



KSH HOLDINGS LIMITED

Sustainability And Climate Report 2023

Table of Contents

1	MESSAGE FROM THE CEO / BOARD STATEMENT	3
2	ABOUT THE REPORT	4
2.1	Report Scope	4
2.2	Report Methodology	4
2.3	Report Structure	5
2.4	Report Contact and Feedback	5
3	CORPORATE PROFILE	6
3.1	Our Vision and Mission	6
3.2	Governance	6
3.3	Ethics and Compliance	7
4	INTEGRATING SUSTAINABILITY INTO OUR BUSINESS	9
4.1	Sustainability Management Framework	9
4.2	Key Stakeholders and Material Issues	9
4.3	Alignment with International Initiatives	11
4.3.1	Sustainable Development Goals (SDGs)	11
4.3.2	United Nation Global Compact (UNGC)	13
4.4	Awards and Achievements	14
5	STAKEHOLDER ENGAGEMENT	15
5.1	Protecting Our Environment for the Future Generations	16
5.1.1	Our Approach	16
5.1.2	Reduction of Carbon Footprint	32
5.1.3	Promoting Green Practices	33
5.2	Caring for Our Employees	34
5.2.1	Our Approach	34
5.2.2	Employment Practices	34
5.2.3	Workforce Diversity	36
5.2.4	Employee Benefits and Welfare	38
5.2.5	Safety and Health in the Workplace	39
5.2.6	Individual Rights	42
5.3	Focusing on Our Customers' Needs	42
5.3.1	Our Approach	42
5.3.2	Integrated Management System (IMS) - Construction Quality and Safety Management	43
5.3.3	Customer Feedback and Satisfaction	43

5.3.4	Data Safety and Privacy.....	44
5.4	Partnering Our Suppliers.....	44
5.4.1	Our Approach	44
5.4.2	Supplier Selection.....	45
5.4.3	Supplier Review	45
5.5	Supporting for Our Community	45
5.5.1	Our Approach	45
6	PERFORMANCE TABLE.....	46
6.1	Energy Usage and CO ₂ Emissions.....	46
	Direct Energy and Indirect Energy.....	46
	Scope 1 and Scope 2 CO ₂ Emissions	46
6.2	Employment Profile	49
6.3	Employees Engagement and Training.....	50
6.4	Customer Feedback	51
6.5	Supplier Screening Using Environmental Criteria.....	52
6.6	Community Contribution	53
7	GRI CONTENT INDEX	54
8	TCFD DISCLOSURE INDEX	58

1 MESSAGE FROM THE CEO / BOARD STATEMENT

KSH Holdings Limited (“KSH” or the “Group”) (“金成兴控股有限公司”) is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and has been listed on the Mainboard of the SGX-ST since February 8, 2007. KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector Construction projects of unlimited value and is a main contractor for both the public and private sectors in Singapore. The Group also has an A2 grade under BCA’s CW02 category for civil engineering, allowing KSH to tender for Public Sector projects for values of up to \$85 million.

It gives me great pleasure to introduce our calendar year (“2023”) Sustainability Report, which highlights the progress and achievements of our organisation over the previous 12 months, with particular focus on our commitment to working alongside our valued stakeholders to build a sustainable business based on our resilience, adaptability and innovation.

In this, our seventh sustainability report, we firmly believe that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as its financial performance.

The delivery of sustainable results is, however, a critical aspect of our ability to remain a strong and financially stable company. Acknowledging this helps to put into focus our commitment to principles laid out in our Corporate Sustainability Policy. Our responsibility to society is to incorporate sustainable practices into every link of our value chain to meet the needs of our customers, employees, community, environment and future generations.

Our Board of Directors (the Board) is committed to sustainable business practices to enhance stakeholder trust and the value of Group. The Board considers sustainability issues as part of the Group’s business and strategic formulation. The Board has determined the material Environment, Social and Governance (ESG) factors and overseen the identification, monitoring and management of risks and opportunities relating to ESG issues material to our business with the support of the Corporate Sustainability Committee (CSC), chaired by our Managing Director and includes designated senior executives. The Board holds regular meetings with the CSC to discuss on the material topics. Based on the reports and suggestions from CSC, the Board has given directions and advice concerning those material issues.

The Board is keenly aware of the growing risks posed by climate change and global warming, and we have adopted recommendations from the Task Force on Climate-related Financial Disclosures (“TCFD”) in our disclosures to better measure the impact of climate factors on our operations. We also aim to progressively improve our climate related risks assessment

This report provides detail about how we have met our responsibilities with our key stakeholders during 2023 and beyond.

2 ABOUT THE REPORT

This sustainability report articulates our commitment to sustainability and transparency. This is our seventh sustainability report. This report is designed to provide a transparent and balanced view of the company, to reflect the interests of our key stakeholders, and to address those interests pragmatically. This report aims to include comprehensive and accessible information on the company's strategy towards sustainability, key issues as well as data according to recognized standards.

2.1 Report Scope

The report covers the performance of our consolidated entities in 2023. The report scope covers on the sustainability performance, activities and initiatives of operating sites, activities and assets in Singapore that are under our direct control, our offices, our operations and our local supply chain where the key market, activities and main place of business of the Group is located at. Material issues and topics described in this report have been selected according to their significance within the company boundaries, the sustainability context and the expectations of stakeholders. All material topics disclosed in this report are relevant to the activities in Singapore only. Nevertheless, our corporate governance and sustainability approaches are drawn from the policies and practices set at the Group level.

This sustainability report focuses on the Group's sustainability strategies and practices whilst highlighting the economic, environmental, and social and governance aspects of our activities and developments. This report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

2.2 Report Methodology

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The title of GRI 1 used is GRI 1: Foundation 2021. We have chosen the GRI Standards reporting guidelines for its robust guidance which offers an international reference for the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations. This report also takes into consideration of the primary components of the report content as set out by the Singapore Stock Exchange's (SGX's) "Comply or Explain" requirements for sustainability reporting. Our data are reported in good faith and to the best of our knowledge. We continue to improve our data collection processes.

We did not seek external assurance for this report.

2.3 Report Structure

This Sustainability Report is structured to reflect the interests of our key stakeholders. We have identified five key stakeholder groups, namely, the environment and future generations, employees, customers, suppliers and communities. For each stakeholder group, we lay out our management approaches that govern how our material issues are identified as well as how the issues are prioritized and managed. Further, we will present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our topics and boundaries. Additionally, as part of the Group's preparation for the transition to a low-carbon economy, this Report was also prepared in accordance with recommendations from the TCFD framework. Finally, we will provide the information of our key performance indicators, performance targets and outcomes.

The information regarding the basis for report boundaries and our materiality assessment is provided in section 4.

Altogether, this report provides the basis for our responses and disclosures to the GRI Standards In-Accordance-To-Core requirements. Relevant sections in the report are referenced in the GRI Content Index provided in section 7.

2.4 Report Contact and Feedback

Thank you for your interest in our Sustainability Report. We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

❖ In writing to:

mainoffice@kimsengheng.com.sg

36 Senoko Road,
Singapore 758108

❖ Via our contact page at <http://www.kimsengheng.com/contact-us.html>.

This report is provided in PDF format only and is available for download on the following page of our website: <http://kimsengheng.listedcompany.com/sr.html>.

3 CORPORATE PROFILE

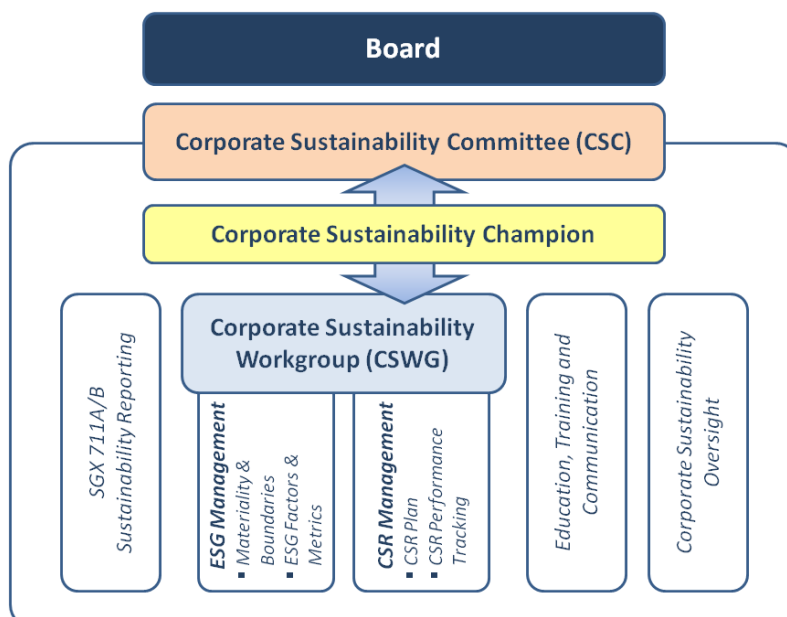
3.1 Our Vision and Mission

Our vision is to be a leader in building construction services in Singapore and a sizeable investor in property development in the region.

In our mission towards our vision, we are committed to contributing social and economic benefits to our society through the provision of high quality and cost-effective services in construction and niche property development activities in the region. We provide innovative solutions in an efficient and professional manner to meet our customers' requirements in building and property businesses by bringing together the best available resources and continually improving our processes to deliver excellence. As we achieve the above, we will also generate fair and satisfying economic value for our shareholders.

3.2 Governance

Our Board of Directors (the Board) oversees all corporate governance and operational matters relating to our business. For corporate sustainability including climate-related issues, the Board is supported by the Corporate Sustainability Committee (CSC) which is chaired by our Managing Director and includes designated senior executives. The CSC provides leadership and approval over corporate sustainability matters such as Corporate Social Responsibility (CSR) plan, community investment and environmental initiatives including addressing of climate-related issues. CSC addressing of climate-related issues by identifying, assessing and managing climate related risks and opportunities. Supported by the CSC, our Corporate Sustainability Champion (the Champion) is our Subject Matter Expert (SME) in corporate sustainability, and pro-actively raises awareness through education and training across the organization. Through the Corporate Sustainability Work Group (CSWG), our Champion engages the businesses and functions in collectively executing the CSR plan, identifying and managing the Environment, Social and Governance (ESG) Factors as well as engaging sustainability stakeholders. The businesses and functions provide back-to-back assurance over the quality of the information for sustainability reporting.



Board independence occurs when a board member has not been and is not currently employed by the company or its auditor and the board member's employer does not do a significant amount of business with the company.

