



集永成机构有限公司
CHIP ENG SENG CORPORATION LTD



SUSTAINABILITY REPORT 2018

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ABOUT THIS REPORT



This is Chip Eng Seng Corporation Ltd's ("Chip Eng Seng" or the "Group") second annual sustainability report. The report covers Chip Eng Seng's performance on the Group's material Environmental, Social and Governance ("ESG") factors.

This report supplements Chip Eng Seng's Annual Report 2018 that includes detailed information about the Group's financial performance and corporate governance. The Annual Report 2018 may be viewed on our website www.chipengseng.com.sg.

REPORTING PERIOD AND SCOPE

We publish our sustainability report annually. This report contains ESG performance for the period 1 January 2018 to 31 December 2018. Unless indicated otherwise, the ESG data included in this report mainly focuses on Chip Eng Seng's construction and property development business in Singapore which contribute to 92% of the total Group revenue. This report excludes overseas entities and the hospitality division.

REPORTING FRAMEWORK

This report has been prepared in accordance with the GRI Standards: Core option.

We have used the Global Reporting Initiative's GRI Standards and the SGX Sustainability Reporting Guide to prepare this report. The report complies with the SGX-ST Listing Rules (711A and 711B). We have included a GRI Content Index and an SGX Primary Components Index at the end of the report to indicate the location of the material ESG disclosures.

We have applied the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard to calculate and report Chip Eng Seng's greenhouse gas emissions. We have also mapped our material ESG factors with the UN Sustainable Development Goals (SDGs) to indicate our contribution.

REPORTING PRINCIPLES

The 10 reporting principles prescribed in the GRI Standards (GRI 101: Foundation 2016) have been applied to develop the content of this report. In applying the reporting principles, we have considered stakeholder inclusiveness and materiality to present a complete and concise account of our ESG impacts, risks and opportunities.

We have applied the principles of accuracy, balance, clarity, comparability, reliability and timeliness to maintain quality of the information included in the report.

ESG data provided in the report has mainly been extracted from internal information systems and primary records to ensure accuracy and consistency. International measurement units have been used for presenting the ESG data. Financial figures are in Singaporean dollars unless specified otherwise.

RESTATEMENTS

The report does not include any material restatements except for a minor adjustment of the greenhouse gas emissions data for 2016 and 2017 owing to the revision in the grid emission factors by the Energy Market Authority, Singapore published in 2018.

ASSURANCE

We have developed the content of this report in accordance with the GRI Standards. We have not obtained external assurance for the content of this report. Instead, we have relied on internal verification to ensure the accuracy of the data. External assurance for future reports remains under consideration.

AVAILABILITY

This report is available in PDF format for download on our 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

Chip Eng Seng’s Board of Directors (the “Board”) considers sustainability issues as part of its strategy formulation. The Board has the responsibility to determine the material ESG factors and disclosures for sustainability reporting. The Board has reviewed and approved the material ESG factors presented in this report. The Board has also provided oversight of the management and monitoring of these material ESG factors, through regular review of performance indicators.

The Board is committed to ensuring that the Group adopts policies and practices that safeguard the environment, people and communities while undertaking its business activities. The Board regularly assesses the risks and

opportunities arising from the Group’s material ESG issues to determine appropriate strategies for sustainable growth of its business.

SUSTAINABILITY GOVERNANCE

Chip Eng Seng Group’s Board of Directors provides strategic direction for determining and implementing sustainability policies. A Sustainability Management Committee (SMC), chaired by the chief executive officer with the chief financial officer as the deputy chairman, oversees sustainability management across the Group. Senior representatives from the construction and property development divisions and the human resources department actively contribute to the sustainability programme.

The SMC provides a regular update to the Board on the implementation of sustainability strategies and is assisted by a project team with executives drawn from across diverse business functions. The project team is responsible for collecting sustainability performance data for monitoring and reporting. A senior executive acts as project coordinator and works closely with the project team to ensure the necessary ESG performance data is gathered for sustainability reporting.

Board of Directors

Sustainability Management Committee

Chairman: Chief Executive Officer

Deputy Chairman: Chief Financial Officer

Sustainability Reporting Project Team

ABOUT CHIP ENG SENG



Chip Eng Seng is one of Singapore's leading construction and property groups with businesses spanning across construction, property development, property investment, hospitality and education.

Its operations are geographically diversified in the Asia-Pacific region, with a key focus on Singapore, and strategic presences in Australia, Malaysia, Vietnam, Maldives and New Zealand.

Chip Eng Seng is listed on the mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) since 1999. The Group reported \$1.08 billion in total revenue for FY2018. Property Development and Construction segments contributed 92% of the total revenue in the reported year.

The Company has over 30 years of experience in general construction. The Group is engaged in the development of residential, commercial and industrial properties. In 1982, the company

won its first Singapore Housing and Development Board (HDB) project as a main contractor. With that, the company continued to establish its position in HDB public housing construction.

Over the years, the company has built a reputation and track record in Singapore as a specialist in high-contract-value projects. The company has also executed several "Design and Build" total turnkey projects for a number of established developers.

The Group's construction business is undertaken by Chip Eng Seng Contractors (1988) Pte Ltd (CESC) and CES Engineering & Construction Pte. Ltd. while CEL Development Pte. Ltd. (CEL) is its property development arm.

HOSPITALITY

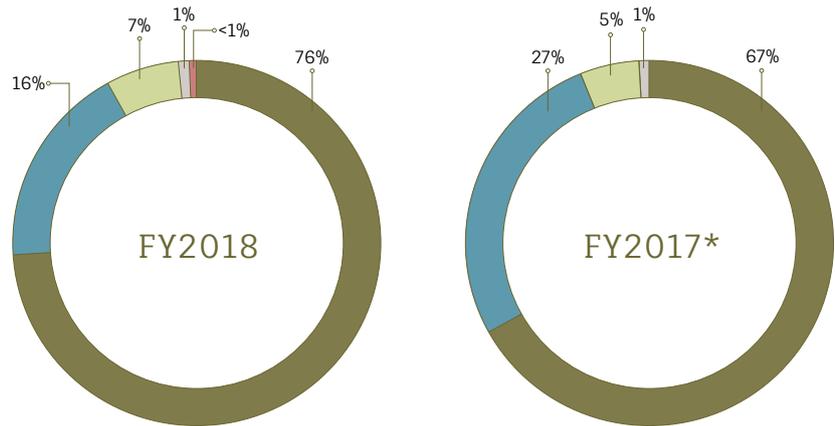
The Group’s Hospitality Division portfolio comprises Park Hotel Alexandra in Singapore, Grand Park Kodhipparu Resort, The Sebel Mandurah Hotel and Mercure & Ibis Styles Grosvenor Hotel in Australia.

EDUCATION

In 2018, the Group diversified into the education sector. The Group, through it’s wholly-owned subsidiary, CES Education Pte. Ltd. (“CES Education”) acquired a 70%-equity stake in White Lodge Education Group Services (“White Lodge”), which was completed in August 2018. White Lodge operates eight preschool centres in Singapore and two preschool centres in Kuala Lumpur, West Malaysia. CES Education is also in collaboration with Repton International Schools Ltd to establish international kindergartens under the “Repton School House” brand name in certain countries with the Asia Pacific region.

