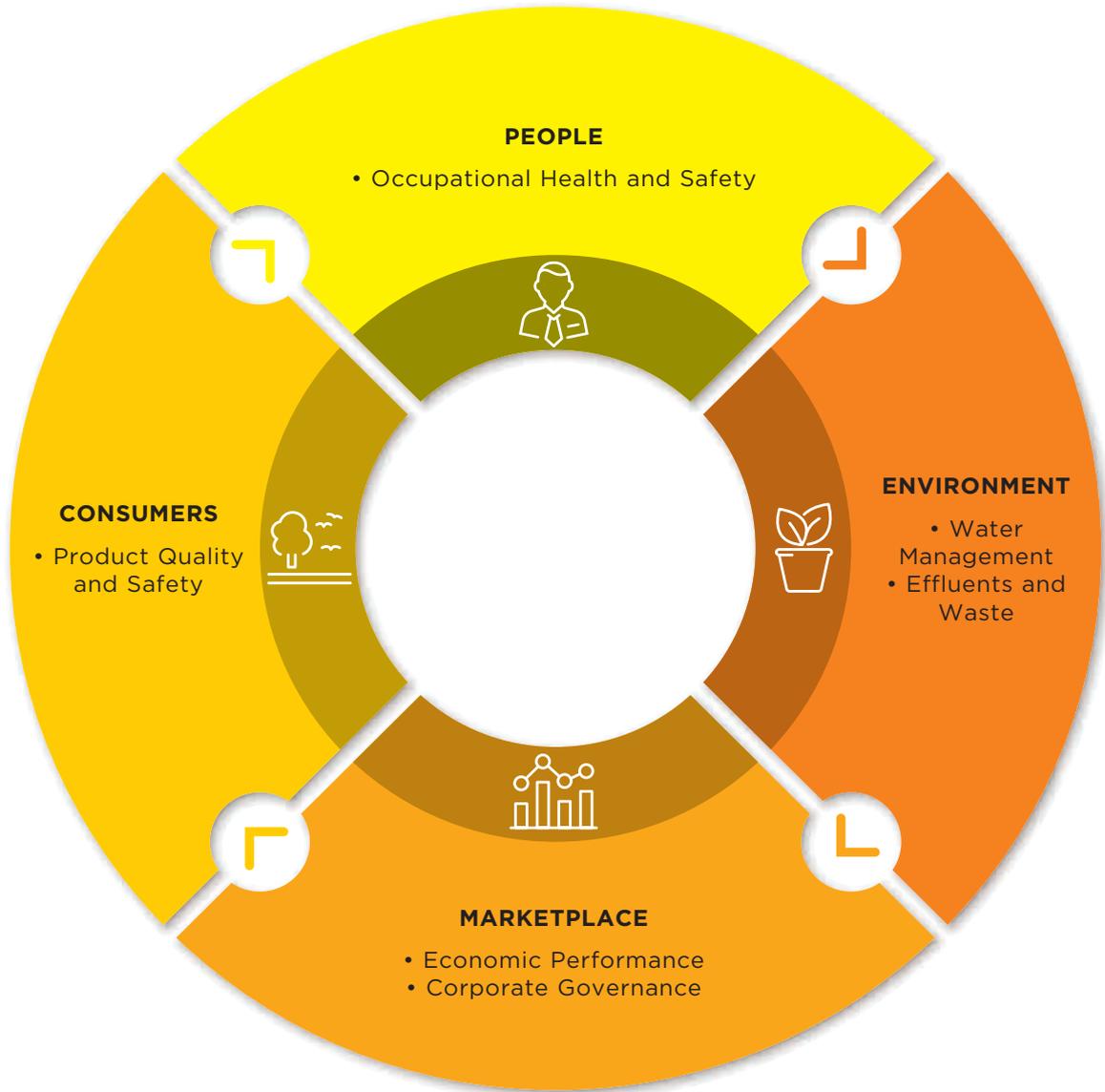
MATERIALITY ASSESSMENT

In our materiality assessment, we have identified 20 ESG topics that are relevant to us. We have re-assessed the six material topics we have reported in the prior year and confirmed that they remained in relevance based on the significance of the ESG factors; their impact on the businesses; and the degree of influence they have on stakeholders' decision. The 20 relevant ESG topics are presented below with the six material topics highlighted in bold print.



OUR MATERIALITY TOPICS

From the 20 ESG topics identified, we shortlisted six material topics to be reported as they are the most relevant to the business. The rest of the topics remain important, and we will look to build on them further down our sustainability journey.



SUSTAINABILITY REPORT (CONT)

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (“SDGs”) are the blueprint by the United Nations to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.

Our material topics are mapped to several Sustainable Development Goals, ensuring that our sustainability efforts are aligned to the broader goals of United Nations.

Yeo's Sustainability Thrusts	Related Material Topics	Related SDGs	Approach
Protecting Our Environment	Water Management		We are committed to seek innovative water management solutions – including water saving and recycling initiatives – as part of our overall water stewardship efforts and practices in our production facilities.
	Effluents and Waste		We are focused on achieving effective management and reduction of our waste, including the by-products generated from the manufacturing processes in our factories.
			We are constantly exploring new initiatives to re-use our production waste.
Caring for Our People	Occupational Health and Safety		We are committed to reduce our carbon footprint and committed to supplement existing energy use with renewable energy sources.
		 	We are constantly working with our suppliers to explore carbon reduction of our ingredients and packaging materials. We place the utmost priority on maintaining a culture of safety amongst all our employees and enforce robust safety policies and practices to mitigate safety risks. We have safe management measures in place, to ensure that our employees work and stay safe during pandemic situations.
Caring For Our Consumers	Product Quality and Safety	 	In the Food and Beverage business, ensuring the food quality and safety is our top priority, and we have put in place stringent controls on our procurement and manufacturing processes to safeguard product quality and safety.

Yeo's Sustainability Thrusts	Related Material Topics	Related SDGs	Approach
Leading Our Marketplace	Economic Performance		We believe in creating long term economic value for our investors and further distributing the economic value to other stakeholders including our employees through wages, government through taxes, investors through dividends, suppliers through purchases and communities through corporate social responsibility initiatives.
	Corporate Governance		<p>We maintain a strong corporate governance and control environment in order to operate as a responsible corporate entity with a focus on sustainability.</p> <p>We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.</p>

Protecting Our Environment

WATER MANAGEMENT

Water is used both as a vital ingredient for our products, as well as for several production processes such as cleaning and sanitizing in the food and beverage industry. As such, water is an important factor in our manufacturing business, and we constantly seek to achieve more efficient use of water and to innovate in water recycling methods.

Water Saving and Recycling

Water usage is the highest in the production function in our business and the aggregate production capacity of our Singapore and Malaysia factories constitutes more than 90% of the whole Group's production capacity. We continue to focus our efforts on water saving and recycling initiatives in these two locations to maximise their impact.

We also reduce our water footprint by putting recycled water to alternative uses, such as for our cooling towers and also for general cleaning and washing purposes.