Some of the questions regarding the Board independence and diversity in 2023 are addressed as follows:

i) Is Independence a Primary Consideration During the Selection Process for New Board Members of the Company?	Yes
ii) How Many Board Members Does the Company Have?	7
iii) How Many of Those Members are Independent Directors?	3
iv) The Percentage of Directors Who Are Independent Board Members	42.86%

Number of Individuals in the Organization's Governance Body	i. a) Male %	i. b) Female %	Total % of Employees by Gender	ii. a) % Under 30 Years Old	ii. b) % 30-50 Years Old	ii. c) % Over 50 Years Old	Total % of Employees by Age Group	iii. % defined within a Disability Group
7	100	0	100	0	0	100	100	0

3.3 Ethics and Compliance

Being a listed company in the Singapore Stock Exchange (SGX), we are managed to the highest standards of corporate governance as required in the listing rules. We strictly conform to the local and international best practices. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by the officers and employees across the organization. Every new employee is introduced to our Code of Conduct and our policies on ethics and compliances which include areas such as anti-corruption, prevailing laws and regulations. Communication channels are in place to enable all employees and individuals engaged in the business activities to report complaints of unethical behaviour. We have a designated officer who maintains a register of incidences regarding ethics, material and significant compliance issues which require escalations to the management.

In 2023, the status of the communication to employees on the organization's anti-corruption policies and procedures are as follows:

Anti-corruption disclosures - Communication about anti-corruption policies and procedures

Region	Employee Category	Total Number of Employees	Total Number of Employees That the Organization's Anti-Corruption Policies and Procedures Have Been Communicated	Percentage of Employees That the Organization's Anti-Corruption Policies and Procedures Have Been Communicated
Asia	Technical	18	18	100
Asia	Administrative	12	12	100
Asia	Middle management	23	23	100
Asia	Production	408	408	100
Asia	Senior management	13	13	100
Asia	Non-management	69	69	100

In 2023, the confirmed incidents of corruption and actions taken are as follows:

Confirmed incidents of corruption and actions taken

Number of Incidents of Corruption	Nature of Incidents of Corruption
0	NA

4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

We believe that corporate social responsibility is a key driver towards long-term sustainability. Such responsibility is pragmatically integrated into our business practices as one of the core values in our corporate culture. Embedding such responsibility into our management processes across the value chain allows us to establish credibility among our stakeholders. Through our action today, we play a part in influencing the environment for our future generations. Through integrating the notion of sustainability in our business, we ensure that our business strategy and operations are in line with a long-term vision towards a conducive and sustainability future.

4.1 Sustainability Management Framework

In July 2017, we took the initiative to establish our sustainability reporting framework. We performed an analysis on our business and operation models as the basis for our stakeholder mapping and materiality assessment. Through our analysis, we identified five key stakeholder groups within our sustainability context and their respective material issues are to be shown in this report.

4.2 Key Stakeholders and Material Issues

We have a regular review, assessment and feedback process in relation to Environmental, Social and Governance (ESG) topics. The key to this is an annual management review which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant. We are continuously improving the adequacy and effectiveness of our management review process in response to changing business and operation environment.

Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to us and our stakeholders. For external stakeholders, priority is given to issues important to the society and applicable to us. Then, we prioritize our sustainability efforts and report issues that are most material to the business and the stakeholders. Considering that specific stakeholders and material issues are specific in countries and locations, we are reporting the stakeholder engagement and material issues for our Singapore operations in this report.

<i>Stakeholders</i>	Material Issues	Significance
<i>Future Generation</i>	<ul style="list-style-type: none"> ❖ Materials recycling of product material and packaging ❖ Environmental education of our employees and customers ❖ Reduction of carbon emissions ❖ Reduction of energy consumption ❖ Compliance with best practices and standards on Green initiative, such as, Building & Construction Authority (BCA) Green & Gracious Builders Award 	<p>Our sustainability agenda for the environment and future generation is embedded into the day-to-day business activities among our staff. We continue to strive to improve from a holistic perspective through the company culture and practices. Within the big picture of sustainability, we take steps to focus on key goals such as curbing global warming, conserving and recycling resources. Such areas are crucial to a sustainability economic ecosystem for our customers which are keys to our business sustainability.</p>
<i>Employee</i>	<ul style="list-style-type: none"> ❖ Employee well-being through workplace health & safety ❖ Regular training of employees on critical skill sets to sustain competitiveness ❖ Competitive compensation scheme to retain talents ❖ Non-discrimination, diversity and equality ❖ Senior management engagement with employees 	<p>An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.</p>
<i>Customer</i>	<ul style="list-style-type: none"> ❖ Safety of our customers in our services delivery ❖ Customer data privacy ❖ Customer satisfaction and customer-centric approach 	<p>The quality and safety of our services and products to our customers are the core focuses of our commitments. Through our quality and safety commitments to our customers, we will, in turn, be contributing to their own successful sustainable development.</p>
<i>Supplier</i>	<ul style="list-style-type: none"> ❖ Environmental, labour and human rights impact in the supply chain 	<p>To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers and partners share our values in their business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with suppliers and channel partners to enhance both their own competitiveness and that of ours.</p>

<p><i>Community</i></p>	<ul style="list-style-type: none"> ❖ Impact on communities and local economies, and future generation education ❖ Economic value generated and distributed to local community 	<p>In our vision in moving our business to high-value-added business areas, abilities to identify and attract people with knowledge and talent are crucial to the sustainability of our businesses. Within a broad range of our community engagements, we focus on the education of today’s youth and providing financial and practical support to targeted local and communities, through donation, sponsorship, and voluntary activities.</p>
<p><i>Common to All Stakeholder Groups</i></p>	<ul style="list-style-type: none"> ❖ Compliance with prevailing laws and regulations ❖ Good corporate governance & ethics, transparency and non-financial reporting ❖ Ethical business practices such as anti-corruption ❖ Grievance mechanisms 	<p>Legal compliance and ethical practices are the core foundation of our business. Our culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholder groups.</p>

4.3 Alignment with International Initiatives



4.3.1 Sustainable Development Goals (SDGs)

Established in 1945 under the Charter of the United Nations (UN), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Comprising all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.






On 25 September 2015, the UN General Assembly adopted the 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. Although the SDGs are primarily aimed at governments, they represent an important opportunity for businesses to also act for a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives.

We acknowledge that our participation in reaching the SDGs has room for improvement. As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.

SDGs Logo Source: <http://www.un.org/sustainabledevelopment/news/communications-material>

SDG Goal	Relevant Targets to Our Businesses (Source: http://sustainabledevelopment.un.org)	Our Participation
	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures. We monitor and report our GHG emissions and set reduction targets.
	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	All the paper used in our offices is either Forest Stewardship Council (FSC) certified or made from KHAN-NA. We actively promote the use of such papers across our organisation. Through that, the Company supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community.

				<p>The following SDG goals are relevant to our business, operations and value chain. They are addressed in our various policies at group level. Such goals are also embedded in various initiatives carried out across the organization.</p>
				
				

				<p>We do not believe these goals are relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals.</p>
				

4.3.2 United Nation Global Compact (UNGC)

The United Nations Global Compact (UNCGC) is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UNGC is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

Below are the references of our report to the 10 principles of the UNGC.

Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	5.2.2.1, 5.2.6
Principle 2	Make sure that they are not complicit in human rights abuses.	5.2.2.1, 5.2.6
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.2.2.1, 5.2.6
Principle 4	Elimination of all forms of forced and compulsory labour.	5.2.2.1, 5.2.4.1
Principle 5	Effective abolition of child labour.	5.2.1, 5.2.2.1
Principle 6	Elimination of discrimination in respect of employment and occupation.	5.2.2.1, 5.2.6
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	5.1.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	5.1.2, 5.1.3
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	5.1.2, 5.1.3
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.3

4.4 Awards and Achievements

Year	Awards and Achievements
2023	RoSPA Health & Safety Award (Gold Medal)
2022	Green Mark Award (Platinum)
2022	Green Mark Award (Gold)
2022	Green Mark Award (Platinum)
2022	BCA Universal Design Excellence Award
2022	RoSPA Health & Safety Award (Gold Medal)
2021	RoSPA Health & Safety Award (Gold Medal)
2021	Quality Mark Tiered-rating Award (Star)
2021	Certificate of Accreditation for Male Restroom
2021	Certificate of Accreditation for Female Restroom
2021	Certificate of Accreditation for Level 2 - Male & Female Restroom
2021	Certificate of Accreditation for Level 3 - Male & Female Restroom
2020	RoSPA Health & Safety Award (Gold Medal)
2020	Safety and Health Award Recognition for Projects (SHARP)
2019	Certificate of Accreditation for Male Restroom
2019	Certificate of Accreditation for Female Restroom
2019	Construction Excellence Award (Excellence)
2019	Construction Excellence Award (Merit)
2019	RoSPA Health & Safety Award (Gold)
2019	Safety and Health Award Recognition for Projects (SHARP)
2018	The Royal Society for the Prevention of Accidents - RoSPA (Gold)
2018	Safety and Health Award Recognition for Projects (SHARP)
2018	Green & Gracious Builders Award
2017	RoSPA Health & Safety Award (Gold)
2017	Green Mark Award (Platinum)
2016	Green Mark Award (Platinum)
2016	Quality Mark Tiered-rating Award (Star)
2016	RoSPA Health & Safety Award (Gold)
2016	Construction Excellence Award (Merit)
2015	Quality Mark Tiered-rating Award (Merit)
2015	RoSPA Health & Safety Award (Gold)
2015	Green & Gracious Award
2014	RoSPA Health & Safety Award (Gold)
2014	Construction Excellence Award (Merit)
2013	Green Mark Award (Gold)
2013	Green Mark Award (Gold Plus)
2013	RoSPA Health & Safety Award (Gold)
2013	Construction Excellence Award (Award)
2013	Construction Excellence Award (Merit)
2013	Quality Mark Tiered-rating Award (Star)

5 STAKEHOLDER ENGAGEMENT

We believe that good Corporate Social Responsibility (CSR) practice goes together with good corporate management practice. We also recognize that it is vital that our management approaches are adaptable to the dynamics of the business and operation environment in such a way that we can continuously assess our impacts, develop sustainability objectives and respond in a proper manner to meet our stakeholders’ expectations. Our CSR framework is based on our approach to sustainability and includes policies and measurement mechanisms to monitor the impacts made by our businesses and operations.

Key to the success of our sustainability programme is through regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and the provision of appropriate feedback mechanisms so that we can monitor and evaluate how we are doing and explore new possibilities stimulated by the stakeholder responses. We see our sustainability report as being a critical component of this continuous cycle of communication and evaluation. The overall sustainability context of the stakeholder engagements is managed through our CSR plan for our sustainability governance oversight.

