

SUSTAINABILITY REPORT 2020

Chip Eng Seng Corporation Ltd





Sengkang Neighbourhood 4, Contract 39 & Contract 40, Singapore

CONTENTS

- 38 About This Report
- 43 Sustainability Approach
- 44 Our Stakeholders
- 46 Materiality
- 48 Our Environment
- 54 Our People
- 60 Quality and Safety
- 61 Our Community
- 62 GRI Content Index
- 68 SASB Index

ABOUT THIS REPORT

This is Chip Eng Seng Corporation Ltd's ("Chip Eng Seng" or the "Company", and together with its subsidiaries, the "Group") 4th annual sustainability report that details our sustainability performance relating to material Environmental, Social and Governance ("ESG") factors. This is the first time our sustainability report has been included within our Annual Report. The earlier three sustainability reports were published as stand-alone sustainability reports.

REPORTING PERIOD AND SCOPE

This report covers ESG data for the period 1 January 2020 to 31 December 2020. This report's ESG information mainly focuses on Chip Eng Seng's operations in Singapore, spanning across building construction, civil infrastructure, precast technology, property development, property investment, hospitality and education businesses that contribute to 96% of the Group's total revenue. Unless stated otherwise, overseas entities are currently excluded from the report as they represent a relatively small proportion of the Group's total revenue. However, we intend to include such data in future reporting.

REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option. We have continued to use the GRI Standards, the most widely used sustainability reporting standards worldwide due to its longstanding universal application and robust guidance which allows for comparability of our performance against peers. This report is also prepared in accordance with the Listing Rules of the Singapore Exchange Securities Trading Limited (Rules 711A and 711B).

For the first time, we have aligned the disclosures with selected metrics from the Sustainability Accounting Standards Board's ("SASB") Engineering & Construction Services Sustainability Accounting Standard. The SASB Standards are industry-specific and reflect the financial materiality of topics. We have continued to integrate the United Nations Sustainable Development Goals ("UN SDGs") into our sustainability reporting. We have used the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard to calculate our greenhouse gas emissions. We have reported our Scope-2 emissions using the location-based method as market-based emission factors are not available.

REPORTING PRINCIPLES

We have developed this report's content by applying the ten reporting principles outlined in the GRI Standards (GRI 101: Foundation 2016). In line with GRI's reporting principles, we have considered stakeholder views and the most material governance, economic, environmental and social impacts of our business activities and the larger sustainability context for our business activities. We have applied GRI's principles of accuracy, balance, clarity, comparability, reliability and timeliness to maintain the quality of the information included in the report. ESG data provided in the report has been extracted primarily from internal information systems and primary records to ensure accuracy and consistency. Financial figures are in Singapore dollars unless specified otherwise.

RESTATEMENTS

A minor adjustment has been made to the greenhouse gas emissions data for 2018 and 2019 owing to the latest revision in the grid emission factors by the Energy Market Authority, Singapore, published in October 2020.

ASSURANCE

We have relied on internal verification to ensure the accuracy of the data. We did not seek external assurance for the content of this report. External assurance for future reports remains under consideration.

AVAILABILITY

Our Annual Report 2020, which includes this report, is available in PDF format for download or online viewing on our corporate website at www.chipengseng.com.sg

FEEDBACK

Stakeholders are welcome to send their feedback or suggestions regarding this report to us at sustainability@chipengseng.com.sg

BOARD STATEMENT

The Board of Directors (the "Board") is committed to sustainability and considers sustainability issues as part of its strategic formulation. The Board is also committed to setting strategic objectives with an appropriate focus on sustainability. The Board regularly evaluates potential sustainability risks as part of the overall risk assessment and provides strategic direction to the management to adopt relevant policies and responses. The Board determines, reviews and approves the material ESG factors and disclosures for sustainability reporting. The Board provides oversight of the management and monitoring of these material ESG factors through regular review of performance indicators.

SUSTAINABILITY GOVERNANCE

The Board provides strategic direction for adopting and implementing sustainability strategies and policies and oversees the management and monitoring of the sustainability policies.

The Group's Sustainability Management Committee ("SMC"), chaired by the Group Chief Executive Officer with the Group Chief Financial Officer as the deputy chairman, supervises the adoption and implementation of the sustainability strategies and policies and provides regular updates to the Board.

The SMC is supported by a cross-functional sustainability reporting project team responsible for collecting sustainability performance data. A senior executive has been assigned the responsibility to coordinate with the project team to prepare sustainability reports.

Senior representatives from various business divisions and departments actively contribute to sustainability initiatives.

CORPORATE GOVERNANCE AND ETHICS

The Group is committed to achieving high standards corporate governance in complying with the Code of Corporate Governance 2018. The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which is essential to the long-term sustainability of the Group's businesses and performance as well as the protection of shareholders' interests.

Please refer to the Corporate Governance Report section in this Annual Report for more information about our approach.

ANTI-CORRUPTION

Chip Eng Seng maintains a zero tolerance position against all forms of corruption, including bribery, extortion, fraud and money laundering. Our Anti-Bribery and Corruption Policy prohibits dishonest and fraudulent behaviour, including offering, promising, authorising, providing or receiving any kickback. We also require all employees to comply with all applicable local anti-bribery laws where the Group operates. For example, our policy requires compliance with the Singapore Prevention of Corruption Act, the UK Bribery Act, the US Foreign

Corrupt Practices Act and the Australian Criminal Code Act. All new employees are required to submit a conflict of interest declaration form upon joining and annually after that. Employees who participate in any tendering process or awarding of contracts are first required to submit a declaration of any conflict of interest.

There were no confirmed cases of corruption in the reported period.

REGULATORY COMPLIANCE

The Group is committed to complying with applicable economic, environmental, labour and social laws. Complying with applicable laws is a top priority for the Group as non-compliance may result in penalties, stop-work order, and reputation loss. To ensure compliance, we regularly review labour, environmental and public health regulations to update and implement the necessary policies and practices. We disseminate regulatory updates to the relevant employees to help them stay up to date with legal requirements.

There were no significant fines in the reported period for non-compliance with laws in the social and economic area.

BOARD OF DIRECTORS

SUSTAINABILITY MANAGEMENT COMMITTEE

Chairman: Group Chief Executive Officer

Deputy Chairman: Group Chief Financial Officer

SUSTAINABILITY REPORTING PROJECT TEAM

ABOUT THIS REPORT

WINNING ACCOLADES

In 2020, the Group continued to win an array of awards and recognition that reflect our total commitment to quality, safety and sustainable development. Listed below are our recent honours.

2020	
Commendation	Commended for supporting the bizSAFE Program for more than a decade by the WSH Council: Chip Eng Seng Contractors (1988) Pte Ltd
Silver	The WSH Performance (Silver) Award 2020: Chip Eng Seng Contractors (1988) Pte Ltd
Winner	The WSH SHARP Award: Chip Eng Seng Contractors (1988) Pte Ltd for Woodleigh Glen
Excellence	The BCA Green and Gracious Builder Award: Chip Eng Seng Contractors (1988) Pte Ltd
Excellence	The BCA Green and Gracious Builder Award: CES Engineering & Construction Pte Ltd
Excellence	The BCA Green and Gracious Builder Award: CES_SDC Pte Ltd
Commendation	bizSAFE Star Certification: CES_SDC Pte Ltd
2019	
Winner	HDB Construction Safety Award (Building Category) for Woodlands N1C26 & C27
Merit	HDB Construction Safety Award (Building Category) for Tampines N6C1A/1B
Winner	HDB Construction Award for Tampines Green Ridges (Tampines N6C1A/1B)
Winner	WSH SHARP Award for Grandeur Park Residences at New Upper Changi Road/Bedok South Avenue 3
Winner	WSH SHARP Award for Marsiling Greenview at Woodlands N1C26 & C27
Winner	WSH SHARP Award for Alkaff Oasis at Bidadari C6
Winner	WSH SHARP Award for Alkaff Oasis at Bidadari C7
Silver	WSH Performance (Silver) Award to CES Engineering & Construction Pte Ltd
Bronze	SCAL WSH Innovation Award to CES Engineering & Construction Pte Ltd (Grandeur Park Residences) - "Smart MV Shaft Formwork"
Commendation	WSH CultureSAFE (Certificate of Commendation) for Bidadari C6/C7 Alkaff Oasis
Commendation	WSH CultureSAFE (Certificate of Commendation) for Bidadari C8/C9
Best of Category	LIAS (Landscape Industry Association Singapore) Award (Implementation - Residential category) for Tampines Green Ridges (Tampines N6C1A/1B)
2018	
Winner	HDB Construction Safety Award 2018 for Sembawang N1C10
Winner	WSH Safety and Health Award Recognition for Projects (SHARP) Award for Alkaff Oasis, Bidadari C7
Winner	WSH Safety and Health Award Recognition for Projects (SHARP) Award for Green Ridges, Tampines N6C1A/1B
Winner	WSH Safety and Health Award Recognition for Projects (SHARP) Award for Marsiling Greenview, Woodlands N1C26 & C27
Winner	WSH Safety and Health Award Recognition for Projects (SHARP) Award for Alkaff Oasis, Bidadari C6
Commendation	WSH CultureSAFE for Bidadari C6/C7 Alkaff Oasis
Commendation	WSH CultureSAFE for Marsiling Greenview, Woodlands N1C26 & C27
Merit	SCAL Productivity & Innovation Award to CES Engineering & Construction Pte Ltd

Please visit our website <http://www.chipengseng.com.sg/corporate/recent-awards/> to see the complete listing of our awards and commendations since 2010.