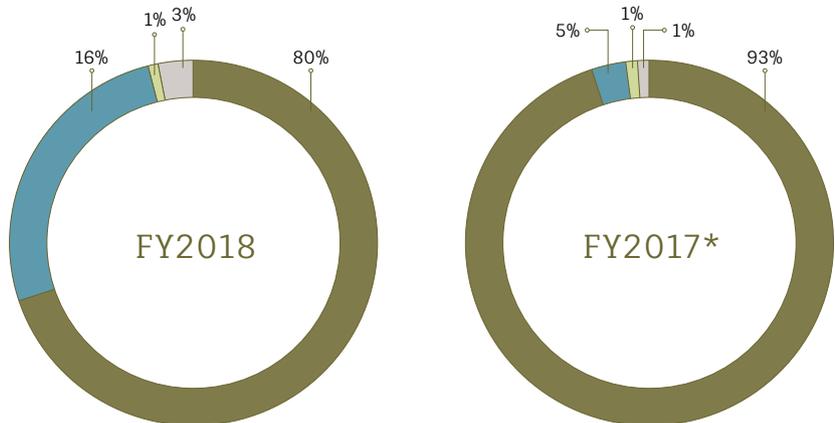
REVENUE BY BUSINESS SEGMENT

- Property Developments
- Construction
- Hospitality
- Property Investments & Others
- Education



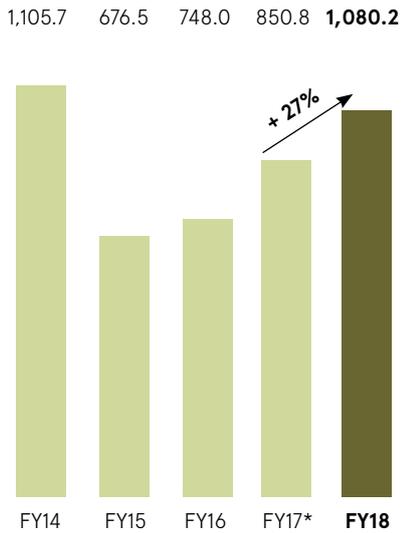
REVENUE BY GEOGRAPHICAL SEGMENT

- Singapore
- Australia
- Malaysia
- Maldives

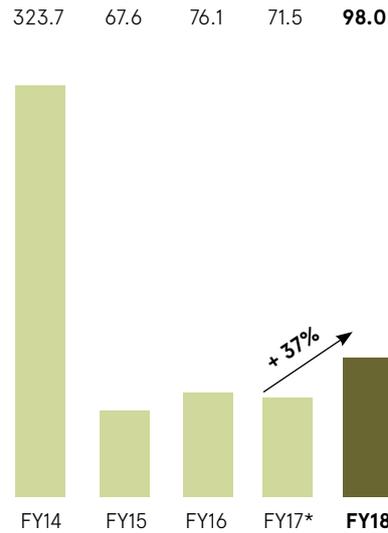


* Comparatives for 2017 have been restated to take into account the retrospective adjustments relating to SFRS(I)

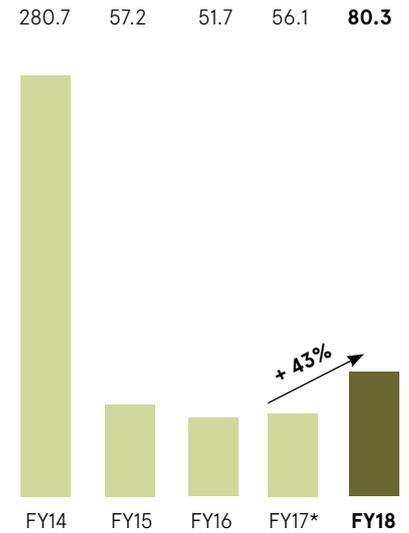
TURNOVER
(\$ Million)



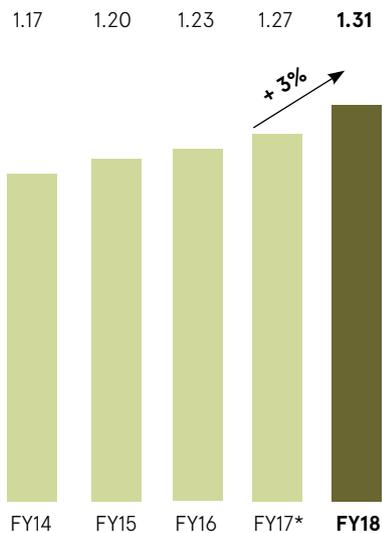
PROFIT BEFORE TAX
(\$ Million)



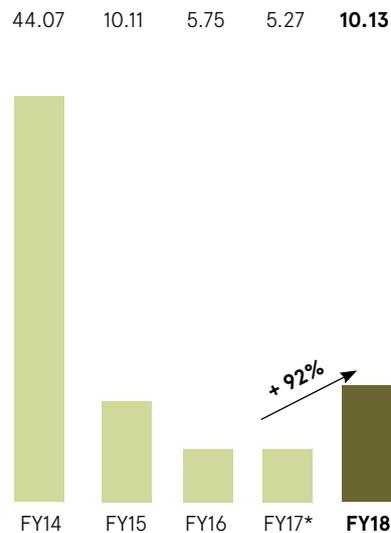
PROFIT AFTER TAX
(\$ Million)



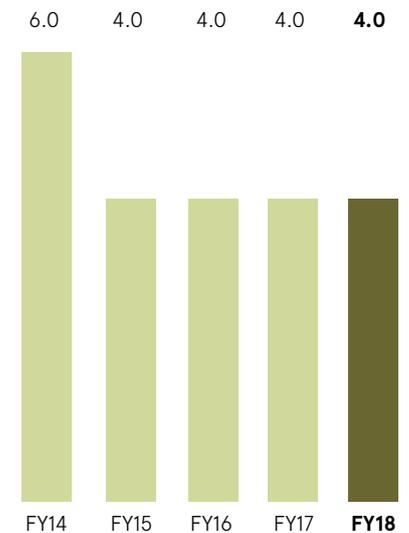
NET ASSET VALUE PER SHARE
(\$)



EARNING PER SHARE
(Cents)



DIVIDEND PER SHARE
(Cents)



* Comparatives for 2017 have been restated to take into account the retrospective adjustments relating to SFRS(I)

WINNING ACCOLADES

Our total commitment to quality, safety and sustainable development has won our Group several awards and recognitions over the years. Listed below are our most recent honours.

2018	
Winner	HDB Construction Safety Award 2018 for Sembawang Neighbourhood 1 Contract 10
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 Neighbourhood 6 Contract 1A&1B
Winner	WSH Safety and Health Award Recognition for Projects (SHARP) Award for Marsiling Greenview, Woodlands Neighbourhood 1 Contract 26&27
Winner	WSH Safety and Health Award Recognition for Projects (SHARP) Award for Alkaff Oasis, Bidadari C6
Commendation	WSH CultureSAFE for Bidadari C6/C7 Alkaf Oasis
Commendation	WSH CultureSAFE for Marsiling Greenview, Woodlands
Merit	SCAL Productivity & Innovation Award to CES Engineering & Construction Pte Ltd
2017	
Excellent	BCA Green and Gracious Builder Award awarded to CES Engineering & Construction Pte Ltd
Excellent	BCA Green and Gracious Builder Award awarded to Chip Eng Seng Contractors (1988) Pte Ltd
Commendation	WSH Culturesafe (Certificate of Commendation) for Bukit Batok N1C13 Skyline 1
Commendation	WSH Culturesafe (Certificate of Commendation) for Sembawang N1C10 East Crown@ Canberra
Gold Plus	BCA BIM Award (Builder) for CES Engineering & Construction Pte Ltd – Grandeur Park Residences
Winner	HDB Construction Safety Award (Building Category) for Bukit Batok N1C13 & N2C23
Winner	HDB Construction Safety Award (Building Category) for Jurong West N6C31
Winner	WSH SHARP Award for Sembawang N1C10 (East Crown @ Canberra)
Winner	WSH SHARP Award for Bukit Batok N1C13 (Skyline I)
2016	
Commendation	WSH Culturesafe (Certificate of Commendation) for Yishun Mixed Development (Junction Nine & Nine Residences)
Merit	SCAL Innovation & Productivity Award to Chip Eng Seng Contractors (1988) Pte Ltd (Woodlands N1C26&27)
Winner	WSH Award Performance-SHARP Winner for Yishun Mixed Development (Junction Nine & Nine Residences)
Winner	WSH Award Performance-SHARP Winner for Fulcrum @Fort Road
Gold	BCA Construction Productivity Awards - Yishun Acacia Breeze
Merit	HDB Construction Award (Certificate of Merit) for Bukit Panjang N4C15 (Fajar Hills)
Merit	HDB Construction Safety Award for Bukit Panjang N4C15

Please visit our website www.chipengseng.com.sg/awards to see the full listing of our awards and commendations since 1994.

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE



I am pleased to present Chip Eng Seng's second sustainability report.