<i>Stakeholder</i>	<i>Management Approach</i>	<i>Initiatives</i>	<i>Outcome and Responses</i>	<i>Boundaries</i>
<i>Environment and Future Generation</i>	Environmental Management System (EMS), Environmental policy, EMS guidelines, Waste Recycling/Management, Green Campaigns, ISO 14001 Certification	Internal Awareness and Education	Energy Efficient Lighting (e.g. LED), Digital Filing and Document to Reduce Paper Consumption.	Singapore Operations
<i>Employee</i>	Code of Conduct, Fair Employment Practices, Training and Career Development, Central Provident Fund (CPF), WHS Framework, OSHAS Certification, bizSAFE	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews	Training Programmes, Employee Benefits, Re-engagement	Singapore Operations
<i>Customer</i>	Customer Relationship Management System, Policies on Quality Assurance, Data Security for Customer Information, Privacy policy, ISO 9001	Customer Feedback Process, Competitive Benchmarking survey, Customer Data Protection Awareness and Education Program	Customer Complaints and Compliments Statistics and Trending	Singapore Operations

Supplier	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Incident Register, Supplier Engagement	Singapore Operations
Community	Selection of Community Initiatives in Alignment with Organization Goals	CSR Programme, Awards and Accolades	Internship Programmes to support local students, we make regular donations to support various community initiatives.	Singapore Operations

5.1 Protecting Our Environment for the Future Generations

5.1.1 Our Approach

We are committed to maintaining and building in accordance with the prevailing environmental policies and standards. Under the broader Corporate Sustainability Policy, we have specific Environmental Policy that set the tone of our commitment from senior management that transcend throughout the business and operation across the Group. We continually seek new and innovative ways to reduce the environmental impact of our products and services while maintaining the highest levels of quality. We recognise our responsibility to protect the environment for the health and well-being of our future generations.

Green & Gracious & Environmental Policy

We have adopted the “GREEN” approach to reflect its Green & Gracious commitment. It will also commit to comply with all relevant legislative & legal requirements including other related requirements by interested parties.

- G** Go Green
- R** Reduce Reuse Recycle
- E** Expect Clean & Green Living
- E** Eliminate Environmental Hazard
- N** Nurture Green & Gracious Environment

We strive to continually improve our Green & Gracious Practices and be committed to our Corporate Social Responsibility in working towards a Green & Gracious Community.

Climate Change

We seek to do our part to reduce GHG emissions in our business activities as the world rallies to limit global temperature rise to well below 1.5°C as set out in the Paris Agreement. Our Group is committed to conduct business and operation in a sustainable and environmentally friendly manner. We strive to build climate resilience for our business and operation because our Group can be exposed to risks and challenges brought about by climate changes. Our first step is to understand the potential risks and opportunities from climate change, as well as their financial impact on our business and operation.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Governance

The Board has the overall responsibility for the Group’s sustainability strategy and has oversight on all identified climate-related risks and opportunities. The Board's roles and responsibilities environmental risks are to maintains an active role in the oversight of climate-related matters as they integrate ESG considerations into their strategic decision-making processes including potential acquisitions and divestments, major capital expenditures and risk management.

CSC is established to assist and report to the Board to fulfil the roles and responsibilities to identify, evaluate, assess, monitor, and manage all climate-related risks and opportunities (refer to our CSC Structure on page 6 of the Report for further details).

The Board, with also the assistance from the Audit and Risk Committee, reviews and monitor group-wide risks including climate-related risks, review adequacy and effectiveness on internal controls and risk management systems and give approval of environmental risk management framework on an annual basis.

The CSC conducted extensive meetings and robust discussions with department heads and business unit leaders to comprehensively identify and monitor a wide range of risks relevant to our operations. This encompassed not only traditional business risks but also emerging climate-related risks and opportunities, reflecting our commitment to sustainable business practices.

During these collaborative sessions, each identified risk was meticulously assessed to gauge its potential impact on our organization and the likelihood of occurrence. This thorough evaluation ensured that all significant risks were duly recognized and prioritized based on their urgency and potential consequences.

Subsequently, the committee focused on key risks and opportunities that demanded immediate attention, adopting a proactive stance towards risk management and mitigation strategies. This approach aimed to safeguard our business continuity and enhance our resilience in the face of potential disruptions.

The prioritized risks and opportunities were then presented to the Management team for comprehensive review, inviting their insights, comments, and ultimately seeking their endorsement. This step ensured alignment across all levels of the organization and reinforced a unified approach towards managing and addressing identified risks.

Upon receiving Management's endorsement, the committee compiled a detailed report outlining the prioritized risks along with proposed mitigation strategies. This report was then formally submitted to the Board of Directors for their thorough examination, feedback, and final approval. This process underscored our commitment to governance excellence, accountability, and ensuring the sustainable operation of our business.

By engaging in this structured and collaborative risk management process, we not only strengthen our resilience but also demonstrate our proactive approach to addressing challenges and seizing opportunities in an ever-evolving business environment.

Strategy

We seek to transform our Group into a climate-resilient and future-ready business. Our strategy is to identify, assess, prioritise, mitigate, and monitor climate-related physical and transition risks in our business. Furthermore, we also seek to capitalise on climate-related opportunities with the global shift to a lower-carbon economy by year 2030 and a net-zero standard by year 2050. We expect our strategies to evolve to be more developed and refined as we progress with a deeper analysis of risks and opportunities over the coming years.

Identifying and prioritizing physical and transition climate-related risks and opportunities involves a structured process that integrates both qualitative and quantitative assessments. CSC together with department heads and business unit leaders taken the following steps:

i) Risk Identification

a. Physical Risks

Mapping Hazards:

Identify physical climate hazards such as extreme weather events (e.g., storms, floods, heatwaves), sea-level rise, changing precipitation patterns, and temperature extremes.

Exposure Assessment:

Determine which assets, operations, or regions are exposed to these hazards. This involves geographical mapping and vulnerability assessments.

b. Transition Risks

Policy and Legal:

Assess risks arising from regulatory changes, carbon pricing mechanisms, and shifts in governmental policies related to climate change (e.g., emissions regulations, renewable energy incentives).

Technological:

Identify risks associated with changes in technology adoption (e.g., renewable energy technologies, carbon capture and storage) and innovation that could impact the business model or market competitiveness.

Market: Evaluate risks related to shifts in consumer preferences, investor sentiment towards sustainable practices, and market demand for low-carbon products/services.

ii) Opportunity Identification

a. Physical Opportunities

Adaptation Strategies:

Identify opportunities to enhance resilience against physical risks through infrastructure improvements, diversification of supply chains, and nature-based solutions (e.g., ecosystem restoration, green infrastructure).

New Markets:

Explore opportunities in emerging markets for products or services that address climate resilience or adaptation needs (e.g., construction-related products for climate risk, sustainable building technologies).

b. Transition Opportunities

Innovation: Identify opportunities for innovation in low-carbon technologies, energy efficiency improvements, and sustainable business practices.

Financial:

Explore opportunities in accessing green finance, green bonds, and other financial instruments that incentivize climate-friendly investments. Example, the Group is currently exploring a sustainability Linked Loan with one of its principal bankers, Oversea-Chinese Banking Corporation Limited, using reduce emissions intensity from construction activities as Sustainability Key Performance Indicator for discount in interest rate applicable for the loan drawn.

Brand and Reputation:

Enhance brand reputation and customer loyalty through demonstrating commitment to sustainable practices and climate action.

iii) Prioritization

a. Risk Prioritization:

Likelihood and Impact:

Assess the likelihood and potential impact of each identified risk. This involves using scenario analysis, modelling, and expert judgment.

Time Horizon:

Consider short-term and long-term risks differently, as well as risks that could have cascading effects across the organization or broader ecosystem. We consider the relevant short-, medium-, and long-term time horizons used for scenario analysis into consideration the useful life of our assets or infrastructure as below:

- o Short term: 1-3 year
- o Medium term: up to 2030
- o Long term: up to 2050

b. Opportunity Prioritization:

Strategic Fit: Evaluate how well each opportunity aligns with the organization's overall strategic objectives and sustainability goals.

Financial Viability: Assess the potential financial returns, cost savings, and competitive advantages associated with pursuing each opportunity.

Implementation Feasibility: Consider the feasibility of implementing each opportunity, including technological, regulatory, and operational considerations.

iv) Integration and Action

Integration: Integrate identified risks and opportunities into overall risk management and strategic planning processes.

Action Planning: Develop action plans with clear responsibilities, timelines, and performance indicators to address high-priority risks and capitalize on key opportunities.

Monitoring and Review: Establish mechanisms for monitoring climate-related risks and opportunities, and regularly review and update strategies based on new information and evolving circumstances.

By following this systematic approach, CSC identify, prioritize, and respond to both physical and transition climate-related risks and opportunities, thereby enhancing resilience, competitiveness, and sustainability in the face of climate change before submitting to the Management and Board of Directors for review, comment and approval.

Scenario Analysis

CSC has conducted scenario analysis to analyze the impacts of physical and transition climate-related risks and followed a methodical process to understand the potential consequences on various aspects of our organization or community with inputs from department heads and business unit leaders. The scenario analysis involved the following steps:

i) Identify Relevance and Scope

Stakeholders and Assets:

Identify key stakeholders (internal and external) and assets (physical, financial, reputational) that could be affected by climate-related risks.

Geographical Scope:

Determine the geographic areas or regions that are vulnerable to physical risks (e.g., coastal regions for sea-level rise) and those susceptible to transition risks (e.g., industries dependent on fossil fuels).

ii) Impact Categories

Operational Impacts:

Assess potential disruptions to operations, supply chains, production, and logistics due to physical risks (e.g., extreme weather events affecting infrastructure) and transition risks (e.g., regulatory changes impacting business models).

Financial Impacts:

Evaluate potential costs, losses, and impacts on revenue streams, including changes in market demand, insurance premiums, and asset devaluation.

Reputational Impacts:

Consider how climate-related events and responses can affect public perception, brand reputation, and investor confidence.

Legal and Regulatory Impacts:

Analyze implications of non-compliance with climate-related regulations and emerging legal liabilities.

iii) Scenario Analysis

Develop Scenarios:

Construct plausible future scenarios based on different climate-related risk levels (e.g., high vs. low emissions scenarios, severe vs. moderate physical impacts).

Quantitative and Qualitative Assessment:

Use modeling, simulations, and expert judgment to assess impacts under each scenario, considering both direct (immediate) and indirect (cascading) effects. The Group will consider conducting qualitative scenario analysis in future.

iv) Vulnerability Assessment

Exposure and Sensitivity:

Evaluate the degree to which assets, operations, and stakeholders are exposed and sensitive to climate-related risks.

