



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

SUSTAINABILITY REPORT 2019





Artist's impression of Hyatt Regency Adelaide

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About This Report

This is Chip Eng Seng Corporation Ltd's ("Chip Eng Seng" or the "Group" or the "Company") 3rd annual sustainability report that details our sustainability performance relating to material Environmental, Social and Governance ("ESG") factors. This report supplements the Chip Eng Seng's Annual Report 2019 which includes detailed information about the Group's financial performance and corporate governance for the financial year ended 31 December 2019. The Annual Report 2019 is available on the Company website at www.chipengseng.com.sg.

Reporting Period and Scope

ESG data and performance presented in this report is for the period 1 January 2019 to 31 December 2019. The ESG information provided in this report mainly focuses on Chip Eng Seng's construction and property development business in Singapore which contribute to 91% of the total Group revenue. This report includes employment data for the education division, a new business that started in August 2018, in Singapore unless stated otherwise. We plan to expand data coverage for the education and hospitality divisions progressively in the coming years as we continue to improve data collection mechanism. ESG data from our overseas entities is currently excluded as they represent relatively small proportion of the total revenue. Also excluded from this report is CES_SDC Pte Ltd, an entity that Chip Eng Seng acquired in December 2019. However, we intend to include their data in a progressive manner in future reporting.

Reporting Framework

This report has been prepared in accordance with the Global Reporting Initiative's ("GRI") Standards: Core option. We have used the GRI Standards as this is the most commonly used standards for sustainability reporting internationally. This report also complies with the SGX-ST Listing Rules (711A and 711B) and the SGX Sustainability Reporting Guide. We have included a GRI Content Index at the end of the report to indicate the location of material ESG disclosures.

We have continued to integrate the UN Sustainable Development Goals ("SDGs") into our reporting process to indicate our contribution. Having aligned our material ESG factors with the SDGs in 2018, we identified the most relevant SDG targets in 2019 for deeper integration.

We have calculated our greenhouse gas emissions using the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard. 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 the content of this report by referring to 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 economic, social and governance impacts of our business activities. We have applied GRI's 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 been extracted primarily 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 Singapore dollars unless specified otherwise.

Restatements

This report includes restated intensity figures for energy, carbon dioxide emissions, water and waste for 2018 due to an error in calculating the gross floor area built during the year. Also, a minor adjustment of the greenhouse gas emissions data for 2018 has been made owing to the revision in the grid emission factors by the Energy Market Authority, Singapore published in 2019.

Assurance

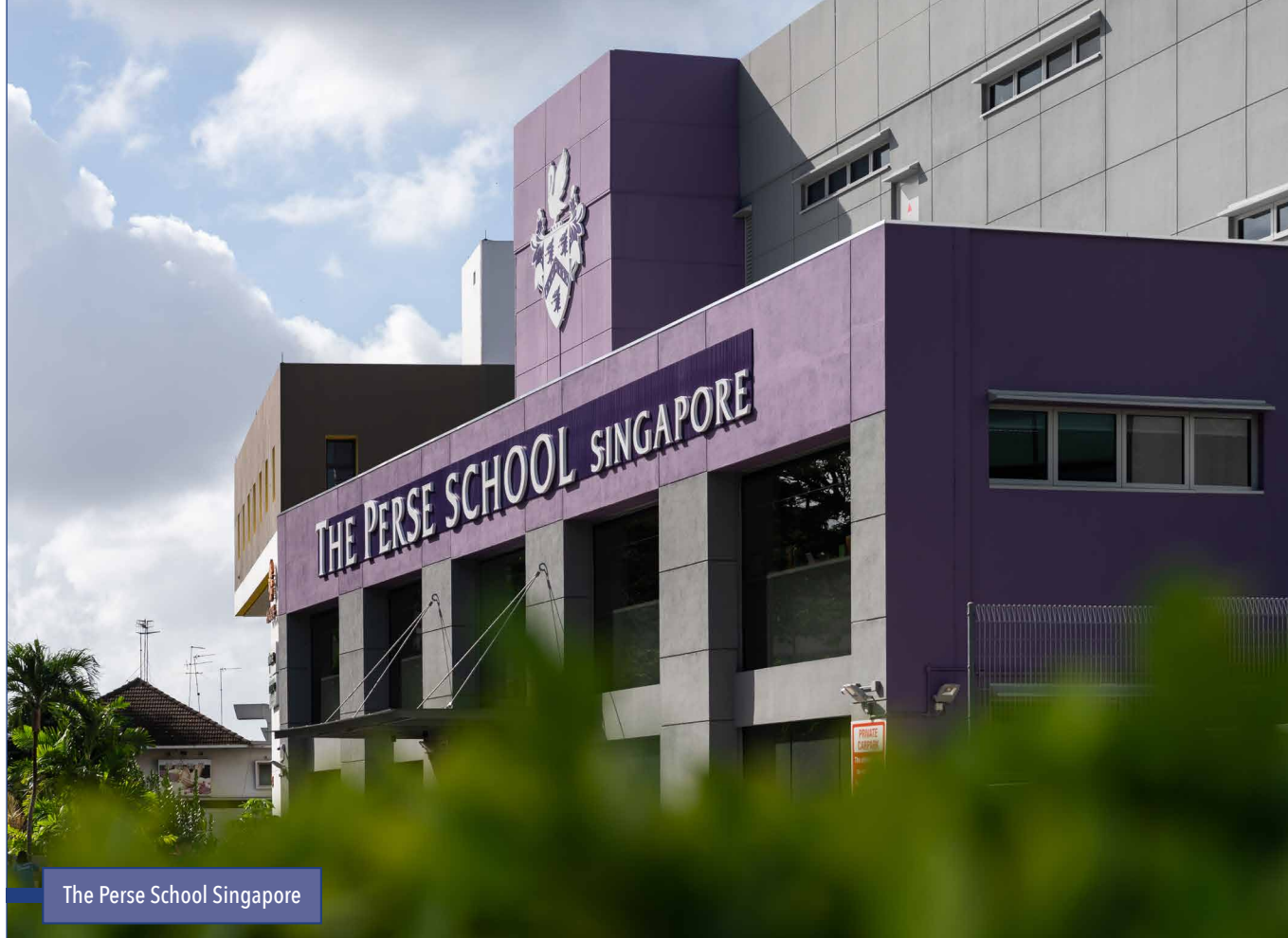
We have developed the content of this report in accordance with the GRI Standards. We have relied on internal verification to ensure the accuracy of the data. We did not seek external assurance for the content of this report. External assurance for future reports remains under consideration.

Availability

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



The Perse School Singapore

Board Statement

Chip Eng Seng's Board of Directors (the "Board") considers sustainability issues as part of its strategy formulation and is committed to setting strategic objectives with appropriate focus on sustainability, including the adoption of policies and practices that safeguard the environment, people and communities as the Group undertakes its business activities.

The Board determines 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 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

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's chief executive officer with the Group's 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.

A project team assists the SMC with executives drawn from across the Group's 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.

Senior representatives from various business functions actively contribute to the sustainability initiatives.



About Chip Eng Seng

Established in the 1960s, Chip Eng Seng is one of Singapore's leading homegrown property development and construction groups. Its portfolio comprises high-quality residential developments, commercial properties, hospitality assets and, most recently, education-related investments.

The Company has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1999. The Group reported \$1.06 billion in total revenue for FY2019. Property Development and Construction segments contributed 91% of the total revenue in the reported year.

Construction

With nearly six decades of experience in general construction, the Group is engaged in the development of residential, commercial and industrial properties. Since 1982, when the Company won its first Singapore Housing and Development Board ("HDB") project as the main contractor, the Group has continued to strengthen its position in HDB public housing construction. The Group's penchant for quality and performance enabled it to win one of Singapore's most coveted and iconic public housing projects – the Pinnacle@Duxton. With a solid 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 conducts its Construction business through two wholly-owned subsidiaries: Chip Eng Seng Contractors (1988) Pte Ltd ("CESC") and CES Engineering & Construction Pte Ltd ("CESE"). Both CESC and CESE have achieved A1 classifications as general building contractors – the highest awarded by the Building and Construction Authority ("BCA").

To build its capability in modular construction, the Group currently operates two precast yards, one each in Singapore and Malaysia. 2019 saw the Group's construction segment expanding its capabilities to include infrastructure and civil engineering through its acquisition of CES_SDC Pte Ltd.

Property Development

The property development division is part of the Group's growth strategy. The Group's wholly-owned subsidiary, CEL Development Pte Ltd ("CEL"), is responsible for evaluating and acquiring potential sites and projects for Chip Eng Seng's development and investment. CEL's wide-ranging portfolio of residential, commercial and industrial projects caters to both mid-end and high-end markets.