We remain committed to sustainably growing our business. We recognise the growing importance of good performance on environmental, social and governance (ESG) issues for a range of stakeholders. Our sustainability approach takes into account the ESG impacts, risks and opportunities associated with our business activities.

The Sustainable Development Goals (SDGs), adopted by all United Nations Member States in 2015, provide a roadmap to ensure peace and prosperity for people and the planet. We have aligned our material sustainability issues with the relevant SDGs to track our contribution to sustainable development.

We are fully supportive of Singapore's action to fight climate change. We continue to adopt green building designs that help reduce greenhouse

gas emissions from buildings we construct.

Our business focus is on creating short, medium and long-term value for a host of stakeholders including customers, employees, suppliers and sub-contractors, government agencies and investors. As such, an integral part of our business practice is ongoing engagement with our stakeholders to understand their expectations.

In line with our broader approach to sustainability, we have implemented policies and practices that aim to continuously improve energy efficiency, water conservation, waste management, workplace safety and the health and well-being of our employees.

Workplace safety and health, a critical issue for the construction sector, is a top priority for us. We closely monitor the safety performance at our construction sites. In 2018, we

continued to win multiple awards that recognised our commitment to workplace safety and health.

Our commitment to customers focuses on maintaining high standards of quality and workmanship in construction and completing projects on time or ahead of schedule.

As sustainability reporting is a new initiative for us, we are strengthening our internal management systems to improve methods for collecting and reporting sustainability performance data.

Through this sustainability report, we wish to share Chip Eng Seng's performance on material sustainability topics with our stakeholders.

Thank you.

MR CHIA LEE MENG RAYMOND PBM
Group Chief Executive Officer
30 May 2019

PERFORMANCE SUMMARY

MATERIAL ESG FACTORS	2016	2017	2018
Environmental			
Carbon emissions at construction sites (tCO ₂)	3,836	4,078	4,191
Carbon emissions intensity at construction sites (KgCO ₂ /m ²)	18	20	21
Electricity used at construction sites (kWh)	751,481	1,155,279	1,504,841
Energy used at construction sites (GJ) ¹	53,854	56,417	56,766
Energy intensity at construction sites (GJ/m ²)	0.259	0.271	0.280
Construction waste (tonnes)	4,448	5,830	5,499
Construction waste (kg/m ²)	21	28	27
Water used at construction sites (m ³)	141,541	173,964	184,741
Water used at construction sites (m ³ /m ²)	0.68	0.83	0.91
Social			
Employees			
Full-time employees ²	368	361	369
Female employees (%)	30	32	36
Female managers and supervisors (%)	29	31	34
Average training hours per employee	6.9	8.6	7.9
Training expenditure per employee (S\$)	196	275	209
Annual employee turnover rate (%)	21.6	16.8	17.3
New hires	34	53	68

PERFORMANCE SUMMARY

MATERIAL ESG FACTORS	2016	2017	2018
Occupational Health and Safety³			
Accident Frequency Rate (AFR)	0.3	0.6	0.6
Workplace Injury Rate (WIR)	57.9	148.1	186.2
Accident Severity Rate (ASR)	19.1	16.1	26.0
Occupational Disease Rate	0	0	0
Fatal Accidents	0	0	0
Community			
Community donations (\$)	300,307	278,373	153,799
ECONOMIC PERFORMANCE (\$'000)			
Revenue by segment			
Sale of development properties	411,727	571,682	828,638
Construction	298,213	230,394	169,850
Others	38,055	48,733	81,746
Total Revenue	747,995	850,809	1,080,234
Profit for the year	51,724	56,161	80,250
Employee wages and benefits	56,114	62,688	72,626
Income taxes paid	34,244	22,257	5,809
Dividends to shareholders	24,841	24,841	24,841

Notes:

1. Energy and carbon emissions data includes purchased electricity and fuel consumption
2. Full-time employees represent staff from Corporate, Construction, Property Development and Education Divisions in Singapore
3. 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)

OUR STAKEHOLDERS

OUR APPROACH IS TO FORGE TRUSTED RELATIONSHIPS WITH OUR STAKEHOLDERS

We firmly believe that forging good relationships with our stakeholders is crucial for the sustainable growth of our business. Our stakeholders are those who may be impacted by our business activities or who may influence our business. Our key stakeholders include customers, employees, government, investors, suppliers and local communities.

We actively engage with our stakeholders to understand their expectations of us. Our approach is to foster trusted relationships with our stakeholders through listening to their views and opinions and by responding to their concerns.

Although we did not engage our external stakeholders specifically for the preparation of this report, we have used the insight gathered from our ongoing interactions with them. The frequency of ongoing engagement with various stakeholders depends on mutual needs and expectations.

Our stakeholder engagement is described in the table below.

Stakeholders	Expectations	How We Engage
Customers (Home buyers and tenants)	<p>Home buyers</p> <ul style="list-style-type: none"> · Good workmanship · Good quality and design · Prompt rectification · Clear communication · Timely completion of projects · Legal and contractual compliance <p>Tenants</p> <ul style="list-style-type: none"> · Workplace safety and health · Good management of facilities 	<ul style="list-style-type: none"> · Regular project updates · Tenancy agreements · Customer service · Website · Submission of performance survey reports
Employees	<ul style="list-style-type: none"> · Job security · Workplace safety and health · Training and development · 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 agencies and regulators	<ul style="list-style-type: none"> · Compliance with environmental and safety standards · Green buildings · Productivity · Sustainability reporting 	<ul style="list-style-type: none"> · Compliance updates · Timely data reporting · Attending seminars to understand government policies and regulations · Participating in government committees · Sustainability reports

OUR STAKEHOLDERS

Stakeholders	Expectations	How We Engage
Investors and shareholders	<ul style="list-style-type: none"> · Return on investment · Corporate governance · Risk management · Sustainable business growth · Business diversification · ESG performance 	<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
Community	<ul style="list-style-type: none"> · Minimal disruptions due to Group's project work · Minimal dust and noise generated due to construction · 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 engage with relevant industry associations and forums to keep abreast of sector trends and emerging issues. Some of the associations to which our Group contributes as a member are listed below:

- Singapore Chinese Business Association
- Singapore Business Federation
- Singapore China Friendship Association
- Singapore National Employers Federation
- Singapore Institute of Directors
- The Singapore Contractors Association
- Singapore Institute of Surveyors and Valuers
- Singapore Chinese Chamber of Commerce & Industry
- Real Estate Developers' Association of Singapore

SUSTAINABILITY APPROACH



Our approach is to manage our economic, environmental and social impacts, risks and opportunities to support sustainable growth of business

Our approach is to integrate sustainability at all stages of our building projects. We focus on the material impact of our business activities on the economy, the environment and society to maximise value for our stakeholders.

The building industry has significant positive and negative impacts on the economy, environment and communities. It is estimated that buildings account for 30% of global energy use and produce 40% of the total global greenhouse gas (GHG) emissions. The sector also consumes significant resources and materials including sand, cement, water, wood, stones and steel.

On the positive side, the sector plays an important role in the development of housing, industrial and business infrastructure needed for economic growth and to meet societal needs. The industry also creates a large number of skilled, semi-skilled and unskilled jobs.

CES plays an important role in the development of public housing in Singapore. Constructing the Housing Development Board's (HDB) affordable public housing in Singapore constitutes the bulk of our construction business. We adhere to the standards set by HDB as well as the Building and Construction Authority (BCA) which include

SUSTAINABILITY APPROACH

environmental, safety and community parameters.

We partner with BCA to adopt and implement green design and construction technologies so as to minimise emissions and promote sustainable living environments. We also work closely with HDB to develop sustainable homes.

SUPPORTING SUSTAINABLE DEVELOPMENT GOALS

We support the United Nations Sustainable Development Goals (SDGs) which set the 2030 Agenda for Sustainable Development and have mapped our operations with the 17 SDGs and identified the goals where we can make a contribution. We have also aligned our material ESG factors

with relevant SDGs, and are working toward tracking our progress and ESG performance in relation to these SDGs.