Adaptive Capacity:

Assess the organization's ability to adapt and respond effectively to mitigate risks and seize opportunities.

v) Integration with Risk Management:

Risk Prioritization: Rank risks based on their likelihood, severity of impact, and timing to prioritize mitigation and adaptation efforts.

Risk Mitigation Strategies: Develop strategies to reduce exposure (e.g., physical infrastructure upgrades, diversification of supply chains) and enhance resilience (e.g., adopting sustainable practices, developing adaptive strategies).

vi) Monitoring and Review

Establish Metrics: Define key performance indicators (KPIs) to monitor the effectiveness of risk management strategies and adaptation measures.

Regular Review: Continuously review and update the assessment based on new data, evolving climate science, regulatory changes, and organizational developments.

vii) Communication and Reporting:

Internal Communication: Ensure stakeholders across the organization understand the risks and opportunities associated with climate change.

External Reporting: Disclose relevant climate-related risks and impacts in accordance with regulatory requirements (e.g., TCFD recommendations) and stakeholder expectations.

After adopting this structured process, CSC can comprehensively analyze the impacts of physical and transition climate-related risks, enabling informed decision-making and proactive management of climate risks and opportunities, before submitting to the Management and Board of Directors for review, comment, and approval.

The two scenarios below were chosen by the Management to be focused on based on recommendations of the CSC:

Scenario	Paris-aligned Scenario (below 2°C)	No Mitigation Scenario (4°C)
Rationale	We selected this scenario to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming to under 2°C.	We selected this scenario to assess our physical risk under a high emission scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying model	International Energy Agency's Sustainable Development Scenario	Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5
Used to analyse	Transition impacts	Physical impacts
Assumptions	Transition features: <ul style="list-style-type: none"> • Carbon tax and pricing introduced • Fossil fuel subsidies phased out by year 2050 in net-importers and by year 2035 in net-exporters • Increased generation from renewable energy 	Physical features: <ul style="list-style-type: none"> • Global emissions continue to rise because of high carbon intensity • Global mean sea level rise of 0.63 metres by year 2100 • High frequency and intensity of heat waves and extreme precipitation events

Climate-related Risks and Opportunities

CSC has conducted materiality analysis for determining which climate-related risks and opportunities have a significant impact on the organization's operations, financial performance, and stakeholders. Materiality of risk may be quantified according to its impact and likelihood. Risk Impact Criteria is categorised into: High, Medium, and Low. For High rating category, existing frameworks and processes are generally insufficient / unable to manage the risk; risk events occur on a regular basis. For Medium rating category, existing frameworks and processes are generally sufficient to manage the risk; risk event occurs infrequently. For Low rating category, existing frameworks and processes are effective in managing the risk on a consistent basis; risk events occur rarely. Materiality analysis was applied to assess the importance of climate-related factors by the following steps:

i) Define Materiality Criteria

Financial Impact:

Assess potential financial implications of climate-related risks and opportunities, considering direct costs, revenue impacts, and profitability changes.

Strategic Importance:

Evaluate alignment with organizational goals, business strategy, and long-term sustainability objectives.

Reputational Risk:

Consider potential effects on brand reputation, customer perception, and investor confidence.

Regulatory and Legal:

Analyse compliance risks and exposure to changing climate-related regulations and policies.

Operational Disruption:

Assess the likelihood and impact of disruptions to operations, supply chains, and logistics due to climate events or policy changes.

ii) Conduct Risk and Opportunity Assessment

Risk Assessment:

Evaluate the likelihood and severity of climate-related risks such as physical impacts (e.g., extreme weather events) and transition risks (e.g., regulatory changes affecting business operations).

Opportunity Assessment:

Identify potential benefits from opportunities such as cost savings through energy efficiency, market opportunities for sustainable products/services, and access to green finance.

iii) Quantitative Analysis

Financial Modelling:

Use financial models to quantify potential impacts of identified risks and opportunities on key financial metrics (e.g., revenue, costs, profitability).

Scenario Analysis:

Analyse different climate scenarios (e.g., high vs. low emissions, severe vs. moderate physical impacts) to understand variations in financial outcomes and resilience.

iv) Qualitative Assessment

Strategic Fit:

Assess how risks and opportunities align with organizational strategy, sustainability goals, and stakeholder expectations.

Long-Term Implications:

Consider the potential long-term effects of climate-related factors on business continuity, growth prospects, and competitive advantage.

v) Stakeholder Engagement

Consultation:

Engage with internal stakeholders (e.g., executives, operational managers, risk management teams) to gather diverse perspectives on the materiality of identified risks and opportunities.

External Feedback:

Consider input from external stakeholders such as investors, customers, regulators, and industry experts to understand their expectations and concerns regarding climate-related factors.

vi) Materiality Assessment and Reporting

Prioritization:

Rank climate-related risks and opportunities based on their materiality using a combination of quantitative and qualitative assessments.

Reporting:

Disclose material climate-related risks and opportunities in accordance with reporting frameworks (e.g., TCFD recommendations) to provide transparency to stakeholders.

vii) Continuous Monitoring and Review

Monitoring:

Establish mechanisms to monitor changes in the materiality of climate-related risks and opportunities over time, considering new data, market developments, and regulatory changes.

Review:

Regularly review and update materiality assessments to ensure they remain relevant and reflective of evolving business and climate landscapes.

By conducting materiality analysis in this structured manner, we prioritize which climate-related risks and opportunities are most significant to our financial performance, strategy, and stakeholder interests. This approach facilitates informed decision-making and proactive management of climate-related factors to enhance resilience and sustainability.

Taking into consideration the above scenarios, we have identified the following risks and opportunities, and their impact on our business should the above scenarios materialise. Department Heads and Business Unit Leaders have also been consulted to confirm on these risks and opportunities before submitting to the Management and Board of Directors for review, comment and approval.

Climate-related Risks	
Risk Type	Impact
Physical Risks	
Acute Increased severity of extreme weather events such as flooding	<ul style="list-style-type: none"> • Increased capital costs for assets replacement • Increased insurance premiums for equipment and facilities • Reduced revenue due to business disruptions • Increased costs from negative impacts on workforce (e.g., health-related issues and employee safety)
Chronic Rising mean temperatures	<ul style="list-style-type: none"> • Higher water consumption and energy costs • Increased thermal stress and health risk for our employees • Lower work productivity of our employees
Transition Risks	
Policy and Legal Mandates on and regulation of existing products and services	<ul style="list-style-type: none"> • Increased compliance and operation costs • Obsolescence and early retirement of existing assets due to policy changes
Technology Costs of transition to lower emissions technology	<ul style="list-style-type: none"> • Capital investments in technology development • Cost of adoption of environment-friendly technologies • Increased write-offs and early retirement of existing assets
Market Increased cost of raw materials	<ul style="list-style-type: none"> • Increase in energy and water costs • Lowered profit margin
Climate-related Opportunities	
Resource Efficiency Reduced energy water usage and consumption	<ul style="list-style-type: none"> • Enhancing energy efficiency and water conservation in our operations and office premises, resulting in cost savings
Energy Source Use of supporting policy incentives	<ul style="list-style-type: none"> • Use of government grants and supporting incentives can offset capital expenditures required to adopt greener energy sources and technologies, resulting in cost savings

The above-mentioned identified climate-related risks and opportunities are integrated into our financial planning by the following approach:

- i) **Assessment:**
Identify and analyze specific climate risks and opportunities, assessing their financial impacts.
- ii) **Integration:**
Incorporate climate scenarios and stress tests into financial models to forecast impacts on cash flows, profitability, and balance sheets.
- iii) **Prioritization:**
Use quantitative and qualitative methods to prioritize risks and opportunities based on financial impact and strategic alignment.
- iv) **Strategies:**
Develop mitigation strategies for high-priority risks and allocate resources to capitalize on opportunities.
- v) **Monitoring:**
Establish KPIs to monitor effectiveness, regularly review plans, and adjust strategies as needed.
- vi) **Communication:**
Ensure clear internal communication and engage board and executives in overseeing climate integration efforts.

This approach helps organizations manage financial risks, seize opportunities, and enhance resilience in a changing climate environment.

Risk Management

Maintaining an effective and efficient system of risk management is imperative to safeguard the interests of the Group and its stakeholders. Our group constantly identifies and monitors any major environmental risks related to our business to keep up to date of any changes in existing regulatory requirements and practice of good corporate governance.

Our Group exercise enterprise risk assessment annually. Climate-related risks are identified, assessed, and managed to ensure that these risks remain within our risk tolerance. With a systematic risk management framework in place, the Group's capabilities in identifying and mitigating business risks are continually enhanced.

Our Group has adopted an enterprise risk management (ERM) process to provide a framework for identifying, assessing, prioritizing, and managing risks. The ERM process was also used for management of climate-related risks.

The Department Heads and Business Unit Leaders are tasked to periodically review, identifying, assess, prioritize and manage risks and opportunities of the Group business operation and processes. They are responsible to ensure that these risks and opportunities are addressed and aligned with the Integrated-Management-System, Standard Operating Procedures, applicable manuals and handbooks in place. The risks and opportunities include climate-related issues and matters. The Group would integrate ESG-related risks and opportunities (including climate) into the overall risk management such as strategies and business decision making. CSC and the Department Heads and Business Unit Leaders are to conduct the following process:

i) Integration into Risk Identification

Holistic Approach:

Incorporate climate-related risks into the overall risk identification process alongside traditional financial, operational, and strategic risks.

Risk Mapping:

Identify specific climate hazards (e.g., extreme weather events, sea-level rise) and their potential impacts on assets, operations, supply chains, and stakeholders.

ii) Risk Assessment and Prioritization

Impact Assessment:

Evaluate the likelihood and potential severity of climate-related risks using quantitative methods (e.g., modelling, scenario analysis) and qualitative assessments (e.g., expert judgment).

Materiality Analysis:

Determine which climate risks are most material to the organization's financial performance, strategic objectives, and stakeholder expectations.

iii) Risk Mitigation Strategies

Adaptation Measures:

Develop strategies to mitigate physical risks (e.g., infrastructure upgrades, diversification of suppliers) and transition risks (e.g., policy compliance, adoption of low-carbon technologies).

Insurance and Financial Instruments:

Explore options such as climate risk insurance, hedging mechanisms, and green finance to transfer or mitigate financial impacts of climate risks.

iv) Integration with Strategic Planning

Strategic Alignment:

Align climate risk management strategies with overall business strategy, sustainability goals, and long-term growth objectives.