PROTECTING FROM COVID-19

Protecting our people, customers, visitors, suppliers, and contractors became our top priority as the COVID-19 pandemic hit. We worked closely with the relevant authorities to comply with their virus containment measures and looked after our people across our markets in Singapore, Malaysia and Australia, which enforced lockdowns and movement restrictions.

We implemented several measures in our offices and workplaces that included wearing masks, safe distancing, temperature taking, and emergency procedures. We have also introduced virtual meetings as a preferred option to minimise physical proximity.

We introduced Work From Home arrangements for eligible employees, ensuring they had reliable and secure internet connections and the required devices such as laptops, monitors, software, printers and IT accessories to continue their work. We invested in upgrading our IT infrastructure by acquiring new remote access servers, additional laptops and VPN accounts and software licenses to support remote working.

Measures at Property Showroom Galleries

To continue serving our home buyers, we introduced Safe Management Measures ("SMM") at our showroom galleries in step with various phases of COVID-19 restrictions. When operating sales galleries were not permitted during the circuit-breaker period, we introduced virtual tours to view available units on the website and over Zoom. We also organised virtual meetings to share information about various projects.

We had already digitised the sales process before the COVID-19 pandemic, which allowed us to carry on marketing activities with minimal disruption. A method to digitally sign sales documents was introduced to reduce the need for physical presence.

When show galleries were allowed to open in phase 2, we implemented the necessary measures to minimise viral transmission risk. The procedures included regulating capacity,

pre-entry screening, safe distancing and enhanced hygiene. With the easing of some restrictions in phase 3, we have revised the SMM to ensure continued compliance.

Measures at Construction Sites and Factories

All our construction sites and precast factories promptly implemented the required SMM and appointed Safe Management Officers and Safe Distancing Officers to assist in the implementation and coordination of SMM at their respective workplaces. The SMM were also implemented at offsite worker dormitories. All construction sites and precast factories implemented staggered reporting, break times, meal times, end work, transportation departure and arrival times between worksite and dormitory to prevent possible overcrowding and congregation of employees at shared facilities. The use of TraceTogether App or Token with SafeEntry is mandated at all our construction sites and precast factories for contact tracing. Ministry of Manpower's FWMOMCare App was deployed at worker's dormitories to monitor foreign workers' health status to ensure their well-being.

Keeping Our Schools Safe

Our schools adopted extensive measures to reduce the transmission risk and protect the students, the staff and visitors. The measures included staggered arrival and dismissal timing, temperature recording on arrival, requiring teachers and students to wear the mask or the face shield, enhanced hygiene, frequent cleaning of spaces, regular hand washing and safe distancing in classrooms and during other activities. To promote awareness, our schools displayed reminder posters. In Singapore, Invictus Schools also installed protective screens on student desks to minimise physical contact.

Working closely with the Early Childhood Development Agency, all our Kindergartens and Childcare Centres adopted stringent COVID-19 measures to protect students and staff in school premises. School furniture was rearranged, and markings on floors introduced to assist the children and staff in safe distancing. Online lessons and

tutoring were introduced, and the parents were kept updated and engaged through a web-based app. The school management hosted an online weekly "Happy Hour" to share strategies with parents for home-based learning and gather feedback.

All our Primary Schools took similar measures mandated by the Committee of Private Education. The Perse School (Singapore) offered 4 hours of Home-Based Learning via Microsoft Teams Video Call. The school also introduced a weekly well-being session for students.

Measures at Our Hotels

Our hotel partners took proactive measures to ensure the health, safety and well-being of our employees, guests and business partners through this unprecedented crisis. We introduced elevated hygiene and protection protocols across our hotel properties. The new steps included enhanced staff training, cleaning protocols and food safety measures, Safe Entry Management System, safe distancing measures, and compliance with government orders, guidelines, and advisories on COVID-19.

In Singapore, Park Hotel Alexandra has attained SG Clean certification by Enterprise Singapore and the Singapore Tourism Board to ensure the highest hygiene and sanitation standards. Our resort in the Maldives was awarded "Safe Travels Stamp" by The World Travel and Tourism Council to provide confidence to travellers and re-establish consumer confidence in travel and tourism.

Our hotels in Australia have undergone our partner Accor's ALLSAFE global cleanliness and prevention standards to achieve the new ALLSAFE label.

Chip Eng Seng remains committed to working with our stakeholders, partners and regulatory agencies to keep our societies and economies safe from the pandemic. As vaccination drives gain momentum, we look forward to rebuilding our businesses for resilience and a sustainable future.

ABOUT THIS REPORT

PERFORMANCE SUMMARY			
MATERIAL ESG FACTORS	2018	2019	2020
ENVIRONMENTAL⁽¹⁾			
Carbon emissions at building construction sites (tCO ₂) ⁽²⁾	4,193	4,016	2,511
Carbon emissions intensity at building construction sites (KgCO ₂ /m ²) ⁽³⁾	24.39	27.34	53.70
Electricity consumption at building construction sites (kWh)	1,504,841	827,756	1,476,197
Energy consumption at building construction sites (GJ) ⁽²⁾	57,181	56,462	33,061
Energy intensity at building construction sites (GJ/m ²) ⁽³⁾	0.33	0.38	0.71
Waste (non-hazardous) at building construction sites (tonnes)	5,499	4,631	3,106
Waste (non-hazardous) intensity at building construction sites (kg/m ²)	31.98	31.53	66.41
Water consumption at building construction sites (m ³)	184,741	140,529	116,755
Water consumption intensity at building construction sites (m ³ /m ²)	1.07	0.96	2.50
SOCIAL			
Employees			
Construction, Property Development and Corporate	369	357	485
Education	134	188	236
Hospitality	159	152	92
Female employees (%)	36.0	51.9	44.6
Female managers and supervisors (%)	34.0	44.3	34.9
Average training hours per employee	7.9	7.2	8.4
Training expenditure per employee (S\$)	209	320	125
Employee turnover rate ⁽⁴⁾ (%)	17.3	16.5	22.7
New hires	68	182	276
Occupational Health and Safety⁽⁵⁾			
Accident Frequency Rate ("AFR")	0.6	0.6	0.8
Workplace Injury Rate ("WIR")	186.2	190.7	90.4
Accident Severity Rate ("ASR")	26.0	34.0	15.0
Occupational Disease Rate	0.0	0.0	0.0
Fatal Accidents	0.0	0.0	0.0
Community			
Community donations (\$)	153,799	328,358	78,228
Notes:			
(1) Environmental data refers to building construction sites in Singapore. Environmental data for civil infrastructure, education and hospitality divisions have been reported separately for comparability in the Environment chapter.			
(2) Carbon emissions and energy data include purchased electricity and fuel consumption.			
(3) Please refer to page 48 and 49 for the explanation for consumption and intensity in 2020.			
(4) Employee turnover rate refers to corporate, construction and property development divisions. The turnover rate for the education division is reported separately to ensure comparability in the People chapter.			
(5) Occupational health and safety data in construction division exclude project sites that the Company has less than 50% equity participation. Calculation formula: AFR = (No. of Injuries / Total Man Hours) x 1,000,000, WIR = (No. of Fatal and Non-Fatal Workplace Injuries / No. of Employed Persons) x 100,000, ASR = (Lost of Man Day / Total Man Hours) x 1,000,000.			

SUSTAINABILITY APPROACH

Our approach is to create long-term value for our stakeholders and shareholders by growing our businesses sustainably.

Conducting our business with responsibility and integrity is central to our business model. With a humble beginning as a building sub-contractor for landed properties in the 1960s, Chip Eng Seng has now evolved into a multinational conglomerate company with businesses in building construction, civil infrastructure, precast technology, property development and investment, hospitality, and education.

Over the years, the Group has always strived for excellence and has won numerous awards in workplace safety and health, construction quality, environment, productivity, innovation, and corporate transparency. Sustainability remains at the core of our growth strategy as we expand internationally and diversify into new business segments. We remain steadfast in managing our material environmental, social, and economic impact to maximise stakeholders' value.

The COVID-19 pandemic has tested the resilience of businesses. We are committed to working with all stakeholders to rebuild better and stronger. Climate change risk has instilled a global sense of urgency to meet the Paris Agreement aspirations. We will continue to do our part in reducing greenhouse gas emissions from our businesses by investing in lower-carbon alternatives and technologies while increasing renewable energy adoption. Our support also continues for the UN SDGs as the need to build resilient, just and sustainable societies has become more critical than ever.

SUSTAINABILITY TARGETS

In line with our approach, we have established targets for our material ESG topics to monitor, review and report our sustainability performance. Detailed disclosures about our performance against targets can be found in this report.

OUR STAKEHOLDERS

Forging trusted relationships with our stakeholders is crucial for the sustainable growth of our business.

A good understanding of our stakeholders' views and opinions is essential to drive our sustainable growth. We identify our stakeholders based on the extent to which they are affected by our business activities or their ability to influence our business goals. Although we did not engage any external group specifically to prepare this report, insights gained from our ongoing engagement with various stakeholders has helped us determine material ESG topics for reporting.

A summary of our stakeholder engagement is in the following table.