MITIGATING CLIMATE CHANGE

We are supportive of Singapore's pledge to reduce the nation's emissions intensity by 36% from 2005 levels by 2030 and stabilise the country's greenhouse gas emissions with the aim of peaking around 2030. Singapore has also introduced the Climate Action Plan and Sustainable Singapore Blueprint to transition to a low carbon economy.

Our approach is to maximise energy efficiency to minimise the emissions footprint from the buildings we construct, develop or manage.

OUR APPROACH TO MATERIALITY

We conducted our first materiality assessment in 2017 to identify Chip Eng Seng's significant impacts on the economy, the environment and society while developing our inaugural sustainability report. Senior management representatives from all business units and functions attended a materiality workshop conducted by an external sustainability expert to review and assess stakeholder concerns and the critical sustainability issues relating to our business activities. These material factors were included in our 2017 Sustainability Report.



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We have reviewed the material issues reported in our 2017 Sustainability Report and have determined that they remain valid for our 2018 Sustainability Report.

An overview of our material topics, where they occur and how they relate to the SDGs is provided below.

MATERIAL ESG FACTORS

Material Topics (GRI Standards)	The Organisation's Involvement	Business Division Where Material	Corresponding SDGs
Environment			
Energy	Direct and Indirect	<ul style="list-style-type: none"> • Construction • HQ-CES Centre 	13 Climate Action 
GHG Emissions	Direct and Indirect	<ul style="list-style-type: none"> • Construction • HQ-CES Centre 	13 Climate Action 
Waste	Direct and Indirect	<ul style="list-style-type: none"> • Construction • HQ-CES Centre 	11 Sustainable Cities and Communities 
Water	Direct and Indirect	<ul style="list-style-type: none"> • Construction • HQ-CES Centre 	6 Clean Water and Sanitation 
Materials	Direct and Indirect	<ul style="list-style-type: none"> • Construction 	12 Responsible Consumption and Production 
Environmental Compliance	Direct and Indirect	<ul style="list-style-type: none"> • Construction 	16 Peace, Justice and Strong Institutions 

MATERIAL ESG FACTORS

Material Topics (GRI Standards)	The Organisation's Involvement	Business Division Where Material	Corresponding SDGs
Employees			
Occupational Health and Safety	Direct and Indirect	<ul style="list-style-type: none"> • Construction • Chip Eng Seng Group 	3 Good Health and Well-Being 
Employment	Direct and Indirect	<ul style="list-style-type: none"> • Chip Eng Seng Group 	8 Decent Work and Economic Growth 
Employee Training and Development	Direct	<ul style="list-style-type: none"> • Chip Eng Seng Group 	4 Quality Education 
Diversity and Equal Opportunity	Direct	<ul style="list-style-type: none"> • Chip Eng Seng Group 	5 Gender Equality 
Human Rights	Direct and Indirect	<ul style="list-style-type: none"> • Chip Eng Seng Group 	8 Decent Work and Economic Growth 

MATERIAL ESG FACTORS

Material Topics (GRI Standards)	The Organisation's Involvement	Business Division Where Material	Corresponding SDGs
Customers			
Customer Privacy	Direct	• Property Development	16 Peace, Justice and Strong Institutions 
Economic			
Economic Performance	Direct and Indirect	• Chip Eng Seng Group	9 Industry, Innovation and Infrastructure  11 Sustainable Cities and Communities 
Anti-corruption	Direct	• Chip Eng Seng Group	16 Peace, Justice and Strong Institutions 
Socio-economic Compliance	Direct and Indirect	• Chip Eng Seng Group	16 Peace, Justice and Strong Institutions 

ESG GOALS AND TARGETS

We are focused on minimising the ESG risks in our operations and maximising value for our stakeholders to support long-term business growth and profitability.

We have implemented measures for tracking, monitoring and reporting our sustainability performance. We have also established broad goals for material ESG factors. We are in the process of developing specific ESG targets to measure future progress.

An outline of our ESG goals and targets for the forthcoming year is presented below.

Regulatory Compliance	<ul style="list-style-type: none"> • Ensure regulatory compliance across our businesses
Environment	<ul style="list-style-type: none"> • Minimise the environmental impact of our business activities by adopting green building practices • Reduce energy consumption at our construction sites and at properties that we directly control or manage • Minimise waste at our construction sites, reusing and recycling materials whenever possible • Adopt practices to save and conserve water • Take measures to reduce noise and dust during construction
Safety and Health	<ul style="list-style-type: none"> • Implement measures to identify, manage and mitigate workplace health and safety risks • Ensure safe work practices at our construction sites • Provide a safe and healthy work environment for our employees • Protect the health and safety of our tenants, customers and visitors
Employees	<ul style="list-style-type: none"> • Promote fair and inclusive employment practices • Invest in cultivating the right skills through employee training and development
Product responsibility	<ul style="list-style-type: none"> • Ensure residential and commercial spaces built by us offer high quality materials and workmanship as well as safe living • Maintain high standards of customer service
Economic performance	<ul style="list-style-type: none"> • Ensure sustainable growth and profitability for investors • Create value for all stakeholders



Artist's Impression of
Park Colonial

Our approach is to mitigate our environmental impact by adopting sustainable building designs, materials and technologies.

Buildings impact the environment throughout their lifecycle. Environmental impacts associated with our building construction work include energy use, water use, construction materials, waste generated from construction and demolition and the impact on the quality of air. However, these impacts can be minimised by adopting proper environmental policies, practices and technologies.

As awareness about environmental challenges grows, green building and sustainable living become important issues for our customers, tenants, employees, communities and the regulators.

Our Green and Gracious policy promotes activities and initiatives to prevent and minimise the environmental impacts associated with our building construction work.

MANAGEMENT OF ENVIRONMENTAL IMPACTS

Our policy is to minimise our environmental footprint by adopting sustainable building and construction practices. We focus on assessing and proactively managing the environmental impacts, risks and opportunities of our business activities. Our approaches include energy efficiency and resource conservation throughout our value chain by incorporating sustainable features. Our policies and practices are directed at embracing environmentally efficient methods and technologies.

We engage our employees, building authorities, and relevant stakeholders to seek feedback and suggestions relating to environmental issues. We also conduct periodic reviews of our environmental policies, projects and initiatives.

Our environmental efforts focus on energy, GHG emissions, materials selection, waste management, water conservation, wastewater recycling, and noise and dust containment.

We strive to constantly improve our environmental management system. We measure and track our environmental performance to identify opportunities for improvement. We collect and review data for energy, water and waste on a weekly basis. We have established goals and targets for these environmental metrics and review our progress regularly.

QUALITY, ENVIRONMENT, HEALTH AND SAFETY (QEHS) SYSTEM

Environmental management is a critical part of our Quality, Environment, Health and Safety (QEHS) system that focuses on continuous improvement. We have obtained ISO 14000 for our environmental management system that reflects our commitment to improving performance. Our Environmental Control Officers regularly assess the site work to ensure compliance with the applicable environmental and public health regulations.

CLIMATE CHANGE

Buildings consume a significant amount of energy and contribute to GHG emissions. Extreme weather patterns believed to be caused by global warming pose physical risks to buildings. We support the revised global goal of limiting the temperature rise well below 1.5° Celsius. We actively adopt green design, energy efficiency and resource conservation in our projects. Reducing carbon emissions is an essential element of our environmental management programme.

ENERGY

We mainly use grid electricity and diesel for running power generators at our construction sites. Our energy initiatives focus on minimising the consumption of electricity and diesel at construction sites. Reducing the energy intensity minimises our carbon footprint and also saves costs.

Electricity consumption at our construction sites was 1,504,841 kWh in 2018 as against 1,155,279 kWh in the prior year. Diesel consumption was 1,341,037 litres in 2018 compared with 1,353,843 litres in the preceding year. In 2018, energy intensity was 0.280 GJ/m² of Gross Floor Area built against 0.271 GJ/m² in the previous year.

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



Our Energy Efficiency Programmes

Energy saving initiatives adopted at our construction sites include:

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

GHG EMISSIONS

We track GHG emissions from our energy use and regularly review our performance.

Our total carbon dioxide (CO2) emission from construction activities in 2018 was 4,191 tonnes compared with 4,084 tonnes in 2017. Emissions intensity for the same period was 20.7 kgCO2/m2 and 19.6 kgCO2/ m2 respectively.