Opportunity Identification:

Identify opportunities within the transition to a low-carbon economy, such as new markets for sustainable products/services and efficiency gains.

v) Governance and Accountability

Board Oversight:

Engage board members and senior executives in overseeing climate risk management efforts, ensuring accountability and strategic alignment.

Roles and Responsibilities:

Define clear roles and responsibilities for managing climate-related risks across departments, ensuring coordination and effective implementation of risk management strategies.

vi) Monitoring and Reporting

Performance Metrics:

Establish key performance indicators (KPIs) to monitor the effectiveness of climate risk management initiatives, including resilience improvements and cost savings.

Disclosure and Transparency:

Report on climate-related risks and management strategies in accordance with relevant frameworks (e.g., TCFD recommendations), providing transparency to stakeholders.

vii) Continuous Improvement

Review and Update:

Regularly review and update the assessment of climate risks, considering new information, scientific developments, regulatory changes, and organizational developments.

Learning and Adaptation:

Foster a culture of learning and adaptation within the organization to continuously enhance climate risk management practices and resilience strategies.

By integrating ESG-related risks and opportunities as well as embedding climate risk management into the ERM process and the Group overall risk management, our Group proactively identify and address climate-related risks, capitalize on opportunities, and enhance long-term sustainability and resilience in a changing climate landscape. This approach helps mitigate financial impacts, ensure regulatory compliance, and maintain stakeholder trust and confidence.

Further to using ERM as a framework for identifying, assessing, prioritizing, and managing climate-related risks. When identifying and assessing climate-related risks and opportunities, our Group also consider existing and emerging regulatory requirements related to climate change, along with other relevant factors. These aspects are integrated into the process as well:

i) Existing Regulatory Requirements

Compliance Assessment:

Evaluate current regulations and laws related to climate change mitigation, adaptation, and reporting applicable to the organization's operations.

Sector-Specific Regulations:

Consider industry-specific regulations and standards (e.g., emissions limits, energy efficiency standards) that impact operations and market competitiveness.

Financial Implications:

Assess potential costs of compliance with existing regulations, including investments in technology, infrastructure, and operational changes.

ii) Emerging Regulatory Trends

Monitoring and Anticipation:

Stay informed about proposed and upcoming regulations at local, national, and international levels related to climate change and sustainability.

Scenario Planning:

Incorporate potential future regulatory scenarios (e.g., stricter emissions targets, carbon pricing mechanisms) into risk assessments and strategic planning.

iii) Other Relevant Factors

Market Trends:

Analyse evolving consumer preferences, investor expectations, and market demand for sustainable products and services.

Technological Advances:

Consider advancements in clean technologies, renewable energy solutions, and efficiency improvements that may present opportunities or risks.

Physical Climate Risks:

Assess vulnerabilities to physical climate impacts (e.g., extreme weather events, sea-level rise) and the implications for operations, supply chains, and infrastructure.

Stakeholder Expectations:

Consider the interests and concerns of stakeholders (e.g., shareholders, customers, communities) regarding climate change and sustainability.

iv) Integration into Risk and Opportunity Assessment

Materiality Analysis:

Evaluate the significance of regulatory requirements and other factors in terms of their potential impact on financial performance, operational resilience, and strategic objectives.

Risk Prioritization:

Prioritize climate-related risks and opportunities based on their alignment with regulatory expectations, potential financial implications, and strategic relevance.

v) **Adaptation and Mitigation Strategies**

Compliance Strategies:

Develop strategies to ensure compliance with existing regulations and prepare for anticipated future regulatory requirements (e.g., emissions reductions targets, reporting obligations).

Innovation and Market Positioning:

Identify opportunities to innovate and position the organization as a leader in sustainability, leveraging regulatory trends and market opportunities.

vi) **Monitoring and Review**

Continuous Monitoring:

Regularly monitor regulatory developments, market trends, and technological advancements to adapt strategies and capitalize on emerging opportunities.

Reporting and Transparency:

Disclose relevant climate-related risks, regulatory compliance efforts, and sustainability initiatives in accordance with reporting frameworks (e.g., TCFD) to enhance transparency and stakeholder trust.

By systematically considering existing and emerging regulatory requirements, along with other relevant factors such as market dynamics and technological advancements, organizations can effectively identify and assess climate-related risks and opportunities. This approach not only helps in compliance and risk mitigation but also positions the organization to thrive in a changing regulatory and market environment shaped by climate change concerns.

The table below illustrates our key mitigation strategies for material climate-related risks.

Climate-related Risks	
Risk Type	Impact
Physical Risks	
Acute Increased severity of extreme weather events such as flooding	<ul style="list-style-type: none"> Periodically update business continuity plan and crisis management plan

	<ul style="list-style-type: none"> • Develop climate-resilient policies and procedures as well as integrate them as a part of enterprise risk management efforts
Chronic Rising mean temperatures	<ul style="list-style-type: none"> • Adopt more water efficient fittings and energy saving products • Shorten exposure time and use frequent rest breaks for employees • Provide a better indoor environmental quality (e.g. air-conditioner) for our employees
Transition Risks	
Policy and Legal Mandates on and regulation of existing products and services	<ul style="list-style-type: none"> • Use of sustainable practices that follow legal requirements and safety standards for environmental protection • Monitoring of regulatory changes and performance of annual assessments to identify impact of changes on business
Technology Costs of transition to lower emissions technology	<ul style="list-style-type: none"> • Maintain close relationship with suppliers and customers to identify new market requirements • Change management planning to manage gradual transition to lower emissions technology
Market Increased cost of raw materials	<ul style="list-style-type: none"> • Prioritise the optimisation of resource consumption in our value chain • Monitoring of material and equipment prices in the market

Metrics and Targets

In addition to our existing metrics and targets, we will continue to enhance our disclosures and ability to identify and measure emissions, working with our suppliers and customers, and exploring new ways in which we can use analytics, automation, and artificial intelligence to enhance decision-making and transparency. Refer to the following sections for disclosures of our metrics and targets.

5.1.2 Reduction of Carbon Footprint

We recognize that effective management and monitoring of carbon footprint can reduce operating costs, raise brand profile, create a competitive edge and increase stakeholder value. Our carbon footprint is measured in terms of Greenhouse Gas (GHG) emission. However, GHG emission is an absolute measure of how much carbon dioxide equivalent (CO₂e) is emitted. Our GHG emission is predominantly direct (Scope 1) and indirect (Scope 2) emission. We do not include the GHG emissions generated by our suppliers (Scope 3).

Considering the changes and dynamics of our business and operations, we established our GHG emission efficiency index for consistent tracking of carbon footprint over time. We have

begun to track both Scope 1 and Scope 2 emission in 2023 using 2022 as the base year. To this end, we have set a target for a GHG emission efficiency improvement of 20% from our 2022 level by 2030. Our target for GHG emission improvement is about 2.5% per year. Although various business lines and operations account for different percentage of GHG emissions across the organization, they all support this target and have aligned our environmental objectives accordingly.

5.1.3 Promoting Green Practices

We have embraced various green practices in our business and operation such as ISO 14001 and Green and Gracious Builders Award from Building & Construction Authority (BCA).

The ISO 14000 family of standards provides practical tools for companies and organizations of all kinds looking to manage their environmental responsibilities. ISO 14001:2015 sets out the criteria for an environmental management system and can be certified to. It maps out a framework that a company or organization can follow to set up an effective environmental management system. It can be used by any organization regardless of its activity or sector. Using ISO 14001:2015 provides assurance to our management and employees as well as external stakeholders that environmental impact is being measured and improved.

BCA launched the Green and Gracious Builder Scheme in February 2009. The scheme was introduced to raise the environmental consciousness and professionalism of builders. It is also a benchmark of a builder's corporate social responsibility to the environment and the public. Apart from setting standards for green practices, it also sets standards for gracious practices. These gracious practices will improve the image of our builders and the construction industry particularly among neighbours and residents, some of whom may have been affected by construction activities near them.

BCA's efforts at developing a sustainable built environment have gained sufficient momentum and been well accepted by the industry. Many have responded enthusiastically to the BCA Green Mark Scheme – a scheme that recognizes the efforts of developers, architects and engineers in contributing to environmental sustainability in their development projects. However, one of the key players in the construction value chain, the builders, has not been well recognized. They also do contribute to environmental sustainability and environmental protection when they go green and adopt 'friendlier' construction site management and practices. Given the high visibility and impact of construction works, it is also important for builders to be socially responsible to the environment, the neighbours and public by gracious practices during construction. Hence the Green and Gracious Builder Scheme was introduced to raise the environmental consciousness and professionalism of builders. Together with the BCA Green Mark Scheme, this scheme will form part of the holistic framework to shape a sustainable built environment for Singapore. *

KSH was awarded the BCA Green and Gracious Builder Award (Excellent) in 2012. The Award aims to raise environmental consciousness and professionalism among builders. It recognises builders who take the effort to address environmental and public concerns arising from construction works and serves to develop a more positive image of the industry over time.

KSH had implemented on our sites the innovative use of self-irrigation system using treated water to water tree/plants at the site, use of movable noise barriers for the construction

works, implementing compulsory storage of cement bag on site to reduce dust generated and reduces wastages etc.

** Source: The Green and Gracious Builder Guide*

5.2 Caring for Our Employees

5.2.1 Our Approach

Our people are our most valuable resource and investing in their professional and personal well-being is vital to our business sustainability. Our goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. They are the foundation upon which we build all our business initiatives and conduct our day-to-day activities.

We recognise that a motivated workforce will convey a positive and powerful message to all our key stakeholders, such as our customers, suppliers and the members of the community. By attracting, nurturing, empowering and rewarding our employees, we create an environment conducive for innovation and inspiration flourish to further boost our competitiveness. Such commitment to our employees promotes a corporate culture of passion, quality, excellence and trust within the organization which reflect in our ability to create values to our stakeholders.

Our Human Resource (“HR”) management principles and policies have been developed and established based on fair employment practices with the goal of attracting, supporting and maintaining a motivated workforce. Our HR policies cover key areas such as remuneration, benefits, health and safety, career development and training. Such policies are communicated to all employees through our comprehensive Employee Handbook which is regularly reviewed by our management, and we constantly seek feedback from our staff to ensure that our decisions are aligned as much as possible with their needs.

Our business operates in an environment which comprises diverse races, cultures and geographic locations. Our HR policies are implemented across the organization within the principles with pragmatism, taking into consideration of the prevailing laws and regulations as well as local culture, norms and racial sensitivity.

