CHIP ENG SENG CONSTRUCTION PTE. LTD.

Sustainability Report 2023

Contents

About This Report

This is the 1st Annual Sustainability Report from Chip Eng Seng Construction Pte. Ltd. The report describes our sustainability performance on material economic, social and governance ("**ESG**") topics. The report uses the following terms interchangeably to refer to Chip Eng Seng Construction Pte Ltd: "Chip Eng Seng Construction", the "Group" or the "Company".

The Company is private limited company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 12 Tai Seng Link #08-01, Singapore 535233. The principal activity of the Company is investment holding. The Company's parent company Acrophyte Pte. Ltd. is incorporated and domiciled in Singapore.

Reporting Period and Scope
This report covers the period 1 January 2023 to 31 December 2023. The ESG data in this report covers the Company and its subsidiaries in all business spanning building construction, civil infrastructure, prefabrication technology, environmental & sustainability and procurement.

It excludes operations, joint ventures, partners and associates where the Company does not have management and or operational control, with exception of GHG emissions data. The Company reports emissions in accordance with the GHG Protocol using an equity share approach.

The subsidiaries included in this report are as follows:

Held by the Company	Country of incorporation/ operations	Principal activities
Chip Eng Seng Contractors (1988) Pte Ltd	Singapore	General building contractor
CES Engineering & Construction Pte. Ltd.	Singapore	General building contractor
CES Building and Construction Pte. Ltd.	Singapore	General building and related services
CES-Precast Pte. Ltd.	Singapore	Manufacturing and trading of precast products
CES_INNOFAB Pte. Ltd.	Singapore	Modular building construction (3D printing)
CES_SDC Pte. Ltd.	Singapore	Building construction and construction project management
CES_Salcon Pte. Ltd.	Singapore	Construction and supply of equipment for water and wastewater treatment plant
CES ECO Solutions Pte. Ltd.	Singapore	Engineering design and consultancy services in energy management and clean energy systems
Eura Construction Supply Pte. Ltd.	Singapore	Trading of construction materials and engineering parts
Held by subsidiaries		
CES-Precast Sdn. Bhd.	Malaysia	Manufacturing of precast concrete components
CES_Lodge Pte. Ltd.	Singapore	Acquisition of portable containers/structure to rent out as workers' dormitory and provision of related services
CESI (Myanmar) Company Limited	Myanmar	General building contractor and project management
CES-Salcon Technologies Pte. Ltd. (f.k.a H+E Technologies Pte. Ltd.)	Singapore	Process and industrial plant engineering design and consultancy services
CES_Salcon Sdn. Bhd.	Malaysia	Construction and supply of equipment for water and wastewater treatment plant
P.T. CES_Salcon International	Indonesia	Construction and supply of equipment for water and wastewater treatment plant

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (**"GRI"**) Standards. We have used the latest GRI standards – the GRI Standards 2021. We continue to follow the GRI Standards, the most widely used global sustainability reporting standards, due to their longstanding universal acceptability, which allows for comparability of our performance. This report is also prepared in accordance with the Listing Rules of the Singapore Exchange Securities Trading Limited (Rules 711A and 711B). The report also covers the Common Set of Core Metrics recommended by SGX.

We have continued to align our report with selected metrics from the Sustainability Accounting Standards Board's ("SASB") Engineering & Construction Services Sustainability Accounting Standard to include financially material sustainability topics. We have referred to the Task Force on Climate-Related Disclosures ("TCFD") recommendations to report how we address our climate-related risks and opportunities.

Reporting Standards and Frameworks
GRI Standards 2021
SASB Standards (Engineering & Construction Services)
SGX Sustainability Reporting Guide
TCFD Recommendations
GHG Protocol Corporate Accounting and Reporting Standard
UN SDGs

We have integrated the United Nations Sustainable Development Goals **("UN SDGs")** into our sustainability reporting to demonstrate how our actions contribute to these important global goals. We have used the Greenhouse Gas **("GHG")** Protocol Corporate Accounting and Reporting Standard to calculate our carbon emissions. We have reported our Scope 2 emissions using the location-based method as the market-based method does not apply to our operations.

Reporting Principles

We have applied the eight reporting principles outlined in the GRI Standards 2021 (GRI 1: Foundation 2021) to develop this report. We follow GRI's eight reporting principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability to ensure high-quality report content. The ESG data provided in this report has been primarily extracted from internal information systems and primary records to ensure accuracy and consistency. Financial figures are in Singapore dollars unless specified otherwise.

Assurance

Data presented in this report has been internally verified for completeness and accuracy. The report has undergone an internal review process by our internal audit function, overseen by the Board of Director. We did not seek external assurance for this report which remains under consideration for future reports.

Availability

This report can be downloaded in PDF format from our website: https://www.chipengseng.com.sg/investor-relations/sustainability/

Feedback

We value feedback on this report and welcome stakeholder comments or questions at: sustainability@chipengseng.com.sg.

Awards and Recognitions

The numerous awards and recognitions we have gained over the years demonstrates our total commitment to issues such as safety, quality, and sustainable development. Listed below are the honours we received in the last three years.

2023	
Silver	**WSHC Workplace Safety and Health Performance Award 2023 (Silver)** CES_SDC Pte. Ltd.
Certificate of Participation	**SCAL Productivity & Innovation Awards (PIA) 2023** Chip Eng Seng Contractors (1988) Pte Ltd (H-Bracket)
SHARP Award	**WSHC Safety and Health Award Recognition for Projects 2023** Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang N4C39/C40 - Fernvale Dew) Chip Eng Seng Contractors (1988) Pte Ltd (Tampines N8C31 – Tampines Green Grove) Chip Eng Seng Contractors (1988) Pte Ltd (Pasir Ris N5C26/C27 – Costa Grove) CES_SDC Pte. Ltd. (TWRP Contract C4A – Biosolids and Digester) CES_SDC Pte. Ltd. (Jurong Regional Line J107)
Award	**bizSAFE Partner Award 2023** CES_SDC Pte. Ltd. Chip Eng Seng Contractors (1988) Pte Ltd
Award	**HDB Construction Award 2023** CES Engineering & Construction Pte. Ltd.
Award	**HDB Construction Safety Award 2023** Chip Eng Seng Contractors (1988) Pte. Ltd. (Bidadari C8 & C9)

2022	
Silver	**WSHC Workplace Safety and Health Performance Award 2022 (Silver)** CES_SDC Pte. Ltd. Chip Eng Seng Contractors (1988) Pte Ltd
Certificate of Merit	**SCAL Workplace Safety & Health Innovation Awards 2022** Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang C39/C40 - Fernvale Dew)
SHARP Award	**WSHC Safety and Health Award Recognition for Projects 2022** Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang N4C39 - Fernvale Dew) Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang N4C40 - Fernvale Dew) Chip Eng Seng Contractors (1988) Pte Ltd (Bidadari C8/C9 - Woodleigh Glen) Chip Eng Seng Contractors (1988) Pte Ltd (Woodlands N1C25 - Marsiling Grove) CES_SDC Pte. Ltd. (Jurong Regional Line J107)
Certification of Commendation	**WSHC Safety and Health Award Recognition for Projects 2022** Chip Eng Seng Contractors (1988) Pte Ltd (Tampines Green Spring – Tampines N8C31) Chip Eng Seng Contractors (1988) Pte Ltd (Costa Grove – Pasir Ris N5C26/27)
Award	**WSHC bizSAFE Partner Award 2022** CES_SDC Pte. Ltd. Chip Eng Seng Contractors (1988) Pte Ltd
Award	**HDB Construction Safety Award 2022** CES Engineering & Construction Pte. Ltd. (Bidadari C6/C7)
Award	**HDB Construction Award 2022** CES Engineering & Construction Pte. Ltd. (Design & Build of Upgrading Project – G27A)

2021	
SHARP Award	**WSHC Safety and Health Award Recognition for Projects 2021** Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang N4C40 – Fernvale Dew) Chip Eng Seng Contractors (1988) Pte Ltd (Bidadari C8/C9 – Woodleigh Glen)
Silver Award	**SCAL Workplace Safety & Health Innovation Awards 2021 (Silver)** Chip Eng Seng Contractors (1988) Pte Ltd – (Sengkang N4C39C40 Fernvale Dew Project)

2021	
Certificate of Commendation	**WSHC Workplace Safety and Health Performance Awards 2021** CES Engineering & Construction Pte. Ltd.
Certificate of Commendation	**WSHC Workplace Safety and Health Awards Recognition for Projects 2021** CES Engineering & Construction Pte. Ltd. (Bidadari C6 – Alkaff Oasis) CES Engineering & Construction Pte. Ltd. (Bidadari C7 – Alkaff Oasis)
Certificate of Commendation	**WSHC CULTURESAFE** Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang N4 C39 & C40 – Fernvale Dew) CES Engineering & Construction Pte. Ltd. (Bidadari C6/C7 – Alkaff Oasis)
Award	**WSHC bizSAFE Partner Award 2021** CES_SDC Pte. Ltd.

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

Major On-Going Projects

Project	Description
Tengah Brickland Contract 2	Building works at Tengah Brickland Contract 2 and Common Green
Ulu Pandan Contract 1, Contract 2	Building works at Ulu Pandan Contract 1, Contract 2 and Park
Bidadari Contract 8 & 9	Building construction of 8 blocks of residential building
Sengkang Neighbourhood 4 Contract 39 & 40	Design and construction of public housing at Sengkang
Tampines Neighbourhood 8 Contract 31	Building construction of 6 blocks of residential building connecting linkways and linkbridges, a multi-storey car park, precinct pavilions, a roof garden and a childcare centre
Pasir Ris Neighbourhood 5 Contract 26 & 27	Building construction of 10 blocks, with a single storey car park, single-storey commercial facilities, 2 precinct pavilions, 3 electrical substations and communal facilities
Woodlands Neighbourhood 1 Contract 25	Construction of 3 blocks of 25/30-storey and 2 blocks of 26/30-storey residential building with multi-storey car park, precinct pavilions, bin centre, ESS, communal roof garden, commercial & community facilities
Hougang Neighbourhood 2 Contract 11	Construction of 1 block of 13/15-storey, 1 block of 16/18-storey and 2 blocks of 18-storey residential building with multi-storey carpark, ESS & roof garden, precinct pavilion, community facilities and park, and 1 block of 4-storey community
Design & Build of Upgrading Projects for G29G	Upgrading projects for 2 precincts at Serangoon Ave 1, 1 precinct at Lengkong Tiga and 1 precinct at Ubi Ave 1
Parc Komo at Upper Changi Road North	Building construction of 7 blocks of 5 storey residential flats and 3 blocks of 2-storey building for commercial use at 1st and 2nd storey nd residential use from 3rd to 5th storey (total 276 residential units)
Contract J107	Design and construction of Gek Poh Station, Tawas Station and viaduct for Jurong Region Line
Contract 4A	Tuas Water Reclamation Plant – Biosolids and Digesters
Contract 4B	Tuas Water Reclamation Plant – Digestation Pre-Treatment and Sidestream Nitrogen Removal Facilities
Contract P102	Design and construction of Elias Station and connecting tunnels for the Cross Island Line – Punggol Extension
Industrial Wastewater Plant	Supply, installation, testing and commissioning of wastewater treatment systems

Governance

Board Statement

The Board of Directors (the **"Board"**) remains committed to sustainability, good governance and risk management. The Board is also committed to setting strategic objectives with an appropriate focus on sustainability. The Board regularly evaluates potential sustainability risks, including climate-related risks and opportunities, as part of the overall risk assessment and provides strategic direction to the management to adopt relevant policies and responses. The Board determines, reviews and approves the material ESG factors and metrics for sustainability reporting, and provides oversight of the management and monitoring of these material ESG factors through regular reviews of performance indicators, targets and progress.