Stakeholder Groups	Topics and Concerns	Engagement Methods
Customers	Clients <ul style="list-style-type: none"> Compliance with environmental and safety standards Productivity and innovation 	<ul style="list-style-type: none"> Regular project updates Tenancy agreements Customer service Submission of performance survey reports Website
Construction, Property Development and Investment: Clients, Homebuyers and Tenants	Homebuyers <ul style="list-style-type: none"> Good workmanship Good quality and design Prompt rectification Clear communication Timely completion of projects Legal and contractual compliance 	Our brand partners regularly engage hotel guests to ensure their stay is pleasant and comfortable.
Hospitality: Hotel Guests	Tenants <ul style="list-style-type: none"> Workplace safety and health Good management of facilities 	The respective school management engages parents through updates, notices and meetings. Teachers and school staff engage students through learning and extra-curricular activities.
Education: Students and Parents	Hotel Guests <ul style="list-style-type: none"> Service quality Safety and security Food safety and hygiene 	
	Students and Parents <ul style="list-style-type: none"> Quality of education Safety and security 	
Employees	<ul style="list-style-type: none"> Safety, health and well-being Training and development Job security Career advancement Fair remuneration and rewards Employee welfare Work-life balance 	<ul style="list-style-type: none"> Regular meetings Internal communication Training Performance reviews
Government and Regulators	<ul style="list-style-type: none"> Regulatory compliance Responsible business practices Productivity and innovation Sustainability reporting 	<ul style="list-style-type: none"> Compliance updates Timely data reporting Participating in stakeholder consultations by government agencies Participating in government committees Sustainability reports

Stakeholder Groups	Topics and Concerns	Engagement Methods
Investors and shareholders	<ul style="list-style-type: none"> Financial performance Return on investment Governance Risk management ESG performance Sustainable business growth Business diversification 	<ul style="list-style-type: none"> Regular updates through announcements on SGX-Net and Group website Annual General Meetings Annual Reports Sustainability reports
Suppliers and Sub-contractors	<ul style="list-style-type: none"> Clear specifications and instructions Workplace safety and health Timely payment according to contractual terms Technical guidance Timely provision of materials and equipment Productivity and innovation Site inspections 	<ul style="list-style-type: none"> Supplier policies and requirements Tenders/Request for Proposal Agreements Product presentations and seminars Site inspections
Business Partners/Brand Partners/ Licensing Partners (Hospitality and Education Divisions)	<ul style="list-style-type: none"> Licensing policies Brand guidelines Business targets 	<ul style="list-style-type: none"> Regular meetings and updates Reviewing performance reports
Community	<ul style="list-style-type: none"> Minimal disruptions due to the Group's project work Minimal dust, noise and vibrations from construction Health and safety Support for community programmes 	<ul style="list-style-type: none"> Advance notification of work schedule Feedback systems in place Regular updates through posting of notices and bulletins Donations and sponsorships

MEMBERSHIP OF ASSOCIATIONS

We support various industry associations and forums through membership and participation in events and dialogues. Some of the associations to which our Group contributes as a member are listed below:

- Singapore Business Federation
- Singapore National Employers Federation
- Singapore Institute of Directors
- The Singapore Contractors Association Ltd
- Singapore Institute of Surveyors and Valuers
- Real Estate Developers' Association of Singapore

MATERIALITY

In 2020, we conducted a comprehensive re-assessment of our ESG impacts. Facilitated by an external sustainability consultant, senior management representatives from various business divisions participated in a materiality workshop to review and validate the most significant economic, environmental and social impacts, both positive and negative, from our operations. The materiality assessment considered stakeholders' interests, reporting by peers and the major sustainability trends.

The materiality review also evaluated the relevant ESG topics for our hospitality and education businesses for the first time. This report, therefore, includes enhanced disclosures relating to these two business divisions.

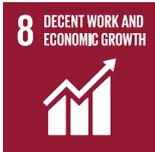
An overview of our updated material topics, their boundary and our management approach is presented in the table below.

Material ESG Factors			
Material Topics	Our Involvement	Businesses Where the Impact is Material	Management Approach
OUR ENVIRONMENT			
Energy	Direct and through business relationships with sub-contractors, tenants and brand partners	<ul style="list-style-type: none"> Real Estate Hospitality 	Take energy efficiency measures in design, construction and management
GHG Emissions	Direct and through business relationships with sub-contractors, tenants and brand partners	<ul style="list-style-type: none"> Construction Hospitality 	Minimise CO ₂ emissions during construction and in managing properties
Waste (non-hazardous)	Direct and through business relationships with sub-contractors, tenants and brand partners	<ul style="list-style-type: none"> Construction Hospitality 	Minimise waste during construction and in managing properties
Water	Direct and through business relationships with sub-contractors, tenants and brand partners	<ul style="list-style-type: none"> Construction Hospitality 	Minimise and conserve water during construction and in managing properties
Environmental Compliance	Direct and through business relationships with sub-contractors, tenants and brand partners	<ul style="list-style-type: none"> Construction Hospitality 	Minimise and conserve water during construction and in managing properties
OUR PEOPLE			
Occupational Health and Safety	Direct and through business relationships with sub-contractors and brand partners	<ul style="list-style-type: none"> All Business Divisions 	Strive for a zero accident workplace
Employment	Direct and through business relationships with our brand partners	<ul style="list-style-type: none"> All Business Divisions 	Build a fair and high performing workplace
Training and Education	Direct and through business relationships with our brand partners	<ul style="list-style-type: none"> All Business Divisions 	Provide ongoing opportunities for skills and personal development
OUR CUSTOMERS			
Customer Health and Safety	Direct and through business relationships with our brand partners	<ul style="list-style-type: none"> All Business Divisions 	Ensure health, safety and security of our customers
Customer Privacy	Direct and through business relationships with our brand partners	<ul style="list-style-type: none"> All Business Divisions 	Protect and safeguard personal data
OUR GOVERNANCE			
Anti-corruption	Direct and through business relationships with sub-contractors and brand partners	<ul style="list-style-type: none"> All Business Divisions 	Maintain zero tolerance for fraud and corruption
Regulatory Compliance	Direct and through business relationships with sub-contractors and brand partners	<ul style="list-style-type: none"> All Business Divisions 	Comply with applicable laws and regulations

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We have aligned our ESG priorities with the UN SDGs underpinning our support for sustainable development. Out of the 17 UN SDGs, we have identified 8 goals, where we see an opportunity to contribute.

We have established specific ESG targets that directly support various UN SDG targets.

Material ESG Factors	Our Annual Targets	UN SDGs Supported
ENVIRONMENT <ul style="list-style-type: none"> Energy GHG Emissions Waste (non-hazardous) Water 	Building Construction <ul style="list-style-type: none"> Energy: < 0.49 GJ/m² GHG Emissions: < 34.92 kgCO₂/m² Water consumption: < 0.90 m³/m² Waste (non-hazardous): < 30.00 kg/m² HDB Project, < 40.00 kg/m² Private Project 	    
	Hospitality <ul style="list-style-type: none"> Electricity consumption: 28.47 kWh/room night Water consumption: 0.32 m³/room night 	
	Education <ul style="list-style-type: none"> Electricity consumption: 67.00 kWh/m² for the next 3 years Water consumption: Reduce by 15% over 3 years to 11.8 litre/population/day by 2023 	
SOCIAL <ul style="list-style-type: none"> Occupational Health and Safety Employment Training and Education 	Occupational Health & Safety <ul style="list-style-type: none"> Zero fatalities across operations Zero accidents across operations Zero occupational diseases across operations 	 
	Turnover Maintain employee turnover rate below the national average for the sector	
	Training Average training hours - 8.6 hours/employee	
GOVERNANCE <ul style="list-style-type: none"> Regulatory Compliance Customer Privacy Anti-Corruption 	Compliance <ul style="list-style-type: none"> Zero incidents of non-compliance with applicable environmental and socio-economic regulations Zero breaches of Personal Data Protection policy 	
	Anti-Corruption <ul style="list-style-type: none"> Zero incidents of fraud or corruption 	

OUR ENVIRONMENT

We are committed to minimising the environmental impact of our operations.

Our policy is to lower our environmental impact by focusing on energy efficiency, emission reduction, water conservation, and waste management. We have adopted a Green and Gracious policy in our construction business, the main contributor to the Group's environmental impact. Our sustainability practices incorporate green design, sustainable materials, productivity through technology and innovation, pollution control, and efficient construction practices.

We practice environmental responsibility across our businesses, spanning across building construction, civil infrastructure, precast technology, property development and investment, hospitality, and education.

ENVIRONMENTAL MANAGEMENT SYSTEM

We have implemented a comprehensive Quality, Environment, Health and Safety ("QEHS") system to take a holistic approach to environmental management and quality and safety in our construction business. Our ISO 14001 certified Environmental Management system ensures accountability and continuous improvement at par with international standards.

We have adopted reduction targets for energy, emissions, water and waste. Our teams closely monitor the performance by collecting and reviewing environmental data.

We also engage our key stakeholders, including employees, building authorities, contractors and suppliers, to seek feedback and suggestions to improve our environmental performance.

CLIMATE CHANGE

Climate change has become an existential threat to humanity. Increasing global temperatures can trigger extreme weather conditions, rise in sea-level, droughts and heatwaves, rainfall changes, floods and hurricanes, directly impacting food supplies, ecosystems, coastal stability and public health. There is a global urgency to transition to a lower-carbon economy.

As the world rallies to meet the aspirational global goal of limiting the temperature rise well below 1.5° Celsius as set out in the Paris Agreement, we are doing our part to reduce emissions from our business activities. In Singapore, we work closely with BCA to innovate, develop and implement green design and construction technologies. We also collaborate with HDB to build sustainable homes for Singaporeans.

ENERGY

Grid electricity and diesel consumption at our construction sites constitute a significant part of our energy consumption. Our focus is on reducing energy intensity.