Hospitality

Supporting the Group's diversified growth strategy, the hospitality division focuses on strategically located hotel properties. Chip Eng Seng first ventured into the hospitality sector in 2015 with the opening of its first hotel, Park Hotel Alexandra. The Company's hospitality portfolio includes Park Hotel Alexandra in Singapore, Grand Park Kodhipparu Resort in Maldives, The Sebel Mandurah Hotel in Western Australia and Mercure & Ibis Styles Grosvenor Hotel in South Australia. A new Hyatt Regency at 51 Pirie Street in South Australia will be built and target

to open its door in year 2023. A five-star resort in the Maldives is also under construction.

Property Investment

Chip Eng Seng's property investment portfolio is made up of a diverse spread of income-producing properties comprising shophouses, office buildings and industrial properties in Singapore, Australia and New Zealand.

Education

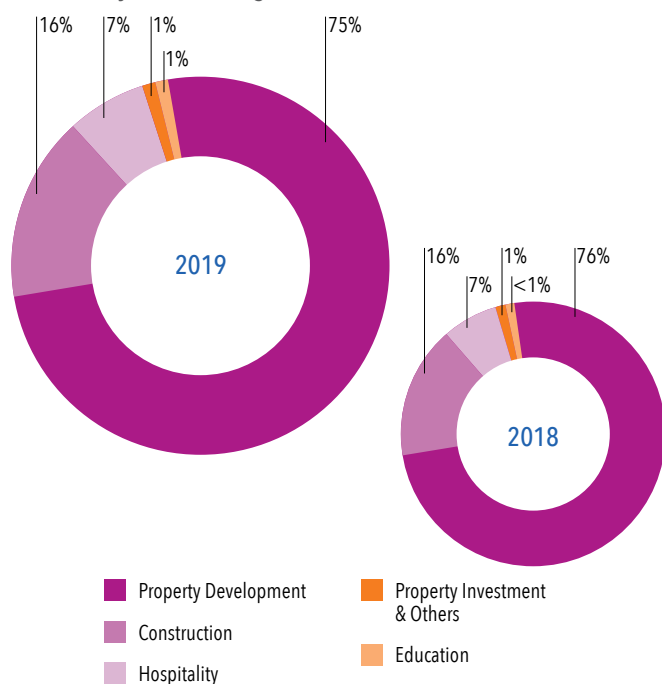
Since CES Education's acquisition of White Lodge in 2018, the Group has expanded its portfolio to include preschools, international schools, and education technology businesses. Locally, CES Education set up its first two Repton School brand pre-school centres, Repton Schoolhouse Alexandra and Repton Schoolhouse Bukit Timah, pursuant to the Group's collaboration with Repton International Schools Ltd. CES Education also acquired an effective interest of 70.06% (as at date of this report) in Invictus International School Pte. Ltd, which operates an international primary school and a pre-school centre in Singapore. CES Education has also partnered with a premier British independent school, The Perse School Cambridge, to set up The Perse School Singapore at Upper Bukit Timah Road.

As part of the Group's plan to extend its global reach, the Group acquired a 100% interest in Raffles Campus (Malaysia) Pte. Ltd., which operates an international school known as Excelsior International School in Johor Bahru, Malaysia. The Group has announced the proposed acquisition of a childcare centre business in Tarneit, Victoria, Australia. The Group also recently stated that it has received the licences and approvals to commence operating an Invictus School brand kindergarten and primary school in Hong Kong. In China, the Group has incorporated Greenville Consultancy & Management (Shanghai) Co, Ltd to manage and operate early learning centres for children aged 3-12 years.

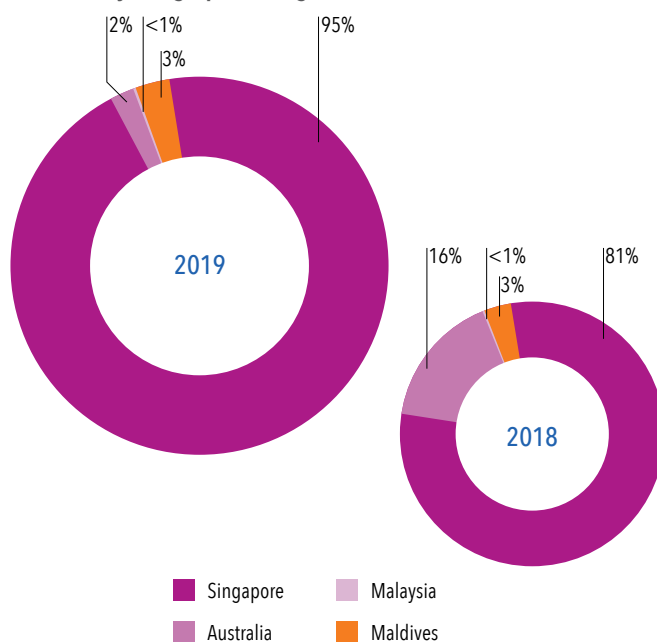
In the education technology sphere, the Group completed its acquisitions of minority equity stakes in Amdon Consulting Pte Ltd, a provider of interactive content and pedagogical resources in the fields of science and technology, and Guangzhou Yuanda Information Development Co., Ltd, a provider of online education of mathematics to primary school students. The Group has also invested in Cybint International, which provides innovative education and training solutions and services in cybersecurity for all levels of expertise.

Financial Highlights

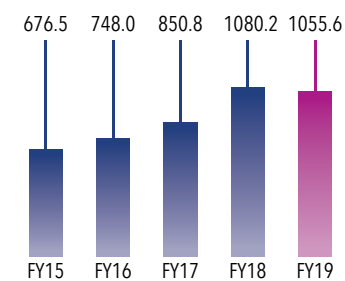
Revenue By Business Segment



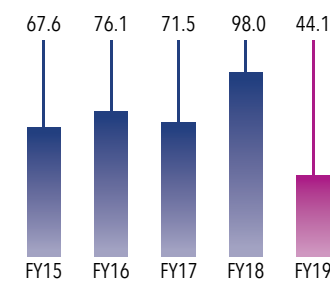
Revenue By Geographical Segment



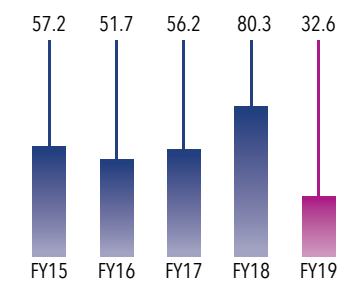
Turnover (\$ Million)



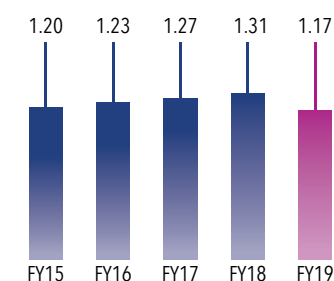
Profit Before Tax (\$ Million)



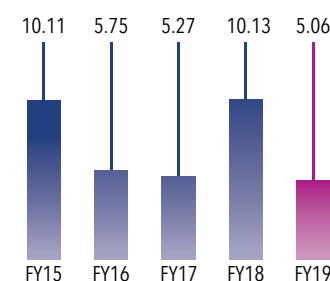
Profit After Tax (\$ Million)



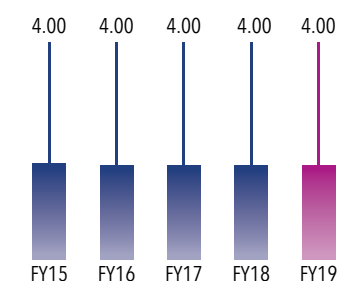
Net Asset Value Per Share (\$)



Earnings Per Share (Cents)



Dividend Per Share (Cents)



Please refer to Chip Eng Seng's Annual Report 2019 for the detailed information about our financial performance, risk management and corporate governance.

Winning Accolades

In 2019, Chip Eng Seng continued to win an array of awards that reflect our total commitment to quality, safety and sustainable development. Listed below are our recent honours.

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 GreenRidges (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 2019 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
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)

Please visit our website at <http://www.chipengseng.com.sg/awards.php> to see the full listing of our awards and commendations since 1994.

Group Chief Executive Officer's Message



It is my pleasure to present Chip Eng Seng's 3rd annual sustainability report. This report presents a summary of our sustainability performance in 2019.

We continue to report in accordance with the GRI Standards: Core option as well as the SGX's Sustainability Reporting Guide.

In line with the GRI Standards, our sustainability efforts remain focused on managing our most significant economic, social and governance impacts. We continue to pursue sustainability strategies that help us maximise value for our stakeholders and contribute to sustainable development.