5.2.2 Employment Practices

Our employment practices focus on maximizing the strength of our employees by providing equal opportunities based on merits and help our employees to develop strength through our comprehensive training and development programme. We regularly review the performance and development of our employees to effectively match their strength to their job specifications. Our performance-based reward scheme provides guidance and motivation to our employees to perform to their potentials in alignment with the objectives of the company.

5.2.2.1 The Tripartite Guidelines on Fair Employment Practices

We proactively pursue and adopt best practices in HR management. We are a listed company in Singapore, and our HR practices are guided by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices. The Singapore Tripartite Alliance comprises the Ministry of Manpower, Singapore National Employers Federation and National Trades Union Congress. The Tripartite Alliance has formulated guidelines on fair employment practice for adoption by Singapore employers, embracing the recruitment, training, treatment and reward of employees.

For our operations outside Singapore, our HR practices are further guided by the local prevailing laws and regulations of the countries as well as local culture, norms and racial sensitivity.

5.2.2.2 Communications

As our Company grows, effective communications across the organization are crucial to ensure continuous alignment of objectives of the employees and the organizational objectives. We achieve this through our various communication sessions customized based on the target employees. Communication sessions for our managers are held on a regular basis. Agendas covered at these sessions are customized in appropriate to the target functional scope of the managers. For example, in monthly managers' meeting, operational agendas such as leadership and operation issues may be discussed while at the quarterly sessions high level topics include strategic business directions, new service launches, ongoing developments and key project reviews.

5.2.2.3 Employee feedback

We value our employees' expertise in their areas of responsibilities. Therefore, their feedback is important in the improvement of overall management and operation of the organization. Through various established processes of employee engagement, such as employee objective setting, performance review as well as exit interview in case of resignations, we gather such valuable feedback for the continuous improvement of our organization.

In addition, there are other feedback channels for areas specific to business and function, such as health and safety issues and compliance issues. Such feedback is managed by the leaders and managers of their specific business and function domain. We have also established reporting and escalation channel should the feedback requires the attention of higher management.

5.2.2.4 Career Development and Training

We recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. Employee career development and performance management are established based on merits and contributing skill sets towards the organization objectives through objective settings and regular performance reviews. We continue to review and improve our career development and performance review process considering the changing business and operation environment.

Our training programmes cover a variety of areas catering for employees with difference job scopes and skills set requirements. Our core training curriculum and contents are developed and guided by well-established industry and international standards. In addition, specific training curriculums are developed based on the specific requirements of the specific businesses and functions. Training topics range from soft skills development in areas such as communication and leadership, to technical programmes covering project management and office productivity tools. We also offer sponsorship to enhance their professional development and to further their studies.

Considering the changing business requirements and opportunities in variety of training methodologies, we continue to revise our training curriculum and programme to align with the organization objectives and to strive for effectiveness and efficiency in our training approach. In 2023, the average hours of training received by varies group of employees are as follows:

Average hours of training undertaken per male employee	Average hours of training undertaken per female employee	Average hours of training undertaken per senior management employee	Average hours of training undertaken by middle management employees	Average hours of training undertaken by non-management employees	Average hours of training undertaken by technical employees	Average hours of training undertaken by administrative employees	Average hours of training undertaken by production employees
6.61 Hours	6.51 Hours	13.54 Hours	11.55 Hours	0 Hours	5.43 Hours	4.21 Hours	6.66 Hours

5.2.3 Workforce Diversity

Our business thrives on diversity. As such, we leverage on a host of strengths and skills that can only come from a diverse workforce embracing employees from various ethnic groups, religion, age and gender.

In 2023, the workforce diversity from various categories and groups are as follows:

Employees by employee category, gender and age group

	Number of Employees per Selected Employee Category	i. a) Male %	i. b) Female %	Total % by Gender	ii. a) % Under 30 Years Old	ii. b) % 30-50 Years Old	ii. c) % Over 50 Years Old	Total % by Age Group	iii. a) % defined within a Disability Group
Middle management	27	85.19	14.81	100	0	51.85	48.15	100	0
Administrative	12	0	100	100	16.67	50.00	33.33	100	0
Non-management	69	52.17	47.83	100	13.04	69.87	26.09	100	0
Production	403	99.26	0.74	100	29.28	58.81	11.91	100	0
Technical	18	55.56	44.44	100	0	88.89	11.11	100	0
Senior management	14	69.23	30.77	100	0	0	100	100	0

New hires by gender and age group

Region	Gender	Total Number of New Employee Hires Under 30 Years Old	Total Number of New Employee Hires 30-50 Years Old	Total Number of New Employee Hires Over 50 Years Old	Rate of New Employee Hires Under 30 Years Old	Rate of New Employee Hires 30-50 Years Old	Rate of New Employee Hires Over 50 Years Old	Total Number of New Hires
Asia	Male	10	20	2	31.25	62.5	6.25	32
Asia	Female	1	3	0	0	100	0	4

Total number of employees

Gender	Permanent	Temporary
Female	65	0
Male	478	0

In addition to the human resources, we managed under our payroll internally, we also engage external contracted companies as our outsourced vendors which provide outsourced personnel, such as cleaners and security guards who might work within our premises. Although we supervise these people, they are employed by the contracted companies, and they are not included in our head count. We do not employ other types of un-contracted workers.

We expect that all the contracted companies we work with will share our core principles of HR management practices. In our vendor selection process, we take into consideration of their HR management practices as one of the key selections and performance criteria. We regularly review the performance of our vendors based on these criteria as a key basis to determine whether to continue to engage the vendors with their services.

5.2.4 Employee Benefits and Welfare

All non-managerial employees in Singapore are covered by the Employment Act, which provides basic employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement.

In addition to the statutory benefits outlined in the Employment Act, we provide beyond-compliance-level benefits to our fulltime employees such as compassionate leave.

While developing the talents of our employees and providing equal opportunities for them to excel are the key drivers for our company, we also recognize that the well-being and contentment of our employees are pivotal to the success and sustainability of our business and performance. Our employees are our most valuable asset, and we appreciate that their overall well-beings need to be well looked after for them to sustain their performance and realize their full potential.

For the welfare of our employees, we aim to create an environment that allows our employees to achieve harmony in their personal and professional life. We achieve this through arrangements of leisure activities and subsidies to support healthcare and wellness programmes.

We understand that workplace could be at times stressful due to the competitiveness of our workforce and our business. To support our employees in their effort of pursuing excellence, we have various programmes and initiatives to develop an environment and culture of mutual support.

5.2.4.1 Retirement and Healthcare

Our company has presence in various geographic locations where there are various local laws and regulations on pension and healthcare for employees. Our HR management practices comply with such laws and regulations. In Singapore, we participate in the Central Provident Fund (CPF) personal savings scheme, which helps employees fund their retirement, home ownership, healthcare and education. Under this scheme, monthly deductions from employees' gross salaries are paid into their CPF savings accounts. We, the company, make employer contributions to these accounts, according to the rates stipulated in the CPF Act. In addition to CPF contributions, we provide comprehensive medical coverage for all employees. For more information on the CPF scheme and contribution rates, please go to www.cpf.gov.sg.

5.2.5 Safety and Health in the Workplace

In our core business and operation in construction industrial, workplace safety is paramount to our employees, particularly in the construction sites. We are committed to Workplace Safety and Health (WSH) and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer, but also boost morale.

As an essential requirement in Singapore, we are following the Ministry of Manpower's Workplace Safety & Health Act. However, we believe culture of workplace safety and health should be nurtured leading from the senior management. We have set the tone of our commitment in workplace safety and health through our various group wide policies. In addition, we have attained certification for ISO45001 and bizSAFE. These well recognised standards provide us with the frameworks to manage risks associated with safety and health in our workplace.

SGSecure Policy

We have implemented an SGSecure programme to prevent sudden disruptions of business operations by unmanaged crisis, risks, threats and vulnerabilities that could damage the Company's critical business functions.

In the event of an extreme incident, such as a terrorist attack, we will take every step to ensure the safety of the personnel in our care.

We will communicate this policy to all our employees and persons working under our control, to ensure that they are aware of their individual Security roles and responsibilities.

Workplace Safety & Health Policy

➤ Safety & Health at work is everyone's business, from the Management to the individual worker. In this regard, Kim Seng Heng Engineering Construction (Pte) Ltd adopts a no compromise "Safety-First" stance.

The Company has established, documented, implemented & maintained its Occupational Health & Safety (OHS) Management System to the requirements of ISO 45001. Its OHS Management System is an integral part of its routine operation and is implemented for the purpose of ensuring safety at work and protecting the general health & safety of all concerned at work.

We are committed to:

- prevent ill health & injury
- eliminate hazards and reduce OHS risks
- involve consultation & participation by workers through workers' representatives
- protect employees from reprisal (whistle-blower)

B Budget for Safety
E Ensure Compliance to Legal Requirements
S Safe Workplace & Practices
T Trained & Competent Workforce

We will strive to continually review & improve our OHS Management System to uphold this Policy and to comply with all legal & other related requirements by interested parties.

Drug & Alcohol Policy

Our Management and Staff are committed in ensuring public safety and maintain a safe and productive work environment for all employees by preventing accidents or other dangerous incidents that may result from drug or alcohol use.

The possession, use or sale of alcohol on company premises during work hours is strictly prohibited. Further, the possession, use or sale of illegal drugs is prohibited at any time.

Alcohol

Employees (including sub-contractors) are not allowed to come to work under the influence of alcohol. They may not bring alcoholic beverages onto the worksite.

Employees (including sub-contractors) may imbibe alcoholic beverages at some business-related parties, lunches and events only with management's express permission.

Drugs

Employees (including sub-contractors) may not use, ingest, own or sell any illegal drugs. This includes, but is not limited to, narcotics, pills, inhalants or intoxicating chemicals. If employees are found in possession of any drugs or drug paraphernalia, the employee will be subject to disciplinary action which may include termination of service / employment.

Legal Drugs

Employees (including sub-contractors) may bring legal, prescription drugs to work provided that a doctor has prescribed the drugs to the employee.

Employees (including sub-contractors) may not come to work under the influence of any drug that will impair their ability to do their job or function normally.

Employees (including sub-contractors) may bring over-the-counter drugs to work provided that they bring no more than a one-day supply and only take the prescribed dosage at the prescribed intervals.