Built in 2019 in collaboration with Singapore's Public Utilities Board ("PUB") and Nanyang Technological University ("NTU") as a research partner, the wastewater treatment plants recycle wastewater collected from our production processes, which is in turn used for cooling, steam generation, washing and other industrial non-production processes.

In line with our work plans for 2021, we completed the optimisation studies and testing on the wastewater treatment plant in mid-2021. This is to ensure that the plant is compliant to regulatory requirements and performing as per specifications before final commissioning and putting it into service.

The wastewater recycling plant started full operations in 2nd half of 2021, and we are realising the potentials of the facility in helping YHS reduce the amount of potable water used and provide a reduction in total operational cost.



Water recycling plant at our Senoko plant, Singapore

SUSTAINABILITY REPORT (CONT)

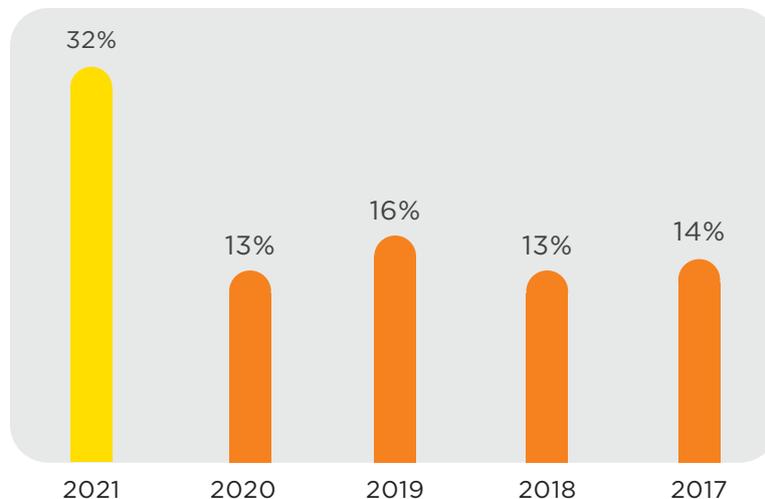
Material Topic(s)		Target(s)
Water Management		
303-5	Water Consumption	Reduce water consumption by 10% (per unit of product) by Year 2026

2021 Water usage and recycling in Singapore



Key statistics on water (Singapore):

Singapore	2021	2020	2019	2018	2017
Total water usage (in cubic metres)	182,369	180,136	173,994	170,717	177,346



% of Water Recycled in Singapore

EFFLUENTS AND WASTE

We are focused on achieving effective management and reduction of our waste, including the by-products generated from the manufacturing processes in our factories.

Reduce

We have expanded our tracking of waste to include information related to the packaging used in our products placed on the market in Singapore. This is in line with new mandatory packaging reporting framework requirements from Singapore's National Environment Agency ("NEA"). We target to reduce the amount of packaging used via various initiatives such as primary packaging weight optimisation, standardising secondary packaging – such as cartons and trays – dimensions, and rationalisation of label thickness dimensions. The learnings in Singapore will be shared with and rolled out to the rest of the Group as appropriate.

Reuse

From the production of our soymilk, we generate soya pulp residue, commonly known as Okara, as a by-product. Okara – which still contains nutrients such as dietary fibre, calcium, protein, carbohydrates and potassium – can also be used as animal feed or as natural fertilisers, which greatly improves the utilisation of waste materials, which would otherwise be dumped in landfills.

We are currently conducting trials with a world leading processing technology provider to extract the residual protein in Okara and to turn the waste into more meaningful use. This project has the potentials of reducing the waste that we produce.

As part of collaboration with research institutes, YHS is also in collaboration with universities on a development project to recover protein from water used for food processing. This research has potential benefits in recycling the protein into animal feed and possibly as health supplements for human beings.

Recycle

We recycle the cartons that we use, as well as plastic, aluminium and scrap metal from our manufacturing processes.

As part of NEA's mandatory requirement for 3R Plans, YHS will be rolling out Group recycling initiatives in FY2022.

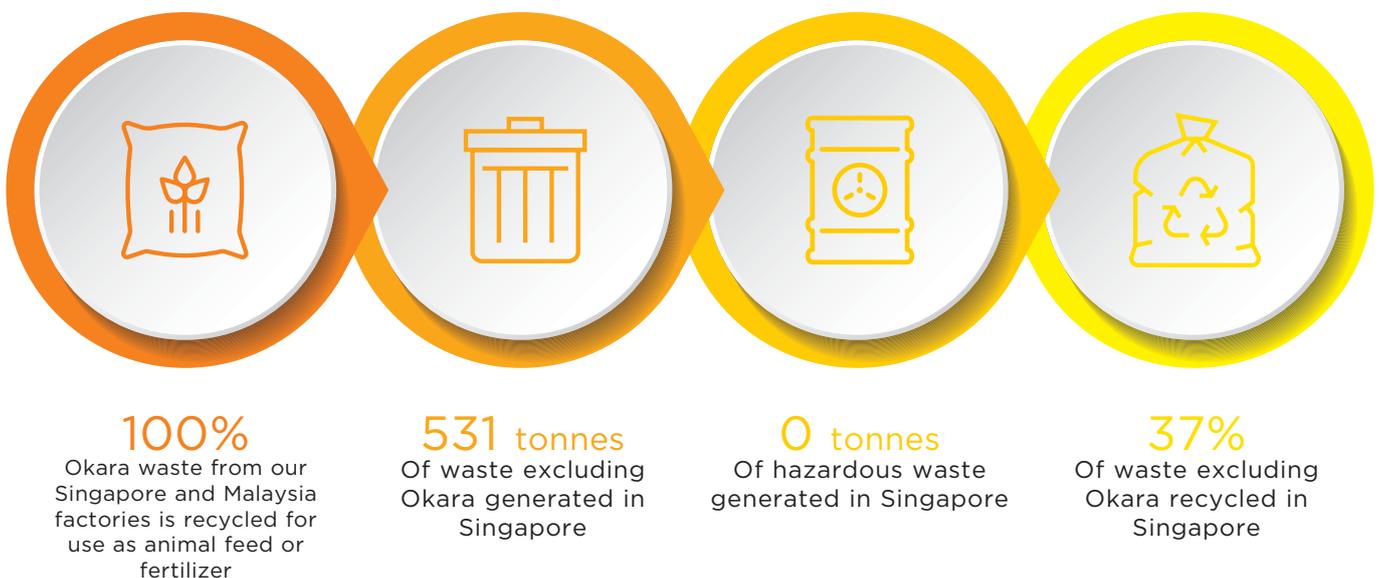
These initiatives span across various functions including procurement, planning, production and operations environments and are aligned towards our Sustainability Strategic Plans for the Group. We have also evaluated our sustainability agenda and set new targets for Group-wide recycling initiatives.