Last year we had reported how we aligned our material ESG factors with the SDGs. In 2019, we continued strategic integration of the SDGs into our business by identifying specific SDGs targets to monitor our contribution to sustainable development.

In our construction and property development business, climate action is an integral part of our sustainability strategy. We remain committed to continually reduce carbon dioxide ("CO₂") intensity in our construction activities as well as in managing our properties.

We continue to pursue building designs, innovation and technologies that enhance the energy efficiency, water conservation and product quality. We carefully monitor our energy consumption, carbon dioxide emissions, water use and waste to identify opportunities for continuous improvement.

Ensuring health and safety at our construction sites remains a top priority for us. We carefully monitor our safety performance through regular reviews. In 2019, Chip Eng Seng continued to win recognition for excellence in workplace safety in various projects.

We remain committed to delivering high quality of construction and workmanship to our customers while completing our projects on or before time.

Our Sustainability Management Committee, under the guidance and oversight from the Board of Directors, continues to work with various business segments and functions to implement our ESG strategy to support the sustainable growth of our business. We firmly believe that embedding sustainability into our operations will yield long-lasting value for our stakeholders.

I invite you to review this report that outlines how we are building a sustainable future for all our stakeholders.

MR CHIA LEE MENG RAYMOND PBM

Group Chief Executive Officer

30 April 2020

Performance Summary

Material ESG Factors	2017	2018	2019
Environmental			
Carbon emissions at construction sites (tCO ₂) ¹	4,078	4,190	4,025
Carbon emissions intensity at construction sites (kgCO ₂ /m ²) ¹	19.6	24.4	27.4
Electricity consumption at construction sites (kWh) ¹	1,155,279	1,504,841	827,756
Energy consumption at construction sites (GJ) ¹	56,417	57,181	56,462
Energy intensity at construction sites (GJ/m ²) ¹	0.271	0.333	0.384
Construction waste (tonnes)	5,830	5,499	4,631
Construction waste intensity (kg/m ²)	28.0	32.0	31.5
Water consumption at construction sites (m ³)	173,964	184,741	140,529
Water consumption intensity at construction sites (m ³ /m ²)	0.83	1.07	0.96
Social			
Employees			
Full-time employees ²	361	369	545
Female employees (%)	32.1	36.0	51.9
Female managers and supervisors (%)	30.9	34.0	44.3
Average training hours per employee	8.6	7.9	7.2
Training expenditure per employee (\$)	275	209	320
Annual employee turnover rate ³ (%)	16.8	17.3	16.5
New hires	53	68	182
Occupational Health and Safety⁴			
Accident Frequency Rate ("AFR")	0.6	0.6	0.6
Workplace Injury Rate ("WIR")	148.1	186.2	190.7
Accident Severity Rate ("ASR")	16.1	26.0	34.0
Occupational Disease Rate	0	0	0
Fatal Accidents	0	0	0
Community			
Community donations (\$)	278,373	153,799	328,358
Economic Performance (\$'000)			
Revenue by segment			
Property Development	571,682	828,638	791,951
Construction	230,394	169,850	164,405
Others	48,733	81,746	99,283
Total Revenue	850,809	1,080,234	1,055,639
Profit for the year	56,161	80,250	32,557
Employee wages and benefits (including directors)	62,688	72,626	73,563
Income taxes paid	22,257	5,809	7,403
Dividends to shareholders	24,841	24,841	25,041

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. Annual employee turnover rate refers to Corporate, Construction and Property Development Divisions. Turnover rate for the Education Division is reported separately to ensure comparability in Employee Turnover on page 21.
4. 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.

Our Stakeholders

We strive to build trusted relationships with our stakeholders

Engagement with stakeholders helps us understand their concerns, interests and expectations from us. A good understanding of the views and opinions of our stakeholders is essential to drive sustainable growth of our business. Our approach is to strengthen the relationship with our stakeholders through proactive engagement.

We identify our stakeholders based on the extent they are affected by our business activities or by their ability to influence our business goals. Our primary stakeholders comprise customers, employees, government, investors, suppliers and local communities.

We have continued to use the insights gathered through our ongoing interactions with a range of stakeholders throughout the year to determine material topics for sustainability reporting. The frequency of our engagement varies by stakeholder groups and depends on mutual needs and expectations. As such, we did not engage stakeholders specifically for the preparation of this report.

Our engagement with key stakeholders is described in the table below.

Stakeholders	Expectations	How We Engage
Customers (Home buyers 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 Tenants <ul style="list-style-type: none"> • Workplace safety and health • Good management of facilities 	<ul style="list-style-type: none"> • Regular project updates • Agreements • Customer service • Website • Submission of performance survey reports
Employees	<ul style="list-style-type: none"> • Safety, health and wellbeing • 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 agencies and regulators	<ul style="list-style-type: none"> • Climate change • Green buildings • Compliance with environmental and safety standards • Productivity and innovation • 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

Stakeholders	Expectations	How We Engage
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 • 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 • Payment response
Community	<ul style="list-style-type: none"> • Minimal disruptions due to the Group's project work • Minimal dust, noise and vibrations at construction sites • 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

Our active engagement with industry associations and forums helps us stay updated of sector trends, emerging issues and best practices. 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
- Singapore Institute of Surveyors and Valuers
- Real Estate Developers' Association of Singapore

Our Sustainability Strategy



Sengkang N4C39 & C40 construction site

Our approach is to build long-term value and manage our significant sustainability risks and opportunities to support the sustainable growth of the business.

Sustainability is embedded across all stages of our building projects. Our focus is on managing the material economic, social and governance impacts of our business activities to maximise value for our stakeholders.

The building and construction industry has both positive and negative implications for the economy, environment and communities. The sector accounted for 36% of final energy use and 39% of energy and process-related CO₂ emissions in 2018, 11% of which resulted from manufacturing building materials and products such as steel, cement and glass, according to 2019 Global Status Report for Buildings and Construction.

On the positive side, the real estate and construction sector plays a crucial role in the development of housing, industrial and business infrastructure needed for economic growth and sustainable communities. The construction industry also contributes to economic development by creating a significant number of skilled, semi-skilled and unskilled jobs.

Chip Eng Seng plays a vital role in the development of affordable public housing in Singapore. A substantial part of our construction business comes from constructing the HDB's public housing where, according to HDB's Annual Report 2018/2019, nearly 81% of the city state's residents live.

Climate Change

Buildings and construction activity 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 the green design, energy efficiency and resource conservation in our projects.

Supporting Sustainable Development Goals

The United Nations Sustainable Development Goals set the 2030 Agenda for Sustainable Development outlined through 17 Goals and 169 Targets. We have mapped our material ESG factors with the SDGs and identified the performance indicators at the target level where we can make a contribution. This report provides information about our ESG performance that is aligned with the SDGs.

Our Approach to Materiality

We follow the GRI Standards and principles to determine material topics for sustainability reporting. Our materiality process entails assessing the most significant economic, environmental and social impacts of our business operations. We first evaluated our materiality sustainability issues in 2017 to identify Chip Eng Seng's significant ESG factors. 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.

We have continued to conduct an annual review of our material ESG topics for sustainability reporting by taking into account the sustainability trends relevant to our sector. We have examined the material issues reported in our previous sustainability report and have determined that they mostly remain relevant for our 2019 Sustainability Report. Based on the review that included benchmarking against peers in the real estate and construction sector, we decided to classify materials as an emerging topic. While we have almost no control over how construction materials are manufactured, we also recognise that reducing the impact of materials requires sector-level innovation and the development of alternative materials. However, we continue to report on materials used in construction.

We have determined that diversity is not a material topic for our construction business where the workforce is predominantly male due to the physically demanding nature of the tasks. However, we have continued to report on diversity voluntarily as an important topic this year.

An overview of our updated material topics, where they occur, and our management approach is provided below.