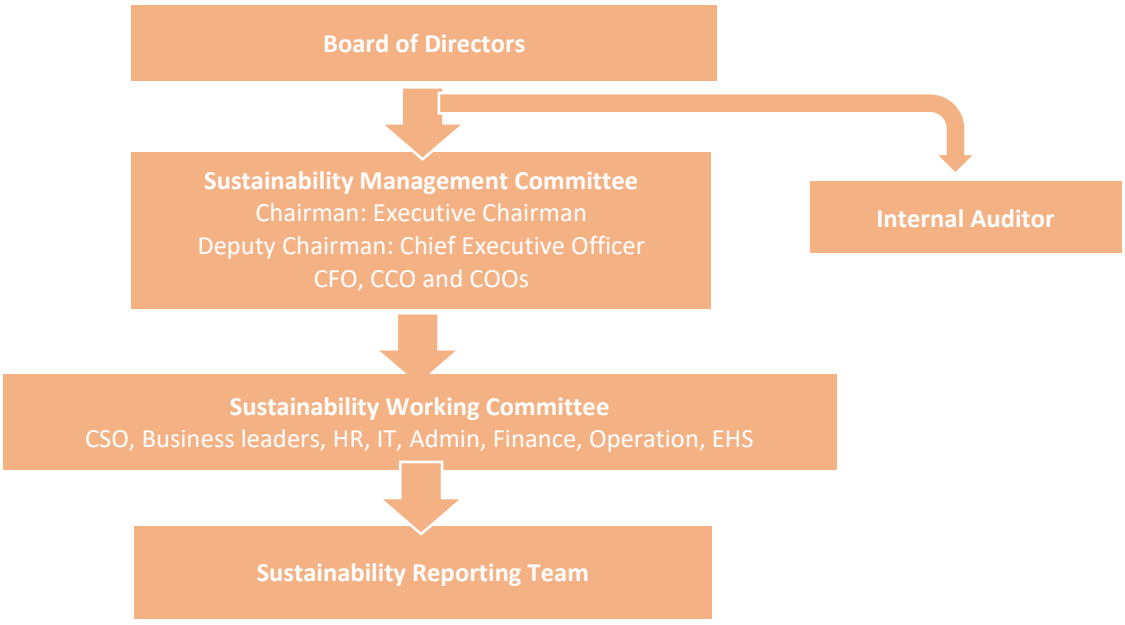
Sustainability Governance

Guided by the Board, the Group's Sustainability Management Committee (**"SMC"**) comprises of C-Suites, chaired by the Executive Chairman supervises the development, adoption and implementation of sustainability strategies and policies, including climate-related issues. The SMC provides regular updates on sustainability progress to the Board.

The SMC is supported by a Sustainability Working Committee ("SWC") comprises of senior business leaders and corporate function heads, chaired by the Chief Sustainability Officer (designate) "CSO" is responsible for sustainability initiative, execution of policies, monitoring and reporting of performance. The CSO is also responsible for coordinating the sustainability reporting process, engaging with internal stakeholders to prepare the Group's sustainability report, and providing regular updates to the SMC and the Board.

A cross-functional sustainability reporting team assists the CSO in sustainability reporting by collecting and validating the sustainability performance data.

The Internal Auditor reports to the Board and is responsible for providing independent assurance on the sustainability report, EESG-related and climate-related risk and opportunity.



Corporate Governance and Ethics

Chip Eng Seng Construction is committed to upholding high corporate governance standards. The Group believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which is essential to the long-term sustainability of the Group's businesses and performance and the protection of shareholders' interests.

Please refer to the Corporate Governance Report section of Chip Eng Seng Corporation Ltd Annual Report 2021 for more information.

Anti-Corruption

Preventing corruption is critical for our corporate reputation. Chip Eng Seng Construction maintains a zero-tolerance approach to all forms of corruption, including bribery, extortion, fraud and money laundering. Our Anti-Bribery and Corruption Policy prohibits dishonest and fraudulent behaviour, which includes offering, promising, authorising, providing or receiving any kickback or any gratification as an inducement to do a favour with corrupt intent. We require all employees to comply with all applicable local anti-bribery laws where the Group operates. For example, our policy requires compliance with the Singapore Prevention of Corruption Act, the UK Bribery Act, the US Foreign Corrupt Practices Act, the Australian Criminal Code Act and other similar anti-bribery laws where the group does business. All new employees are asked to submit a conflict-of-interest declaration form upon joining and re-submit annually. 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 a 'nil' declaration.

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

Anti-Competition

Fair business practices that facilitate healthy competition are important for the efficient functioning of markets. Anti-competitive behaviour can attract legal action and result in financial and reputational loss. The Group is committed to complying with applicable competition and anti-trust laws where it operates. In Singapore, our policies are guided by the Competition Act.

No legal actions were pending or concluded against the Group in the reported period.

Human Rights

The Group is committed to upholding nationally and internationally recognised human rights in its operations. We respect the human rights of our workers, contractors and sub-contractors, and the wider communities in which we operate.

Our corporate policy prohibits discrimination, child labour and forced labour in our operations and in work performed by contractors and sub-contractors. Our policy covers:

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 under local laws. Our employees can freely raise any matter of concern with their supervisors, the HR department, or senior management.

Our subsidiary CES_SDC Pte. Ltd. has a collective bargaining agreement with the Building Construction and Timber Industries Employees' Union (BATU), where insignificant percentage the employees are union members.

Due to strict human resources policies, we have determined that the risk of child labour and forced labour is negligible in our operations. There were no non-compliance incidents relating to child labour, forced labour, discrimination and freedom of association in our operations during the reported period.

Data Privacy

The Group is committed to safeguarding personal data, including customers' and employees' personal information. Our policies and measures to manage personal data comply with Singapore's Personal Data Protection Act ("PDPA") and local regulations in other markets where we operate.

Periodically, the Group send its employees to training workshop on PDPA to refresh and update the best practices. These employees help to ensure effective implementation of our data protection policies and practices in their departments.

There were no confirmed cases concerning breach of customer privacy or loss of customer data

Regulatory Compliance

Compliance with applicable laws wherever we operate is crucial for our reputation and stakeholder trust. Non-compliance may result in penalties or stop-work orders, ultimately affecting the Group's finances, but more than that, non-compliance damages a company's reputation. Complying with all applicable economic, environmental, labour and social laws is an essential component of our governance and ethics. As a diverse, international business, ensuring legal compliance where we operate is crucial for maintaining stakeholder trust. Our business leaders and function heads regularly reviews applicable labour, environmental, health and safety and economic regulations, including emerging laws in relevant jurisdictions, to ensure compliance. We circulate the necessary regulatory updates to the relevant employees to help them stay up to date with legal requirements.

In 2023, there is no significant fine or incident for any non-compliance issue with regulatory law. We consider a fine or incident as significant if the amount of a fine is $100,000 and more or when there a stop-work-order of 7 days at a project site or there is an investigation by authority.

Whistleblowing Policy

As part of good governance, providing a safe avenue for employees and external stakeholders to raise concerns about our operations is important. Therefore, the Group has implemented a whistle-blowing policy and procedures to enable employees and external parties to raise concerns about possible improprieties in matters of financial reporting or other ethical matters, including corruption. The Executive Committee periodically reviews the adequacy of the whistleblowing measures. The policy is communicated to employees through the Staff Handbook, is also available on the Company's corporate website. To promote further awareness, the whistle-blowing policy is covered during staff training and periodic employee communication.

Please refer to our Company website for more information about our whistle-blowing policy.

Certifications

Adhering to national and international standards is important to ensure high quality management across our operations. Various businesses in the Group adopt relevant standards to promote governance and quality of management. Some of the certifications obtained by our business segments are listed below.

Business Segment	Certification	Date of Issue	Expiry Date
Building Construction	ISO 9001:2015	16-06-2023	08-06-2026
• Chip Eng Seng Contractors (1988) Pte Ltd	ISO 14001:2015		
	ISO 45001:2018		
	WSHC bizSAFE Star	21-07-2023	08-06-2026
	WSHC bizSAFE Partner	10-01-2023	08-01-2025
	BCA Green and Gracious Builder Award (Excellent)	05-06-2023	09-06-2026
• CES Engineering & Construction Pte. Ltd.	ISO 9001:2015	16-06-2023	08-06-2026
	ISO 14001:2015		
	ISO 45001:2018		
	WSHC bizSAFE Star	24-07-2023	08-06-2026
	WSHC bizSAFE Partner	09-06-2023	08-06-2025
	BCA Green and Gracious Builder Award (Excellent)	05-06-2023	09-06-2026
• CES Building and Construction Pte. Ltd.	WSHC bizSAFE Level 3	10-02-2021	08-02-2024
Civil Infrastructure	ISO 9001:2015	15-12-2023	22-12-2026
• CES_SDC Pte. Ltd.	ISO 14001:2015		
	ISO 45001:2018		
	WSHC bizSAFE Star	03-12-2021	22-12-2023
	WSHC bizSAFE Partner	03-10-2022	29-09-2024
	BCA Green and Gracious Builder Award (Excellent)	04-10-2023	09-10-2026

Business Segment	Certification	Date of Issue	Expiry Date
Prefabrication Technology • CES-Precast Pte. Ltd.	ISO 9001:2015	09-11-2022	08-12-2025
	ISO 45001:2018	09-11-2022	28-11-2025
	WSHC bizSAFE Star	15-11-2022	28-11-2025
	SCI Precaster Accreditation Scheme (81400 Senai, Johor)	27-02-2016	27-02-2025
	SCI Precast Accreditation Scheme (65 Tech Park Crescent)	08-10-2020	08-10-2025
	SCI Precaster Acreditation Scheme (86200 Simpang Renggam, Johor)	19-08-2022	19-08-2025
• CES-Precast Sdn Bhd	Singapore Green Building Product (SGBP) Certification	14-03-2023	10-06-2025
• CES_INNOFAB Pte. Ltd.	ISO 9001:2015 ISO 14001: 2015 ISO 45001:2018	05-12-2022	04-12-2025
	WSHC bizSAFE Star	20-03-2023	04-12-2025
Environmental & Sustainability • CES_Salcon Pte. Ltd.	ISO 9001:2015	06-07-2021	05-07-2024
	ISO 14001:2015		
	ISO 45001:2018		
	WSHC bizSAFE Star	19-08-2021	05-07-2024

Sustainability Approach

Ensuring sustainable business growth and creating long-term value for our stakeholders.

Our Group's vision is to improve lives by delivering value for living and work, and our mission is to invest strategically and sustainably to make a difference for all stakeholders. Our approach is to incorporate specific and manageable sustainability targets into our core business strategies to ensure sustainable business growth, and long-term value creation for our stakeholders.

From a humble beginning in the 1960s as a building sub-contractor for landed properties, Chip Eng Seng Construction Group has grown into a diverse multinational operation with businesses spanning building construction, civil infrastructure engineering, prefabrication technology, environmental & sustainability engineering and procurement of construction materials. Our commitment to integrity, ethics, and responsible business has been at the centre of our growth story.

With the Group's expansion into new business segments, we have continued to pursue excellence and sustainable growth. The numerous awards we have won across our businesses are testimony to our dedication to excellence. Our building construction business, the oldest business in the Group, has constantly bagged national awards for workplace safety and health, construction quality, environment, productivity, innovation, and corporate transparency, including the Building and Construction Authority **("BCA")** Green and Gracious Builder Award.

Keeping pace with stakeholder expectations and our long-held corporate values, we remain unwavering in managing our business activities' material environmental, social, and economic impacts responsibly.

As we emerge from the COVID-19 pandemic and learn to live alongside the virus, we continue to adapt and develop approaches to our business that are fit for the present and the future. We are using that same adaptability to address the increasing sense of urgency surrounding climate change risk and climate action. For our part, we will continue to invest in lower-carbon alternatives and technologies while increasing our renewable energy adoption in order to reduce greenhouse gas emissions across our businesses.

As the buildings sector recognises the need to decarbonise in line with the Paris Agreement, we continue to explore new options with our supply chain partners, including alternative materials that are more energy efficient or have lower greenhouse gas emissions and environmental footprint.