SUSTAINABILITY REPORT (CONT)

Waste Management Framework



Material Topic(s)		Target(s)
Effluents and Waste		
306-3	Waste Generated	<ol style="list-style-type: none"> 100% of the beverage packaging used to be recyclable by 2026 Reduce packaging weight by 5% Packaging Weight/Liter (kg) by 2026



Key statistics on waste in Singapore:

Types of waste	Description	2021	2020	2019	2018	2017
Okara waste generated	in tonnes	361	700	579	309	231
Okara waste recycled	% recycled	100%	100%	100%	100%	100%
Other waste generated excluding Okara	in tonnes	531	289	624	608	663
Other waste recycled excluding Okara	% recycled	37%	46%	45%	44%	32%

ENERGY MANAGEMENT

Optimising Energy Usage

The Group continues to explore the use of our rooftops for the installation of solar panels as part of our initiative to use greener energy and reduce our carbon footprint. This will help to reduce our reliance on the use of energy from traditional gas-fired power generation plants in Singapore and coal-fired power generation plants in other parts of the world.

For Singapore, Cambodia and China, we are expected to roll out and commission photovoltaic systems for our 3 plants by Q2 FY2022 and once implemented the systems will be able to reduce the Group's carbon footprint by an estimated 2,080 tonnes equivalent of CO₂ annually.

Below presents the estimated size and expected carbon reduction of the proposed photovoltaic system at the 3 plants.

Country of Operations	Proposed photovoltaic size (kWp)	Expected carbon reduction (tonnes/year)
a. Singapore	900	450
b. Cambodia	500	530
c. China	1,200	1,100

In Malaysia, we are similarly working with photovoltaic providers on a similar solar energy initiative to study the use of solar panels for electricity generation in our plants.

Green House Gases ("GHG")

As a responsible manufacturer, YHS is committed to reducing GHG to play our part in reducing emission of GHG. Notwithstanding the inclusion of more renewable energy sources as our intake energy source, we are also exploring other sources of renewable energy to supplement our current source of electrical energy which are largely from incoming gas-fired and coal-fired energy (country dependant).

The increased use of data in our manufacturing processes allows us to further understand our key energy constraints are so that we can put in place the necessary tools to minimise GHG.

We are pleased to inform that starting FY2022, we will be reporting Scope 1 and 2 GHG emissions and have correspondingly set targets to reduce GHG for our operations.

SUSTAINABILITY REPORT (CONT)

Use of Energy Efficient Equipment

We are constantly in search for more energy efficient equipment for our manufacturing operations. In our Senoko plant in Singapore, we currently use diesel for water heating, and are in the process of evaluating a potential change to an alternative energy efficient equipment which runs on electricity, and which is expected to reduce energy consumption significantly.

We are also exploring substituting non-LED lightings in our Singapore plant and replacing existing LED lights with more efficient models which can further help to reduce energy costs and will continue to review opportunities to upgrade our lightings to LED in other factories.

Energy Recovery Systems

As part of our work plan for 2021, our SG Plant commissioned an energy recovery system to capture waste heat from cooling tower. The system is now in full swing and provides an expected annual energy savings of up to S\$130,00.00.

Caring for Our People

OUR PEOPLE, OUR GREATEST ASSET

Our people are the key to our future success and we value employee engagement as the key to unleashing the full potential of our people with their strong motivation, autonomy and desire to grow.

We embrace excellence and innovation in our business, where our people work as ONE team. We exhibit honesty and fairness, and focus on our staff and customers to earn their loyalty. Pride, passion, hard work and dedication forms the overall hallmarks of our people.

Given our diverse and broad markets coverage, we continue to invest in creating an inclusive workplace for everyone from different backgrounds and we nurture workplace diversity in all respects of our business, from recruitment to career development.

Our approach to developing human capital and retaining talent is characterised by our three core principles:

- (i) We adopt fair labour practices and have zero tolerance towards discrimination;
- (ii) We invest in the training and development of our employees to enhance their competencies; and
- (iii) We provide our employees a safe and conducive working environment for them to excel in their respective fields.



FAIR LABOUR PRACTICES

Zero tolerance towards
discrimination

DEVELOPMENT OF EMPLOYEES

Investment in training to
enhance competencies

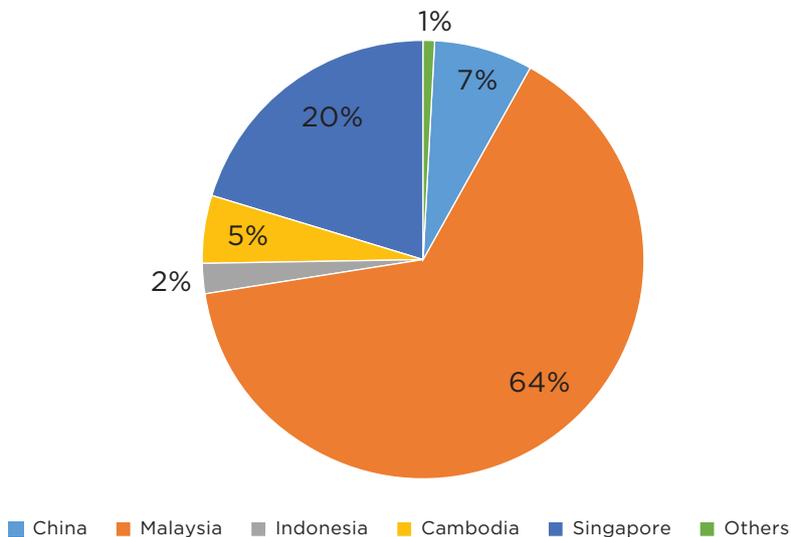
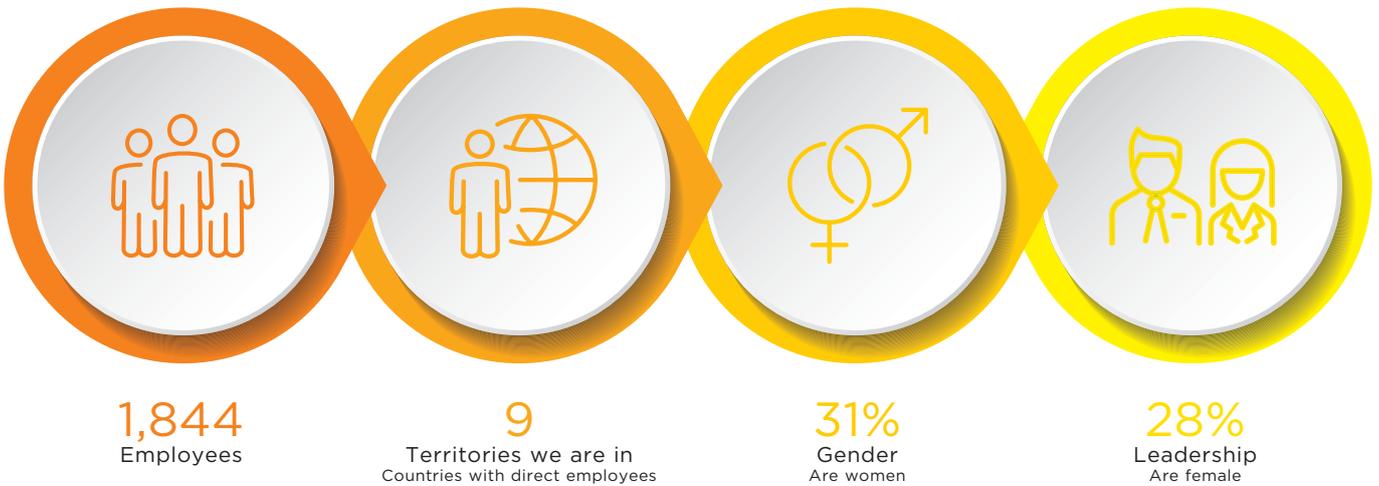
SAFE ENVIRONMENT