In 2023, the recorded work-related ill health cases, injuries and fatalities are as follows:

Work-related ill health cases

i. The Number of Fatalities as a Result of Work-related ill health	ii. The Number of Cases of Recordable Work-related ill health	iii. The Main Types of Work-related ill health ill health
0	1	Noise-Induced Deafness

Work-related injuries and fatalities

i. a) The Number of Fatalities as a Result of Work-related Injury	i. b) The Rate of Fatalities as a Result of Work-related Injury	ii. a) The Number of High-consequence Work-related Injuries (Excluding Fatalities)	ii. b) The Rate of High-consequence Work-related Injuries (Excluding Fatalities)	iii. a) The Number of Recordable Work-related Injuries	iii. b) The Rate of Recordable Work-related Injuries	iv. The Main Types of Work-related Injury	v. The Number of Hours Worked
0	0	10	1.59	6	0.95	Physical injuries caused by <ul style="list-style-type: none"> • strike by falling objects • fall from height • Slips, Trips and Fall 	6,308,763 Hours

5.2.6 Individual Rights

Respecting and protecting basic human rights are fundamental to all our operations and deeply ingrained in our Code of Conduct, which applies to all employees. Labour rights, the prohibition of discrimination and harassment, protection of privacy, prohibition of forced and child labour, and workplace safety and health are all strictly observed within the work environment and discrimination and harassment of any kind is not tolerated at our company.

We also respect our employees' rights to freedom of association as well as their membership of trade unions and other professional bodies.

In 2023, none of our workforce was covered by a collective bargaining agreement; no incidents of forced labour, child labour or young workers were identified across the organisation, and no human rights-related grievances have been reported.

5.3 Focusing on Our Customers' Needs

5.3.1 Our Approach

Customer service, quality products and the highest level of product safety have always been our priorities, with customer satisfaction being the goal of all our corporate activities. Customer trust and retention starts with our people and products, we place the utmost importance on training our employees in customer service excellence and in continuously striving to improve the quality and safety of our products and services. Such culture of quality and safety in our products and services is driven from top management down to operations starting with our Quality Policy.

Open and frequent communication and responsive feedback are ingrained into our daily activities with customer interaction. In addition to striving for excellence in product service and support, we attach enormous importance to data privacy. We have processes and controls in place over confidential and sensitive data related to our customers such as contracts.

Reliability and quality of our construction projects are of paramount importance to us. Health and safety of our customers are always our priority. To ensure product safety to our customers, we have in place a set of key quality assurance processes and best practices, such as ISO 9001, ISO45001, bizSAFE, BCA Green & Gracious and CONQUAS, to ensure compliance with regulations and international standards. Ultimately, we aim to eliminate product safety incidents to foster a 'Safety First' culture through employee training and quality control.

Our construction projects undergo quality assessments in the following areas:

- ❖ **Structural Works.** The structural integrity of the building is of paramount importance as the costs of failure and repairs are very significant.
- ❖ **Architectural Works.** Architectural Works deal mainly with the finishes and components. This is the part where the quality and standard of workmanship are most visible.
- ❖ **Mechanical & Electrical (M&E) Works.** The quality of M&E Works is important in view of its increasingly high-cost proportion and its impact on the performance of a building.

We internalize and integrate such best practices which we operationalize them in our Integrated Management System (IMS).

5.3.2 Integrated Management System (IMS) - Construction Quality and Safety Management

Our Integrated Management System (IMS) implements and operationalizes our integrated Quality, Environmental, Occupational Health & Safety (QEHS) practices. IMS is an enabler which allows us to effectively and efficiently manage our QEHS improvement cycles from end-to-end which covers stages such as Defining, Planning, and Implementation activities for improvement and retention of historical records as case studies for learning purposes. Such improved processes include measurement, monitoring, analysis of data for meaningful and realistic projection of performance measurement. IMS also allows us to effectively and efficiently monitor and evaluate the compliance with applicable legal and/or other requirements as appropriate. IMS also acts as our knowledge retention centre to ensure records and results of the above activities are maintained for future reference and actions.

The governance over QEHS transcends across from Top Management, Management Representative (MR) / Alternate Management Representative (Alt MR) and QEHS Management Committee including other interested parties (public, authorities, clients, consultants etc.). With strong support from top management, The MR / Alt MR / respective Process Owners / EHS Management Committee Members organise Task Force to investigate areas for improvement studies and to formulate corresponding quantifiable performance indicators and targets. The Task Force shall maintain records to provide evidence of study, evaluation and monitoring. Records will be defined and maintained by the Task Force for review by MR, Alt MR and Top Management.

These performance indicators and targets are reviewed regularly during Management Review. At the review, new targets may be set for improvement measure in-line with the IMS policies and/or new objectives and targets are confirmed.

For further assurance, we conduct regular IMS Internal Audit (IA). The findings and data from Internal Audit will be assessed and re-organised for use in analysis for learning and improvement purposes of system and process where appropriate.

5.3.3 Customer Feedback and Satisfaction

The organisation emphasizes on fulfilling customer requirements and customer satisfaction. The top management ensures that customer requirements are determined at all stages of customer related processes. The organisation will follow up with customers after delivery to receive feedback on the quality of the services and products. For customer specifications, the organisation will contact customers to clarify whenever there is incompleteness of information or ambiguity of the information. The top management also ensures that customer feedback and satisfaction are monitored by one or more of the following ways:

- Meeting with customers, e.g. customer visits

- Customer complaints
- Customer surveys

Through our IMS, we monitor information on client satisfaction and/or dissatisfaction. Client Feedback Form are designed and used to collect such information for further analysis by the Task Force

We develop an internal customer satisfaction index, taking into consideration of such feedback, as our indicators for customer engagement for sustainability reporting purposes, which is to be presented in section 6.4.

5.3.4 Data Safety and Privacy

Ensuring safety and privacy of our customers' data is of great priority to us. We have processes and controls in place for handling and communicating sensitive and confidential information of our customers such as contracts, customer orders and product delivery orders. Our information security policies ensure our customers' data are managed in accordance with the level of confidentiality. We strictly observe all local laws and internal regulations applicable to personal information protection.

For the collection and disposal of wastepaper, we work with our office cleaning personnel for handling and reselling of wastepaper to recovery companies for pragmatic reasons. Every individual is responsible for shredding all papers, including confidential documents, before disposing into paper recycling boxes situated near the photocopiers and printers. Such practices established within our office provide us with the confidence that sensitive information is protected during the whole life cycle of our documents.

Quality Policy

The Management & Staff are fully committed to provide professional, quality & value-added Building Construction & Civil Engineering services to exceed the requirements of our clients, the regulatory authorities & the community.

Our team of dedicated & qualified workforce shall commit to always deliver quality constructed projects on time to the required standards & within budget to all our clients.

We shall strive to continually improve ourselves to uphold this Quality Policy in our respective areas of work to meet the demands of the dynamic business environment.

5.4 Partnering Our Suppliers

5.4.1 Our Approach

As a part of our ambition to realize sustainability throughout our value chain, we extend the application of responsible business practices to our local partners and suppliers. We recognise

that we are only at the beginning of our journey to integrate sustainable business practice throughout our supply chain, and we commit in our pragmatic approach to continuous improvement. We aim to identify new opportunities for collaboration with our suppliers, gradually increase transparency and continue to build shared capacity to minimise our indirect environmental and social impacts.

5.4.2 Supplier Selection

Our key suppliers are carefully selected through our supplier selection process. When selecting our key suppliers, we examine criteria such as financial health, quality of products and services, completeness of pricing. In addition, we also take into consideration of the overall sustainability policies adopted by our suppliers. Our final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

5.4.3 Supplier Review

We regularly review the performance of our key suppliers to determine whether to extend our partnership with them. During the key supplier review process, we engage with our key suppliers to communicate our expectations and mutual feedback. Such review process ensures alignment of our key suppliers' services and products to our business requirements and sustainability objectives through pragmatic and continuous improvement in our partnership with our key suppliers.

5.5 Supporting for Our Community

5.5.1 Our Approach

We have been providing support to the communities. The key motivation driving all our community engagement initiatives is to enable and empower young people. By supporting young people today and helping to educate them about the world they are to inherit, our goal is to benefit not only the current generation, but also the next giving opportunities to the underprivileged groups to excel.

We also recognize that meeting the needs of today's youth goes beyond their own education, security and well-being, extending to that of their families, homes and neighbourhoods as well. To this end, our engagement programmes also encompass financial and practical support in carefully selected communities, through fundraising and voluntary activities.

Our community initiatives are selected according to how closely they are aligned with our own community engagement goals of "enabling and empowering young people", the anticipated staff participation rate, and the tangible impact on the beneficiary. Separately, we also engage on other community initiatives on an ad hoc basis. All our business units and some of our channel partners are involved in our community engagement programmes.

6 PERFORMANCE TABLE

6.1 Energy Usage and CO₂ Emissions

Our business and function grow over time; the GHG emissions and electricity consumption vary. To ensure consistency and comparability of the GHG emission and electricity consumption measures over time, we create a GHG emission index and electricity consumption index for our performance monitoring. The index adjusts the GHG emissions and electricity consumption for the size of our activities. We normalize the amount GHG emissions and electricity consumption by the amount of our revenues which we use as a proxy of the size of our activities. The GHG emission index is measured in t-CO₂ per SGD million and the electricity consumption index is measured in kWh per SGD million.

Direct Energy and Indirect Energy

Direct energy refers to energy that is directly consumed or used within an organization's operations. This typically includes energy used for heating, cooling, lighting, and powering equipment or machinery. Direct energy consumption is often categorized into different types such as electricity, natural gas, diesel, and other fuels.

Indirect energy refers to energy that is consumed or used because of activities indirectly related to an organization's operations. Unlike direct energy, which is consumed within the organization's boundaries, indirect energy consumption typically occurs outside of those boundaries but is still associated with the organization's activities.

Scope 1 and Scope 2 CO₂ Emissions

"Scope 1" emissions are a classification used in greenhouse gas accounting, particularly in the context of corporate sustainability reporting. Scope 1 emissions refer to direct greenhouse gas emissions that occur from sources that are owned or controlled by the reporting entity. This includes emissions from combustion of fossil fuels on-site, such as in boilers, furnaces, vehicles, and other equipment owned or operated by the organization. Examples of Scope 1 emissions include emissions from company-owned vehicles, emissions from on-site combustion of fossil fuels for heating, and emissions from industrial processes.

"Scope 2" emissions, like Scope 1 emissions, are a classification used in greenhouse gas accounting for corporate sustainability reporting. Scope 2 emissions specifically refer to indirect greenhouse gas emissions that result from the generation of purchased electricity, heat, or steam consumed by the reporting entity. These emissions occur at the facilities where the electricity, heat, or steam is generated, rather than at the facilities where it is consumed.