BUILDING MATERIALS

Efficient use of construction materials is crucial for us to minimise waste and improve the quality of buildings. We regularly review our use of materials to select materials which have a lower impact on the environment. For example, we use pre-cast concrete walls which are more efficient and reduce pollution at the construction site.

We also use a variety of sustainable materials with the Singapore Green Label that meets the Green Mark criteria established by BCA.

Our materials use in the stated period is summarised below:

Material Use	2016	2017	2018
Sand (tonnes) 	95,182	89,173	85,845
Cement (tonnes) 	52,631	47,751	42,935
Steel (tonnes) 	24,412	21,444	23,401

WASTE MANAGEMENT

Non-hazardous waste is primarily generated from our construction activities. Our approach is to reduce, reuse and recycle waste where practical. We dispose of waste through licensed contractors in accordance with the applicable regulations.

General waste from our construction activities in 2018 was 5,499 tonnes as against 5,830 tonnes in the preceding year.

GREEN MARK FEATURES

We incorporate a number of Green Mark features in our projects and use products with Singapore Green Label to minimise the impact on the environment.

Some of the green features and products used in our projects include 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, sub surface drainage cells, calcium silicate board for false ceiling / protection 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 steel works.

WATER CONSERVATION

We use water for construction as well as in the properties that we develop or manage. Our policy is to use water responsibly and implement conservation initiatives. Our measures include collecting rainwater to reduce the demand for fresh water, as well as reusing and recycling water. We install a silty water treatment system at sites to prevent water contamination. We use pre-cast concrete which has significantly reduced the need for the on-site use of water. We use water-efficient taps and fittings that have a 3-tick rating by the Public Utilities Board to save water. We install dual flush closets to reduce water use.

We monitor our water use, including the usage in our head office and CES Centre, and review our consumption regularly. In 2018, our water consumption at construction sites was 184,741m3 as against 173,964m3 in 2017. Water intensity for the same period was 0.91 m3/m2 and 0.83 m3/m2 respectively.

Our Water Efficiency Programmes

- Collecting rainwater to reduce the demand for fresh water, as well as reusing and recycling water at site;
- Rain water and recycled water treated before using to wash the area and discharge to public drains;
- Use of PUB certified taps with 3 tick rating;
- Closets with dual flush to increase water efficiency;
- Use of pre-cast concrete which significantly reduces on-site use of water;
- Use only "Singapore Green Label" cleaning products in canteens; and
- Eco-friendly natural products for toilet cleaning.

WASTEWATER

Wastewater is generated at our construction sites. We also monitor our wastewater to find ways to minimise it.

We collect, treat and dispose of wastewater according to environmental regulations. 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 rainwater. We reuse wastewater as well as rainwater to wash vehicles before they leave the construction site which also keeps the roads clean.

POLLUTION CONTROL

We take the necessary steps to minimise the noise, dust and vibrations resulting from construction activity, vehicles, heavy equipment and machinery at the construction sites. We ensure strict implementation of regulatory guidelines and industrial best practices. We constantly monitor our construction work to keep the noise under permitted levels. We ensure regular maintenance of the equipment and machinery to reduce noise. Our use of pre-cast concrete panels also helps in mitigating noise at our construction sites.

We closely supervise piling and demolition work to ensure that vibrations caused from such activities do not exceed permitted limits.

Construction sites cause dust from concrete, cement, wood, stone, and silica. We take preventive measures to control the spread of dust. We use fine mesh screens to stop dust from dispersing. We also use water sprays to control dust pollution.

We engage with the affected community to keep them informed of our impending construction schedules, and promptly address and resolve any pollution related complaints.

ENVIRONMENTAL COMPLIANCE

Conducting our business in compliance with applicable laws is a top priority for the Group as non-compliance may result in penalties and loss of reputation. We regularly review applicable rules, including environmental and public health regulations, to implement the necessary policies and practices to ensure compliance.

In 2018, there were no incidents of stop work orders or demerit points relating to or arising from environmental regulations. Out of the six worksites, there were no incidents of environmental non-compliance at four worksites. Regrettably, there were four incidents of composition fines for noise-related lapses at two worksites resulting in a total fine of \$52,000. We have since taken corrective measures to prevent the recurrence of the problem.

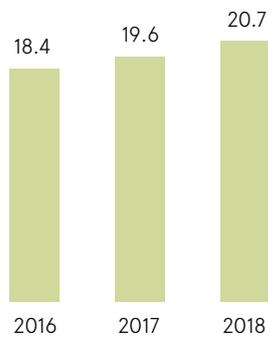
ENVIRONMENTAL PERFORMANCE

Performance data for our key environmental indicators is presented in the following sections. It may be noted that the amount of energy and water used, as well as the amount of waste and wastewater generated, depends on the construction phase of a project. Usually, power and water consumption are higher during the middle stages of a project. As such, the annual consumption trends may not be fully comparable.

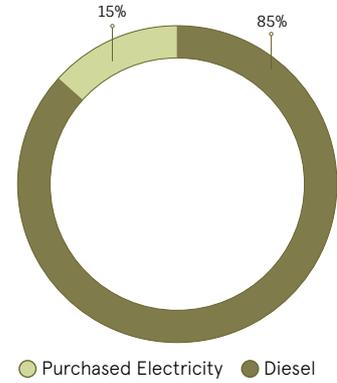
CARBON EMISSIONS - CONSTRUCTION SITES (tCO₂)



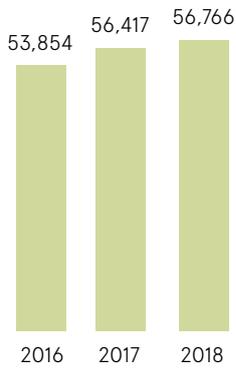
CARBON EMISSIONS INTENSITY - CONSTRUCTION SITES (kgco₂/m²)



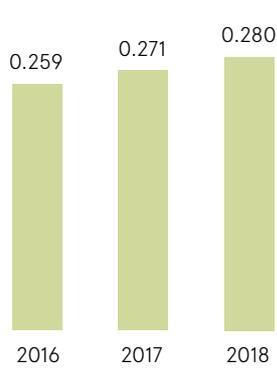
SOURCES OF CO₂ EMISSIONS - 2018 CONSTRUCTION



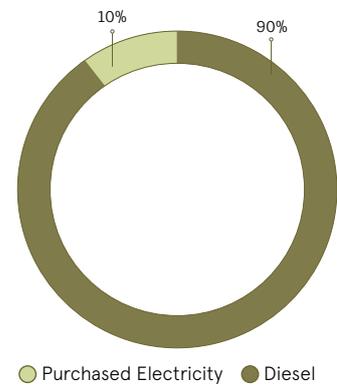
ENERGY CONSUMPTION AT CONSTRUCTION SITES (Gigajoule)



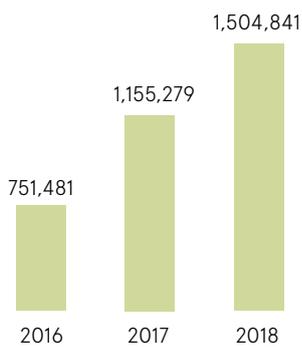
ENERGY INTENSITY - CONSTRUCTION SITES GJ/m²



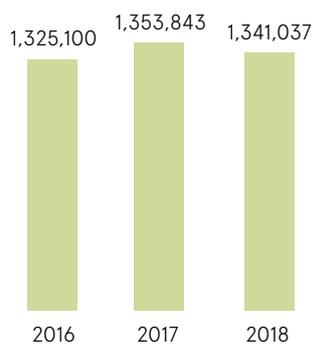
ENERGY CONSUMPTION BY SOURCE - 2018 (Gigajoule)



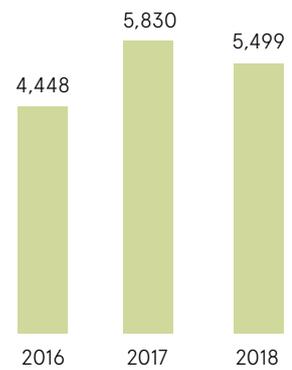
ENERGY CONSUMPTION AT CONSTRUCTION SITES (kwh)