Conducive workplace to focus
on business excellence

FAIR LABOUR PRACTICES - DIVERSITY AND INCLUSION

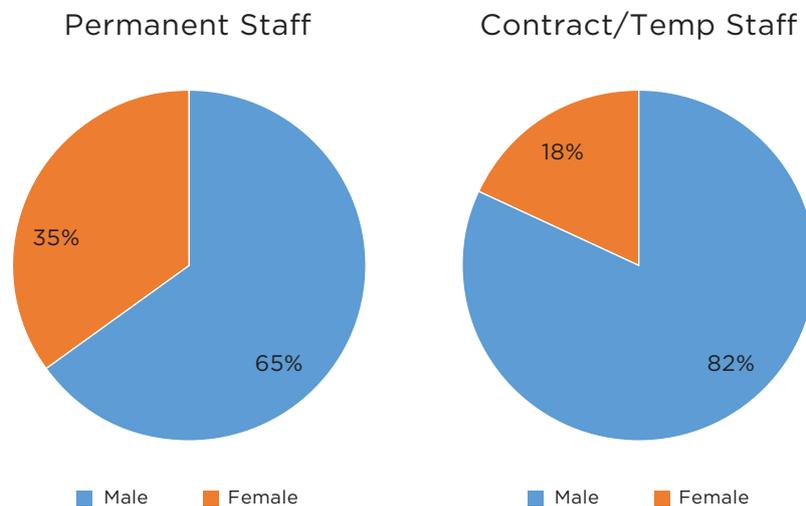
At YHS, we support a gender-balanced labour force and equal opportunities at all levels in the organisation. We leverage on the diversity and cultural experiences of our people to build strong connections with our customers and communities across the regions, driving innovation and engaging professionally in an increasingly globalised and fast-changing market. We believe in creating a safe and inclusive working environment where we continually develop our people and reward great performance.

YHS does not discriminate any applicant based on their age, gender, race, religion or nationality. We are committed to ensuring fair labour practices, diversity and inclusion in all our factories and offices. As at 31 December 2021, we have 1,844 employees working across 9 geographical locations, of which 84% are based in Singapore and Malaysia.



2021 Employee Diversity by Geography

SUSTAINABILITY REPORT (CONT)



2021 Employees Diversity by Employment Type

On gender diversity, given the nature of the work in our industry in which a substantial portion of our work force are deployed in the manufacturing and supply chain operations, the gender balance tends to weigh stronger on the males. The percentage of female employees has remained largely stable and as at end of 2021, 31% of our workforce are female employees (2020: 31%).

In Singapore, YHS is a member of the Singapore National Employers Federation (“SNEF”) and the Food, Drinks and Allied Workers Union Singapore (“FDAWU”). In Malaysia, we are associated with the Malaysian Employers Federation (“MEF”), Federation of Malaysian Manufacturers (“FMM”), and Food Industry Employees’ Union (“FIEU”).

As active members of unions and associations, YHS Group ensures compliance with applicable laws and regulations and maintains regular dialogues with the various stakeholders to build constructive and harmonious relationships.

HUMAN CAPITAL DEVELOPMENT AND TRAINING

Investing In Our People

At the core of our business strategy is the commitment to enable our people to be the best they can be. We want to enhance the competencies of our staff and strengthen their capabilities in meeting job requirements, improve work performance and achieve business results.

Our focus is on building future-ready staff and fostering a growth mind-set while empowering all staff to take charge of their learning journey.

We encourage continuous learning to ensure our people keep up with the market-best training practices and also believe that driving capability building around technical and soft skills is key. This includes scheduled classroom learnings, condensed e-learning modules, and on-the-job training (“OJT”).

FDA BPCS Training

In 2021, a total of 45 colleagues from both our Singapore and Malaysia teams attended a Better Process Control Schools (“BPCS”) training which is based on regulations and training requirements of United States Food and Drug Administration (“FDA”).

The training is important to ensure that our operators/supervisors are certified according to FDA requirements during the production of exported products.

The 2 days training covered lessons in understanding the microbiology of thermally processed foods, principles of acidified foods, still steam retorts processes, aseptic processing processes and packaging systems.

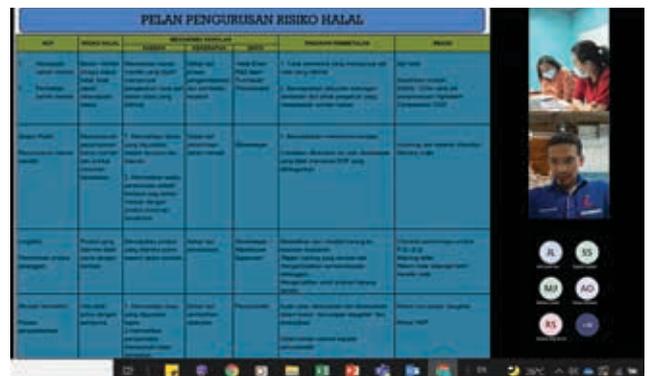


FDA BPCS Training in Singapore and Malaysia

Halal Compliance Training – Annual Halal Training

In Q4 2021, YHS (Malaysia) invited senior staff from Secretariat of Malaysia Halal Council, Jabatan Kemajuan Islam Malaysia (“JAKIM”) to share on the latest changes to Malaysia’s Halal Compliance regulations.

Two sessions were conducted were conducted virtually in Nov 2021 and a total of 55 team members from various plants (Shah Alam, Johor & Ipoh) and departments (Production, Quality Assurance, R&D, Supply Planning, Procurement, Maintenance and Raw Material Store) attended the above sessions.



Halal Compliance Training, Malaysia

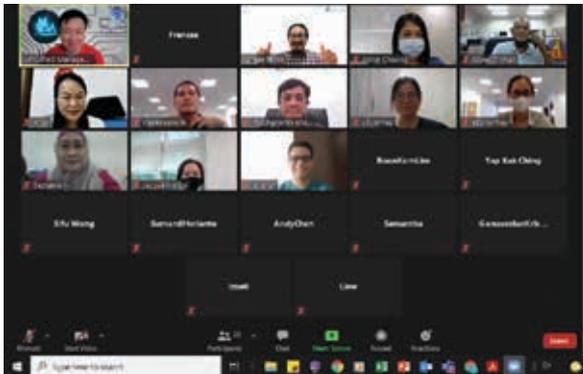
Developmental Module Training (“DMT”)

In Q3 of 2021, YHS started the DMT training program for staff and the pilot run saw 122 colleagues attending the program from August to October 2021.