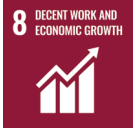
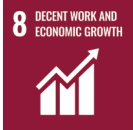



Material ESG Factors			
Material Topics (GRI Standards)	Our Involvement	Where the Impact Occurs	Management Approach
Environment			
Energy	Direct and through business relationship with sub-contractors and tenants	<ul style="list-style-type: none">• Construction• HQ-CES Centre	Take energy efficiency measures in design, construction and management
GHG Emissions	Direct and through business relationship with sub-contractors and tenants	<ul style="list-style-type: none">• Construction• HQ-CES Centre	Minimise CO ₂ emissions during construction and in managing properties
Waste	Direct and through business relationship with sub-contractors and tenants	<ul style="list-style-type: none">• Construction• HQ-CES Centre	Minimise waste during construction and in managing properties
Water	Direct and through business relationship with sub-contractors and tenants	<ul style="list-style-type: none">• Construction• HQ-CES Centre	Minimise and conserve water during construction and in managing properties
Environmental Compliance	Direct and through business relationship with sub-contractors	<ul style="list-style-type: none">• Construction	Comply with applicable environmental regulations

Material ESG Factors			
Material Topics (GRI Standards)	Our Involvement	Where the Impact Occurs	Management Approach
Employees			
Occupational Health and Safety	Direct and through business relationship with sub-contractors	<ul style="list-style-type: none"> Construction Chip Eng Seng Group 	Strive for a zero-accident workplace
Employment	Direct	<ul style="list-style-type: none"> Chip Eng Seng Group 	Build a fair and high performing workplace
Employee Training and Development	Direct	<ul style="list-style-type: none"> Chip Eng Seng Group 	Provide ongoing opportunities for skills and personal development
Customers			
Customer Privacy	Direct	<ul style="list-style-type: none"> Property Development 	Protect and safeguard personal data
Economic			
Economic Performance	Direct	<ul style="list-style-type: none"> Chip Eng Seng Group 	Deliver financial performance for sustainable business growth
Anti-corruption and Anti-bribery	Direct	<ul style="list-style-type: none"> Chip Eng Seng Group 	Maintain zero tolerance for fraud, corruption and bribery
Socio-economic Compliance	Direct and through business relationship with sub-contractors	<ul style="list-style-type: none"> Chip Eng Seng Group 	Comply with applicable environmental regulations

Contributing to the SDGs

In 2019, our materiality review included deeper integration of the SDGs into our reporting process. Building on our earlier alignment of the material ESG topics with the relevant SDGs, we identified the specific SDGs targets to underscore our contribution. How our material topics support the specific SDGs targets is presented below.

Material ESG Factors	GRI Standards	SDGs Targets Supported	SDGs
Energy	GRI 302: Energy 2016	<p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	 

Material ESG Factors	GRI Standards	SDGs Targets Supported	SDGs
GHG Emissions	GRI 305: Emissions 2016 CRE4: Greenhouse Gas Emissions Intensity from New Construction and Redevelopment Activity	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	
Waste	GRI 306: Effluents and waste	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
Water	GRI 303: Water 2016	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	
Environmental Compliance	GRI 307: Environmental Compliance 2016	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all 16.6 Develop effective, accountable and transparent institutions at all levels	
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2016	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants, and those in precarious employment	
Employment	GRI 401: Employment 2016	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
Employee Training and Development	GRI 404: Training and Education 2016	4.3 By 2030, ensure equal access to for all women and men to affordable and quality technical, vocational and tertiary education, including university	
Customer Privacy	GRI 418: Customer Privacy 2016	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	
Economic Performance	GRI 201: Economic Performance 2016	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	

Material ESG Factors	GRI Standards	SDGs Targets Supported	SDGs
Anti-Corruption	GRI 205: Anti-Corruption 2016	16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels	
Socio-economic Compliance	GRI 419: Socioeconomic Compliance 2016	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all 16.6 Develop effective, accountable and transparent institutions at all levels	

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.

Material ESG Topics	Ongoing Annual Targets
Environment: Energy, GHG Emissions, Water and Waste	Intensity Targets (Construction Division): <ul style="list-style-type: none"> • Energy: < 0.38 GJ/m² • Diesel consumption: < 0.35 GJ/m² • Electricity Consumption: < 0.03 GJ/m² • Water consumption: < 900 L/m² • Construction waste: < 30 kg/m² HDB Project, < 40 kg/m² Private Project
Occupational Health and Safety	<ul style="list-style-type: none"> • Zero fatalities across all operations • Zero accidents across all operations • Zero occupational diseases across all operations
Employees	<ul style="list-style-type: none"> • Zero incidents of discrimination in hiring or employment • Maintain employee turnover rate below the national average
Employee Training and Development	Maintain average training hours per employee as last year
Customer Privacy	Zero breaches of Personal Data Protection policy
Economic performance	<ul style="list-style-type: none"> • Maintain sustainable financial performance • Create long-term value for shareholders, investors and stakeholders
Anti-corruption and Anti-bribery	Zero incidents of fraud, corruption or bribery
Environmental Compliance and Socio-economic Compliance	Zero incidents of non-compliance with applicable regulations across our businesses

Our Environmental Impact Management



Our environmental impacts are mainly associated with our building construction business. Significant environmental impacts of construction activities arise from the use of energy, water, materials and waste. Our approach is to minimise these impacts by adopting appropriate environmental policies, practices and technologies.

Green building and sustainable living are also becoming important issues for our customers, tenants, employees, communities and regulators. We have implemented a Green and Gracious policy that promotes activities and initiatives to prevent and minimise the environmental impacts of our construction work. We are making efforts to reduce our environmental footprint by adopting sustainable practices that include green design, sustainable materials, innovation and efficient construction practices.

We conduct periodic reviews of our environmental policies, projects and initiatives to keep them updated and in line with industry trends.

Environmental Management

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

Our environmental efforts focus on energy, GHG emissions, materials selection, waste management, water conservation, wastewater recycling, and noise and dust containment. We include energy efficiency and resource conservation goals throughout our value chain by incorporating sustainable features.

We are committed to mitigating our environmental impacts by adopting sustainable building designs, energy efficiency and technology.

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

We constantly engage our employees, building authorities, contractors and suppliers to seek feedback and suggestions to improve our environmental performance.

Mitigating Climate Change

In line with the Paris Agreement adopted in December 2015, we support 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. We also back Singapore's Climate Action Plan and Sustainable Singapore Blueprint to transition to a low carbon economy.

As a minimum, we adhere to the environmental standards set by HDB as well as BCA. To promote sustainable living environments, we partner with BCA to innovate, adopt and implement green design and construction technologies. We also work closely with HDB to develop sustainable homes.

Our environmental approach focuses on energy efficiency and carbon emission reduction from the buildings we construct, develop or manage.

Energy

Our energy consumption comprises grid electricity and diesel at our construction sites. We, therefore, focus on reducing energy intensity by minimising the use of electricity and diesel in construction to lower our footprint.

In 2019, the absolute electricity consumption at our construction sites was 827,756 kWh as against 1,504,841 kWh in the prior year. During the same period, our operations consumed 1,385,540 litres of diesel compared with 1,341,037 litres in the preceding year. In 2019, the total energy intensity was 0.384 GJ/m² of gross floor area built against 0.333 GJ/m² in the previous year. Our target is to achieve energy intensity of 0.38 GJ/m² or less.

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

Carbon emission reduction is an essential aspect of our environmental initiatives. Our target is to reduce emissions intensity in our construction operations which accounts for most of our carbon footprint.

We monitor CO₂ emissions from the use of electricity and diesel and regularly review our performance.

The total CO₂ emission from construction activities in 2019 was 4,025 tonnes compared with 4,190 tonnes in 2018. Emissions intensity for the same period was 27.4 kgCO₂/m² and 24.4 kgCO₂/m² respectively.

Our Energy Efficiency Programmes

Our construction sites have adopted the following energy saving initiatives:

- 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.

Scope-1 and Scope-2 Emissions

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

Scope-1 direct emissions from diesel consumption accounted for 95% of our total CO₂ emissions at construction sites in 2019. For the year, our diesel consumption intensity was 0.36 GJ/m² of gross floor area constructed. Our target is to achieve diesel consumption intensity of 0.35 GJ/m² or less.

Our Scope-2 emissions result from the use of purchased electricity. Our electricity consumption intensity in 2019 was the equivalent of 0.02 GJ/m² as against our ongoing target of 0.03 GJ/m² or less.

Building Materials

Our approach is to use construction materials efficiently to minimise waste. We also strive to select materials which have a lower impact on the environment. For example, we use pre-cast concrete components which enhance productivity and reduce pollution at the construction site. We also use 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 (tonne)	2017	2018	2019
Sand	89,173	85,845	50,978
Cement	47,751	42,935	25,489
Steel	21,444	23,401	13,464



Contract T227 – Marina South Station and tunnels for Thomson Line

Waste Management

Our construction operations primarily produce non-hazardous waste. As far as practical, we make efforts to reduce, reuse and recycle waste to minimise the amount sent for disposal. We dispose of waste through licensed contractors in accordance with the applicable regulations.

In 2019, non-hazardous waste from our construction sites was 4,631 tonnes as against 5,499 tonnes in the previous year.

Green Mark Features

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

Examples 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, 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 Conservation

We use water in construction as well as in the properties that we manage. Our policy is to use water responsibly and implement conservation initiatives.

At construction sites, our measures include collecting rainwater to reduce the demand for fresh water, as well as reusing and recycling water.