ENERGY EFFICIENCY

In line with our environmental policy, we constantly look for ways to improve our operations' energy efficiency. In our construction business which accounts for most of our energy consumption, we continue to drive several energy-saving initiatives across our projects. Some of the ongoing efforts are as follows:

- Use energy-efficient LED Lights;
- Use 2-tick energy-saving air-conditioning units;
- Maintain air-conditioning temperatures at 25°C;
- Reduce the number of power generators to reduce diesel consumption;
- Deploy energy-saving office printers;
- Employee awareness campaigns to save energy;
- Use of window blinds to minimise the heat from outside;
- Instal motion-detection sensors in toilets to switch on or off lights automatically; and
- Noise meter powered by a solar panel.

In 2020, our building construction sites' absolute electricity consumption was 1,476,197 kWh as against 827,756 kWh in the prior year. During the same period, our operations consumed 0.72 ML of diesel compared with 1.39 ML in the preceding year. In 2020, the total energy intensity was 0.71 GJ/m² of gross floor area built against 0.38 GJ/m² in the previous year. We have revised our energy intensity target from 0.38 to 0.49 GJ/m² for the forthcoming year as we foresee relatively higher diesel consumption owing to advanced stage of construction at various active projects as well as more projects having prefabricated bathroom units and prefabricated prefinished volumetric construction which require generators of higher output hence, requiring higher usage of on-site power generators.

The electricity consumption was higher in 2020 than the prior year because of the switch from power generators to grid electricity at two project sites. Also, even though the construction activities was halted for a considerable period due to COVID-19 restrictions, electricity consumption continued for a number of amenities such as on-site worker dormitories, pumps, appliances and housekeeping. On-site diesel generators were also used during this period to support some essential maintenance and amenities. For these reasons the same period's energy intensity was higher due to lower gross floor area ("GFA") completion, which resulted from lockdown and later a shortage of workforce caused by the COVID-19 restrictions.

Our Ongoing Annual Target	Performance in 2020
Energy	
< 0.38 GJ/m ²	0.71 GJ/m ²
Emissions	
< 34.92 kgCO ₂ /m ²	53.70 kgCO ₂ /m ²

We also track electricity consumption in our head office building, including the common area but excluding the tenants' use. We measure and report the associated carbon emissions as well.

GHG EMISSIONS

Greenhouse gas emissions in our operations arise from the use of electricity and fuel. We monitor carbon dioxide ("CO₂") emissions, the primary greenhouse gas resulting from electricity and diesel and regularly review our performance. Our efforts aim at reducing emissions intensity in our construction operations which accounts for most of our carbon footprint.

We report Scope 1 direct emissions and Scope 2 indirect emissions in line with the GHG Protocol and the GRI Standards. Our Scope-1 direct emissions from diesel refer to stationary combustion for power generation at construction sites. Scope 2 emissions are from purchased electricity.

The total CO₂ emission from building construction activities in 2020 was 2,511 tonnes compared with 4,016 tonnes in 2019. The absolute emission in 2020 was lower due to a reduction in diesel consumption. Emissions intensity for the same period was 53.70 kgCO₂/m² and 27.34 kgCO₂/m², respectively. The emission intensity was larger due to lower GFA completion as the operations were affected by the COVID-19 restrictions.

Scope-1 direct emissions from diesel consumption accounted for 76% of our total CO₂ emissions, i.e. 1,908 tCO₂ at building construction sites in 2020.

Our Scope-2 emissions of 603 tCO₂ result from purchased electricity.

BUILDING MATERIALS

We monitor the use of building materials to ensure efficiency, productivity and waste. Increasingly, we use precast concrete walls, which improve productivity and reduce pollution at the construction site. We also strive to use sustainable building

materials that meet the Green Mark criteria established by BCA or have the Singapore Green Label.

Our materials use in the stated period is summarised below:

Quantity of Materials Used			
Material (tonne)	2018	2019	2020
 Sand	85,845	50,978	27,837
 Cement	42,935	25,489	13,918
 Steel	23,401	13,464	7,052

WASTE MANAGEMENT

Our construction waste mainly comprises non-hazardous waste. Our approach is to reduce, reuse and recycle materials to minimise waste. We engage licensed waste management contractors for the safe disposal of our waste following the applicable regulations.

Total non-hazardous waste generated in 2020 was 3,106 tonnes compared to 4,631 tonnes in 2019. There was an increase in waste intensity as three projects approached their completion stage and also due to major demolition works carried out at a private development project.

Our Ongoing Annual Target	Performance in 2020
Construction Waste	
HDB projects: < 30.00 kg/m ²	52.78 kg/m ²
Private projects: < 40.00 kg/m ²	120.11 kg/m ²

GREEN MARK

We integrate several Green Mark elements in our projects and use Singapore Green Label products to reduce the environmental impact.

Our projects feature recycling bins at the void deck area of residential blocks, covered bicycle parking lots, internal waterproofing, interlocking concrete pavers and paving material, earth retention & slope protection material, subsurface drainage cells, calcium silicate board for false ceiling and protection of gas pipe, tile grout, concrete kerb, internal skin coat, aluminium composite panels, roof and gutter waterproofing, green-certified tile adhesive and polyurethane enamel paint system to steelworks.

WATER MANAGEMENT

We are committed to reducing water consumption. We have implemented policies and measures to ensure the efficient and responsible use of water consumption at construction sites and the properties that we manage. Our policy is to use water responsibly and implement conservation initiatives. We use water-efficient taps and fittings and dual flush closets with a 3-tick rating by the Public Utilities Board to save water.

Our measures include collecting rainwater at construction sites to reduce the demand for fresh water and reusing and recycling water. A silty water treatment system installed at project locations helps prevent water contamination. Our practice of using precast concrete has significantly reduced on-site water consumption.

OUR ENVIRONMENT

WATER EFFICIENCY

Our building construction sites practice several ongoing water efficiency measures. Some of the initiatives include the following:

- Harvesting rainwater to reduce the demand for fresh water;
- Reusing and recycling water as much as possible;
- Using PUB certified taps with 3 tick rating for water efficiency;
- Water-efficient closets with a dual flush;
- Using precast concrete, which significantly reduces on-site use of water;
- Using only "Singapore Green Label" cleaning products in canteens; and
- Applying eco-friendly natural products for toilet cleaning.

Our Ongoing Annual Target	Performance in 2020
Water < 0.90 m ³ /m ²	2.50 m ³ /m ²

In 2020, our water consumption at building construction sites was 116,755 m³ as against 140,529 m³ in 2019. For the same period, water intensity was 2.50 m³/m² and 0.96 m³/m², respectively. The water intensity was higher due to lower GFA completion affected by COVID-19 disruptions. Our water intensity target for the building construction business remains at 0.90 m³/m².

WASTEWATER MANAGEMENT

We are committed to reducing and responsibly managing the wastewater runoff from our construction sites. Our measures include prevention and control of water contamination from oil, chemical drums and bulk storage tanks. We implement the required earth control measures to manage silty discharge due to rain. Wastewater is collected, treated and discharged according to environmental regulations.

We also reuse wastewater and rainwater to wash vehicles before leaving the construction site, keeping the roads clean.

POLLUTION CONTROL

We are committed to reducing noise, dust and vibrations resulting from construction activity, vehicles, heavy equipment and machinery at the construction sites. We follow regulatory guidelines and industry best practices for lowering pollution.

Our measures include continuous monitoring of our construction operations and ensuring regular maintenance of the equipment and machinery to keep noise levels within safe and permitted limits. We use precast concrete panels fabricated offsite, which also helps mitigate noise at our construction sites. We implement measures to ensure that vibrations caused by piling and demolition do not exceed permitted limits.

Dust is a common issue at construction sites resulting from work involving concrete, cement, wood, stone, and silica. We install fine mesh screens to stop dust from dispersing. We also use water sprays to control dust pollution.

We engage with the surrounding communities to keep them informed of our upcoming construction schedules and promptly address any public pollution-related complaints. Our project team gets in touch with the neighbouring communities, including building owners and managing agents, before the project starts. The contact numbers and email addresses of key personnel such as the project manager and environmental control officer are shared with them as a direct feedback channel for any environmental issues. We also post the contact information at the existing HDB blocks lift lobby notice board and project boundary hoarding.

REGULATORY COMPLIANCE

Complying with applicable laws is a top priority for the Group as non-compliance may result in penalties, stop-work order, and reputation loss. To ensure compliance, we regularly review environmental and public health regulations to update and implement the necessary policies and practices. Our target remains to have zero incidents of environmental, health and safety related fines.

In 2020, there were 8 incidents of compounded fines amounted to \$29,200 related to vectors and noise issues at 5 of our building construction sites and at a development site. We have since taken corrective measures to prevent the recurrence of these problems.

CIVIL INFRASTRUCTURE

The Group extended its construction business into civil infrastructure in December 2019 with the acquisition of CES_SDC Pte Ltd ("CES_SDC") (formerly known as Sembcorp Design and Construction Pte Ltd). A design and build construction service provider with an established track record in civil, industrial and utility infrastructure projects, CES_SDC offers a broad spectrum of engineering and construction services from tunnel boring to modular construction and can provide customised solutions to meet the diverse needs of clients.

CES_SDC is committed to minimising its environmental footprint. In line with its commitment, CES_SDC has obtained the ISO 14001:2015 for its environmental management system.