DMT is an in-house developed program, meant to enhance the general skills development of staff to enable staff to perform more effectively at work. The training contents are specifically designed with external service provider to offer an overview of various modules (Effective Habits, Problem Solving, Communication, Customer Focus, Microsoft Excel – Intermediate and Leadership), allowing staff to gain the key principles that staff can use and apply at the workplace.

YHS will continue to explore additional DMTs modules that will benefit staff and further enhance their skillsets.

SUSTAINABILITY REPORT (CONT)



Virtual DMT training Sessions

In YHS, we believe in equipping our people with the necessary skills and knowledge to stay relevant in our highly competitive industry and we aspire to be an organisation where our people can learn and work well. We aim to adopt a proactive approach to reskilling our people and embed within our people a passion for life-long learning.

In 2021, we have completed 10,909 hours of general training (excluding safety-related) and the Group will continue to further offer to our people the skills they need to help them better perform at work and also to provide them with other social skills as part of a comprehensive learning roadmap.

Lastly, we also support all our staff with professional development by offering them external courses and upskilling opportunities to hone their individual skill set.

A Caring and Harmonious Workplace

We believe in the holistic development of our people, and we set aside resources each year for deliberate initiatives to create a stimulating working environment. Throughout the year, we organised a series of events to enrich our people with new experiences, engage them in their passion and challenge them to explore activities outside their comfort zone. The events also provide a comfortable platform for our people to connect with one another and their families after working hours.

Following the highly rated interest of our staff in the Pastel Nagomi Art Workshop in 2020, we continued with a second session in 2021 where staff attended the workshop virtually via Zoom. The workshop was successful in unleashing the creativity and imagination of our staff as they were introduced to the “Nagomi Art” of using simple techniques to complete an art painting. Staff were also taught on the use of applying colour harmony with soft pastels. The workshop was also able to help them de-stress and keep them motivated during the pandemic period.



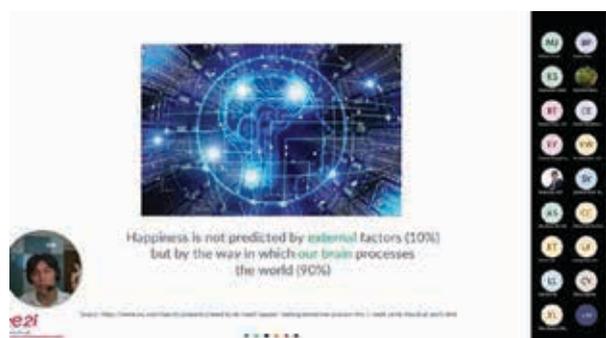
YHS China colleagues in the Pastel Nagomi Art Workshop

Health & wellness activities

Stress Resilient Workshop

The Covid-19 pandemic has been around for close to 2 years since it started in early 2020 and our staff has to learn and adapt to new ways of life and new work arrangements. With frequent changes to the safe management measures across our operations in various countries, stress becomes part and parcel of our daily personal and work life.

In Q3 & Q4 2021, 138 colleagues from various offices attended a virtual stress resilient workshop to learn about applicable & cutting-edge stress management strategies. Through the training, our colleagues have learnt new techniques and ways to help them to de-stress and also learnt how to implement good habits to stay happy and vibrant.



Virtual Stress Resilience Workshop with e2i, Singapore

OCCUPATIONAL HEALTH AND SAFETY

Safety risks are inherent in workplaces and will be relatively higher in manufacturing and supply chain functions where plant and machineries are operated. Maintaining a safe working environment allows our employees to work with peace of mind, improve their work and contribute to the sustainability of our workforce.

Accordingly, we place the utmost priority on maintaining a culture of safety amongst all our employees and enforce robust safety policies and practices to mitigate safety risks. In line with “GRI 403: Occupational Health and Safety 2018”, the Group has reported not only the work-related injuries of our employees, but also workers whose work or workplace is controlled by the organisation, such as contractors.

Material Topic(s)		Target(s)
Occupational Health and Safety		
403-9	Work-related injuries	<ul style="list-style-type: none"> • Zero work-related injuries and illnesses • Organise regular health and wellness activities

SUSTAINABILITY REPORT (CONT)

Table below presents the Group safety statistics for Year 2021:

Group Safety Statistics	Year 2021	
	Number of Cases	Rate per 1,000 employees
Group Yearly Accident Rate	28	3.92
Group Yearly Major Accident* Rate	4	0.49
Fatal Cases	0	0

* **Major Accidents** refer to workplace incidences that results in non-fatal injuries which are more severe in nature. Major injuries are defined using a combination of factors, including the nature of injury, part of the body injured, incident type and duration of medical leave

All accident cases are thoroughly reviewed, and respective plants/offices have put in place the necessary corrective and preventive controls and have further conducted necessary safety trainings for staff.

Regular inspections are also carried out at our plants to ensure strict compliance to Occupational Health and Safety regulations. These inspections, coupled with awareness and training sessions during the year, ensure the continued vigilance of our employees on Environment, Health and Safety (“EHS”) matters.

In 2021, we have completed 2,705 hours (2020: 2,087 hours) of safety training and the Group will continue the intensity of these sessions and also reinforce EHS messages through e-learning.

To continuously remind our employees and contractors on work safety, our safety slogan – All Accidents are Preventable – will continue to be displayed in prominent locations in all our factories and offices to promote a culture of “Zero tolerance to workplace injuries and illnesses”.

To continuously monitor and drive safety performance, we hold monthly safety committee meetings to review performance, discuss any violations and propose improvements. These meetings are attended by functional representatives from production, maintenance, warehouse and logistics, human resource, quality assurance and risk management departments.

Our persistence and pursuit for safety excellence are recognised in the marketplace. In Singapore, we have been certified bizSAFE Level 3 by Workplace Safety and Health Council. This is a recognition of our strong commitment to workplace health and safety, which also provides our customers the assurance that we consistently meet stringent safety requirements.

Caring for Our Consumers

PRODUCT QUALITY AND SAFETY

At the heart of our food and beverage business, the establishment of safe, healthy and quality products is our top priority. We appreciate the complexities in the food and beverage value chain and the risk of quality mishaps that could potentially occur during the sourcing, manufacturing, storage and delivery of our products.

Stringent Controls on Procurement and Manufacturing

We do not compromise on the quality of ingredients that we use for our products. Our ingredients are sourced from responsible suppliers who take the necessary precautions in supplying us good quality and safe-for-consumption ingredients. We ensure raw materials from our suppliers meets our specifications through rigorous testing and qualification, which includes and not limited to sensory tests and trial runs. Our direct packaging materials sourced from suppliers also go through equally rigorous testing and validations. We ensure our customers receive our products in uncompromised condition by ensuring we validate and conduct qualifications such as manufacturing line trials and transportation trials, before being used for production runs. As part of our receiving procedures for direct materials and ingredients, we conduct batch samplings and testing to ensure that they meet our quality requirements, specifications as well as the local regulatory food safety standards.

Across all our factories, we enforce stringent quality control in our manufacturing processes, and we have continuously improved our processes and held ourselves to the highest standards of food and beverage production over the years.