The Group remains committed to sustainable development. Our support for the UN SDGs that aim to build resilient, just and sustainable societies continues through a host of sustainability measures our businesses are adopting. Our contribution to the SDGs is highlighted throughout this report.

Sustainability Targets

Setting targets is imperative for monitoring and achieving progress on sustainability actions. Therefore, we have established targets for our material ESG topics, which we monitor, review, and report on to demonstrate our sustainability performance and progress. This report covers detailed disclosures about our performance against key performance indicators and targets.

An overview of our segment-wise sustainability approach is summarised below.

Building Construction

From our humble beginnings as a sub-contractor in the 1960s, the Group has grown to become a reputed main contractor for public and private sector projects today. Our commitment to green construction is a core aspect of our sustainability approach. We continue to apply green building standards, principles and technologies in our projects. We strive to use environmentally sustainable materials certified under the Singapore Green Labelling Scheme, and all of our sub-contractors and suppliers are required to meet the green product specifications before being invited for tender or supply. Learn more about our building construction business at https://www.chipengseng.com.sg/ building-construction/.

Civil Infrastructure

In 2019, the Group extended its building construction business into civil infrastructure engineering, with the acquisition of CES_SDC Pte. Ltd. ("**CES_SDC**") (formerly known as Sembcorp Design and Construction Pte. Ltd.). With an established track record in civil, industrial and utility infrastructure projects, CES_SDC offers a wide spectrum of engineering and construction services from tunnel boring to modular construction, and is capable of providing customised solutions. We are committed to embedding our green design and construction expertise into the infrastructure projects we design and build. We are engaged in several infrastructure projects which are essential for socioeconomic development and environmental sustainability and play an important role in national development. Learn more about our infrastructure and civil engineering business at https://www.chipengseng.com.sg/ business/civil-infrastructure/.

Prefabrication Technology

The Group has been in the precast concrete works technology business since 2003. In 2006, the Group incorporated a wholly-owned subsidiary, CES-Precast Pte. Ltd, to further extend its precast concrete works business with prefabricated prefinished volumetric construction ("**PPVC**") businesses to meet Singapore's growing demand for precast and PPVC components. Our precast concrete and PPVC concrete materials, used for residential, commercial, industrial and infrastructure projects, enhance productivity and safety. In 2022, CES-Precast was awarded the Singapore Green Building Product (SGBP) certification for its work on supplementary cement replacement. Learn more about our precast technology business at https://www.chipengseng.com.sg/business/precast-technology/

To further enhance our capability, in 2016, the Group collaborated with Nanyang Technological University, through CES_SDC, to conduct targeted research on 3D printing technology and materials. This transformational technology is aimed at improving productivity in the construction industry. Over the years, the research collaboration has yielded novel materials and methodologies that can synergistically integrate with the construction value chain.

In 2021, CES_INNOVFAB Pte. Ltd. was established to spearhead further development and production of concrete 3D printed Prefabricated Bathroom Units ("**PBUs**") and other innovative lightweight concrete-based 3D printed products to complement the Group's construction business. Our innovative production method for PBUs does not require moulds compared to conventional concrete PBUs, resulting in reduced material wastage. Our 3D printing technology capabilities can be deployed for both on-site construction and off-site prefabrication. Furthermore, our products are manufactured using green cement, which comprises residual materials from other industries that are upcycled, thereby reducing the overall carbon footprint.

Environmental & Sustainability

In 2021, the Group forayed into water and environmental engineering business after acquiring wholly-owned subsidiary, Boustead Salcon Water Solutions Pte. Ltd. from Boustead Singapore Ltd. The rebranded entity, CES_Salcon Pte. Ltd. ("**CES_Salcon**"), will help the Group extend its existing civil infrastructure engineering business footprint to include the design, engineering, supply and commissioning of water and wastewater treatment technologies and solutions. CES_Salcon started in 1980 as a trading company and steadily grew into a multi-disciplinary Engineering Procurement Construction in water and wastewater technology with installations in more than 80 countries, spanning various industries from the oil and gas, petrochemical, power to the semiconductor and municipal sectors.

In Singapore, water scarcity is an existential matter, and this has spurred us towards finding unique solutions in sustainable water management by reducing, reusing or recycling water. It initially requires system optimisation to reduce discharge, followed by process adaption to reuse the water and subsequently reclamation to recycle the wastewater. We have a successful track record of reclaiming some of the most severe wastewater in the tannery, textile, pulp and paper industry for the past 20 years, coupled with a few zero liquid discharge projects. We are also committed to partnering with the plant's owner to reduce the plant's carbon footprint that the company is contracted to maintain. Learn more about our environmental business at https://www.chipengseng.com.sg/environmental/

Stakeholders

Trust from our stakeholders form the foundation of all of our business activities.

Forging trusted relationships with our wide range of stakeholders, understanding their needs, and the potential impact they can have on our business is crucial for long-term sustainable growth.

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

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

Stakeholder Groups	Topics and Concerns	Engagement Methods
Customers (Developers, municipalities, contractors, utility and infrastructure owner/operators)	• Good workmanship • Value engineering and design • Timely completion of projects • Productivity and innovation • Prompt rectification • Clear communication • Legal and contractual compliance • Public and worker safety	• Regular project updates • Tenancy agreements • Customer service • Submission of performance survey reports • Website
Employees	• Safety, health and wellbeing • Training and development • Job security • Career advancement • Fair remuneration and rewards • Employee welfare • Work-life balance	• Regular meetings • Internal communication • Training opportunities • Performance reviews
Government agencies and regulators	• Climate change • Regulatory compliance • Responsible business practices • Productivity and innovation • Sustainability reporting	• Compliance updates • Timely data reporting • Participating in stakeholder consultations by government agencies • Participating in government committees • Sustainability reports
Investors and shareholders	• Financial performance • Return on investment • Governance • Risk management • ESG performance • Sustainable business growth • Business diversification	• Annual general meetings/Extraordinary general meeting • Annual reports • Sustainability reports • Shareholder circulars
Suppliers and sub-contractors	• Clear specifications and instructions • Workplace safety and health • Timely payment according to contractual terms • Technical guidance • Timely provision of materials and equipment	• Supplier policies and requirements • Tenders / Request for Proposal Agreements • Product presentations and seminars • Site inspections

Stakeholder Groups	Topics and Concerns	Engagement Methods
	• Productivity and innovation • Site inspections	
Community	• Minimal disruptions due to the Group's project work • Minimal dust, noise and vibrations from construction • Health and safety • Support for community programmes	• Advance notification of work schedule • Feedback systems in place • Regular updates through posting of notices and bulletins • Donations and sponsorships

Membership of Associations

We maintain active memberships of several industry organisations to mutually learn and share knowledge, expertise and stay updated on emerging trends and innovations. We participate and support various industry events and dialogues. Some of our memberships include:

- Singapore Business Federation
- Singapore Concrete Institute
- Singapore National Employers Federation
- The Prefabrication Association of Singapore for Precast and Steel Limited
- Singapore Water Association
- The Singapore Contractors Association Limited
- Singapore Semiconductor Industry Association

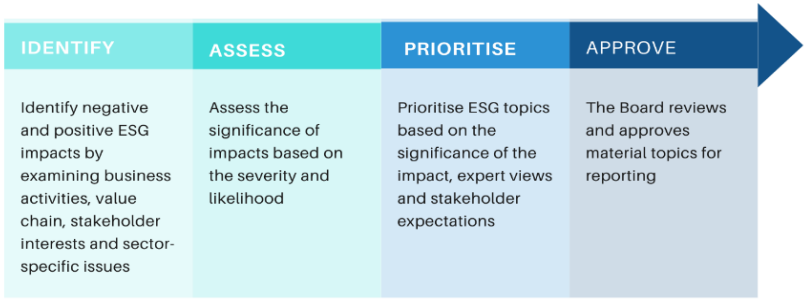
Our CEO is a council member of Workplace Safety & Health Council (WSHC), Chairman of WSHC Construction and Landscape Industry Sector and member of MINDEF External Review Panel for Safety.

Materiality

Our business operations produce both positive and negative environmental, social and governance impacts. Our approach is to identify, prioritise and focus on the most significant ESG impacts with an aim to maximise our positive contribution to sustainable development and minimise sustainability-linked risks to business. At the same time, we consider the financial materiality of ESG issues relevant to our business which are of interest to our investors.

Therefore, assessing material impacts of our business activities is an ongoing exercise at Chip Eng Seng Construction. Materiality assessment also facilitates developing sustainability strategy and reporting. We use a blend of globally recognised standards such as the GRI Standards, SASB Standards and the TCFD Recommendations to evaluate our material ESG topics for reporting.

Materiality Assessment Process



The Board and SMC actively involved in the materiality assessment process and the Board approves the material topics for sustainability reporting.

Building on the last comprehensive materiality assessment carried out in 2020 which senior management representatives from various business segments had participated in a materiality workshop to assess and validate the most significant ESG impacts, both positive and negative, from our operations. In 2023, the SMC reviewed and reassessed our material ESG topics again and mapped the key issues spanning our various business segments. The review considered stakeholders' interests, reporting by peers and the major sustainability trends.

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

Material ESG Factors			
Material Topics	**Our Involvement**	**Businesses Where the Impact is Material**	**Management Approach**
Our Environment			
Energy	Direct and through business relationships with sub-contractors	Building Construction Civil Infrastructure Prefabrication Technology	Take energy efficiency measures in design, construction and management
GHG Emissions	Direct and through business relationships with sub-contractors	Building Construction Civil Infrastructure Prefabrication Technology	Minimise GHG emissions during construction
Waste	Direct and through business relationships with sub-contractors	Building Construction Civil Infrastructure Prefabrication Technology	Minimise waste during construction
Water	Direct and through business relationships with sub-contractors	Building Construction Civil Infrastructure Prefabrication Technology	Minimise and conserve water during construction
Environmental Compliance	Direct and through business relationships with sub-contractors	All Businesses	Comply with applicable environmental regulation

Material ESG Factors			
Material Topics	**Our Involvement**	**Businesses Where the Impact is Material**	**Management Approach**
Our People			
Occupational Health and Safety	Direct and through business relationships with sub-contractors	All Businesses	Strive for a zero-accident workplace
Employment	Direct and through business relationships with our brand partners	All Business	Build a fair and high-performing workplace
Training and Education	Direct and through business relationships with our brand partners	All Business	Provide ongoing opportunities for skills and personal development
Our Customers			
Customer Health and Safety	Direct and through business relationships with our brand partners	All Business	Ensure health, safety and security of our customers
Customer Privacy	Direct and through business relationships with our brand partners	All Business	Protect and safeguard personal data
Our Governance			
Anti-corruption	Direct and through business relationships with sub-contractors and brand partners	All Business	Maintain zero tolerance for fraud and corruption
Regulatory Compliance	Direct and through business relationships with sub-contractors and brand partners	All Business	Comply with applicable laws and regulations

Contributing to the United Nations Sustainable Development Goals

The 17 UN SDGs provide a shared blueprint for peace and prosperity for people and the planet. They encompass environmental improvement, social empowerment and greater equality. After aligning our ESG priorities with the UN SDGs, we identified eight goals to which our business actions contribute. We then established specific ESG targets that directly support the relevant UN SDGs targets. These goals underpin our support for sustainable development.