The environmental performance data also includes joint ventures where CES_SDC has equal or more than 50% equity participation is as follows:

Performance Summary	2020
Carbon emissions (tCO ₂)	1,279
Diesel consumption (litre)	152,099
Electricity used (kWh)	2,141,331
Energy used (GJ)	13,580
Waste (tonnes)	301
Water consumption (m ³)	74,707

HOSPITALITY

The Group ventured into the hospitality industry in 2015 with its first hotel Park Hotel Alexandra operated by Park Hotel Group. We work closely with our hotel operator partners to maintain high environmental standards at our hotel properties. We monitor our properties' environmental performance against key indicators.

Environmental performance data for Park Hotel Alexandra, Singapore, is presented below.

Performance Summary	2018	2019	2020
Carbon emissions (tCO ₂) ⁽¹⁾	1,668,373	1,657,128	1,470,329
Carbon emissions intensity (kgCO ₂ /room night)	12.62	11.67	14.77
Electricity consumption (kWh)	3,966,651	4,056,616	3,599,336
Energy consumption (GJ) ⁽¹⁾	14,280	14,604	12,958
Electricity intensity (kWh/room night)	29.99	28.58	36.17
Water consumption (m ³)	45,244	46,101	27,514
Water intensity (m ³ /room night)	0.34	0.32	0.28

Note:
⁽¹⁾ Carbon emissions and energy consumption refer to Scope 2 (purchased electricity).

ENVIRONMENTAL TARGETS

Our ongoing annual targets at Park Hotel Alexandra, Singapore are as follows:

- Electricity intensity: 28.47 kWh/room night
- Water intensity: 0.32 m³/room night

EDUCATION

The Group entered the education business in 2018 through its wholly-owned subsidiary Sing-Ed Global Schoolhouse Pte Ltd (formerly known as CES Education Pte Ltd). In line with the Group's sustainability approach, we are committed to minimising our schools' environmental impact. Environmental performance data for our schools in Singapore that have operated substantially during the reported years are presented in the following table.

Performance Summary	2019	2020
Carbon emissions (tCO ₂) ⁽¹⁾	170,258	175,812
Carbon emissions intensity (kgCO ₂ /m ²)	27.41	14.98
Electricity consumption (kWh)	416,780	430,384
Energy consumption (GJ) ⁽¹⁾	1,500	1,549
Energy consumption intensity (kWh/m ²)	67.09	36.67
Water consumption (m ³)	4,890	5,836
Water consumption intensity (litre/population/day) ⁽²⁾	11.34	13.91

Notes:
⁽¹⁾ Carbon emissions and energy consumption refer to Scope 2 (purchased electricity).
⁽²⁾ Water consumption intensity = Annual water consumption divide by (school population x no. of days in a year); school population includes no. of students and no. of staff

OUR ENVIRONMENT

ENVIRONMENTAL TARGETS

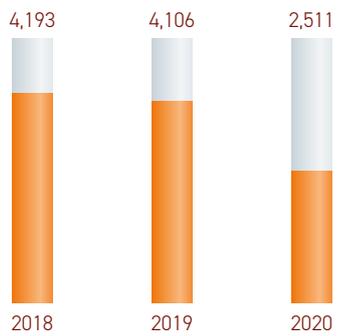
The ongoing annual targets adopted at our schools in Singapore are as follows:

- Energy intensity: 67.00 kWh/m² for the next 3 years
- Water intensity: reduce by 15% over 3 years to 11.80 litre/population/day by 2023

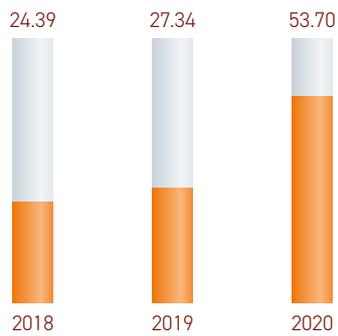
ENVIRONMENTAL PERFORMANCE

Performance data in the following charts refer to our Building Construction Division unless indicated otherwise. The amount of energy and water used and the amount of waste and wastewater generated varies with construction phases. The annual consumption trends may not be entirely comparable as energy and water consumption tend to be higher during a project's middle stages.

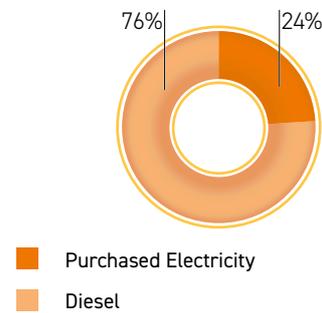
Carbon Emissions - Building Construction Site (tCO₂)



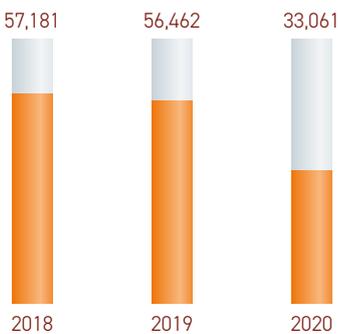
Carbon Emissions Intensity - Building Construction Sites (kgCO₂/m²)



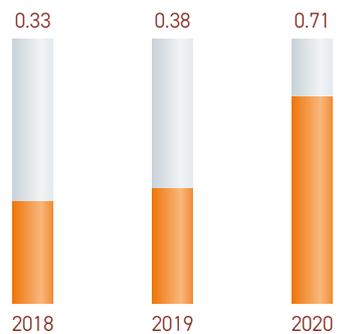
Sources of CO₂ Emissions - Building Construction Sites 2020



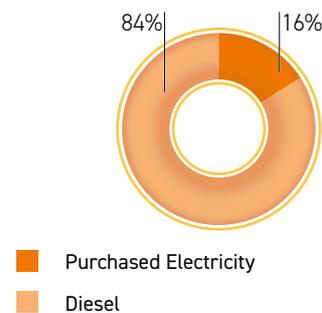
Energy Consumption - Building Construction Sites (GJ)



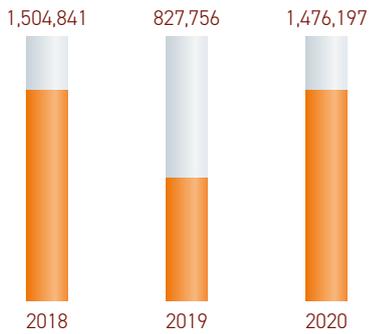
Energy Intensity - Building Construction Sites (GJ/m²)



Energy Consumption by source - Building Construction Sites 2020



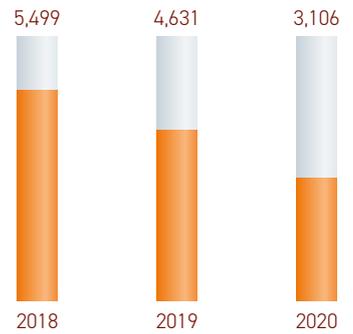
Electricity Consumption - Building Construction Sites (kWh)



Diesel Consumption - Building Construction Sites (ML)



Waste (non-hazardous) - Building Construction (tonne)



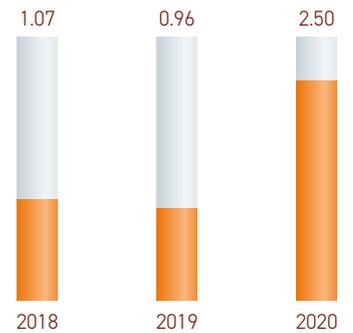
Waste (non-hazardous) Intensity - Building Construction (kg/m²)



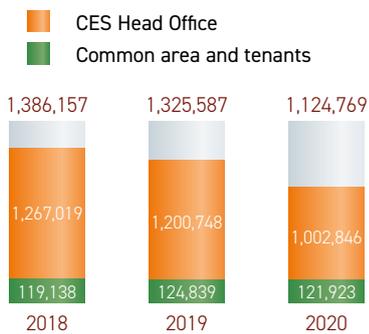
Water Consumption - Building Construction Sites (m³)



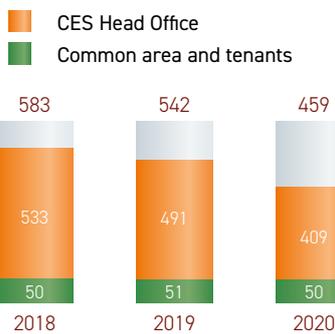
Water Consumption Intensity - Building Construction Sites (m³/m²)



Electricity Consumption - CES Centre (kWh)



Carbon Emissions - CES Centre (tCO₂)



Water Consumption - CES Centre (m³)



OUR PEOPLE

We are committed to promoting a safe, inclusive and fair workplace where our people can realise their full potential.

Our people are our most valuable asset. Our ability to attract and retain talented people to deliver high-quality projects and services is crucial to our success. Hiring and retaining competent, qualified and skilled employees is vital for our business. Our human resource policies promote a professional working environment built on mutual respect and trust. In our construction business, ensuring safety at project sites remains our foremost priority.

EMPLOYMENT

As of the end of 2020, our Construction, Property Development, Corporate and Education Divisions in Singapore employed 680 full-time employees and 41 part-time employees. During the year, we hired 276 new employees. The average age of our employees is 41.2 years.

In addition, we employed 92 employees at Park Hotel Alexandra, Singapore, which is part of our hospitality business. Female employees occupied 42.0% of the managerial and supervisory roles in 2020 compared with 40.3% in the prior year.

We also employed 348 foreign construction workers who were on fixed-term contracts. The Ministry of Manpower ("MOM") regulates the hiring of foreign construction workers in Singapore.

DIVERSITY

We promote an inclusive work culture. Diversity is reflected in our workforce, which comprises people from different backgrounds, nationalities, ethnicities, skills and experiences. We provide equal opportunities in employment, remuneration, training and promotion based on merit and performance.