We are a member of the Singapore Food Manufacturers' Association ("SFMA") and have voluntarily adopted the best practices as required by the Good Manufacturing Practices ("GMP") certification for the food manufacturing industry. The GMP certification scheme verifies and certifies that YHS complies with the basic manufacturing practices and prerequisites for the implementation of an effective Hazard Analysis and Critical Control Points ("HACCP") food safety programme. This HACCP certification is renewed on an annual basis.

In Malaysia, we hold the Makanan Selamat Tanggungjawab Industri ("MeSTI") certification for compliance with a full spectrum of basic hygiene requirement, which focuses on operation control, hygiene and maintenance, traceability and record keeping.

Separately, we also provide the necessary training and enforce checking to maintain the Halal certifications in our factories. There are different Halal certification agencies and authorities in different countries, and it is important to meet their specific requirements and understand the acceptance of these certifications in different markets.



When it comes to the quality and safety of our products, we spare no efforts in ensuring that they are safe for consumption. With our constant focus on product quality and safety, the Group has zero product recalls in 2021.



SUSTAINABILITY REPORT (CONT)

Material Topic(s)		Target(s)
Product Quality and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of product trade recall due to safety issues for YHS' manufactured products

Key Statistics on product recalls in the Group:

Product in YHS	2021	2020	2019	2018	2017
Number of recalls	0	0	0	0	0

Producing High Quality and Healthy Products

With a rich history of more than 120 years in food and beverage manufacturing, Yeo's pride ourselves as a brand with purpose, nourishing every home with natural goodness and serving across generations.

While food safety and great taste are important pillars of our product quality, we also strive to deliver key attributes of quality with better health proposition in terms of functional benefits, natural ingredients and lowered sugar or calories. Our relentless efforts to stay in the forefront of competition, and injecting newness and innovations in our product development, while satisfying the taste buds of our consumers.

We work closely with government agencies in Singapore and Malaysia to support the nationwide drives to encourage healthier living and adopting sensible food habits by reducing daily sugar consumption. We have partnered the Health Promotion Board ("HPB") in Singapore and have reformulated more than 90% of our products to meet <5% sugar content. Likewise, in Malaysia, we have reformulated all Yeo's beverages sold in Malaysia to below 5 grams of sugar per 100 millilitres in support of the government's initiative to raise public awareness and education to fight obesity and encourage healthy living amongst Malaysians.

We are constantly reformulating our recipe to reduce the sugar content while maintaining the great taste in our products so that our consumers can continue to enjoy the drinking experience while pursuing healthier lifestyles. Recent product harmonisation across the various markets enabled the company to increase procurement efficiency while streamlining our resource planning.

Besides the current product range with lower sugar content, we have also prioritised health benefits in the innovation and development of new products. Yeo's will continue to stay relevant and serve to nourish every generation of consumers with our products, delighting our consumers with more delicious and healthier offerings to grow our brand proposition across the regions.

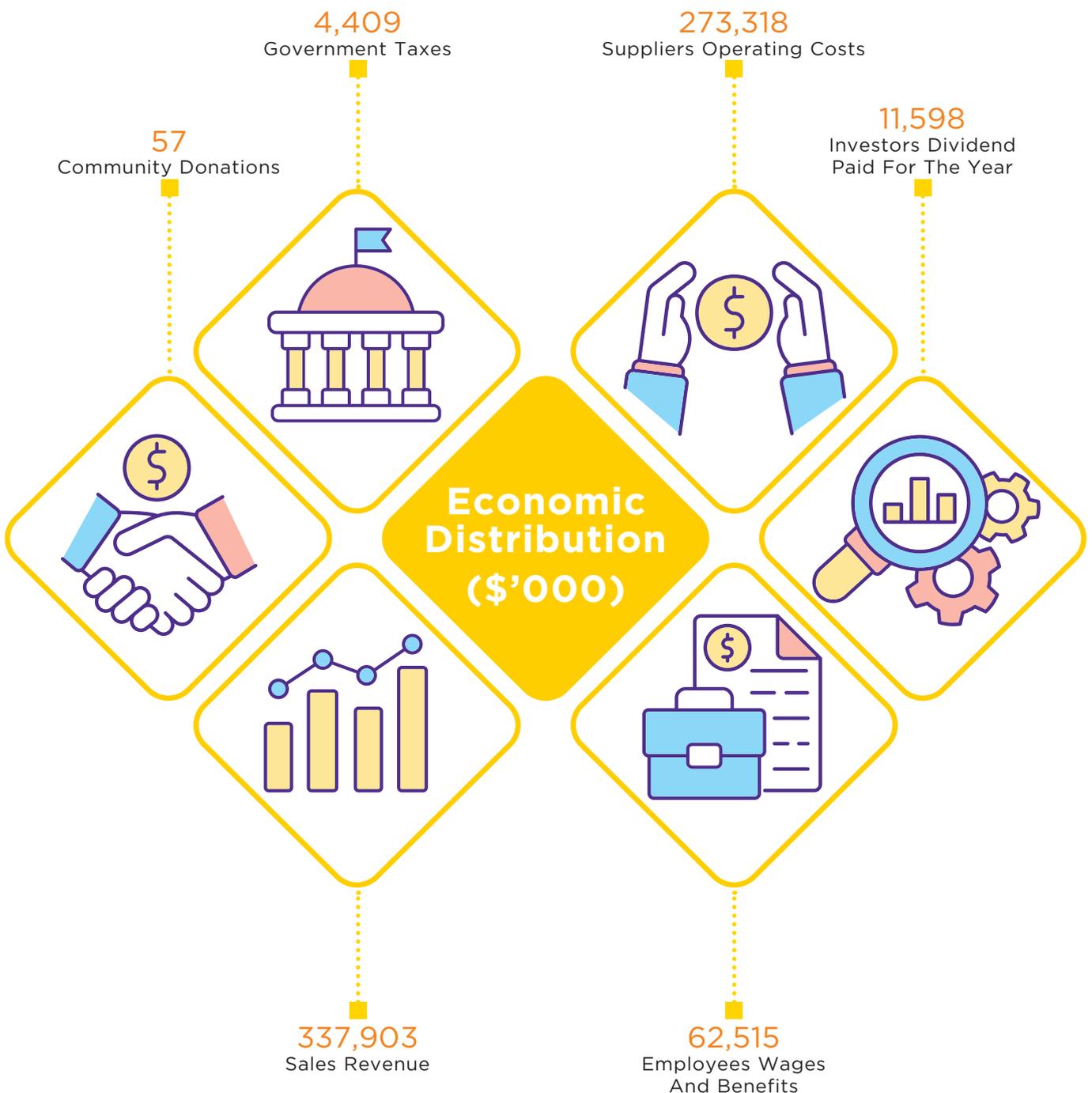
Leading Our Marketplace

ECONOMIC PERFORMANCE

We believe in creating long term economic value for our investors and further distributing the economic value to other stakeholders including our employees through wages, government through taxes, investors through dividends, suppliers through purchases, and communities through corporate social responsibility initiatives.

We strive to improve our economic performance and play a larger role in the development and well-being of our stakeholders.