Material ESG Factors	Our Forthcoming Annual Targets for FY 2024	UN SDGs Supported
Environmental • Energy • GHG Emissions • Waste • Water • Compliance	• Energy intensity: < 166/$'million revenue based on 4YA(1) • GHG emissions intensity: < 13.0 tCO_2e/$'million revenue based on 4YA(1) • Waste intensity: < 18.0 t/$'million revenue based on 4YA(1) • Water intensity: < 526 m^3/$'million revenue based on 4YA(1) • Zero significant(2) incident of non-compliance with environmental law	
Social • Occupational Health and Safety • Employment • Training and Education	• Zero fatalities • Zero accidents • Zero occupational diseases • Turnover rate(3) : < national average for the industry • Training Hours(4): > 7.8 hours/employee	
Governance • Regulatory Compliance • Customer Privacy • Anti-Corruption	• Zero incidents of non-compliance with applicable environmental and socio-economic regulations • Zero incidents of non-compliance with applicable data privacy law • Zero incidents of fraud or corruption	

Note:

1. 4YA : 4-year average (FY 2019, FY 2021, FY 2022 and FY 2023).
2. Significant means incident that has consequent of compound fine of $100,000 and more or 7-day and more of stop work order issued by authorities.
3. Turnover rate is the total number of resigned employees divide by the average number of employees
4. Training hours per employee is the total number of training hours provided to employees divide by average number of employee.

Environment

Minimising our environmental footprint for a greener tomorrow.

Amid growing global environmental concerns about the planetary boundaries, climate change, water stress and scarcity, pollution and biodiversity, businesses are expected to do their part and adopt sustainable business practices. At Chip Eng Seng Construction, environmental responsibility is embedded in our business operations. Each of our business segment in the Group adopts policies and measures to minimise its environmental footprint. Our businesses monitor and report their environmental performance against key performance indicators.

Below is our Group environmental performance.

Environmental	2021	2022	2023
Scope 1 emissions (tCO_2e)	3,681	5,783	5,079
Scope 2 emissions (tCO_2e)	982	1,176	1,335
Scope 1 and 2 emissions (tCO_2e)	4,663	6,959	6,414
Scope 1 emissions intensity (tCO_2e/$'million revenue)	9.0	9.2	9.7
Scope 2 emissions intensity (tCO_2e/$'million)	2.4	1.9	2.6
Scope 1 and 2 emissions intensity (tCO_2e/$'million revenue)	11.4	11.1	12.3
Energy consumption (GJ)	58,736	88,845	80,635
Energy consumption intensity (GJ/$'million revenue)	143	142	155
Waste (non-hazardous) (tonnes)	4,487	11,648	10,237
Waste (non-hazardous) intensity (t/$'million revenue)	10.9	18.6	19.6
Water consumption (m^3)	177,890	283,426	271,907
Water consumption intensity (m^3/$'million revenue)	433	452	522

A description of the environmental performances are provided below.

Building Construction
Our building construction business is carried out by Chip Eng Seng Contractors (1988) Pte Ltd and CES Engineering &

Solar Energy for Project Sites

We deploy renewable energy at our project sites where it is possible to reduce energy usage and carbon emissions. For example, we have installed solar photovoltaic panels at project sites, which power a wide range of devices such as noise meters, security cameras, and traffic control systems. We are meeting 100% of our illumination needs at these sites with solar energy, using 37,843 kWh. In total, we generated 86,249 kWh of solar energy at our construction sites in 2022.

Construction Pte. Ltd. These entities are guided by a Green and Gracious policy to promote environmental sustainability. The building construction business focuses on the following material environmental topics: energy efficiency, emissions reduction, water conservation and waste management. For each area, we have adopted reduction targets.

We incorporate green design, sustainable materials, improved productivity through technology and innovation, pollution control, and efficient construction practices. We also engage our key stakeholders, including employees, building authorities, contractors and suppliers, to seek feedback and suggestions to improve our environmental performance.

Our teams closely monitor the performance by collecting and reviewing environmental data with periodic updates to the senior management and the Board.

Environmental Management System
Several of our principal subsidiaries have obtained the ISO 14001:2015 certification to ensure accountability and continuous improvement, adhering to international standards. Our comprehensive Quality, Environmental, Health and Safety ("QEHS") system takes an integrated approach to environmental management, quality and safety in our businesses. This system encompasses policies and practices covering product quality and safety, workplace safety and health, and measures to minimise our environmental impact.

Energy Consumption
Our project sites use significant electricity and diesel. We also use electricity to power our corporate office. Our efforts focus on reducing our energy consumption intensity (the quantity of energy required per million dollar of revenue).

Energy Efficiency Measures
Our project teams constantly look for ways to improve our operations' energy efficiency. Our project sites and factories which account for most of our energy consumption, we continue to drive several energy-saving initiatives. Some of the initiatives include:

- Using energy-efficient T8 LED lights;
- Using 3-tick energy-saving air-conditioning units;
- Maintaining air-conditioning temperatures at 25^{o}C;
- Reducing the number of power generators to reduce diesel consumption;
- Using biodiesel to run generators and machines onsite;
- Deploying energy-saving office printers;
- Running awareness campaigns to educate our employees on the individual actions they can take to save energy;
- Installing motion-detection sensors in toilets to switch lights on or off automatically; and
- Powering our noise meters with solar PV;
- Using window blinds to minimise the heat from outside and therefore reduce the air-cooling requirements.

In 2023, the Group absolute electricity consumption was 3,202,792 kWh compared with 2,821,614 kWh in the previous year. During the same period, our operations consumed 1.91 ML of fuel compared with 2.18 ML in year 2022. In 2023, the total energy consumption intensity was 155 GJ/$'million of revenue compared with 142 GJ/$'million revenue in the previous year.

Our Ongoing Annual Target	Performance in 2023
Energy consumption intensity: < 158 GJ/$'million revenue	155 GJ/$'million revenue
GHG emissions intensity: < 12.6 tCO_2e /$'million revenue	12.3 tCO_2e /$'million revenue

GHG Emissions

The majority of GHG emissions within our operations arise from our use of electricity and fuel (diesel), of which carbon dioxide (CO_2) is the primary gas. Our building construction segment accounts for the majority of our carbon footprint and our efforts are aimed at reducing GHG emissions intensity within this business. One measure we have taken is to reduce the number of power generators we use, which in turn reduces our diesel consumption.

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

In 2023, the Group total GHG emissions (Scope 1 and 2) was 6,414 tonnes, compared with 6,959 tonnes in 2022. For GHG emissions intensity, we had set a goal of < 12.6 tCO_2/$million revenue for 2023. Our actual GHG emission intensity for 2023 was 12.3 tCO_2e /$'million revenue met our target, though the performance was higher than the GHG emissions in 2022 of 11.1 tCO_2e /$'million revenue.

The absolute GHG emissions in 2023 was lower due to lesser consumption in electricity and diesel as lesser construction activities were carried out. Despite lower GHG emissions, emissions intensity was higher due to lower revenue.

Scope 1 direct emissions from fuel was 5,079 tonnes and Scope 2 from purchased electricity was 1,335 tonnes in 2023.

Building Materials and Sustainable Construction

Our choice of building materials and the processes we use in our business play an important role in the overall sustainability of our buildings. Ensuring efficiency, productivity and reducing waste are key components of our sustainability strategy. Increasingly, we use precast concrete walls, improving productivity and reducing pollution at the construction site. We also strive to use sustainable building materials that meet the Green Mark criteria established by the BCA or materials bearing the Singapore Green Label.

Our materials use at our building construction, civil infrastructure and prefabrication technology businesses for the year are summarized below:

Quantity of Material Used (tonnes)	**2021**	**2022**	**2023**
Cement	76,991	91,569	65,213
Sand	172,881	174,583	164,970
Steel	24,449	46,656	44,257

Waste Management

The waste from our building construction projects mainly comprises non-hazardous waste. Our approach is to reduce, reuse and recycle materials to minimise waste. We engage licensed waste management contractors to safely dispose of our waste following the applicable regulations.

Reducing Waste

Our approach is to minimise construction waste sent for landfill. We strive to reduce, reuse and recycle waste at our construction sites. It is our standard practice to segregate waste by type to facilitate reuse and recycling. Key types of construction waste include concrete waste, hardcore, steel scrap, timber, general waste and debris, chemical waste, PVC materials, earth, marine clay and other excavation debris, used oil and grease from machinery and equipment, used and leftover paint containing heavy metal/organic solvents, leftover glue or adhesives containing organic solvents, and used or leftover lead-acid batteries.

Some of the measures to reduce waste at construction sites include the following:

- Using machineries such as scissor lifts, boom lifts, gondolas, and MCPs to reduce the use of scaffolding.
- Extensive use of precast segments that reduces construction waste and dust.
- Using prefabrication rebar cage system to reduce rebar wastage at site.
- Reusing materials such as GI pipe, rebar, angled bar/GI pipe, and hollow sections for other purposes at the site as cable holders, demarcation, footwear holders, flowerpot holders, fire extinguisher holders and safety boot holders.
- Reusing pails, timber and bottles for plantation, cable drums and timber as a cosy table, and damaged sunny hose as a silt trap.
- Converting recycled rebars and metal boards into a bench for workers to rest.
- Using excess plywood to make signages.
- Using drywall and Autoclaved Aerated Concrete (AAC) blocks in construction to reduce brick wastage.
- Using Hubble, an online safety management system, to reduce paper use and increase productivity.

Total non-hazardous waste generated in 2023 was lower at 10,237 tonnes compared to 11,648 tonnes in 2022 as lower construction activities was carried out. Despite lower absolute waste in 2023, the overall waste intensity was higher at 19.6 tonnes/$'million revenue due to greater fall in revenue compared with 18.6 tonnes/$'million revenue in 2022.

Our Ongoing Annual Target	Performance in 2023
Waste Intensity: < 16.1 tonnes/$'million revenue	19.6 tonnes/$'million revenue

Smart Building Design

We embed green building features right from the design stage. This includes integrating BCA Green Mark elements in our projects and using Singapore Green Label products to reduce our environmental impact.

Common elements in projects completed by us include recycling bins at the void deck area of residential blocks, covered bicycle parking lots to facilitate the use of cycling among residents, internal waterproofing, interlocking concrete pavers and paving material, earth retention and slope protection material, subsurface drainage cells, calcium silicate board for false ceilings and protection of gas pipes, 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 Stewardship

We are committed to the responsible use of water throughout our operations. Our policies and measures are aimed at ensuring water saving and conservation. Such measures include water-efficient taps and fittings and dual flush closets with a 5-tick rating by the Public Utilities Board.

We reduce onsite water consumption significantly by using precast concrete at our construction sites. We install silty water treatment systems to help prevent water contamination. We harvest rainwater to reduce freshwater demand, and reuse and recycle water wherever possible.

Our Ongoing Annual Target	Performance in 2023
Water Intensity: < 536 m^3/$'million revenue	522 m^3/$'million revenue

In 2023, our water consumption was 271,907 m^3 compared with 283,426 m^3 in 2022. For the same period, water consumption intensity was 522m^3/$mil and 452 m^3/$mil, respectively. Our water consumption intensity target for the Group was 536 m^3/$'million revenue.

Wastewater Management

Wastewater from construction sites can block drains and cause flooding due to contamination with silt and mud and harm the ecosystem. Other potential contamination at work sites may include oil and chemicals. Therefore, it is important to treat the wastewater before discharge. At our construction sites, wastewater is collected, treated and discharged according to environmental regulations. We implement earth control measures to manage silty discharge due to rain.

We maintain wastewater quality by monitoring the total suspended solid concentration (TSS). TSS sensors and reading instruments are installed at all water treatment tanks. CCTVs are installed at discharge points to monitor the quality of the discharged water.

We strive to recycle wastewater as much as feasible. The recycled water is used for various purposes, such as washing vehicles as well as cleaning workers' toilets and site office areas.