In 2020, females accounted for 44.6% of our full-time employees and held 34.9% of supervisory and managerial positions. Among the new hires, the proportion of females was 47.8%.

TRAINING

We provide ongoing training and development opportunities to ensure our people have the right skills to perform their job effectively. Investing in our people's development is also crucial for retaining and developing talent to support our business growth.

Our Ongoing Annual Target	Performance in 2020
Average Training Hours	
8.6 hours/employee	8.4 hours/employee

In 2020, our employees attended training, workshops and conferences covering a wide range of topics throughout the year. Training topics included online end-user cybersecurity, first aid, safe management, workplace safety, construction productivity, health and environmental management, sustainability reporting, quality and productivity, lean construction, best practices for green and gracious builders, earth control measures, construction regulations, service excellence, virtual design and construction, contract management, project management, child first aid, ethical business conduct, latest developments in construction law, and personal data protection.

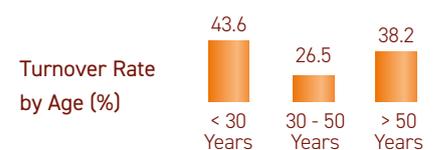
EMPLOYEE TURNOVER

Employee retention is an integral part of human resource management. Our target is to maintain our employee turnover rate lower than the relevant national average. In 2020, our turnover rate for the construction, property development and corporate divisions in Singapore was 22.7%, higher than the national construction industry average rate of 16.4% (Source: Labour Market Survey 2020 (Q3)).

Our Ongoing Annual Target	Performance in 2020
Employee Turnover – To maintain below the national average for the construction sector	22.7% against the national construction sector average of 16.4%

The education division is a relatively new business segment which commenced operations in the second half of 2018. In 2020, its turnover was 32.2% compared to 37.7% last year. The turnover rate for male and female employees was 18.8% and 35.6%, respectively.

By age group, the education division's turnover rate is as follows: 43.6% for under 30 years, 26.5% for 30-50 years, and 38.2% for employees aged above 50 years.



Currently, there is no comparable national average benchmark available for the private education sector. Our goal is to improve the retention rate in our education division by taking the necessary measures.

PERFORMANCE MANAGEMENT

Our performance management policy covers all permanent employees who participate in performance appraisal twice a year. The performance evaluation helps determine employees' training needs and develop career plans.

EMPLOYEE BENEFITS AND WELFARE

We provide competitive compensation, bonuses, performance-based wage increments, and various benefits to attract and retain talented employees. Our full-time and part-time permanent employees are entitled to annual leave, enhanced child care leave, marriage leave, medical and hospitalisation leave and compassionate leave. The insurance benefits comprise Group Health Insurance, travel insurance and Work Injury Compensation Insurance. Staff welfare benefits include the annual company dinner, recreation activities, festival gatherings, bereavement donations and wreaths and newborn baby gifts.

UPGRADING WORKFORCE SKILLS

Our skills improvement programme helps Basic-Skilled foreign construction workers upgrade to the Higher-Skilled R1 category following the criteria set out by the MOM. Investing in upgrading skills means higher productivity and a lower levy that we need to pay. Also, Higher-Skilled workers can be employed for an extended period of up to 26 years instead of just 14 years for Basic-Skilled workers.



In 2020, **71** Higher-Skilled R1 construction workers completed their Continuing Education and Training, amounted to **290 hours** in total.

Training will help them keep up with the latest code and regulations of the trade, new installation methods, equipment, materials, and tools leading to better work practices, quality, productivity, and health & safety.

PROMOTING WORKPLACE SAFETY AND HEALTH

Workplace safety remains a critical issue for the construction sector. The construction industry accounted for the largest share of fatal injuries of any industry in Singapore, with 9 fatal injuries reported in 2020. With 74 incidents, the construction sector was the second-largest

contributor to major injuries for the year, according to the Workplace Safety and Health Report 2019.

At Chip Eng Seng, we are committed to workplace safety and health excellence. Safety-first culture is an integral part of our business model. We are committed to maintaining high safety standards to ensure a safe workplace for our workers and contractors. We have built a strong safety culture across the Group ranging from top-level management to the site supervisors and workers.

Hazard identification, risk assessment and risk control form the core of our safety measures. We comply with safety regulations and align our work processes with industry standards for safe construction. Our QEHS system ensures that workers and contractors follow stringent standards and operating procedures for safety and health at each construction stage.

Our employees receive ongoing safety briefings and training to understand the safety risks inherent in various construction activities and learn safe work practices.

Our target is to maintain a zero accident workplace.

Our Ongoing Annual Target	Performance in 2020
Zero reportable incidents	3 reportable incidents

The construction business division has a robust health and safety system and programmes. Throughout the year the health and safety teams at project sites performed site safety walks and safety promotions while corporate health and safety managers carried out scheduled inspections and non-compliance issues are reported during monthly safety committee meeting.

During the year, 14 project sites in the construction division which also included a factory at Senai, Malaysia were subjected to the health and safety inspections.

Leading Indicators (Per Site)	Actual Average (Per Site)
 Management Site Safety Walks	17
 Site Safety Committee Average Attendance	91%
 Site Safety Inspections/Audits	97
 Safety Promotions	13

Notes:

Management Site Safety Walk = A safety walk is when a line manager or supervisor observes work taking place, inspects the workplace, and discusses safety performance with staff based on their observations. A safety walk is designed to help employees understand safety in real terms. By conducting a safety walk, management can point out unsafe practices when they occur in the real work environment, providing employees with safe alternatives and a means to understand why their practices are unsafe.

Site Safety Inspection/Audits = A safety inspection is a formalised process of documenting safety hazards and unsafe work practices at site. A safety audit is a formalised process which assesses the workplace's health and safety procedures to determine compliance and assess weaknesses in your safety program.

Safety Promotion = A set of means, processes and procedures that are used to develop, sustain and improve safety through awareness raising and changing behaviours. Safety promotion includes the development of products and actions such as reports and technical publications, bulletins, leaflets and posters, audio-visual material, toolkits, manuals and guides, social media and e-applications, and also conferences, safety events, roadshows and campaigns. Safety promotion is also about sharing best practices from the authorities and the industry. Safety promotion can also contribute to the dissemination of regulatory developments.

OUR PEOPLE

SAFETY PERFORMANCE

We regularly monitor and review the safety performance at our construction sites against key performance indicators. A summary of our safety performance is in the following table.

Year	Accident Frequency Rate (ARF)	Workplace Injury Rate (WIR)	Accident Severity Rate (ASR)	Total Recordable Incident Rate (TRIR)	Fatality Rate	Number of Fatalities	Occupational Disease Incidence Rate
2018	0.6	186.2	26.0	0.1	0.0	0	0
2019	0.6	190.7	34.0	0.1	0.0	0	0
2020	0.8	90.4	15.0	0.2	0.0	0	0

Notes:

- (i) Disclosures in 2019 and 2018 exclude the civil infrastructure business, which was acquired in December 2019.
- (ii) All the rates above are combined figures for direct employees and contract employees.
- (iii) In 2020, TRIR for direct employees and contract employees are 0.3 and 0.1 respectively.

Calculation formula:

AFR = (No. of Injuries / Total Man Hours) x 1,000,000

WIR = (No. of Fatal and Non-Fatal Workplace Injuries / No. of Employed Persons) x 100,000

ASR = (Lost of Man Day / Total Man Hours) x 1,000,000

TRIR = (Statistic count x 200,000) / Hours worked

SAFETY AWARDS

Our commitment to ensuring high safety standards is reflected in the awards and recognitions we have received over the years.

In 2020, our projects received two health and safety awards:

2020	
Silver	The WSH Performance (Silver) Award 2020: Chip Eng Seng Contractors (1988) Pte Ltd
Winner	The WSH SHARP Award: Chip Eng Seng Contractors (1988) Pte Ltd for Woodleigh Glen

See the complete list of awards won over the past three years on page 40.

HUMAN RIGHTS

We are committed to protecting human rights. Our policy bars discrimination, child labour and forced labour in our operations and the work performed by contractors and sub-contractors.

- a) Non-discrimination: We prohibit discrimination in employment on any grounds, including gender, age, race, ethnicity, religion, marital status, pregnancy and disability;
- b) Child labour: We prohibit child labour in our operations and expect our suppliers to ensure the same standards. We have determined that there is no risk of child labour in our business in Singapore;
- c) Forced labour: We prohibit forced labour in our operations and expect our suppliers to ensure the same standards; and
- d) Freedom of association and right to collective bargaining: We respect our employees' right to freedom of association and collective bargaining under local laws. Our employees can freely raise any matter of concern with their supervisors, the human resource department, or senior management.

Our civil infrastructure subsidiary CES_SDC has a collective bargaining agreement with the Building Construction and Timber Industries Employees' Union (BATU), where 10 of our employees are union members.

There were no incidences of non-compliance relating to discrimination, child labour, forced labour and freedom of association in the reported period.

FOREIGN WORKERS

As is the standard industry practice in Singapore, we rely on foreign contract workers for our construction business hired from developing countries approved by MOM. As of the end of 2020, we employed 348 foreign construction workers.

MOM strictly regulates the hiring of foreign construction workers in Singapore. All foreign construction workers must also attend the Construction Safety Orientation Course or the Apply Workplace Safety and Health in Construction Sites training. We have implemented measures to protect their human rights during the hiring process, their stay in Singapore, and while they are at work on our project sites.

We provide clean housing facilities to our foreign workers in approved dormitories fitted with modern amenities. The facilities and services at the dormitories include dedicated cooking areas, laundry and recreational facilities such as gym and outdoor games courts. They also get free wireless internet access, televisions at the canteen and washing machines. We provide transport facilities for workers to travel between their residence and the construction site. The work sites also have spaces for parking bicycles.