DIESEL CONSUMPTION AT CONSTRUCTION SITES (litres)

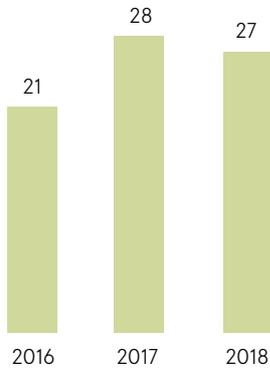


CONSTRUCTION WASTE (tonne)

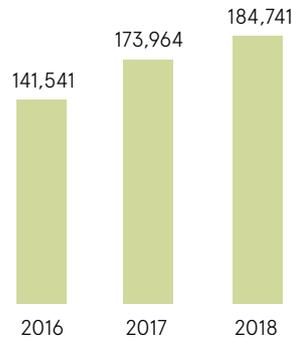


ENVIRONMENT

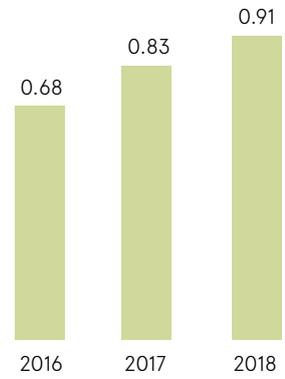
CONSTRUCTION WASTE (kg/m²)



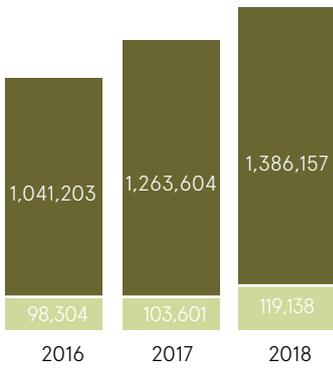
WATER CONSTRUCTION AT CONSTRUCTION SITES (m³)



WATER INTENSITY (m³/m²)

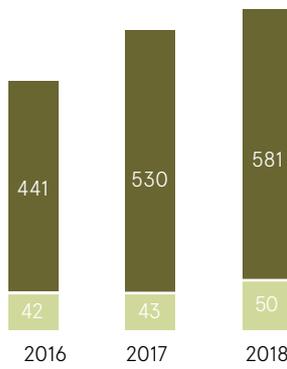


ELECTRICITY CONSUMPTION CES CENTRE (kwh)



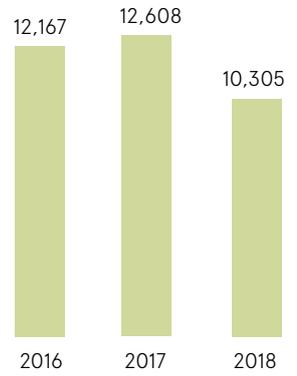
● CES Head Office ● Common Area

CARBON EMISSIONS: CES CENTRE (tCO₂)



● CES Head Office ● Common Area

WATER CONSUMPTION IN CES CENTRE COMMON AREA (m³)





We are committed to promoting a workplace culture where our people can realise their full potential in their professional and personal capacities.

Our people are our most valuable resources. Our ability to attract and retain talented people is crucial to our success. Our approach is to promote fair and inclusive employment and support the overall well-being of our people. As a company engaged in construction, ensuring safety at the workplace remains our foremost priority.

EMPLOYMENT

As at the end of FY2018, our Construction and Property Development Divisions employed 369 full-time permanent employees. There was one part-time employee. We hired 68 new employees during the year. The average age of our employees is 42 years.

In addition, we employed 374 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 take pride in the diversity of our workforce which is represented by people from different backgrounds and nationalities. The CES Group is an equal opportunity employer. We are committed to promoting workplace diversity in terms of gender, age, experience and culture. Our human resource policies encourage hiring, rewarding and promoting based on merit and performance.

Women represented 36% of our full-time permanent employees. Women also held 34% of supervisory and managerial positions. The proportion of women in the new hires was 31%.

Our workforce is ethnically diverse represented by members of different races. Our people also come from different age groups.

TRAINING

Our approach is to provide opportunities for ongoing training to ensure our people have the right skills to perform their job effectively. Continuing training is also crucial for retaining and developing talent to support our business growth. Our employees have access to regular training opportunities to support their personal and professional development.

In 2018, our employees attended training, workshops and conferences on more than 90 topics spread throughout the year. Training topics covered 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, and project management. We also organised conversational English course for our foreign workers to help them improve their communication with supervisors.

TALENT RETENTION

Hiring and retaining competent and talented employees is vital for our business operations. Our human resource policies promote a professional working environment built on mutual respect and trust. We invest in developing our people through regular training. Also, we follow a fair performance assessment and reward system to motivate our people.

EMPLOYEE BENEFITS AND WELFARE

We provide competitive compensation, bonuses and performance-based wage increments to attract and retain talent. Our employees are eligible for a variety of benefits. The leave benefits for our full-time permanent employees include annual leave, enhanced child care leave, marriage leave, medical and hospitalisation leave, and compassionate leave. The insurance benefits comprise Group H&S Insurance, travel insurance and Work Injury Compensation Insurance. Other staff welfare includes the company annual dinner, management recreation, festival gatherings, bereavement donations and wreaths and newborn baby gifts.

UPGRADING WORKFORCE SKILLS

We continue to help Basic-Skilled foreign construction workers upgrade to the Higher-Skilled R1 category in accordance with 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 22 years instead of just 10 years for Basic-Skilled workers.

In 2018, 57 workers were successfully upgraded to the Higher-Skilled category. These workers had received a combined 1,310 hours of training in a variety of trades.

MANAGING PERFORMANCE

The Performance Appraisal serves as a structural platform in evaluating the staff performance, determining the training needs, closing the performance gaps as well as for

career pathing. The staff will be evaluated on his/her key job and behavioral competencies.

Performance appraisal exercise is conducted bi-annually by immediate supervisors with all employees in June and December. The period of assessment is based on calendar year, or part thereof from employee's date of commencement for all new confirmed hires. In the cases of transfer or promotion, an appraisal will also be conducted.

PROMOTING WORKPLACE SAFETY AND HEALTH

The construction sector accounts for 29% of all workplace fatal injuries in Singapore, according to the WSH National Statistics Report 2017. As a business engaged in construction, we take workers' safety seriously. Our target is to have zero workplace accidents. We are focused on building a culture of safety across the Group.

We remain committed to maintaining high safety standards to ensure a safe workplace for our workers and contractors. We have implemented a comprehensive QEHS system to ensure quality, environment, safety and health requirements are met at each stage of construction. Our aim is to reduce safety and health risks by encouraging continuous improvement through a variety of safety initiatives.

We conduct a comprehensive risk assessment for each project to identify and mitigate safety hazards. We ensure compliance with safety regulations and align our work processes with industry standards for safe construction.

We provide frequent safety briefings and training our employees to help them understand safety risks inherent in various construction activities and to learn safe work practices.

DRIVING SAFETY THROUGH INNOVATION

We continuously explore new methods to lower the risk of injury in structural installations. For instance, our subsidiary Chip Eng Seng Contractors (1988) Pte Ltd developed the Z-Bracket, which is a lightweight steel hollow section with a pipe socket at one end. This enables the leg of a scaffolding frame to be seamlessly slotted into it. The principal advantage of this simple yet useful product is that it allows the scaffolding structure to be directly clamped onto the parapet wall, providing added stability and eliminating the need to set up extensive scaffolding at a building’s exterior.

SAFETY PERFORMANCE

We regularly monitor and review the safety performance at our construction sites against critical indicators. A summary of our safety performance is presented below.

SAFETY AWARDS

In 2018, four of our projects won Safety and Health Award Recognition for Projects (SHARP) Awards instituted by the Workplace Safety and Health (WSH) Council. The four projects that won the awards included Green Ridges at Tampines, Marsiling Greenview at Woodlands, Alkaff Oasis at Bidadari C6 and Alkaff Oasis at Bidadari C7.

We also won WSH’s CultureSAFE Certificate of Commendation for Marsiling Greenview at Woodlands and Alkaff Oasis at Bidadari C6.