Our economic value generated and distributed in 2021 (in S\$'000) is as shown.



SUSTAINABILITY REPORT (CONT)

CORPORATE SOCIAL RESPONSIBILITY

YHS believes it is our responsibility and privilege to serve the communities we operate in, and we are committed to distributing part of the economic value we generate back to the communities. As part of our staff engagement initiatives, we actively involve our people through volunteerism in our corporate social responsibility (“CSR”) projects and we encourage our people to participate in at least one community engagement event organised by or supported by the Group.

In 2021, our volunteerism programs remain affected by country-specific Covid-19 restrictions, and we were unable to send staff volunteers to participate in CSR events. This however did not stop the Group from working with other organisations to help others who are in need. Below are CSR events and activities that were undertaken in Year 2021.

In support of Covid-19 vaccination drive in Phnom Penh Special Economic Zone in Cambodia

In support of Ministry of Labor, Vocational and Training’s Covid-19 vaccination drive in the Phnom Penh Special Economic Zone (“PPSEZ”) where our Cambodia plant is situated, YHS Cambodia donated 270 cartons of Yeo’s beverages to healthcare workers and workers in the Special Economic Zone.

This is to encourage employees in the PPSEZ to actively participate and enroll in the government’s vaccination program to ensure that all workers are protected against the effects of a Covid-19 infection.



YHS (Singapore) Distribution of Appreciation Care Packs

Healthcare workers have always been the frontline defence against the Covid-19 pandemic. The recent surge in community cases, calls for an even more closely-knit community.

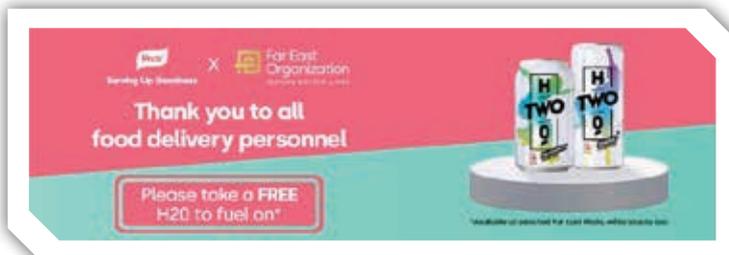
Yeo's Singapore is proud to be part of a good cause, an initiative by the Labour Movement; by donating the recently re-launched H-TWO-O Isotonic Drink for the 12,000 appreciation care packs to the healthcare workers, who have risen above and beyond the call of duty.



YHS (Singapore) Distribution of re-launched H-TWO-O to Food Delivery Riders

Yeo's Singapore also paid tribute to another group of unsung heroes – food delivery riders. They played an important role in having our essentials and food cravings delivered in the safety and comfort of our homes, despite the risks and challenges.

A total of 9,760 cans of H-TWO-O Isotonic drinks were distributed across 12 Far East Malls in support of food delivery riders to show our warm appreciation to the grit and sacrifices they have made.



SUSTAINABILITY REPORT (CONT)

Yeo Hiap Seng (Guangzhou) Distribution of beverages to Front-line Medical Workers

Yeo Hiap Seng (Guangzhou) showed their appreciation to a group of front-line epidemic prevention workers who have been working tirelessly during the pandemic. A total of 500 cartons of Yeo's beverages were distributed to thank the team for their resilience and dedication in these trying times.



Yeo Hiap Seng (Malaysia) Bhd's - Yeo's Helping Hands Program

In August 2021, Yeo Hiap Seng (Malaysia) Bhd ("Yeo's") in collaboration with Ng Teng Fong Charitable Foundation, launched **Yeo's Helping Hands**, a CSR programme furthering the company's efforts to reach out to communities in need. In total, our Malaysia's office donated food aid packs to around 28,000 B40* families most affected by Covid-19 on their lives and livelihoods.

(*B40 stands for Bottom 40% of Malaysia's household based on the Department of Statistics Malaysia's (DOSM) household income and basic amenities (HIS/BA) survey of 2019).

Below are pictures of the Yeo's Helping Hands Program



Reaching out to 10,000 families with St John's Ambulance



Reaching out to Segambut Community with Deputy Minister of Women, Family and Community Development Hannah Yeoh



Reaching out to 7,600 families with Refuge for the Refugees & Persatuan Kesejahteraan Rakyat Malaysia (PKRM)



Reaching out to 7,600 families via Malaysia Red Crescent Society



Reaching out to 3,800 families with Malaysian Association of Hotels (MAH) and 5,450 Orang Asli families in the State of Selangor and Perak with The Malaysian Chamber Of Commerce (Hong Kong And Macau) Limited

SUSTAINABILITY REPORT (CONT)



Distribution of frozen chicken to flood victims in Bentong, Karak, Janda Baik, Pahang, Sri Muda Shah Alam in Malaysia

During the month of December 2021, several states in Malaysia were affected by incessant rain and flooding which displaced thousands of households. YHS (Malaysia) made donations of MYR100,000 each to World Vision Malaysia, Methodist Crisis Relief & Development (“MCRD”) and Crisis Relief Services and Training (“CREST”) to provide the necessary support for home recovery for villagers to continue their daily livelihood with minimal disruptions. Below are pictures of the support:



Working with World Vision Malaysia to provide 800 new mattresses to flood victims



Working with MCRD to clean and restore homes of flood victims



Working with CREST to rebuild homes of flood victims at Kampung Lubuk Cemperai, Temerloh, Pahang

SUSTAINABILITY REPORT (CONT)

The floods in Shah Alam, Malaysia also affected the houses of some of our staff and our Group CEO Samuel Koh and Malaysia CEO Jerson Uy visited households of the staff to provide them the necessary flood assistance for recovery.



Group CEO Samuel Koh and Malaysia CEO Jerson Uy visiting homes of staff who were affected by the floods, Shah Alam Malaysia

YHS (USA)'s Makan Buddy fund raising event

In USA, Yeo's USA joined Makan Buddy for a special Malaysian dinner fund raising event in Los Angeles to raise funds for charities and donated USD2,000 to The Hunger Project and The Americares.



Makan Buddy fund raising event

YHS (Singapore)'s partnership with Tampines Rovers

In Singapore, YHS (Singapore) partnered with Tampines Rovers in spreading the festive spirit and sharing the joy with our migrant worker community residing at the Tanah Merah Coastal Dormitory in Singapore. This was celebrated in conjunction with the International Migrant's Day together with Christmas festivities.



In summary, we sponsored more than 38,000 cartons (more than SGD191,000 worth) of food and beverages to charitable organisations, local communities and federations, religious institutions, healthcare workers and foreign workers' dormitories in all regions of our operations.

Material Topic(s)		Target(s)
Economic Performance		
201-1	Direct economic value generated and distributed	Commit 1,000 hours per year to volunteerism, advocacy, education and community campaigns; or S\$200,000 contribution in the form of donations

Key statistics on Volunteer Hours & Donations:

	2021	2020	2019	2018	2017
Number of volunteer hours	0	0	>420	>1,300	>400
Amount of donations, cash or in-kind	> \$420,000 including > 38,000 cartons of YHS Food and Beverages	>\$244,000	>S\$134,000	>S\$200,000	>S\$200,000

SUSTAINABILITY REPORT (CONT)

Moving forward, we will continue to be more active in doing our part to serve the communities we operate in either through volunteering or contributing in the form of donations. We also hope to nurture our people to become caring individuals who will contribute actively back to the society.