	Performance		Target	
	2022	2023	2023	2024
GHG Emission Index (t- CO₂ / million SGD)				
Scope 1	7.64	6.37	7.64	7.41
Scope 2	0.92	2.04	0.92	0.89
Energy Consumption Index (kWh /million SGD)				
Direct	38,664	23,728	38,664	37,504
Indirect	2,411	5,343	2,411	2,339

2023 Performance

As of 2023, the Scope 1 GHG Emission Index stands at 6.37. Compared to the 2022 index of 7.64, the index registers a 1.27 deterioration from 2022 and lower to 2023 target of 7.64 by 1.27. Scope 2 GHG Emission stands as 2.04 compared to the 2022 index of 0.97, a deterioration of 1.12 from 2022 and fall short of 1.12 from 2023 target.

In the same year, the energy Consumption Index stands at for direct energy consumption of 23,728 as compared to 38,664 of 2022, an improvement of 38.6% and 14,936 better than target. Indirect energy consumption stands at 5,343 as compared to 2,411 in 2022, a deteriorate of 121.6% and fall short of 2,932 from 2023 target.

We shall track our future performance in reference to 2022 as the base year.

Methodology Used and Applied for Calculation of GHG Emissions and GHG Emission Intensity

Our GHG emissions are reported in accordance with the guidelines outlined in the GHG Protocol Corporate Accounting and Reporting Standard. Our methodology employs the operational control approach, where we take responsibility for GHG emissions from operations under its direct control.

- Scope 1 GHG emissions are emissions from sources that are owned or controlled by the organisation. In the scope of reporting, this relates to diesel fuel and coal consumed and it is expressed in tonnes of CO₂e .

- The emissions are estimated based on the conversion factors from Intergovernmental Panel on Climate Change (“IPCC”) Guidelines AR4 and 5 for National Greenhouse Gas Inventories and “Emission Factors from Cross-Sector Tools” available from GHG Protocol website.
- Indirect emissions of CO_{2e} from consumption of electricity are calculated using unique GHG emissions factors calculated for each country based on respective country energy mix and emissions data. The equivalent CO₂ emissions for electricity used are calculated based on the updated simple operating margin grid emission factors from the National Environment Agency, Energy Market Authority and electricity supplier emission factor in Singapore for the relevant period for Singapore and JCM Power Plant Emission Factor for Indonesia. For Vietnam, the IGES of Grid Emissions Factors have been applied.

6.2 Employment Profile

	Performance			Target	
	2021	2022	2023	2023	2024
Male: Female ratio in senior management	69%:31% (Total = 13)	69%:31% (Total = 13)	64%:36% (Total = 14)	NA	NA
Male: Female ratio in managerial positions	87:13% (Total = 30)	87%:13% (Total = 32)	85%:15% (Total = 27)	NA	NA
Male: Female ratio in non-managerial positions	88%:13% (Total = 448)	87%:11% (Total = 609)	89%:11% (Total = 502)	NA	NA

2023 Performance As of 2023, the Gender Ratio (Male: Female) for senior management, managerial and non-managerial positions stand at 64:36, 85:15 and 89:11 respectively.

6.3 Employees Engagement and Training

	Performance			Target	
	2021	2022	2023	2023	2024
Average Training Hours per Employee	4.9	8.0	7.5	--	--

2023 Performance

As of 2023, the Average Training Hours per Employee stands at 7.5. In comparison to 2017 as the base year, it registers a decrease of 3.9 hours per employee.

We will continue to track the indicator in reference to 2017 as the base year.

6.4 Customer Feedback

	Performance			Target	
	2021	2022	2023	2023	2024
Customer Satisfaction Index (0-100%)	78%	76%	76%	78%	78%

2023 Performance

As of 2023, the Customer Satisfaction Index stands at 69%. In comparison to 2017 as the base year, it registers an improvement of 2% but fall short of our goal of 70%.

We will continue to track the index.

6.5 Supplier Screening Using Environmental Criteria

	Performance			Target	
	2021	2022	2023	2023	2024
Key Suppliers Screened for Sustainability Criteria (%)	35%	35%	38%	40%	50%

2023 Performance As of 2023, the Key Suppliers Screened for Sustainability Criteria stands at 38%. We will continue to track this indicator.

6.6 Community Contribution

	Performance			Target	
	2021	2022	2023	2023	2024
Donation	34,815	68,450	268,000	NA	NA

2023

Performance

This year, our community contribution comprises 10 donations with total donation amount of 268,000.

7 GRI CONTENT INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. While we did not seek external assurance for this report, our sustainability reporting process have been subjected to internal review.

N.B.: AR = Annual Report, SR = Sustainability Report (i.e. this report)

GRI Reference	Disclosure	Response	
General Standard Disclosure			
Organization Profile	102-1	Name of the organization	SR Section 1
	102-2	Activities, brands, products, and services	AR Page 3 (Corporate Profile)
	102-3	Location of headquarters	AR Page 23 (Corporate Directory)
	102-4	Location of operations	AR Page 12 (Financial and Operations Review), 143 (Note 36: Segment Information)
	102-5	Ownership and legal form	AR Page 3 (Corporate Profile)
	102-6	Markets served	AR Page 12 (Financial and Operations Review), 143 (Note 36: Segment Information)
	102-7	Scale of the organization	AR Page 18 (Financial Highlights)
	102-8	Information on employees and other workers	SR Section 5.2.3
	102-9	Supply chain	SR Section 5.4, 5.4.1, 5.4.2, 5.4.3
	102-10	Significant changes to the organization and its supply chain	No significant changes
	102-11	Precautionary Principle or approach	SR Section 3.2, 3.3, 4, 4.2, 5, 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.5.1
	102-12	External initiatives	SR Section 4.4
	102-13	Membership of associations	SR Section 4.4
Strategy	102-14	Statement from senior decision-maker	SR Section 1
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	AR Page 24 (Statement of Corporate Governance), SR Section 3.1, 3.3
Governance	102-18	Governance structure	AR Page 24 (Statement of Corporate

GRI Reference		Disclosure	Response
			<i>Governance), SR Section 3.2</i>
Stakeholder Engagement	102-40	List of stakeholder groups	<i>SR Section 5, 5.1, 5.2, 5.3, 5.4, 5.5</i>
	102-41	Collective bargaining agreements	<i>Percentage of total employees covered by collective bargaining agreements. [Refer to CSR Indicators Data] No (i.e. 0)</i>
	102-42	Identifying and selecting stakeholders	<i>SR Section 5</i>
	102-43	Approach to stakeholder engagement	<i>SR Section 5</i>
	102-44	Key topics and concerns raised	<i>SR Section 4.2, 5</i>
Reporting Practice	102-45	Entities included in the consolidated financial statements	<i>AR Page 5 (Group Structure)</i>
	102-46	Defining report content and topic boundaries	<i>SR Section 2.1, 2.2, 2.3</i>
	102-47	List of material topics	<i>SR Section 4.2</i>
	102-48	Restatements of information	<i>No restatements of information</i>
	102-49	Changes in reporting	<i>No changes in reporting</i>
	102-50	Reporting period	<i>SR Section 2.1</i>
	102-51	Date of most recent report	<i>SR Section 2.1</i>
	102-52	Reporting cycle	<i>SR Section 2.1</i>
	102-53	Contact point for questions regarding the report	<i>SR Section 2.4</i>
	102-54	Claims of reporting in accordance with the GRI Standards	<i>SR Section 2.2</i>
	102-55	GRI content index	<i>SR Section 7</i>
102-56	External assurance	<i>SR Section 2.2</i>	
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	<i>AR Page 65 (Income Statements)</i>
	201-2	Financial implications and other risks and opportunities due to climate change	<i>SR Section 5.1.3</i>
	201-3	Defined benefit plan obligations and other retirement plans	<i>SR Section 5.2.4.1</i>
	201-4	Financial assistance received from government	<i>Yes</i>
Anti-corruption	205-1	Operations assessed for risks related to corruption	<i>SR Section 4.2</i>

GRI Reference		Disclosure	Response
	205-2	Communication and training about anti-corruption policies and procedures	<i>SR Section 3.3</i>
	205-3	Confirmed incidents of corruption and actions taken	<i>No incident</i>
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<i>No legal action</i>
Environment			
Energy	302-1	Energy consumption within the organization	<i>SR Section 5.1.2</i>
	302-4	Reduction of energy consumption	<i>SR Section 5.1.2, 6.1</i>
	302-5	Reductions in energy requirements of products and services	<i>SR Section 6.1</i>
Emissions	305-1	Direct (Scope 1) GHG emissions	<i>SR Section 5.1.2, 6.1</i>
	305-2	Energy indirect (Scope 2) GHG emissions	<i>SR Section 5.1.2, 6.1</i>
	305-3	Other indirect (Scope 3) GHG emissions	<i>SR Section 5.1.2, 6.1</i>
	305-5	Reduction of GHG emissions	<i>SR Section 5.1.2, 6.1</i>
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<i>SR Section 5.4.3, 6.5</i>
Social			
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<i>SR Section 5.2.4</i>
	401-3	Parental leave	<i>SR Section 5.2.1, 5.2.2.1, 5.2.4</i>
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	<i>SR Section 5.2.2</i>
Occupational Health and Safety	403-1	Worker's representation in formal joint management-worker health and safety committees	<i>SR Section 5.2.5</i>
Training and Education	404-1	Average hours of training per year per employee	<i>SR Section 5.2.2.4, 6.3</i>
	404-2	Programs for upgrading employee skills and transition assistance programs	<i>SR Section 5.2.2.4, 6.3</i>
	404-3	Percentage of employees receiving regular performance and career development reviews	<i>SR Section 5.2.2.1, 5.2.2.4, 6.3</i>
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>SR Section 5.2.3</i>

GRI Reference		Disclosure	Response
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	<i>No incident</i>
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	<i>No incident</i>
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<i>SR Section 5.4.1, 5.4.2, 5.4.3, 6.5</i>
Public Policy	415-1	Political contributions	<i>No contribution</i>
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>SR Section 5.3.1, 5.3.3</i>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<i>Yes, there are incidents, and we have a process to oversee and address the incidents</i>
Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	<i>No incident</i>
	417-3	Incidents of non-compliance concerning marketing communications	<i>No incident</i>
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>No complaint</i>

8 TCFD DISCLOSURE INDEX

Governance		
TCFD 1(a)	Describe the board’s oversight of climate-related risks and opportunities.	Page 17
TCFD 1(b)	Describe management’s role in assessing and managing climate-related risks and opportunities.	Page 17
Strategy		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Page 18
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Page 19
TCFD 2(c)	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 17
Risk Management		
TCFD 3(a)	Describe the organisation’s processes for identifying and assessing climate-related risks.	Page 19
TCFD 3(b)	Describe the organisation’s processes for managing climate related risks.	Page 19
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	Page 19
Metrics and Targets		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 20
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Page 34
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 20