Our Sembawang Neighborhood 1 Contract 10 project bagged HDB Construction Safety Award 2018.

HUMAN RIGHTS

We uphold the principles of human rights protected by national laws and internationally accepted conventions of the UN and the International Labour Organisation. Our human rights policy covers non-discrimination, child labour, forced labour and freedom of association in our operations as well as 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;
- 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 in accordance with local laws. Currently, CES does not have a collective bargaining agreement with any union. Our employees, however, have the right and freedom to raise any matter of concern freely with their supervisors, the HR department or the senior management.

We hire foreign contract workers for our construction business from developing countries approved by MOM. It’s important for us to protect their human rights during the hiring process, their stay in Singapore and while they are at work on our project sites.

Year	Accident Frequency Rate (ARF)	Workplace Injury Rate (WIR)	Accident Severity Rate (ASR)	Number of Fatalities	Occupational Disease Incidence Rate
2016	0.2	57.9	19.0	0	0
2017	0.3	103.0	14.6	0	0
2018	1.3	257.7	50.7	0	0

Calculation formula:

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

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

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

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

CARING FOR FOREIGN CONSTRUCTION WORKERS

The welfare of our workers is an important aspect of our human resources management. We employed 374 foreign construction workers as at the end of 2018. We hire foreign construction workers from source countries approved by the MOM. MOM regulates the hiring of foreign construction workers in Singapore and requires all foreign construction workers to attend the Construction Safety Orientation Course or the Apply Workplace Safety and Health in Construction Sites training.

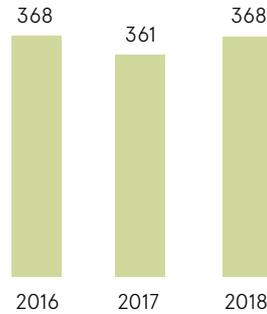
We provide housing facilities to our foreign workers in approved dormitories fitted with modern amenities. The facilities and services at the dormitories include dedicated cooking areas, laundry and recreational facilities such as gym and outdoor games courts. Welfare benefits also include free wireless internet access, televisions at the canteen and washing machines.

We provide transport facilities to workers to travel between their dormitory and the construction site. We have also provided bicycle parking areas for workers as many of them use bicycles to travel.

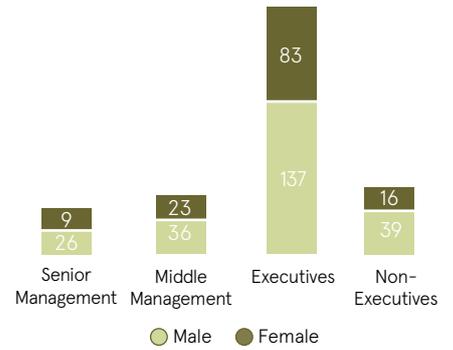
Workers who perform exceptionally well during the month also receive monetary rewards and a certificate of appreciation.

PEOPLE PERFORMANCE

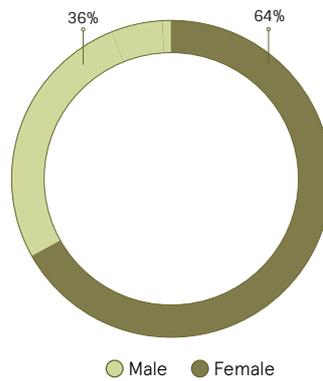
PERMANENT EMPLOYEES



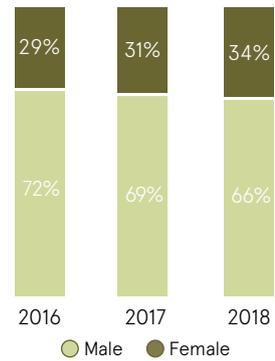
EMPLOYEES BY CATEGORY - 2018



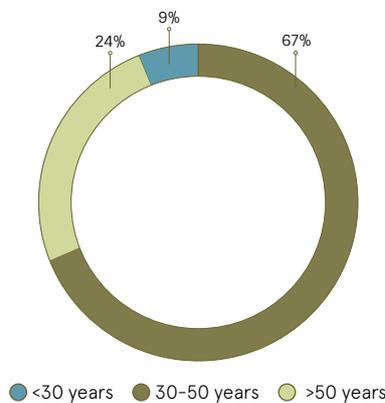
GENDER DIVERSITY - 2018



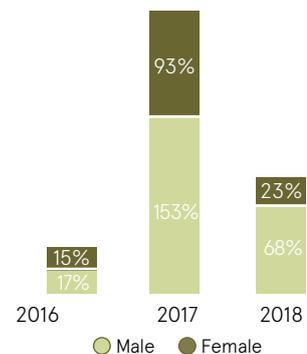
NUMBER OF EMPLOYEES BY AGE AND GENDER - 2018



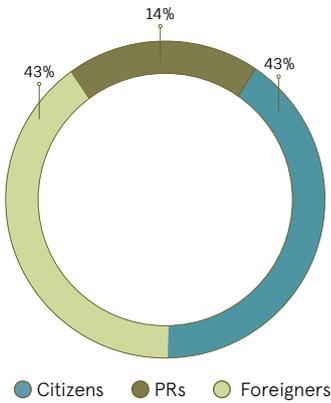
EMPLOYEES BY AGE GROUP - 2018



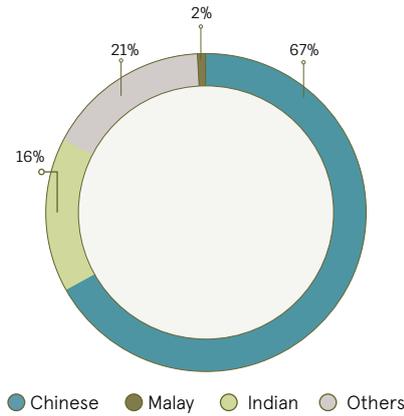
NUMBER OF EMPLOYEES BY AGE AND GENDER - 2018



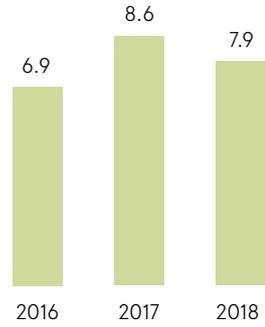
EMPLOYEE PROFILE - 2018



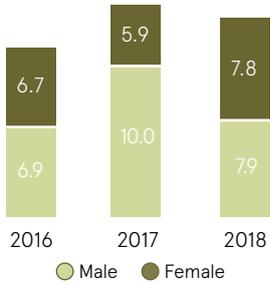
ETHNIC DIVERSITY - 2018



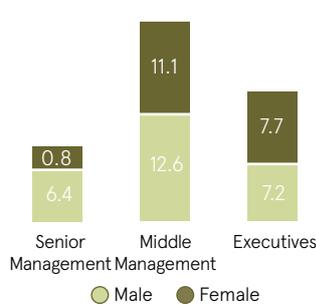
AVERAGE TRAINING HOURS PER EMPLOYEE



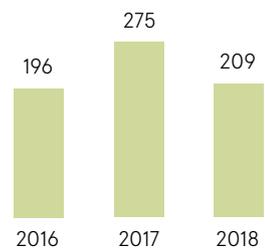
AVERAGE TRAINING HOURS BY GENDER



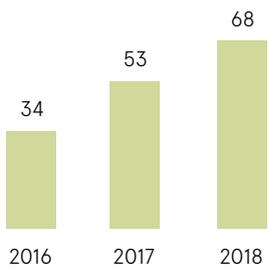
AVERAGE TRAINING HOURS BY EMPLOYMENT CATEGORY - 2018



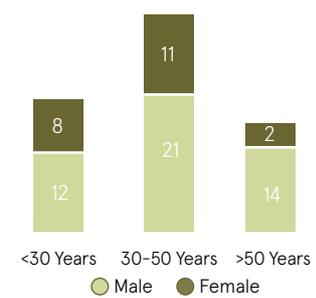
AVERAGE TRAINING EXPENDITURE PER EMPLOYEE (\$)