Further details of the Group's economic performance can be found in the Financial Statements section of the 2021 Annual Report.

CORPORATE GOVERNANCE

As a good and responsible corporate citizen, YHS operates its business with a strong emphasis on sustainability and under established and compliant corporate governance practices. For more than ten years, YHS has been disclosing our corporate governance practices as well as principles in our Report on Corporate Governance, and continuously seeks to enhance the transparency and robustness of our governance practices and controls.

The Group has an established system of risk management and internal controls to safeguard our shareholders' interests and the Group's assets. The Board has primary responsibility over the governance of risk, with oversight from the Audit & Risk Committee to ensure that the risk management system and internal controls are properly designed, implemented and closely monitored for adequacy and effectiveness.

The Group has in place policies on Code of Conduct and Whistleblowing and complies with SGX mainboard rules on Dealing in Securities to mitigate the risks of fraud, corruption and misconduct involving employees. In line with one of our core values, namely Integrity, we also have a zero-tolerance policy for corruption and fraud, which applies not only to corrupt business practices, but also extends to fraudulent financial reporting as well as sustainability reporting.

In 2021, the Company was recognised for its efforts in upholding high standards of corporate governance as follows:

- Under the Singapore Governance and Transparency Index, YHS moved up to 71st position in 2021 (191st in 2020) on the timeliness, accessibility and transparency of their financial results announcements along with corporate governance disclosures and practices;
- The Company was included by Singapore Exchange ("SGX") Regulation as a constituent of its SGX Fast Track Programme, which recognises the efforts and achievements of listed issuers that have upheld high standards of corporate governance and maintained a good compliance track record; and
- The Company won the **Most Transparent Company Award 2021 (Consumer Staples)** at the Securities Investors Association of Singapore ("SIAS") Investors' Choice Awards 2021. The award recognises public listed companies that are transparent in their timely disclosure of information, and which facilitate shareholders' rights and equitable treatment so as to help investors make informed decisions.



Group CEO Samuel Koh receiving the Most Transparent Company Award 2021 (Consumer Staples) at the Securities Investors Association (Singapore) Investors Choice Awards 2021 Ceremony

For more information on the Group's corporate governance framework and policies, please refer to the Corporate Governance Report included in the 2021 Annual Report.

OTHER INFORMATION

About this report

This report has been prepared with reference to the Global Reporting Initiative Reporting Standards and covers ESG performance of all business divisions and subsidiaries which are under YHS Group's financial and operational control.

Information presented in the report has been extracted from our internal records and documents to ensure accuracy using internationally accepted measurement data units. Unless otherwise stated, the information represents that of the Group.

SUSTAINABILITY TARGETS

Material Topic(s)		Target(s)
Water Management		
303-5	Water Consumption	Reduce water consumption by 10% (per unit of product) by Year 2026
Effluents and Waste		
306-3	Waste Generated	<ul style="list-style-type: none"> • 100% of the beverage packaging used to be recyclable by 2026 • Reduce packaging weight by 5% Packaging Weight/Liter (kg) by 2026
Occupational Health and Safety		
403-9	Work-related injuries	<ul style="list-style-type: none"> • Zero work-related injuries and illnesses • Organise regular health and wellness activities
Product Quality and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of product trade recall due to safety issues for YHS' manufactured products
Economic Performance		
201-1	Direct economic value generated and distributed	Commit 1,000 hours per year to volunteerism, advocacy, education and community campaigns; or S\$200,000 contribution in the form of donations

SUSTAINABILITY REPORT (CONT)

Material Topic(s)		Target(s)
Materials		
301-2	Recyclability of packaging materials	100% of the beverage packaging used are recyclable by 2026
Energy		
302-1	Energy consumption within the organisation	Reduce energy consumption by 5% (per unit of product) by 2026
302-4	Reduction of energy consumption	
Emissions		
305-1	Energy direct (Scope 1) emissions	Reduce by 10% per unit of product by 2026
305-2	Energy Indirect (Scope 2) emissions	Reduce by 10% per unit of product by 2026
Training and Education		
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> • Assess individual training needs of employees and develop training plan • Identify talent and support their development through specialised training programs • Provide funding for employees to undertake relevant external training courses

GRI Content Index

Disclosure Number	Disclosure Title	Page Reference
GRI 2: General Disclosures 2021		
1. The Organisation and its reporting practices		
2-1	Organisational details	FS Note 1 - General Information
2-2	Entities included in the organisations sustainability reporting	FS Note 40 - Listing of significant companies in the group
2-3	Reporting period. Frequency and contact point	SR 2021
2-4	Restatements of information	N/A
2-5	External assurance	No assurance obtained
2. Activities and workers		
2-6	Activities, value chain and other business relationships	FS Note 36 - Segment information
2-7	Employees	SR - Caring for our people
2-8	Workers who are not employees	N/A
3. Governance		
2-9	Governance structure and composition	SR - Sustainability management
2-10	Nomination and selection of the highest governance body	SR - Sustainability management
2-11	Chair of the highest governance body	SR - Sustainability management
2-12	Role of the highest governance body in overseeing the management of impacts	SR - Sustainability management
2-13	Delegation of responsibility for managing impacts	SR - Sustainability management
2-14	Role of the highest governance body in sustainability reporting	SR - Sustainability management
2-15	Conflicts of interest	SR - Sustainability management
2-16	Communication of critical concerns	SR - Stakeholder engagement
2-17	Collective knowledge of the highest governance body	SR - Sustainability management
2-18	Evaluation of the performance of the highest governance body	SR - Sustainability management
2-19	Remuneration policies	SR - Sustainability management
2-20	Process to determine remuneration	CG - Remuneration Matters
2-21	Annual total compensation ratio	CG - Remuneration Matters

SUSTAINABILITY REPORT (CONT)

Disclosure Number	Disclosure Title	Page Reference
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	SR - Sustainability at the forefront
2-23	Policy commitments	SR - Sustainability management
2-24	Embedding policy commitments	SR - Sustainability management
2-25	Process to remediate negative impacts	SR - Corporate Governance
2-26	Mechanisms for seeking advice and raising concerns	SR - Corporate Governance
2-27	Compliance with laws and regulations	SR - Corporate Governance
2-28	Membership associations	SR - Caring for our people, Caring for our consumers
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	SR - Stakeholder engagement
2-30	Collective bargaining agreements	SR - Caring for our people
GRI 3: Material Topics 2021		
Disclosures on material topics		
3-1	Process to determine material topics	SR - Materiality assessment
3-2	List of material topics	SR - Materiality assessment
3-3	Management of material topics	SR - Protecting our environment SR - Caring for our people SR - Caring for our consumers SR - Leading our marketplace

AR: Annual Report 2021

FS: Financial Statement 2021

SR: Sustainability Report 2021