A silty water treatment system installed at sites helps us prevent water contamination. We use pre-cast concrete components which have significantly reduced the need for the on-site use of water. We use water-efficient taps and fittings and dual flush closets that have a 3-tick rating by the Public Utilities Board ("PUB") to save water.

We monitor our water use and review our consumption regularly. In 2019, our water consumption at construction sites was 140,529 m³ as against 184,741 m³ in 2018. For the same period, water intensity was measured to be 0.96 m³/m² and 1.07 m³/m² respectively. Our water intensity target for the construction business remains 0.9 m³/m² or less.

Our Water Efficiency Programme

- 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 components 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 Management

Wastewater is generated at our construction sites. Our approach is to collect, treat and dispose of wastewater according to environmental regulations. We track our wastewater to find ways to minimise it. 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. We reuse wastewater as well as rainwater to wash vehicles before they leave the construction site, which also keeps the roads clean.

Pollution Control

Our pollution control measures aim at reducing noise, dust and vibrations resulting from construction activity, vehicles, heavy equipment and machinery at construction sites. We follow regulatory guidelines and industry best practices for lowering pollution. We constantly monitor our construction works.

To keep the noise under permitted levels, we continuously monitor our construction operations and ensure regular maintenance of the equipment and machinery to reduce sound levels. Our use of pre-cast concrete components also helps in mitigating noise at our construction sites. We ensure that vibrations caused by piling and demolition do not exceed permitted limits.

Operations involving concrete, cement, wood, stone, and silica cause dust at construction sites. We use fine mesh screens to stop dust from dispersing. We also use water sprays to control dust pollution.

To minimise the impact on the surrounding communities, we engage with the affected groups to keep them informed of our impending construction schedules, and promptly address and resolve any pollution-related complaints from the public.

Regulatory Compliance

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

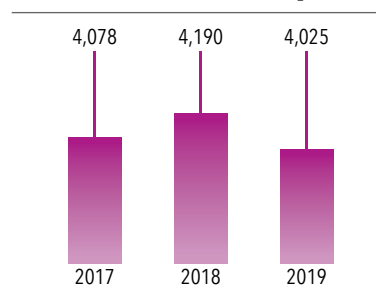
In 2019, at our construction business there was no incident of stop work order. However, there were 20 demerit points related to an incident where it was not reported timely and a notice of non-compliance in connection with Workplace Safety & Health Act "WSH Act". Out of the six construction work sites, there were no incidents of non-compliance at four work sites. Regrettably, there was an incident of lapse in vectors control and two offences at two worksites in connection with the WSH Act, these resulted in a total fine of \$8,000.

At our property development business, a total fine of \$1,800 had resulted from an offence in fire safety violation. We have since taken corrective measures to prevent the recurrence of these problems.

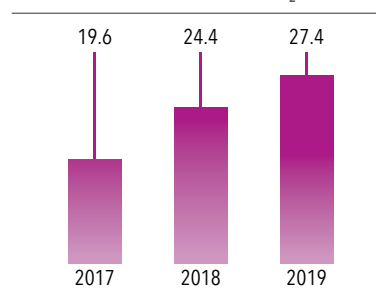
Environmental Performance

Performance data for our key environmental indicators are 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. The annual consumption trends may not be entirely comparable as power and water consumption tend to be higher during the middle stages of a project.

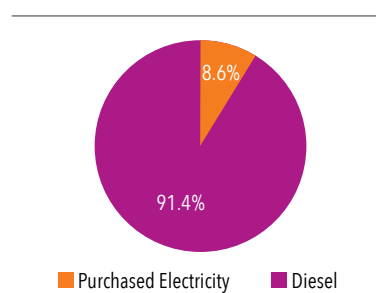
Carbon Emissions –
Construction Sites (tCO₂)



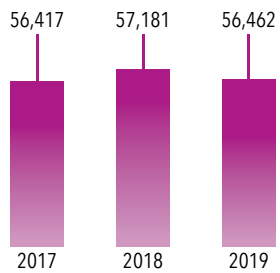
Carbon Emissions Intensity –
Construction Sites (kgCO₂/m²)



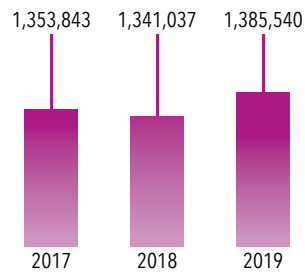
Sources of CO₂ Emissions –
2019 Construction



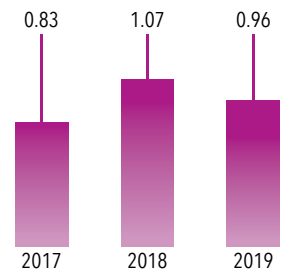
Energy Consumption at Construction Sites (Gigajoule)



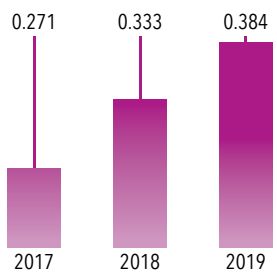
Diesel Consumption at Construction Sites (Litres)



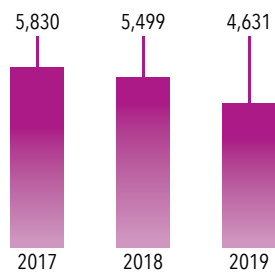
Water Intensity at Construction Sites (m³/m²)



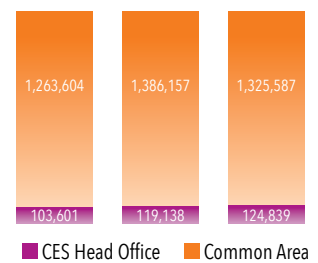
Energy Intensity - Construction Sites (GJ/m²)



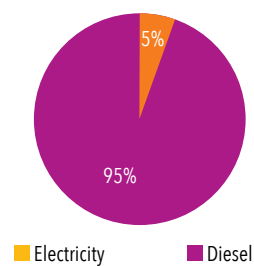
Construction Waste (Tonne)



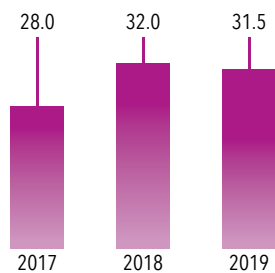
Electricity Consumption at CES Centre (kWh)



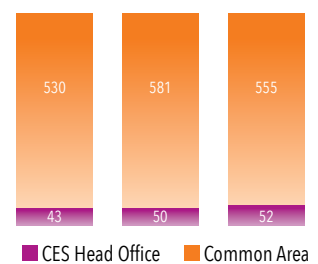
Energy Consumption by Source at Construction Sites - 2019 (Gigajoule)



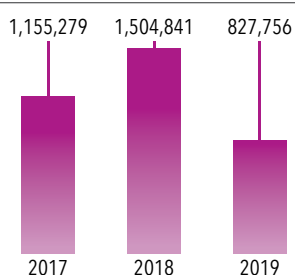
Construction Waste Intensity (kg/m²)



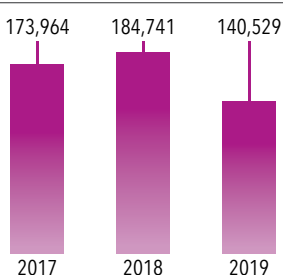
Carbon Emissions: CES Centre (tCO₂)



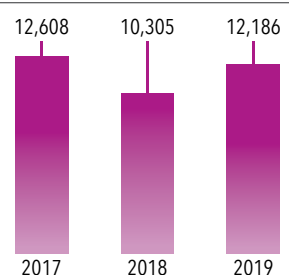
Electricity Consumption at Construction Sites (kWh)



Water Consumption at Construction Sites (m³)



Water Consumption at CES Centre Common Area (m³)



Investing in Our People



Toa Payoh Bidadari C6 & C7 construction site

We are committed to promoting a workplace culture where our people can realise their full potential.

We consider people our most valuable asset. Our business growth and success depend on our ability to attract and retain talented people to deliver high-quality projects on time. We promote fair and inclusive employment and support the overall well-being of our people. At our construction business, ensuring safety at the workplace remains our foremost priority.

Employment

At end of FY2019, our Construction, Property Development and Education Divisions in Singapore employed 520 full-time permanent employees. There were 25 part-time employees, all were female. During the year, we hired 182 new employees. The average age of our employees is 40.8 years.

In addition, we employed 152 employees at Park Hotel Alexandra, Singapore which is part of our hospitality business.

We also employed 324 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 diversity and inclusive workplace culture. We are committed to promoting workplace diversity in terms of gender, age, experience and culture. Our workforce is represented by people from different backgrounds, nationalities and ethnicities. As an equal opportunity employer, our

human resource policies encourage hiring, rewarding and promoting based on merit and performance.