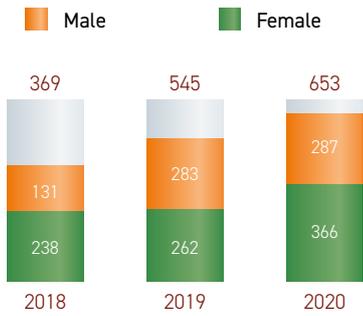
We offer monetary rewards and a certificate of recognition to workers who perform exceptionally well during the month to appreciate their contribution.

OUR PEOPLE

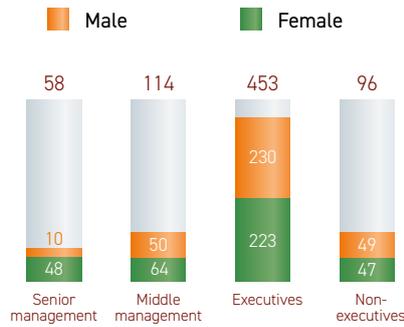
PEOPLE PERFORMANCE

Employee data presented in the following charts exclude the hospitality division. The turnover data for the education division is reported separately on page 54.

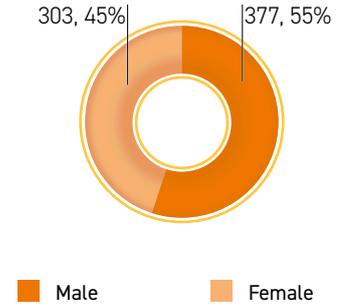
Permanent Employees



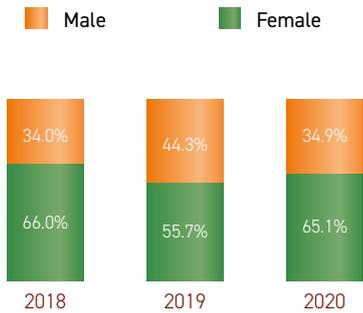
Employees by Category - 2020



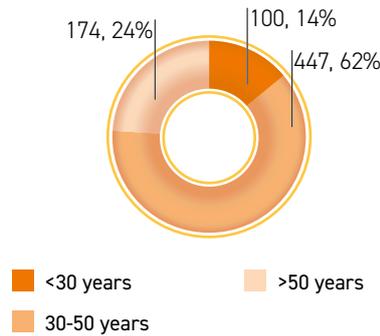
Gender Diversity (Full Time Employees) - 2020



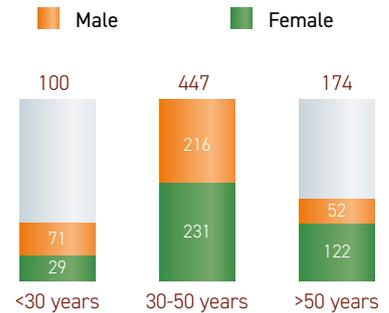
Gender Diversity of Supervisors and Manager



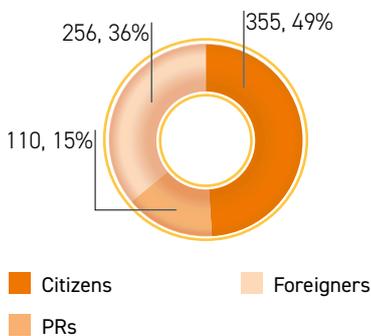
Employees by Age Group - 2020



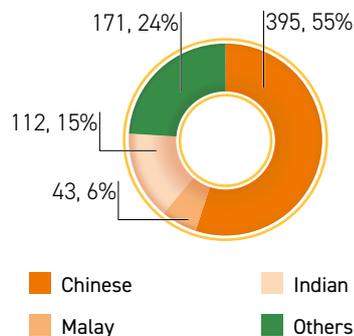
Number of Employees by Age and Gender - 2020



Employees Profile - 2020



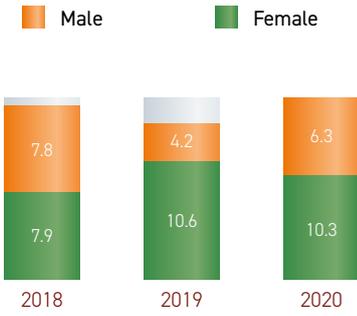
Ethnic Diversity - 2020



Average Training Hours per Employee



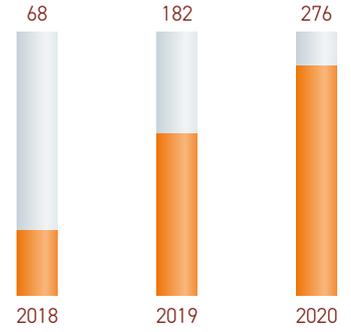
Average Training Hours by Gender



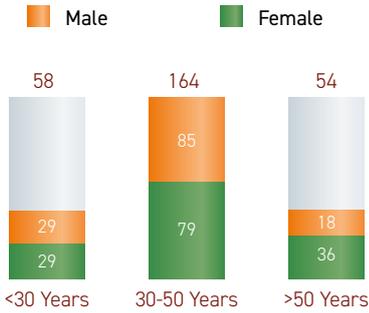
Average Training Hours by Employment Category - 2020



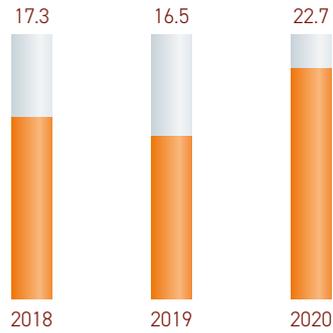
New Hiring



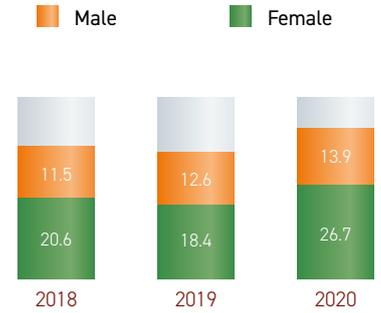
New Hire by Age and Gender - 2020



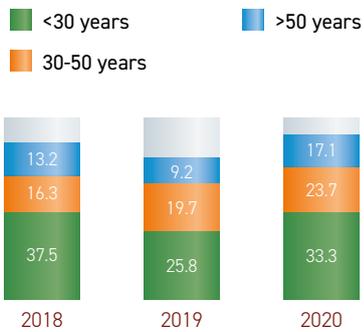
Employee Turnover Rate (%) (Construction, Property Development and Corporate)



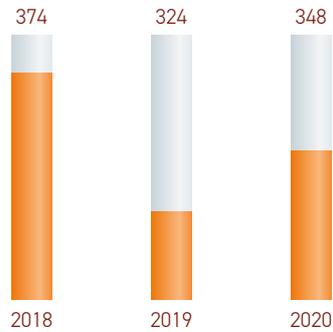
Employee Turnover Rate by Gender (%) (Construction, Property Development and Corporate)



Employee Turnover Rate by Age Group (%) (Construction, Property Development and Corporate)



Foreign Construction Workers



QUALITY AND SAFETY

We are committed to high standards of quality in construction and property development.

Chip Eng Seng has established a reputation for adopting high quality and safety standards in construction and development projects. We regularly invest in the most advanced and efficient construction technologies available to deliver high quality. We continuously upgrade and maintain our equipment to enhance safety, performance and productivity.

Public housing is a substantial component of our construction business. We understand the importance of ensuring high quality and workmanship for homeowners who invest their hard-earned income to buy a home. Delivering high-quality homes is crucial to our reputation.

We have a track record of completing all our projects ahead of schedule or within the target timeline.

SUSTAINABLE CONSTRUCTION

We continue to apply green building standards, principles and technologies in our projects. Our Group companies have won multiple awards for our environmental initiatives over the years, including the BCA Green and Gracious Builder Award.

INTERNATIONAL STANDARDS

Our various subsidiaries engaged in the construction business have obtained certifications to a range of international standards such as the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 that reflect our commitment to quality, environmental stewardship and workplace safety.

QUALITY AND SAFETY STANDARDS

We build our projects in strict compliance with building regulations and standards, including but not limited to structural stability, materials, workmanship and safety. We employ qualified and experienced teams of architects, engineers and technical staff to ensure that each project meets our stringent norms of quality and safety.

We have also implemented a robust defect management response policy to address any home buyers' complaints received within the defects liability period promptly. We take every complaint seriously, and the necessary rectification is carried out in a timebound manner after joint inspections.

SUPPLIERS AND SUB-CONTRACTORS

Our supply chain mainly comprises contractors and sub-contractors, and vendors for building materials and supplies. We regularly engage with our sub-contractors to promote safe work practices through meetings, reviews, training and briefing sessions to help them achieve the required QEHS standards.

Our QEHS policies cover our sub-contractors to ensure safety and compliance at our construction sites. We have introduced a supplier evaluation survey to assess their credentials, including their safety competence. All of our sub-contractors are certified to bizSAFE Level 3 or above.

We strive to use environmentally sustainable materials certified under the Singapore Green Labelling Scheme. It is a pre-requisite for all suppliers to meet the green product specifications before getting invited for our projects' tender or supply.

We review sub-contractors' QEHS performance every six months. We have also instituted annual awards to recognise subcontractors for their QEHS excellence.

Our commitment to green construction is a core aspect of our sustainability approach. We are continually looking out for new products and materials that are more energy efficient or have lower greenhouse gas emissions and exploring new options with our supply chain partners.