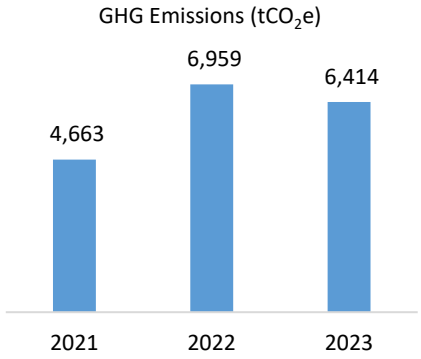
Pollution Control

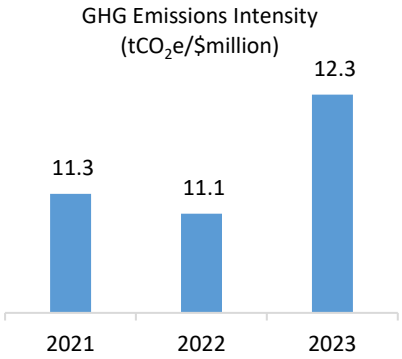
Dust and vibrations, noise from vehicles, heavy equipment and machinery and construction work are common pollution hazards. Any construction work involving concrete, cement, wood, stone, and silica will produce dust. However, pollution can be minimized by implementing strict control measures.

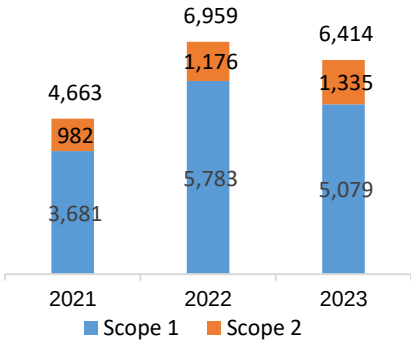
We are committed to minimize all types of pollution from our construction activities. We follow regulatory guidelines and industry best practices for lowering pollution. We install fine mesh screens and use water sprays to prevent dust from dispersing, limiting dust pollution. Our measures include continuous monitoring of our construction operations and ensuring regular maintenance of the equipment and machinery to keep noise levels within safe and permitted limits. We use precast concrete panels fabricated offsite, which also helps mitigate noise at our construction sites. We implement measures to ensure that vibrations caused by piling and demolition do not exceed permitted limits.

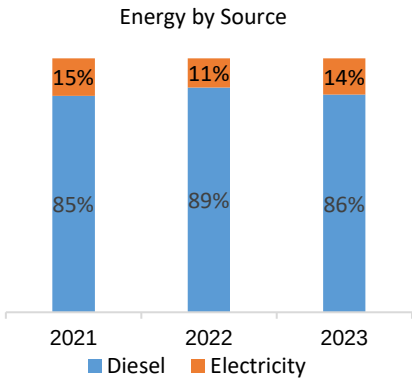
Environmental Performance Data Summary

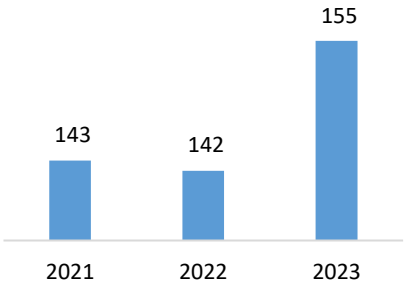
Energy and water use, and the amount of waste and waste generated varies with construction phases. The annual consumption trends may not be entirely comparable as energy and water consumption tend to be higher during a project's middle stages.

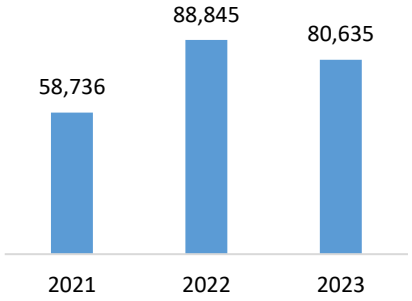


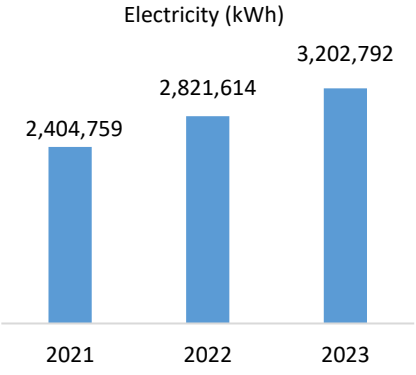


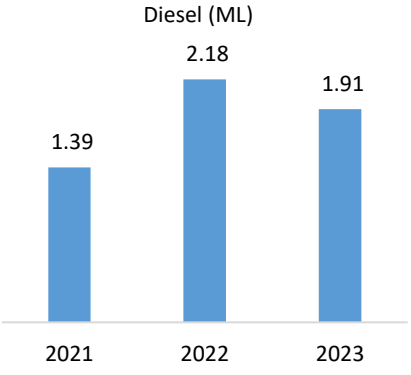


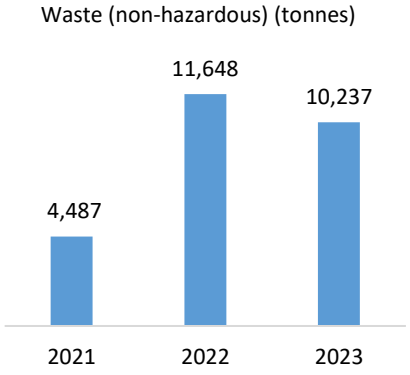


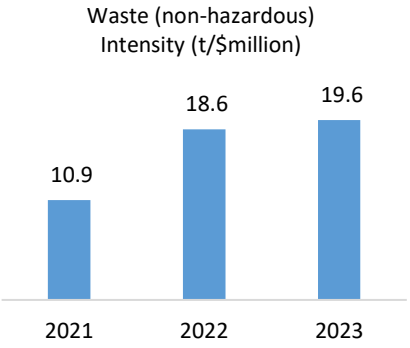


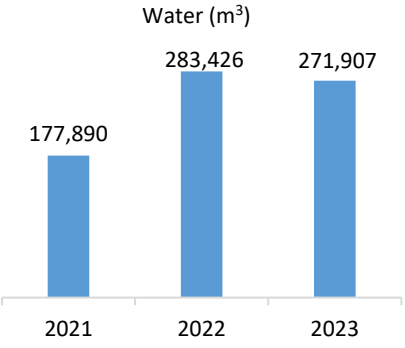


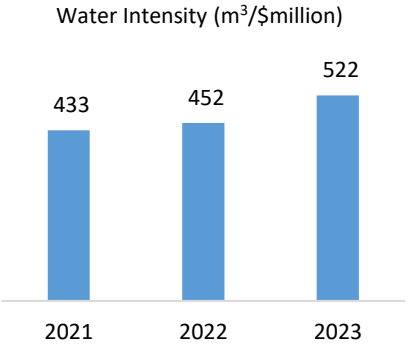












Civil Infrastructure

The Group's civil infrastructure segment, CES_SDC Pte. Ltd. ("CES_SDC") offers a broad spectrum of engineering and construction services from tunnel boring to modular construction spanning civil, industrial and utility infrastructure projects.

CES_SDC is committed to minimize its environmental footprint. In line with its commitment, CES_SDC has obtained the ISO 14001:2015 for its environmental management system. Measures adopted by CES_SDC to reduce the environmental impact of its projects include the following:

Water Conservation

- Monitoring water consumption.
- Onsite water treatment and recycling.
- Onsite rainwater harvesting for reuse in construction activities such as cleaning and concrete mixing, and
- Water-efficient fittings to save water.

Energy Efficiency

- Monitoring energy consumption.
- Preference for using energy-efficient appliances, equipment and devices.
- Employee awareness for promoting responsible energy use.
- Energy-efficient LED lighting.
- Climate-friendly 5-tick air-conditioning equipment.
- Solar lights at construction sites, and
- Solar panels to power onsite security cameras.

Protecting Biodiversity

At CES_SDC, our policy is to minimize negative impact on flora and fauna from our civil infrastructure projects in or near ecologically sensitive areas such as nature reserves, nature areas, areas of biodiversity interest and all coastal and marine development projects. For such projects, we conduct a comprehensive Biodiversity Impact Assessment ("BIA") using relevant guidelines such as the Biodiversity Impact Assessment Guidelines issued by the National Parks Board, Singapore. Based on the BIA, we implement an Environmental Monitoring and Management Plan ("EMMP"). We engage biodiversity experts to assist us in developing, implementing and monitoring the EMMP.

Our EMMP measures to protect fauna include:

- Passive wildlife shepherding.
- Maintain hoarding integrity.
- Pre-felling fauna inspection
- Use fully biodegradable erosion control blankets.
- Ensure no fauna entrapments.
- Wildlife-proof food waste bins.
- Pegging of boundary line before site clearance.
- Arboriculture works and
- Monthly flora inspection by biodiversity experts.
- Monthly fauna inspection by biodiversity experts.
- Regular checks to ensure compliance.
- Wildlife response plan

Prefabrication Technology

Precast concrete refers to concrete produced in factories, as opposed to cast-in-place concrete that is produced on a construction site. Since it is produced in a controlled environment, precast concrete is typically of a higher quality than concrete produced on a project site.

The moulds used during the precast process can be reused several times, as opposed to their site-specific counterparts. The use of precast segments helps to reduce construction waste, dust and noise. Overall, using precast improves productivity and reduces pollution at construction sites.

SINGAPORE GREEN BUILDING COUNCIL

SINGAPORE GREEN BUILDING PRODUCT CERTIFICATE

AWARDED TO
CES-Precast Sdn Bhd
PTD102945 Jalan Idaman Senai Industrial Park
Senai Johor
Malaysia 81400

FOR THE PRODUCT
Ready-Mixed Concrete

PRODUCT BRAND
CESP

PRODUCT MODEL
40N-LH,50N-LH,40N-LH (Green),50N-LH (Green)

THE PRODUCT HAS BEEN ASSESSED ACCORDING TO THE ASSESSMENT CRITERIA OF SINGAPORE GREEN BUILDING PRODUCT CERTIFICATION SCHEME. IT HAS BEEN AWARDED THE RATING:

SINGAPORE GREEN BUILDING PRODUCT SGBC ✓✓✓ EXCELLENT

Director
SGBC Pte Ltd

Certificate Number	Original Issue Date	Revised Date	Valid Till
SGBP 4137	11 June 2023	14 March 2023	10 June 2025

✓Good ✓✓Very Good ✓✓✓Excellent ✓✓✓✓Leader
The use and reliance on this certificate is subject to the terms and conditions of the Singapore Green Building Product Certification Scheme. Revised certificates may also be issued at the discretion of the Council. The certification status may be verified at the Singapore Green Building Council website (www.sgbc.sg).

Our precast factory in Senai, Malaysia is awarded with Singapore Green Building Product Certificate. The factory is capable to batch green concrete. Green concrete is more environmental friendly that standard concrete as it uses less energy in its production and produces less carbon dioxide than standard concrete. The factory uses recycled materials such as pulverised fly ash to produce low-carbon, green concrete to reduce the impact on the environment. Green concrete has a carbon emission of an estimated 150 $kgCO_2e$ per cubic meter of concrete compared with standard concrete's emissions of 205 $kgCO_2e$

Green Concrete

In 2023, our precast factory used 1,092.5 m^3 of low-carbon, green concrete for three projects.

Compared with normal concrete, green concrete emits about 27% or 55 kg less carbon dioxide per cubic meter (m^3) of concrete. The use of green concrete in the two projects avoided about 60.1 tonnes of emissions.

Environmental & Sustainability

Our Group company CES_Salcon Pte. Ltd. ("CES_Salcon") is on a mission to revitalise the world's water resources using the most advanced water and wastewater engineering and technology. CES_Salcon has designed and constructed more than 800 industrial and municipal water and wastewater treatment plants in 60 countries globally. CES_Salcon remains focused on providing energy-efficient water and wastewater solutions.

Industrial wastewater may contain high levels of chemicals, effluents and toxins which are extremely harmful to humans and the environment. Our purpose-built treatment solutions convert industrial wastewater into a form that can be safely released into the environment or recycled and reused.

Our municipal water and wastewater treatment solutions bring clean and safe drinking water to communities. We engineer solutions for the proper treatment and disposal of municipal wastewater and sewage.

Our dual objectives are to provide communities with access to clean and safe drinking water, while also ensuring that the wastewater generated by these communities does not harm ecosystems and is recycled for reuse.

Protecting the Environment

A number of wastewater treatment plants we have designed and constructed are helping conserve precious water resources worldwide.