Women accounted for 49.6% of our full-time employees and also held 44.3% of supervisory and managerial positions. Among the new hires, the proportion of women was 67.8%.

Training

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

In 2019, our employees attended training, workshops and conferences covering a wide range of topics spread throughout the year. Training topics included 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.

Talent Management

Our ability to hire and retain competent, qualified and skilled employees is vital for our business. We have adopted human resource policies that promote a professional working environment built on mutual respect and trust.

Employee Turnover

Our target is to maintain our employee turnover rate lower than the relevant national average. In 2019, our turnover rate for the construction, property development and corporate divisions in Singapore was 16.5%, lower than the national construction industry average rate of 21.6% (Source: Labour Market Survey 2019). Our turnover rate for the construction, property development and corporate divisions has remained lower than the national industry average for the past three consecutive years.

Our turnover rate for the education division, a new business line that started in August 2018, was 37.7%. The turnover rate for male and female employees was 16.0% and 41.1% respectively. By age group, the turnover rate was as follows: 55.9% for under 30 years, 29.2% for 30-50 years, and 30.0% 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.

Managing Performance

All of our permanent employees participate in performance appraisal twice a year. The performance appraisal exercise helps to evaluate the

staff performance, determine training needs, close the performance gaps and develop career plans.

Employee Benefits and Welfare

To attract and retain talented employees, we provide competitive compensation, bonuses and performance-based wage increments. Our employees enjoy a variety of benefits. Our full-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. Other staff welfare benefits include annual company dinner, recreation activities, festival gatherings, bereavement donations and wreaths and newborn baby gifts.

Upgrading Workforce Skills

We have implemented a programme to help Basic-Skilled foreign construction workers improve to the Higher-Skilled R1 category in accordance with the criteria set out by 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 2019, 13 workers were successfully upgraded to the Higher-Skilled category. These workers received combined 319 hours of training in a variety of trades.



Home Improvement Programme Batch G27A in Yishun Town



Promoting Workplace Safety and Health

The construction industry accounted for the largest share of fatal injuries of any industry in Singapore with 14 fatal injuries reported in 2018. With 214 incidents, the Construction sector was also the highest contributor to workplace major injuries for the year, according to the Workplace Safety and Health Report 2018.

Safety-first culture is part of our business model. Over the years, Chip Eng Seng has built a strong safety culture across all levels from the top-level management to the site supervisors and workers.

Our target is to have zero workplace accidents. Our measures aim to reduce safety and health risks by encouraging continuous improvement through a variety of safety initiatives. We are focused on building a culture of safety across the Group. Our commitment is to maintain high safety standards to ensure a safe workplace for our workers, contractors and sub-contractors.

We have implemented a comprehensive QEHS system to ensure quality, environment, safety and health requirements are met at each stage of construction. For each project, we conduct a thorough risk assessment to identify and mitigate safety hazards. We ensure compliance with safety regulations and align our work processes with industry standards for safe construction.

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

Safety through Innovation

Our safety-first culture encourages innovation and continuously exploring new methods to lower the risk of injury at our work sites. As a result, our subsidiary Chip Eng Seng Contractors (1988) Pte Ltd developed a Z-Bracket, which is a lightweight steel hollow section with a pipe socket at one end. The smart design enables the leg of a scaffolding frame to be seamlessly slotted into the Z-Bracket. 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 key indicators. A summary of our safety performance is presented below.

Year	Accident Frequency Rate (ARF)	Workplace Injury Rate (WIR)	Accident Severity Rate (ASR)	Number of Fatalities	Occupational Disease Incidence Rate
2017	0.6	148.1	16.1	0	0
2018	0.6	186.2	26.0	0	0
2019	0.6	190.7	34.0	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

Safety Awards

Our commitment to ensuring high safety standards is reflected in the awards and recognitions we have received over the years. In 2019, our projects received 9 health and safety awards:

Winner	HDB Construction Safety Award (Building Category) for Woodlands N1C26 & C27
Merit	HDB Construction Safety Award (Building Category) for 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 2019 to CES Engineering & Construction Pte Ltd
Commendation	WSH CultureSafe (Certificate of Commendation) for Bidadari C6/C7 Alkaff Oasis
Commendation	WSH CultureSafe (Certificate of Commendation) for Bidadari C8/C9

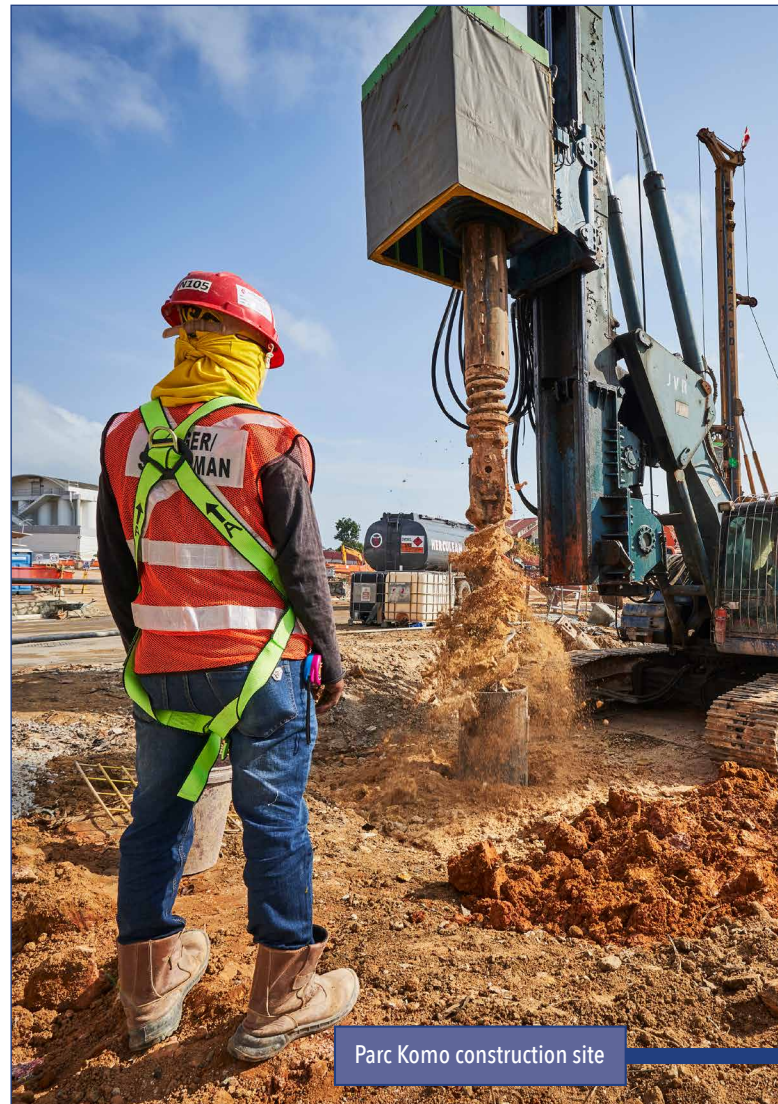
Human Rights

Our workplace policies support the principles of human rights protected by national laws and internationally accepted conventions of the UN and the International Labour Organisation. Our policy bars discrimination, child labour and forced labour in our operations as well as the work performed by contractors and sub-contractors at our premises, factories, work and construction sites.

- 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 construction 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 in accordance with local laws. Currently, Chip Eng Seng 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. 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.

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



Caring for Workers

We employed 324 foreign construction workers at the end of 2019. We hire foreign construction workers from source countries approved by MOM. The hiring of foreign construction workers in Singapore is strictly regulated by MOM. All foreign construction workers are also required to attend the Construction Safety Orientation Course or the Apply Workplace Safety and Health in Construction Sites training.

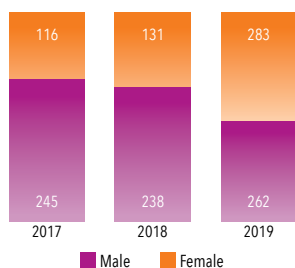
The welfare of our workers is an important issue for us. We provide clean housing facilities to our foreign workers in approved dormitories fitted with modern amenities. The facilities and services at the dormitories include dedicated cooking areas, laundry and recreational facilities such as gym and outdoor games courts. Welfare benefits also include 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. We have also provided spaces for parking bicycles.

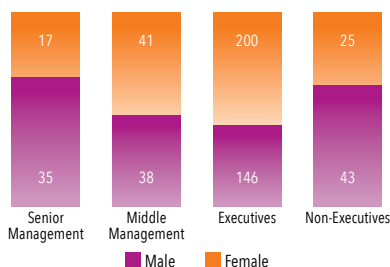
To motivate workers, we offer monetary rewards and a certificate of appreciation to workers who perform exceptionally well during the month.