CUSTOMER SAFETY

The health, safety, and security of our tenants, customers, and visitors at the buildings we manage are also a top priority. Our policies and measures ensure fire and elevator safety, access for people with disability, asset security, disaster management and emergency procedures.

In 2020, there were no incidents of non-compliance concerning the health and safety involving customers, tenants or visitors at properties in Singapore that we own and manage.

DATA PRIVACY

The Group is committed to safeguarding personal data, including customers' and employees' personal information. We have implemented policies and measures to manage personal data to comply with Singapore's Personal Data Protection Act.

In 2020, a two-day course on the Fundamentals of Personal Data Protection Act was attended by 12 of our managers who will champion privacy and data protection policies in the Group.

Our Ongoing Annual Target	Performance in 2020
Zero breaches of customer privacy and losses of customer data.	There were no confirmed cases concerning breach of customer privacy or loss of customer data.

OUR COMMUNITY

We are committed to being a responsible corporate citizen.

We believe it is essential for us to build a trusted relationship with the local communities by reaching out to the needy. Our corporate social responsibility activities have also helped to forge a stronger bond amongst our employees, customers and beneficiaries.

We support various social causes, the arts, education, healthcare, and the environment through our community outreach. We partner with Singapore's construction community and non-profit organisations to support multiple philanthropic programmes through giving and fundraising efforts. Our employees also volunteer in community initiatives.

In 2020, the COVID-19 pandemic affected charity events and volunteering activities due to social distancing restrictions and lockdowns. However, we continued to provide cash donations towards various philanthropic causes where possible.

Food from the Heart, a non-profit food charity in Singapore dedicated to alleviating hunger for the less fortunate, runs a food distribution programme to the needy. With volunteer numbers being hit by the Covid-19 pandemic, our employees at Park Hotel Alexandra came forward to help behind the scenes to prepare food care packs.

FUTURE TALENT

We offer internship opportunities to university and polytechnic students to help them gain practical working experience. We provided internship opportunities for a period ranging between 16 and 20 weeks to 5 undergraduate and polytechnic students during 2020.

We support the BCA-Industry iBuildSG Scholarship / Sponsorship programmes that aim to nurture future talent for the industry. The Group continued to provide sponsorship for BCA-Industry iBuildSG Undergraduate Scholarship for five students.

GRI CONTENT INDEX

GRI Content Index 'In accordance' - Core

GRI Standard	Disclosure	Page Number(s)
GRI 101: Foundation 2016 (GRI 101 does not include any standards)		
GRI 102: General Disclosures 2016		
Organisational Profile		
GRI 102-1	Name of the organisation	Cover page, 2
GRI 102-2	Activities, brands, products, and services	2
GRI 102-3	Location of headquarters	Singapore
GRI 102-4	Location of operations	2, 12-13, 30-31
GRI 102-5	Ownership and legal form	2, 212-213
GRI 102-6	Markets served	2, 11-13, 18-21
GRI 102-7	Scale of the organisation	2, 12-13, 14-15, 42, 58, 120-121
GRI 102-8	Information on employees and other workers	42, 54, 58
GRI 102-9	Supply chain	60
GRI 102-10	Significant changes to the organisation and its supply chain	20, 32-33
GRI 102-11	Precautionary Principle or approach	48
GRI 102-12	External initiatives	47, 49, 60
GRI 102-13	Membership of associations	45
Strategy		
GRI 102-14	Statement from senior decision-maker	4-7
GRI 102-15	Key impacts, risks, and opportunities	46-47
Ethics and Integrity		
GRI 102-16	Values, principles, standards, and norms of behaviour	39, 97
GRI 102-17	Mechanisms for advice and concerns about ethics	97
Governance		
GRI 102-18	Governance structure	22-27, 39, 72, 74-77
GRI 102-19	Delegating authority	39, 71-72
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	39
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	44-45, 100
GRI 102-22	Composition of the highest governance body and its committees	22-27, 72, 74-76
GRI 102-23	Chair of the highest governance body	76
GRI 102-24	Nominating and selecting the highest governance body	78
GRI 102-25	Conflicts of interest	39, 70

GRI Content Index
'In accordance' - Core

GRI Standard	Disclosure	Page Number(s)
GRI 101: Foundation 2016		
(GRI 101 does not include any standards)		
GRI 102: General Disclosures 2016		
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	39, 69
GRI 102-27	Collective knowledge of highest governance body	70–71
GRI 102-28	Evaluating the highest governance body's performance	87
GRI 102-29	Identifying and managing economic, environmental, and social impacts	39, 69
GRI 102-30	Effectiveness of risk management processes	69, 92–95
GRI 102-31	Review of economic, environmental, and social topics	39
GRI 102-32	Highest governance body's role in sustainability reporting	39
GRI 102-33	Communicating critical concerns	100
GRI 102-35	Remuneration policies	87–90
GRI 102-36	Process for determining remuneration	87–90
Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	44–45
GRI 102-41	Collective bargaining agreements	57
GRI 102-42	Identifying and selecting stakeholders	44
GRI 102-43	Approach to stakeholder engagement	44–45
GRI 102-44	Key topics and concerns raised	44–45
Reporting Practice		
GRI 102-45	Entities included in the consolidated financial statements	127–134
GRI 102-46	Defining report content and topic Boundaries	46–47
GRI 102-47	List of material topics	46–47
GRI 102-48	Restatement of information	38
GRI 102-49	Changes in reporting	46
GRI 102-50	Reporting period	38
GRI 102-51	Date of most recent report	April 2020
GRI 102-52	Reporting cycle	38
GRI 102-53	Contact point for questions regarding the report	38
GRI 102-54	Claims of reporting in accordance with the GRI Standards	38
GRI 102-55	GRI content index	62–67
GRI 102-56	External assurance	38

GRI CONTENT INDEX

GRI Content Index 'In accordance' - Core		
GRI Standard	Disclosure	Page Number(s)
ECONOMIC TOPICS		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	16-17
	103-2 The management approach and its components	16-17
	103-3 Evaluation of the management approach	16-17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14-15, 118-120
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	39, 46-47
	103-3 Evaluation of the management approach	39
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	39
	205-3 Confirmed incidents of corruption and actions taken	39
ENVIRONMENTAL TOPICS		
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	49
	103-2 The management approach and its components	49
	103-3 Evaluation of the management approach	49
GRI 301: Materials 2016	301-1 Materials used by weight or volume	49
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-48
	103-3 Evaluation of the management approach	48
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	48, 51-53
	302-3 Energy intensity	48, 51-53
Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 49-52
	103-3 Evaluation of the management approach	49-50
Management Approach Disclosures 2018	303-1 Interactions with water as a shared resource	49-50
	303-2 Management of water discharge-related impacts	50
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	50-51

GRI Content Index
'In accordance' - Core

GRI Standard	Disclosure	Page Number(s)
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 49-52
	103-3 Evaluation of the management approach	49-50
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	49
	305-2 Energy indirect (Scope 2) GHG emissions	49, 51-53
	305-4 GHG emission intensity	51-52
Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 49
	103-3 Evaluation of the management approach	49
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal methods	49
Management Approach Disclosures 2020	306-1 Waste generation and significant waste-related impacts	49
	306-2 Management of significant waste-related impacts	49
GRI 306: Waste 2020	306-3 Waste generated	49
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47
	103-3 Evaluation of the management approach	50
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	50
SOCIAL TOPICS		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 54-55
	103-3 Evaluation of the management approach	54-55
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	54
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	55

GRI CONTENT INDEX

GRI Content Index 'In accordance' - Core		
GRI Standard	Disclosure	Page Number(s)
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 55-56
	103-3 Evaluation of the management approach	55-56
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	55
	403-2 Hazard identification, risk assessment, and incident investigation	55
	403-3 Occupational health services	55
	403-4 Worker participation, consultation, and communication on occupational health and safety	55
	403-5 Worker training on occupational health and safety	55
	403-6 Promotion of worker health	55
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	55
	403-9 Work-related injuries	56
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 54-55
	103-3 Evaluation of the management approach	54-55
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	54, 58-59
	404-3 Percentage of employees receiving regular performance and career development reviews	54
Diversity and Equal Opportunities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	54
	103-2 The management approach and its components	54
	103-3 Evaluation of the management approach	54
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	54, 58-59
Non-Discrimination		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	57
	103-2 The management approach and its components	57
	103-3 Evaluation of the management approach	57
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	57

GRI Content Index
'In accordance' - Core

GRI Standard	Disclosure	Page Number(s)
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	61
	103-2 The management approach and its components	61
	103-3 Evaluation of the management approach	61
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	61
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	60
	103-2 The management approach and its components	60
	103-3 Evaluation of the management approach	60
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	60
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 60
	103-3 Evaluation of the management approach	60
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	60
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	46-47, 60
	103-3 Evaluation of the management approach	60
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	60
Socio-Economic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	46
	103-2 The management approach and its components	39, 46-47
	103-3 Evaluation of the management approach	39
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	39

ENGINEERING & CONSTRUCTION SERVICES

Sustainability Accounting Standard

Topic	SASB Code	Accounting Metric	Page Reference
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	50
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	48–50
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	To be disclosed in future report
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	To be disclosed in future report
Workforce Health & Safety	IF-EN-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	56
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Zero
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	48–50
Business Ethics	IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Zero
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	39
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	39

Activity Metric	SASB Code	Page Reference
Number of active projects	IF-EN-000.A	28–29
Number of commissioned projects	IF-EN-000.B	29
Total backlog	IF-EN-000.C	167