Here are two examples. In Saudi Arabia, King Salman Marine Shipyard - Industrial Wastewater Treatment Plant is designed to treat and recover the wastewater generated from the shipyard. The plant has the capacity to treat about 300,000 m^3 water per year to safe levels before reuse in cooling tower system and/or before discharging into the sea.

The wastewater treatment plant at Farabi Petrochemicals in Saudi Arabia has the capacity to treat about 230,000 m^3 water per year to safe levels before discharge into the sea.

TCFD Report

Climate Change

We recognise that climate change poses an existential threat to the planet. Rising global temperatures can trigger extreme weather conditions and events such as floods and hurricanes, droughts and heatwaves, and rising sea levels. These events directly impact food supplies, ecosystems, coastal stability, and public health. If not checked, climate change can have a devastating effect on economies and societies and the businesses that operate within them. It is widely accepted that there is a global urgency to transition to a lower- carbon economy.

As the world rallies to meet the required goal of limiting global temperature rise to well below 1.5˚ Celsius as set out in the Paris Agreement, at Chip Eng Seng Construction, we are doing our part to reduce GHG emissions within our business activities.

We are working toward developing strategies to build climate resilience across our business divisions. The first step is to understand potential risks and opportunities from climate change and their financial impact on our businesses. We use the TCFD framework to facilitate this understanding. With the support of an external consultant, in 2021 we carried out a qualitative analysis of the potential financial impact of climate change on our core business activities. We plan to undertake a more detailed climate-scenario analysis to develop a deeper understanding of the potential financial impacts of climate change on our businesses. With this, we will continue to broaden our TCFD reporting.

Based on the TCFD Recommendations, our climate-related disclosures are presented below.

Governance	
Describe the board's oversight of climate-related risks and opportunities.	At Chip Eng Seng Construction, the Board has overall responsibility for the Group's sustainability strategy, including climate-related risks and opportunities. The Board provides leadership and strategic directions to the management to adopt relevant policies and responses. The board regularly evaluates potential climate-related risks and opportunities as part of the comprehensive risk assessment and maintains strategic risk management oversight. The Board also determines material ESG factors, including climate-related metrics and targets.
Describe management's role in assessing and managing climate-related risks and opportunities.	Under strategic direction from the Board, the Sustainability Management Committee (SMC) comprises of C-Suites, chaired by the Executive Chairman, with the CEO as the deputy chair together with the CFO, CCO, COOs supervise the adoption and implementation of climate strategies and policies and provides regular updates to the Board. The SMC is supported by the CSO, senior business leaders and function heads in sustainability initiatives, execution of policies, monitoring of performance and reporting.
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Please refer to the climate-related risk and opportunity section for more information.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In line with SGX's phased implementation approach for TCFD adoption, the Group will incorporate scenario analysis in our subsequent sustainability reports.

Risk Management	
Describe the organisation's processes for identifying and assessing climate related risks.	The Group based on TCFD risk types and classification, conducted an analysis covering physical risk and transition risks and opportunity. Each risk is then assessed based on the likelihood of occurrence and consequence of the impact arising from the risk based on our ERM framework.
Describe the organisation's processes for managing climate related risks.	The group priorities the risk then responses and manages the risk based on the appetite level accordance to our ERM framework.
Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	The Board and management team undertake periodic review of the identified climate-related risks and the risk management approach.
Metrics and Targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Our businesses emitted GHG and impacted on global warming, we recognize our responsibility to help reduce GHG emissions from the built environment. We currently report Scope 1 and 2 emissions for our businesses. In the future, we plan to develop a process to assess, validate and monitor our material Scope 3 emissions. More information about our climate-related metrics and targets adopted by the Group is detailed in Environment chapter.
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We have established targets for GHG emission, waste and water efficiency reduction and we regular monitor and report our performance against these targets.

Risk Management

Based on TCFD risk types and classification, we have conducted an analysis covering the following two risk categories:

Physical risks: Physical risks are associated with event-driven acute risks, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, and chronic risks arise from longer-term shifts in climate patterns, such as rising temperatures that may cause sea level rise or chronic heat waves. Physical risks may cause a financial impact on businesses, such as direct damage to assets and indirect impacts from disruption to business operations.

Transition risks: Risks associated with extensive policy, legal, technology, and market changes required to transition to a low-carbon economy. Transition risks may have financial and reputational implications for businesses.

Below are our Climate-related Risk and Opportunity.

Climate Change Related Risks		
Risk Type	**Risk and Impacts**	**Risk Mitigation**
Physical Risk		
Acute *Increased severity of extreme weather events such as cyclones and floods*	Higher flood risk can potentially damage our factories and project sites and disrupt operations resulting in loss of revenue and repair higher costs. A higher risk of floods and cyclones can also increase our insurance costs. Also, potential disrupt transportation routes and impact delivery of construction material to our project site/factories.	The Group will integrate relevant flood control measures at each of its project site and site office and also to plan and design its storage for its production and construction material at appropriate elevated height.
Chronic *Changes in precipitation patterns and extreme variability in weather patterns* *Rising mean temperatures*	A warming climate can increase thermal stress and health risks for our employees, particularly construction workers and other workers who spend the majority of their time outdoors. Rising temperatures will lead to longer dry spells and likely exacerbate water stress. This could result in higher water costs and water efficiency investments, and disrupt our precast production and operations that uses significant water.	The Group follows protocol issued by authority on measures to reduce heat stress for outdoor workers. This includes provide shaded areas, regular rest breaks, water for hydration. The site safety officers are equipped with heat stress device to monitor the temperature and check on worker fitness to work to prevent heat induced work accidents.
Transition Risk		
Policy	• Increasing carbon tax rate by regulator may indirectly increase our operational costs as energy vendor may pass on the carbon tax to its consumers. • Increasing regulatory around climate reporting may lead to higher compliance costs. • Increasing requirement for energy efficiency building property may lead for more capital expenditures for property enhancement.	Increase use in renewal energy such as solar power at our project sites, factories and office. Continue to drive energy-saving initiatives.
Legal	• Failing to compliance with increasing new regulation or production specifications leading to potential litigation.	The Group shall engage its customers to agree on required green label or sustainable materials such as cement, tiles, timber and steel etc. for its construction and production.

Climate Change Related Risks		
Risk Type	**Risk and Impacts**	**Risk Mitigation**
Physical Risk		
Technology	• The need to transition to new low-carbon technologies across our businesses could lead to new capital investment and write-off and early retirement of existing plant and equipment.	The Group shall carefully assess and evaluate all new significant plant and equipment investment that can meet the required carbon standard before buying.
Market	• Changing customers' preferences, such as demand for builders with energy and water management system standards may lead to higher overall costs of operating our business. • Changes in investors and financier preferences and expectations on ESG considerations may lead to reduce access to capital and financing or higher borrowing costs • Inability to meet customers' sustainability expectations such as green and gracious builders and builder with green accreditations could erode our competitiveness to win tenders or contracts for projects that focus on awareness of climate change.	The Group will regularly engage its stakeholders which include regulators, investors, customer/clients, financier, employee and industry to understand the market direction and climate-change related best practices and to adapt its business model and strategy.
Reputation	• Failing to adopt best industry climate-related risk practices and lower ESG ratings can affect the corporate reputation.	The Group shall regularly engage stakeholders on ESG issues and commit resources to adopt best practices suitable to its businesses.
Climate-Related Opportunities		
Resource Efficiency	Enhancing energy efficiency and water conservation in our operations and investment properties can reduce costs. The saving could be substantial in a high energy price environment.	The group will explore suitable energy efficient technology and exploit available opportunity.
Energy Sources	Adopting renewable energy, such as solar power at construction sites and at our factories, could enhance our energy resilience and reduce our carbon footprint.	The group will explore suitable energy efficient technology and exploit available opportunity.
Products and Services	A range of opportunities exists across our businesses. Providing green design, engineering and construction services could enhance our competitiveness.	The group will exploit opportunity with our technology knowhow and experience.

In 2022, the Board of Directors attended a training workshop on ESG Essentials, conducted by the Singapore Institute of Directors. Previously, the Board has also attended a climate risk workshop in December 2021 conducted by a sustainability consulting firm to develop the necessary capabilities for managing climate-related risks and opportunities across the businesses.

Each of our business is developing and adapting its business strategy to mitigate climate risks and embrace climate-related opportunities. Our approach is to reduce GHG emissions across our businesses to lower our operational footprint. We will continue to adopt green construction materials, methods, and green technologies to minimise the impact on climate.

People

We are committed to promoting an inclusive and fair workplace where our employees can realise their full potential.

Our employees are at the heart of our success. Attracting and retaining talented employees to deliver our high-quality projects and services is crucial for our business performance. Our human resource policies promote a professional working environment built on mutual respect and trust. Safety forms a key pillar of our employees approach: ensuring safety for all at our project sites remains our foremost priority at all our businesses.

Employment
At end of 2023, the Group employed 725 employees (FY 2022: 698) of which 723 were full-time and 2 were part-time employees. During the year, the Group hired 178 new employees. The average age of our employees is about 43 years old.

Employees	2021	2022	2023
Full-time	644	697	723
Part-time	2	1	2
Permanent	646	698	705
Temporary	0	0	20

We also employed 884 foreign construction workers who had fixed-term contracts in Singapore and 86 foreign construction workers at our precast factory in Senai, Malaysia.

Further details on how we manage the wellbeing of our foreign construction workers can be found on page 36.

Diversity
The Group's business operations span 7 economies. Promoting an inclusive work culture that respects diversity is a core part of our ethos at Chip Eng Seng Construction Group and helps us successfully within our multicultural environment. We monitor our diversity performance by regularly reviewing data relating to gender, age, hiring and turnover at all employment levels.

Our workforce reflects our rich diversity comprising people from different backgrounds, nationalities and ethnicities. This mix fosters a range of perspectives, approaches, competencies and lived experiences. We are committed to ensuring that we provide equal opportunities in employment, remuneration, training and promotion based on merit and performance.

Female employees occupied 27% of the managerial and supervisory roles in 2023 compared with 18% in the prior year

Diversity: Board of Directors in Chip Eng Seng Construction Pte Ltd			
	2021	2022	2023
Women directors (%)	0%	0%	0%
Independent directors (%)	0%	0%	0%

Human Capital
Our focus remains on maintaining our ability to attract, develop and retain talent that helps us excel in project execution, safety culture, quality and productivity, and innovation. An overview of our people performance covering the businesses and corporate office is provided below.

Training
Investing in the training and development of our people is crucial for employee well-being and supporting our business growth, and we provide ongoing training and development opportunities to ensure our people have the right skills to perform their jobs effectively. Developing talent within our organisation also helps retain high-quality, valued workers who hold valuable knowledge of the business and often demonstrate greater levels of commitment to the Group.

Our Ongoing Annual Target	Performance in 2023
Average Training Hours: > 8.6 hours/employee	7.4 hours/employee

In 2023, our employees took part in a variety of training courses, workshops and conferences on the following topics: online end-user cybersecurity, first aid for adults and children, safety management, workplace safety, construction productivity, health and environmental management, sustainability reporting, quality and productivity, lean construction, best practices for green and gracious builders, earth control measures, construction regulations, service excellence, virtual design and construction, contract management, project management, ethical business conduct, latest developments in construction law, and personal data protection.

Employee Turnover

In 2023, our annual turnover rate for the Group was 20.7%, which is higher than the national construction industry annualised resignation rate of 15.6% (Source: Labour Market Survey 4th Quarter 2023, average monthly resignation rate 1.3%).

Our Ongoing Annual Target	Performance in 2023
Employee Turnover: To maintain below the national average of the construction industry	20.7% against the national construction industry annualised rate of 15.6%

Performance Management

Permanent employees participate in a performance appraisal twice a year. The performance evaluation helps determine training needs and skills gaps within the organisation and helps us develop career pathways for our staff.