People Performance

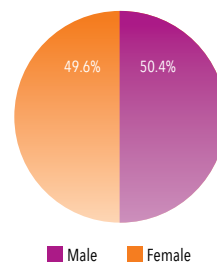
Permanent Employees



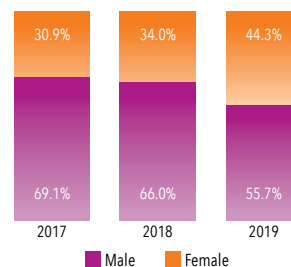
Employees by Category (2019)



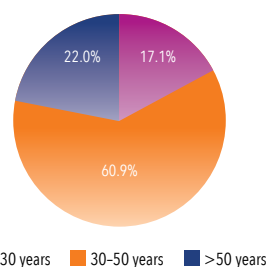
Gender Diversity: Full Time Employees (2019)



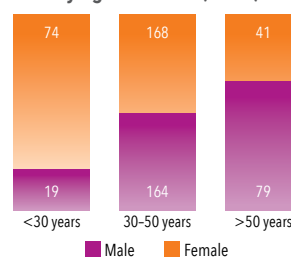
Gender Diversity: Supervisors & Managers



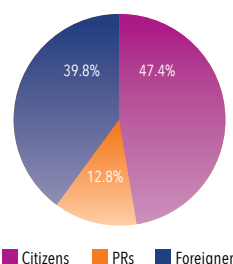
Employees by Age Group (2019)



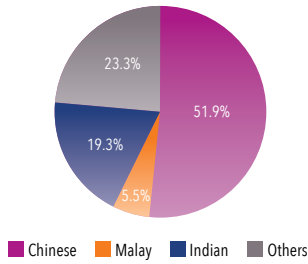
Number of Employees by Age & Gender (2019)



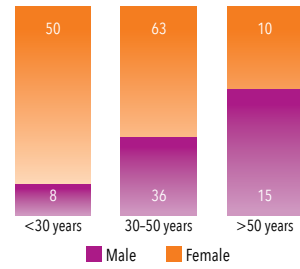
Employees Profile (2019)



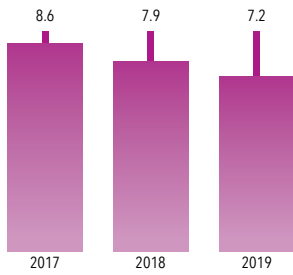
Ethnic Diversity (2019)



New Hiring by Age & Gender (2019)

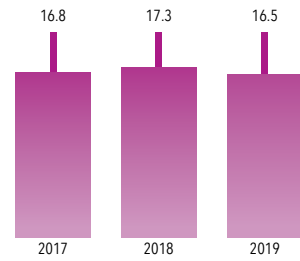


Average Training Hours per Employee

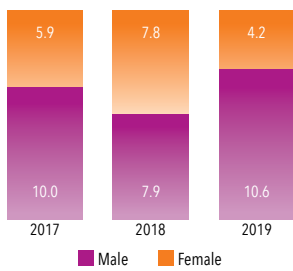


Annual Employee Turnover Rate (%)

– Construction, Property Development & Corporate

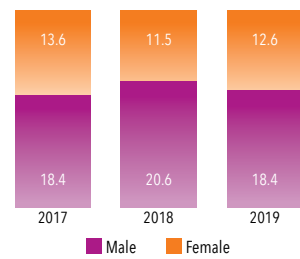


Average Training Hours by Gender

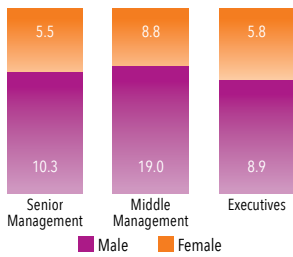


Employee Turnover Rate by Gender (%)

– Construction, Property Development & Corporate

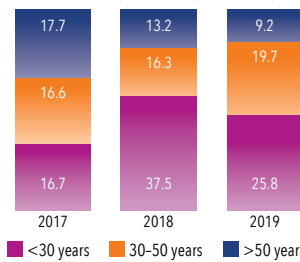


Average Training Hours by Employment Category (2019)

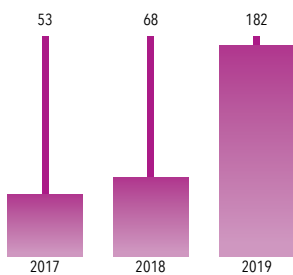


Employee Turnover Rate by Age Group (%)

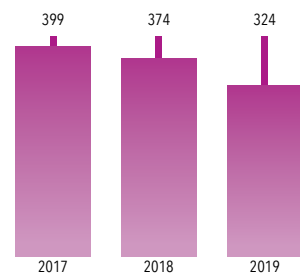
– Construction, Property Development & Corporate



New Hiring



Foreign Construction Workers



Quality and Safety



Bidadari C8 & C9 construction site

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

Over the decades, Chip Eng Seng has established a reputation for adopting high standards of quality and safety in construction and development projects. Driven by our passion for quality, 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.

Public housing is a substantial component of our construction business. Being a significant financial and emotional investment for homeowners, we understand the importance of ensuring high quality and workmanship. Delivering high-quality homes is also crucial for our reputation.

We also have a track record of completing all our projects ahead of schedule or within the target timeline. Among the many successfully executed prestigious projects, The Pinnacle@Duxton, the biggest and tallest public housing project in Singapore stands out. A 50-storey residential development in the city centre, The Pinnacle@Duxton features the world's two longest sky gardens measuring 500 metres each, on the 26th and 50th floors.

Certifications

Our Group companies have obtained international certifications such as the ISO 9001, ISO 14001 and OHSAS 18000 that reflect our commitment to quality, environmental stewardship and workplace safety.

Green Construction

Working closely with HDB and BCA, 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 years, including the BCA Green and Gracious Builder Award - Excellent.

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 participate in the Construction Quality Assessment System ("CONQUAS"), the BCA-established industry benchmark for quality and workmanship standards of construction projects in Singapore. The CONQUAS assessment for two projects with HDB was successfully completed during the year. The two projects achieved an average CONQUAS score of 93.0, higher than our average scores for completed projects in 2017 (90.8) and 2016 (92.2).

Driving Safety Through Innovation

We continuously explore new systems to lower the risk of environmental, health and safety hazards involved in structural works activity. Out of the 14 fatal accidents in the construction industry in Singapore in 2018, eight cases were due to fall from height and one was caused by falling objects from height. Workers are at potential risk of fall from height or getting struck by falling objects from height during erection and dismantling of aluminum formwork.

In 2019, our subsidiary CES Engineering & Construction Pte Ltd developed a new method of constructing staircase storey shelter mechanical ventilation shaft to address the safety hazards related to formwork. With the new innovative method, the construction can be done with a collapsible formwork system lifted by a tower crane. Safety hazards from a potential fall from height and hit by falling object hazards are completely eliminated as installation and dismantling of intermediate platform and scaffold are not required and workers are also not required to work in confined spaces with this new method of constructing staircase storey shelter mechanical ventilation shaft.

Besides improving worker safety, the new method also significantly reduces the manpower requirement, increase productivity and overall lead to cost saving.

The innovation won a SCAL WSH Innovation Award for our Grandeur Park Residences project.

Suppliers and Sub-Contractors

Our supply chain mainly includes contractors and sub-contractors and vendors for building materials and supplies. We regularly engage with our contractors and 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 also cover our contractors and sub-contractors to ensure safety and compliance at our construction sites. We prefer contractors, sub-contractors and suppliers who have attained bizSAFE Level 3 certification for workplace safety and health.

We review contractors' and sub-contractors' QEHS performance every six months. To encourage excellence, we have also instituted annual awards to recognise contractors and sub-contractors for their QEHS performance.

Customer Safety

Health, safety and security of our tenants, customers and visitors at the buildings we manage is also a top priority for us. We have adopted policies and practices to ensure fire and elevator safety, access for people with disability, asset security, disaster management and emergency procedures.

In 2019, 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.

Sharing Best Practices

We welcome the opportunities to share our QEHS best practices with peers. In 2019, our construction business produced a video clip to showcase our strong safety and innovative culture during HDB Safety Seminar & Award presentation held at HDB auditorium. Our workers also put up a skit performance on work safety during the presentation. We also rendered assistance to HDB by providing one of our construction sites and our workers for HDB's production of a safety video titled, A Word in Time Saves Lives which was played during HDB's Safety Award presentation.

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 in compliance with Singapore's Personal Data Protection Act.