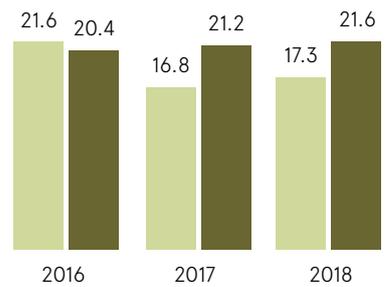
NEW HIRING



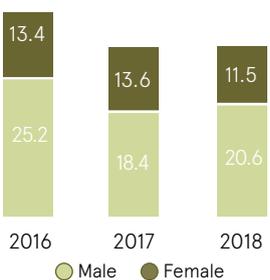
NEW HIRING BY AGE AND GENDER - 2018



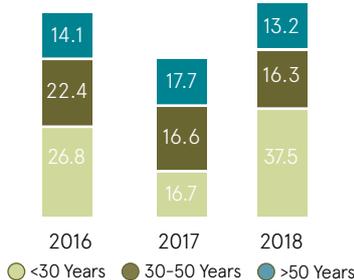
EMPLOYEE TURNOVER RATE (%)



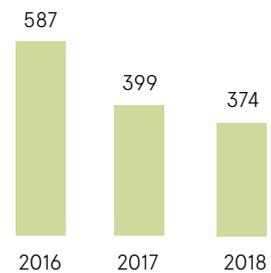
EMPLOYEE TURNOVER RATE BY GENDER (%)



EMPLOYEE TURNOVER RATE BY AGE GROUP (%)



FOREIGN CONSTRUCTION WORKERS



QUALITY



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

It is absolutely crucial for us to adopt high standards of quality and safety in construction and development projects. We regularly invest in the most advanced and efficient construction technologies available. We continuously upgrade and maintain our equipment to enhance safety, performance and productivity.

Housing is a substantial component of our construction business. We understand that it's a significant financial and emotional investment for homeowners. Developing and constructing high-quality homes with stringent standards of workmanship is our topmost priority. The ability to build high quality homes is also crucial for our reputation.

We take pride in completing all our projects ahead of schedule or

within the target timeline. We have successfully executed a number of prestigious projects including The Pinnacle @Duxton, the biggest and tallest public housing project in Singapore.

CERTIFICATIONS

The quality and safety management certifications that the Group has are ISO 14001, OHSAS 18000 and ISO 9001.

GREEN CONSTRUCTION

As the world prepares to transition to low carbon economy, we continue to embrace green building standards, principles and technologies in our projects. Our Group companies have won multiple awards for our environmental initiatives over the

QUALITY

years including the BCA Green and Gracious Builder Award -Excellent.

QUALITY AND SAFETY STANDARDS

We are committed to high standards of workmanship and safe design to meet our customers' expectations. We build our projects in strict compliance with building regulations and standards.

Our approach to safe design and construction focuses on structural stability, high quality materials and workmanship. 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 participate in the Construction Quality Assessment System (CONQUAS), the industry benchmark for quality and workmanship standards of construction projects in Singapore established by BCA in 1989. Our provisional CONQUAS score was 93.0 for the two projects that were completed in 2018. The provisional score of 93.0 is higher than our average scores for completed projects in 2017 (90.8) and 2016 (92.2).

PRODUCTIVITY AND INNOVATION

Our Self Collapsible Metal Formwork for Staircase Storey Shelter MV Shaft design was recognised at SCAL Productivity & Innovation Award (Merit) by The Singapore Contractors Association Ltd.

SUB-CONTRACTORS

We engage with our sub-contractors to promote safe work practices. We ensure ongoing engagement with subcontractors through regular meetings, reviews, training and

briefing sessions to help them achieve the required QEHS standards.

Our QEHS policies also cover our sub-contractors to ensure safety and compliance at our construction sites. We prefer suppliers and subcontractors who have attained bizSAFE Level 3 certification for workplace safety and health.

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

SHARING BEST PRACTICES

We welcome opportunities to share our QEHS best practices with peers.

In 2018, we were invited by HDB to share our CES Safety Management System and Practices. The presentation was held at HDB auditorium with about 500 participants from HDB, MOM, HDB consultants' representatives and contractors' representatives of HDB worksites.

CUSTOMER PRIVACY

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



COMMUNITY



Toa Payoh Bidadari
C6 & C7

We are committed to being a responsible corporate citizen.

At Chip Eng Seng, we aim to build trusted relationship with the local communities through a variety of engagement efforts. Our CSR activities have also helped to forge stronger bonding amongst our employees, customers and beneficiaries.

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

In 2018, we donated \$0.15 million for various community programmes. In the last three years, we have donated \$0.73 million to support a range of social organisations.

During 2018, we embarked on some meaningful initiatives and programmes with our community partners mainly supporting the environmental, cultural arts, educational and healthcare.

At Park Hotel Alexandra, we partnered Rainbow Centre in organising a work experience programme for youths age 17 and above to impart them with some basic skills and knowledge.

Our employee volunteers participated in helping to raise autism awareness by supporting Autism group in the community such as Autism Resource Centre, Autism Association of Singapore, St Andrew's Autism Centre, Asian Women Welfare Association and Rainbow Centre.

Besides financial support, our active volunteers also teamed up with students, partners and teachers of Rainbow Centre in completing a 43km run in the Standard Chartered Ekiden Marathon, which required over 3 months of preparation and practice.

We award bursaries annually to talented students who are in need of financial assistance. Our bursaries support students who have good academic results, are strong in co-curricular activities and who display potential leadership qualities. The bursaries are offered through the tertiary educational institutions that include Nanyang Technological University and National University of Singapore, Nanyang Academy of Fine Arts, and BCA Academy



(BCA-IndustryiBuildSG Undergraduate Scholarship/ Sponsorship programme).

In the realm of arts and culture, we have supported associations like the Singapore Chinese Orchestra and Teochew Clan Association through donations. We believe that the continued existence of such organisations will help preserve our heritage.

We support charitable healthcare and clinic services and our main beneficiaries include Ren Ci Hospital and Thong Chai Medical Institution, which provide free or affordable medical care services to the needy regardless of background, race and religion.

Everyone deserves a second chance. We also provided financial aid to the Yellow Ribbon Fund, a non-profitable organisation which helps exoffenders reintegrate into society.



ECONOMIC PERFORMANCE



We are committed to creating short, medium and long-term value for our shareholders and stakeholders through the pursuit of sustainable business growth strategies.

Our detailed financial performance is covered in the Annual Report 2018 published separately. In line with the GRI Standards, we have presented a brief account of our economic performance extracted from our financial statements.

Economic Performance (\$'000)			
Revenue by segment	2016	2017	2018
Sale of development properties	411,727	571,682	828,638
Construction	298,213	230,394	169,850
Others	38,055	48,733	81,746
Total Revenue	747,995	850,809	1,080,234
Profit for the year	51,724	56,161	80,250
Employee wages and benefits	56,114	62,688	72,626
Income taxes paid	34,244	22,257	5,809
Dividends to shareholders	24,841	24,841	25,041

ANTI-CORRUPTION

We conduct our business with integrity through good corporate governance. Our ethics policies prevent conflict of interest, misconduct and unethical or immoral behaviour, including receiving or giving bribes in any form.

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

SOCIO-ECONOMIC COMPLIANCE

The CES Group is committed to ensuring compliance with applicable economic, labour and social laws and regulations. We regularly review and monitor our policies and practices with regard to regulatory requirements. We disseminate regulatory updates to the relevant employees to help them stay up to date with legal requirements.

We have put in place systems to ensure compliance with all the relevant laws and regulations, including but not limited to the requirements issued by the MOM and BCA.

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

SUPPLIERS

We are committed to green construction. We strive to use environmentally sustainable materials certified under the Singapore Green Labelling Scheme. Only those suppliers with products that meet the green specification are invited for tender or supply for our projects.

As part of our approach to sustainability, we are constantly looking out for new products and materials that are more energy efficient or have lower greenhouse gas emissions.

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	102-4 Location of operations	3-4, AR 10-11
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	102-11 Precautionary Principle or approach	12-13, 18
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	102-22 Composition of the highest governance body and its committees	AR 36
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	102-49 Changes in reporting	none
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