Welfare and Reward

Acknowledging and rewarding staff for their service is a key part of our human resources policy. Along with competitive compensation, we provide bonuses, performance-based wage increases, and various other benefits to attract and retain talented employees. Regarding employee wellbeing, we provide out-patient, inpatient and dental medical insurance coverage. Other benefits include personal accident insurance, welfare gifts and different types of leave benefits e.g. annual, marriage and compassionate leave.

In FY 2023, 5 (4 female and 1 male) employee are entitled to parental leave and all took the leave to care of their new-born babies and all returned to work after the parental leave ended. All employees are still employed 12 months after their parental leave ended.

Our Return to work and Retention rate is as follows:

	Female	Male	Overall
Return to work rate	100%	100%	100%
Retention rate	100%	100%	100%

Parental leave: leave granted to men and women employees on the ground of the birth of a child

$$\text{Return to work rate} = \frac{\text{Total number of employees that did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$$

$$\text{Retention rate} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employee returning from parental leave in the prior reporting period(s0}} \times 100$$

Upgrading Workforce Skills

The group helps Basic-Skilled foreign construction workers upgrade to the Higher-Skilled R1 category (following the criteria set out by the Ministry of Manpower) through a skills improvement programme. Investing in upgrading our foreign workers' skills leads to higher productivity and a lower levy that we are required to pay. Furthermore, Higher-Skilled R1 workers can be employed for an extended period of up to 26 years instead of just 14 years for Basic-Skilled workers.

Ensuring all of our construction workers receive training leads to better work practices, increased quality and productivity, and improved health and safety, since the workers gain the most up to date knowledge on trade code and regulations, new installation methods, equipment, materials, and tools.

In 2023, 142 Higher-Skilled R1 construction workers have completed their Continuing Education and Training. In total these Higher-Skilled R1 construction workers clocked 798.5 hours in their training. 17% of our workers with work-permit holder have attained R1 skilled status compared with 16% in 2022.

Nurturing Future Talent

Investing in young talent is essential for helping shape a strong workforce for the future. We invest in young talent by offering internship opportunities to university and polytechnic students to help them gain practical work experience. In 2023, we provided internship opportunities for 21 undergraduate in NTU and NUS for periods ranged between 13 and 30 weeks. These interns are assigned to various departments, project sites and they are mentored by experience engineering and managers to help them to gain practical work experience.

Since 2020, we had supported the BCA-Industry iBuildSG Scholarship / Sponsorship programmes that aims to nurture future talent for the industry. Nine undergraduates had since benefited from this scholarship provided by the Group. The Group will continue to collaborate, participate and provide such scholarship programmes to inspiring undergraduates pursuing construction engineering course.

Health and Safety

Keeping our employees, contractors, customers, visitors and suppliers safe and healthy throughout their interactions with our business is of paramount importance to us. Here we detail the various measures in place across our business segments.

Promoting Workplace Safety and Health

Workplace safety remains a critical issue for the construction sector. With 18 fatal injuries in 2023, the construction sector was the top contributor to major injuries for year 2023, according to the Workplace Safety and Health Report 2023.

In our construction business, we have adopted Zero Harm vision, where every accident is preventable. In line with this vision, implementing a safety-first culture is integral to our business model, spanning the entire business segments from top-level management to site supervisors and workers. We maintain rigorous safety standards to ensure a safe workplace for our workers and contractors. Our target is to maintain a zero-accident workplace.

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

Regular safety briefings and training is provided to our employees to ensure they are all well informed of the safety risks inherent in various construction activities and are fully educated on safe work practices.

Our Ongoing Annual Target	Performance in 2023
Zero fatalities	0
Zero accidents	4 reportable incidents
Zero occupational diseases	0

Along with safety briefings and training, our health and safety management systems require us to carry out checks and inspections throughout the year. Any non-compliance issues are reported during the monthly Safety Committee meeting.

In 2023, the health and safety teams at our construction project sites and factory performed a total of 253 safety inspection and audits. This worked out to an average of 59 safety inspection and audit per construction project site and 4 at the factory site. On top of these inspections, our corporate health and safety managers also carried out scheduled inspections and safety promotions.

Leading Performance Indicator

Our Group adopts leading indicators and set annual targets to measure their safety performance for the year. The Group recognised that the construction and factory workplace environment is different hence, has set different targets.
As construction workplace environment faces higher inherent risk and impact than factory environment, higher targets in HSE inspection/audit, observation and promotions are set to address potential HSE issues.

Leading Indicators	Annual Target (per site)		Performance (Average per site)	
	Construction	Factory	Construction	Factory
Management Safety Walk	> 4	> 4	20	16
HSE Inspection/Audit	> 240	> 48	708	48
Observations	> 720	>144	1,500	228
HSE Promotions	> 24	> 12	72	120
HSE Committee Attendance	> 95%	> 95%	96%	96%

In line with target

Notes:

Management Safety Walk: A safety walk is when senior management (managing directors or project directors) observes work taking place, inspects the workplace and discusses safety performance with employees and workers based on their observations. By leading and conducting a safety walk, senior management can point out unsafe practices when they occur in the real work environment, providing employees and workers with safe alternatives and means to understand why their practices are unsafe.

HSE Safety Inspection/Audit: A safety inspection is a formalised process of documenting safety hazards and unsafe work practices at site. A safety audit is a formalised process which assess the workplace's health and safety procedures to determine compliance and assess weaknesses in its safety program.

Observations: Safe and unsafe acts/conditions recorded during site HSE inspections, management walks, HSE audits, behavioural-based observations etc.

HSE Promotion: As set means, processes and procedures that are used to develop, sustain and improve safety through awareness raising and changing behaviours among all employees and workers. Example of safety promotion includes the development of internal products and cations such as posters, bulletins, leaflets, audio-visual materials, toolkits, manuals and guides, social media, e-applications, conferences, safety events and campaigns.

Safety Performance

By regularly monitoring and reviewing the safety performance at our construction sites against key performance indicators, we can ensure we are maximising our efforts in this critical area and responding in a timely manner to any deviances from our high safety standards. A summary of our safety performance can be found in the following table.

Performance Indicator	Unit	2021	2022	2023
Fatality due to work-related injuries	Number	0	0	0
	Rate (%)	0	0	0
High-consequence (non-fatal) work-related injuries	Number	0	0	0
	Rate (%)	0	0	0
Total recordable incident rate (TRIR)	Number	8	7	4
	Rate (%)	0.3	0.1	0.1
Fatality as a result of work-related ill health	Number	0	0	0
Recordable work-related ill health	Number	0	0	0
Workplace injury rate	(%)	272	193	141

The above data and information exclude a joint venture which the Group has 40% equity control. During the year there was a fatal accident at the joint venture's project.

Calculation formula:
Fatality Rate= (Number of fatality as a result of work-related injury/ Number of hours worked) x 200,000
High-consequence work-related injuries rate = (Number of high-consequence work-related injuries (excluding fatalities)/ Number of hours worked) x 200,000
Total recordable incident rate = (Number of recordable work-related injuries/Number of hours worked) x 200,000
Workplace injury rate = Number of fatal and non-fatal workplace injuries/Number of manpower) 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 2023, five of our projects are winners for WSHC Workplace Safety and Health SHARP Award:

5 of our projects are winners for WSHC Workplace Safety and Health SHARP Award.

	Company (Project name)
1.	Chip Eng Seng Contractors (1988) Pte Ltd (Sengkang N4C39/C40 - Fernvale Dew)
2	Chip Eng Seng Contractors (1988) Pte Ltd (Tampines N8C31 – Tampines Green Spring)
3.	Chip Eng Seng Contractors (1988) Pte Ltd (Pasir Ris N5C26/C27 – Costa Grove)
4.	CES_SDC Pte. Ltd. (TWRP Contract C4A – Biosolids and Digester)
5.	CES_SDC Pte. Ltd. (Jurong Regional Line J107)

Wellbeing of Foreign Workers

In Singapore, it is standard industry practice to supplement the local construction workforce with foreign contract workers, and the MOM strictly regulates hiring foreign construction workers. Furthermore, all foreign construction workers must attend the mandatory Construction Safety Orientation Course or the Apply Workplace Safety and Health in Construction Sites training.

At end of 2023, the Singapore business operations employed 884 foreign construction workers from countries approved by the MOM, while 86 foreign construction workers were employed at the precast factory in Senai, Malaysia.

We have implemented measures to protect foreign construction workers human rights during the hiring process, and at work on our project sites and factories. We provide clean housing facilities in approved dormitories fitted with modern amenities. The facilities and services at the dormitories include dedicated cooking areas, laundry and recreational facilities such as gyms and outdoor games courts, and televisions in the canteen. They also have free wireless internet access. We provide transport facilities for our workers to travel between their residence and the construction site. The work sites also have spaces for parking bicycles.

To demonstrate our appreciation to workers who perform exceptionally well in their works, every month we offer monetary rewards and a certificate of recognition to these workers.

Quality and Safety

We are committed to upholding the highest standards of quality in construction. We are immensely proud of our strong reputation for high quality and safety standards at our construction sites and factories – a reputation that we have built and strengthened over decades. To achieve these high standards, we regularly invest in the most advanced and efficient construction technologies available, and we continuously maintain or upgrade our equipment to enhance safety, performance and productivity.

Timeliness and precision planning are also key priorities for us, and we have maintained a track record of completing all our projects ahead of schedule or within the target timeline.

Quality and Safety Standards
We demonstrate our commitment to quality, environmental stewardship and workplace safety by achieving a range of certifications for international standards such as the ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018.

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.

Public housing forms a substantial component of our construction business. Delivering high-quality homes is a crucial goal of this business division and we understand the importance of ensuring high-quality workmanship for customers who invest in our homes.

To protect our home-buying customers in the rare event that they are not satisfied with a certain aspect of their purchase and submit a complaint within the defects liability period, we have a robust defect management response policy which dictates that any necessary rectification is carried out in a timely manner after joint inspections.

CONQUAS Score
The BCA Construction Quality Assessment System (CONQUAS) scheme serves as a national standard for assessing the quality of building projects in Singapore. Our target is to achieve an average scores of 95 and above or highest CONQUAS rating for all our completed projects. Our latest completed project Bidadari C6 & C7 (Alkaff Oasis) has attained CONQUAS Star, the highest CONQUAS rating conferred upon a project.

Safety for our Sub-Contractors and Suppliers
Our supply chain mainly comprises contractors and sub-contractors and vendors for building materials and supplies. We regularly engage with our sub-contractors to promote safe work practices through meetings, reviews, training and briefing sessions to help them achieve the required quality, health and safety (“QHS”) standards.

Our QHS policies cover our sub-contractors to ensure safety and compliance at our construction sites. We use a supplier evaluation survey to assess their credentials, including their safety competence, and we review their QHS performance every six months. We have also instituted annual awards to recognise subcontractors for their QHS excellence. All of our subcontractors are certified to bizSAFE Level 3 or above.