In 2019, there were no incidents of breaches of customer privacy or loss of personal data.

Commitment to the Community



Repton Schoolhouse Bukit Timah

We are committed to being a responsible corporate citizen.

The Group's Corporate Social Responsibility ("CSR") programmes aim to promote a sustainable living environment and improve the quality of life for our current and future generations. We believe it is essential for us to build a trusted relationship with the local communities by reaching out to the needy. Our CSR activities have also helped to forge a stronger bond 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 multiple philanthropic programmes through giving and fund-raising efforts. Our employees also volunteer in a number of community initiatives. In total, the Group contributed \$328,358 in sponsorships and donations to meaningful causes in 2019.

During the year, the Group partnered with several community groups for initiatives and programmes that focused on the environmental, culture and arts, education and healthcare in Singapore. Our sponsorship of various golf tournaments and events benefitted the NUS School of Design & Environment Development Fund, Ren Ci Hospital, Compassion Fund Ltd, PAP Community Golf Tournament, the People's Association Community Club Building Fund, the Singapore Scout Association, RHT Rajan Menon Foundation, and Braddell Heights CCC Community Development Welfare Fund.

We actively supported a range of social causes through participation or sponsorship that included Roxy Foundation/ Community Foundation of Singapore Sharing and Caring for Families 2019, Montfort Care, Singapore Symphony Group and Singapore National Eye Centre Fund. We also teamed up with the Singapore Organisation of Seaman and Seacare Co-operative Ltd. to co-sponsor a Chinese New Year festive lunch for the senior citizens of Jalan Kukoh.

We continued to partner with Rainbow Centre in organising a work experience programme at Park Hotel Alexandra for youths aged 17 years and above to impart useful basic skills and knowledge to them.

During the year, our staff volunteers supported autism groups such as the Rainbow Centre by taking part in activities aimed at raising awareness of autism in the community. We also organised visits for 120 of our employees to several of Siem Reap's underprivileged families in Cambodia during the Group's corporate retreat in the city. Our employees used this opportunity to donate essential items to the needy families, including pre-loved clothing contributed by our employees during a donation drive leading up to the corporate retreat.

In 2019, the Group's construction division provided \$84,000 in aid to seven students under the BCA-Industry iBuildSG Undergraduate Scholarship and Sponsorship Programme. The programme helps bright students pursue full-time Built Environment courses at local universities and the BCA Academy.

Internship Programme

We offer internship opportunities to university and polytechnic students to help them gain practical working experience. In 2019, the construction division provided internships to two students while the education business unit enrolled one student intern. The internship duration ranged from 15.5 weeks to 30.5 weeks.

Economic Performance

We are committed to creating sustainable value for our shareholders and stakeholders through the pursuit of sustainable business growth strategies.

The Group relentlessly pursues sustainable business growth strategy to deliver financial performance for our shareholders and investors. Our detailed financial performance is covered in the Annual Report 2019 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	2017	2018	2019
Property Development	571,682	828,638	791,951
Construction	230,394	169,850	164,405
Others	48,733	81,746	99,283
Total Revenue	850,809	1,080,234	1,055,639
Profit for the year	56,161	80,250	32,557
Employee wages and benefits (including directors)	62,688	72,626	73,563
Income taxes paid	22,257	5,809	7,403
Dividends to shareholders	24,841	24,841	25,041

Anti-Bribery and Corruption

Chip Eng Seng maintains a zero-tolerance position against bribery and corruption. Our Anti-Bribery and Corruption ("ABC") Policy prohibits dishonest and fraudulent behaviour including offering, promising, authorising, providing or receiving any kickback.

Our policy also requires all employees to comply with all applicable local anti-bribery laws where the Chip Eng Seng 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 required to submit a positive declaration of any conflict of interest such as 'nil' declaration.

Whistle-blowing Policy

Chip Eng Seng's Whistle-blowing Policy lays down procedures to empower employees and other parties to safely raise matters concerning corruption, bribery, misconduct, fraud, unethical or immoral behaviour or other wrongdoings without any fear of retaliation. The policy requires maintaining complete confidentiality of a complainant and an independent investigation of each case is carried out.

The ABC policy, including the Whistle-blowing policy, is reviewed and endorsed by the Audit and Risk Committee. At the same time, the Human Resources Department is responsible for communicating the policy to all employees.

Our ABC policy provides for a stringent disciplinary action, including dismissal and referring the matter to the police against the individuals involved.

There were zero incidents of bribery or corruption in the reported period.

Socio-Economic Compliance

The Group is committed to compliance with applicable economic, labour and social laws and regulations including, but not limited to the requirements issued by MOM and BCA. The management regularly reviews and monitors our policies and practices concerning regulatory requirements. We disseminate regulatory updates to the relevant employees to help them stay up to date with legal requirements.

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

Suppliers

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.

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

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	102-5 Ownership and legal form	3, AR 188–189
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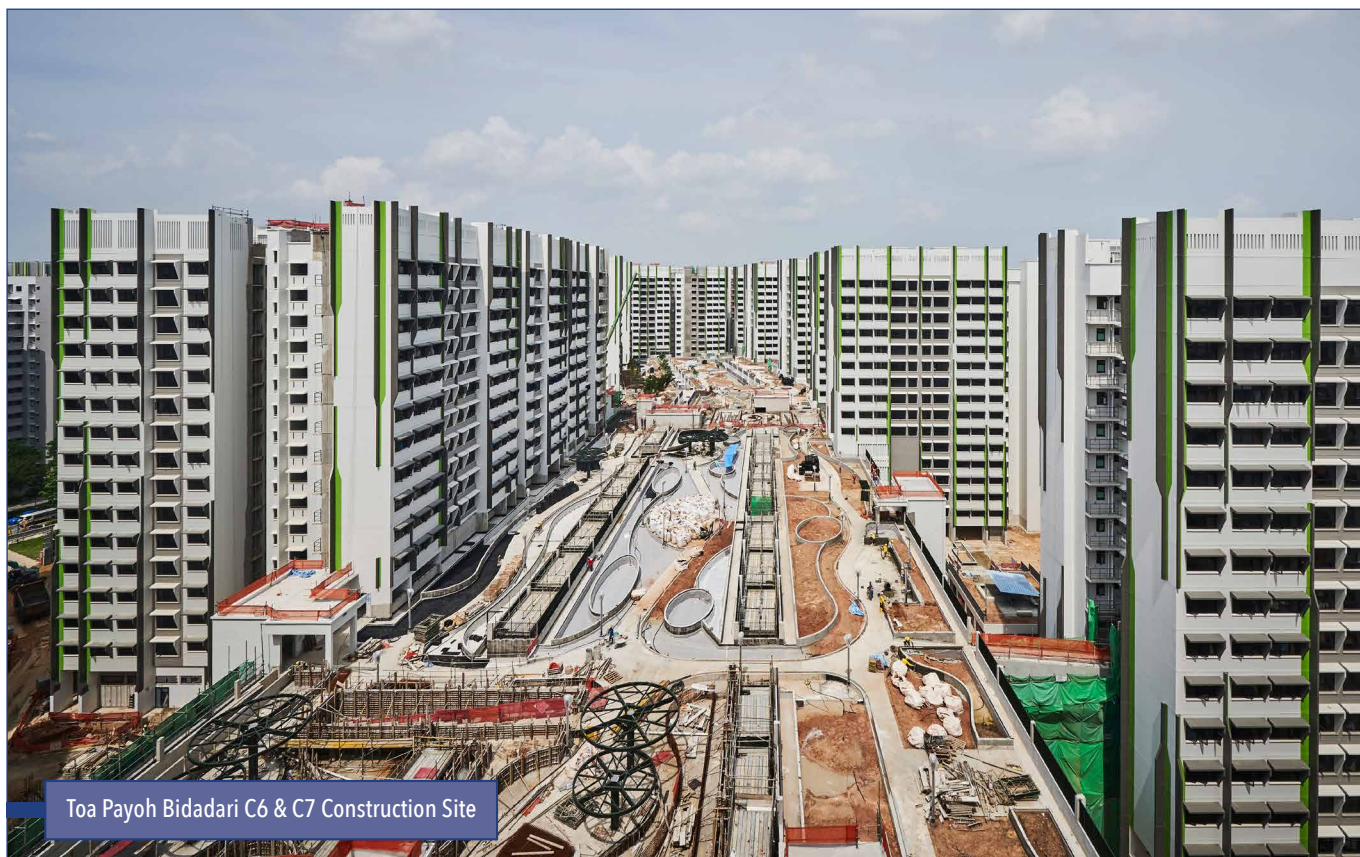
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Toa Payoh Bidadari C6 & C7 Construction Site



Repton Schoolhouse Bukit Timah



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