Chip Eng Seng Construction Group

An overview of our people performance in Chip Eng Seng Construction Group is presented below

Chip Eng Seng Construction Group	2021	2022	2023
Number of employees	646	698	725
Women employees (%)	29%	28%	27%
Age based diversity (%):			
Under 30 years	14%	14%	9%
30 - 50 years	58%	63%	65%
Over 50 years	28%	23%	26%
Average training hours per employee	7.1	8.5	7.4
Male (hours)	8.4	9.1	9.1
Female (hours)	3.9	6.8	3.2
New hiring (%, number)	39%, 241	39%, 257	25%, 178
Male (%, number)	42%, 181	38%, 182	24%, 119
Female (%, number)	23%, 60	42%, 75	29%, 59
Employee turnover (%, number)	29%, 178	24%, 160	21%, 146
Male (number, %)	29%, 123	27%, 128	18%, 89
Female (number, %)	29%, 55	18%, 32	28%, 57
Employee turnover by age:			
Under 30 years (%, number)	43%, 35	45%, 41	26%, 21
30 - 50 years (%, number)	29% ,105	22%, 89	21%, 95
Over 50 years (%, number)	22%, 38	18%, 30	17%, 30

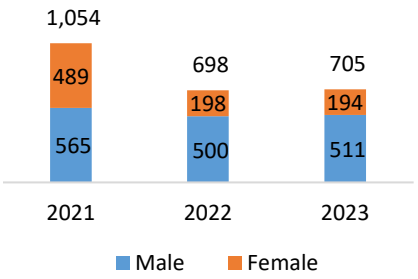
$$\text{Employee hire rate} = \frac{\text{Total number of new hire}}{\text{Average number of employee}}$$

$$\text{Employee turnover rate} = \frac{\text{Total number of resigned employees}}{\text{Average number of employee}}$$

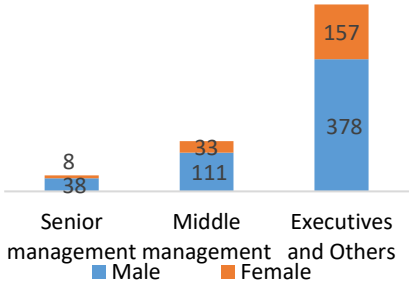
$$\text{Average training hours per employee} = \frac{\text{Total number of training hours provided to employees}}{\text{Average number of employees}}$$

People Performance

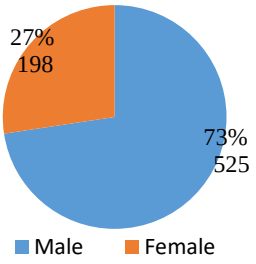
Permanent Employee



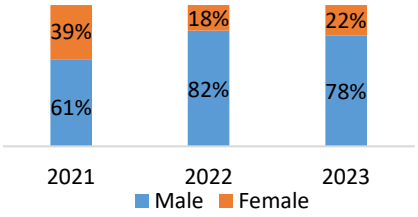
Employees by Category - 2023



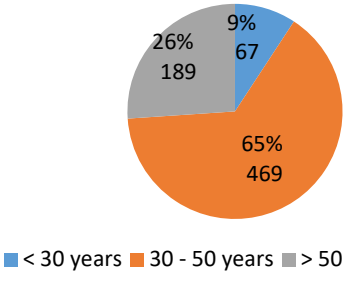
Gender Diversity (Full-Time Employees) - 2023



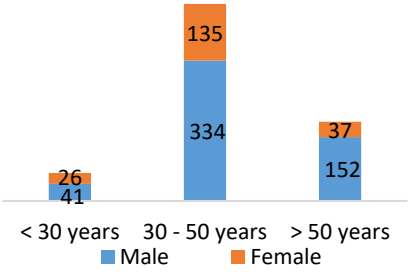
Gender Diversity of Supervisior and Managers



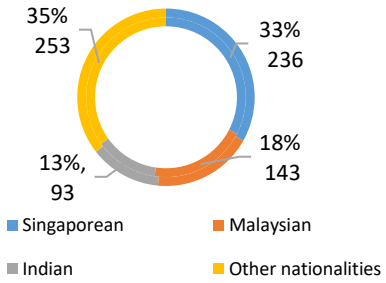
Employees by Age Group - 2023



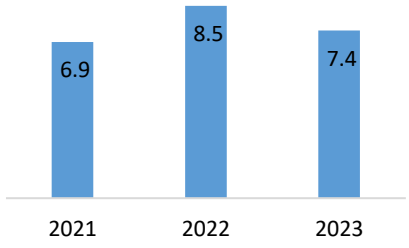
Number of Employees by Age and Gender - 2023



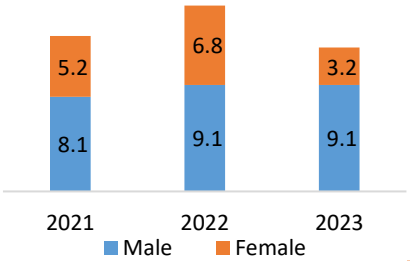
Employees by Nationality - 2023



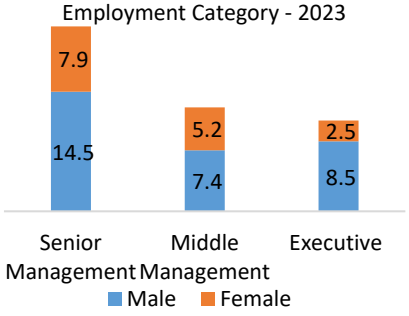
Average Training Hours per Employee



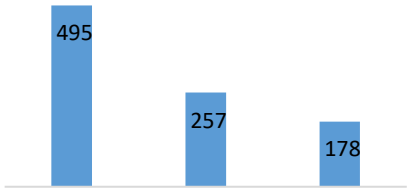
Average Training Hours by Gender



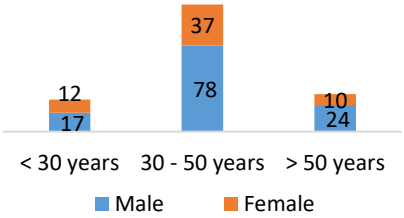
Average Training Hours by Employment Category - 2023



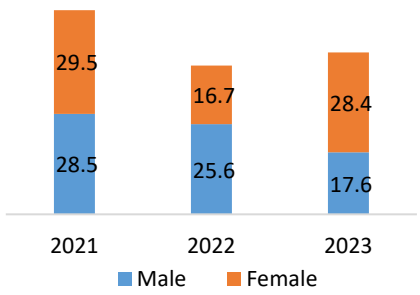
New Hiring



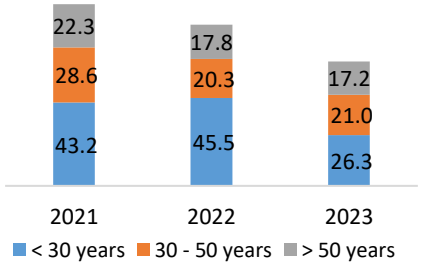
New Hire by Age and Gender - 2023



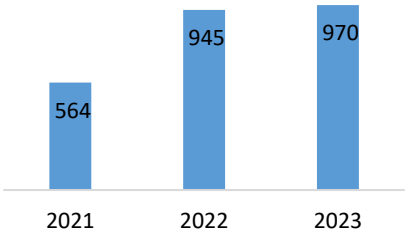
Employee Turnover Rate by Gender (%)



Employee Turnover Rate by Age Group (%)



Foreign Construction Workers



Community

Giving back to local communities

As an international business engaged in diverse construction and engineering businesses, we have the potential to make significant contributions to our local communities. We support social causes, the arts, education, healthcare, and the environment through our community outreach, and we work together with Singapore's construction community and non-profit organisations to support multiple philanthropic programmes through giving and fundraising efforts.

Not only are we able to give back to our communities through our corporate social responsible activities, but our community outreach also helps us forge a stronger bond with and among our employees, customers, and beneficiaries.

Since 2022, the Group has collaborated with It's Raining Raincoats (IRR), a Singapore-based charity organization that aims to improve the lives of migrant workers by building bridges between migrant workers and residents of Singapore. One of IRR's initiatives is Makan with Migrant Workers program. This program is designed for individuals (and their families) to foster bonds on a personal level with the migrant workers' community in Singapore. The Group has been actively promoting this program to all employees to participate.

Recognising and Nurturing Future Talent

During 2023, we provided internship opportunities for 21 undergraduates from 2 universities in Singapore. These interns spent a total of 399 weeks with the Group. The internship periods ranged between 12 weeks and 30 weeks. These interns are assigned to various departments and project sites to gain practical engineering and construction experience.

Supporting Communities

In 2023, the Group sponsored the 4th International Conference on 3D Construction Printing. The event brought scientific communities and industries together to share all aspects of Construction 3D Printing, to promote and advance more sustainable manufacturing and construction.

The group also sponsored the Institution of Engineers Singapore (IES) 57th annual dinner and made donation to The Singapore Contractors Association Ltd (SCAL). IES plays an integral role in developing and growing community of engineers and SCAL advocates business business-friendly practices, promoting industry development and fostering a safe and productive work environment.

Economic Performance

C O N F I D E N T I A L

SASB Engineering & Construction Services Sector Disclosure

Chip Eng Seng Construction supports the Sustainability Accounting Standards Board (SASB) Standards by Value Reporting Foundation. It helps the Group to communicate with businesses and investors on the financial impacts of sustainability by focusing on material sustainability information. The tables below reference the Standard for Engineering & Construction Sector as defined by SASB's Sustainability Industry Classification System and identifies how the Group has addressed the SASB Accounting Metric and Activity Metric for the scope of the Group operations in Singapore and overseas.

Topic	SASB Code	Accounting Metric	2023	2022
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	0	0
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Page 19 - 21,23,25,27	Page 19 - 21,23,25,27
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	$0	$0
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	$0	$0
Workforce Health & Safety	IF-EN-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	0.1 0 0	0.1 0 0
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	0 0	0 0
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Page 19 - 21,23,25,27	Page 19 - 21,23,25,27
Business Ethics	IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0 0	0 0
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	 0 0	 0 0
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Page 9	Page 9

Activity Metric	SASB Code	2023	2022
Number of active projects	IF-EN-000.A	14	10
Number of commissioned projects	IF-EN-000.B	0	0
Total backlog	IF-EN-000.C	$2.4 billion	$1.1 billion

GRI Content Index

Statement of Use	**Chip Eng Seng Construction Pte. Ltd.** has reported in accordance with the GRI Standards for the period 1st January 2023 to 31st December 2023.
GRI 1 Used	GRI 1: Foundation 2021.
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry.

GRI Standard	Disclosures	Page No.
GRI 2: General Disclosures 2021		
Organization Details and Reporting Practices		
GRI 2-1	Organizational details	3
GRI 2-2	Entities included in the organization's sustainability reporting	3
GRI 2-3	Reporting period, frequency and contact point	3, 4
GRI 2-4	Restatements of information	not applicable
GRI 2-5	External assurance	4
Activities and Workers		
GRI 2-6	Activities, value chain and other business relationships	12, 13
GRI 2-7	Employees	32 - 36, 38, 39
GRI 2-8	Workers who are not employees	not available
Governance		
GRI 2-9	Governance structure and composition	8, AR 2021, page 91 - 93, 94
GRI 2-10	Nomination and selection of the highest governance body	AR 2021, page 95 - 97
GRI 2-11	Chair of the highest governance body	8, AR 2021, page 91
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	8, AR 2021, page 91
GRI 2-13	Delegation of responsibility for managing impacts	8, AR 2021, page 91
GRI 2-14	Role of the highest governance body in sustainability reporting	8
GRI 2-15	Conflicts of interest	not applicable
GRI 2-16	Communication of critical concerns	AR 2021, page 123
GRI 2-17	Collective knowledge of the highest governance body	AR 2021, page 89
GRI 2-18	Evaluation of the performance of the highest governance body	AR 2021, page 108
GRI 2-19	Remuneration policies	AR 2021, page 108, 109
GRI 2-20	Process to determine remuneration	AR 2021, page 108, 109
GRI 2-21	Annual total compensation ratio	AR 2021, page 110, 111
Strategies, Policies and Practices		
GRI 2-22	Statement on sustainable development strategy	8
GRI 2-23	Policy commitments	8
GRI 2-24	Embedding policy commitments	8
GRI 2-25	Processes to remediate negative impacts	AR 2021, page 102
GRI 2-26	Mechanisms for seeking advice and raising concerns	AR 2021, page 102
GRI 2-27	Compliance with laws and regulations	9, 10
GRI 2-28	Membership associations	15
Stakeholder Engagement		
GRI 2-29	Approach to stakeholder engagement	16
GRI 2-30	Collective bargaining agreements	9
Material Topics		
GRI 3-1	Process to determine material topics	16
GRI 3-2	List of material topics	18
Economic Topics		
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	18
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	41
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	9

GRI Standard	Disclosures	Page No.
GRI 2: General Disclosures 2021		
	205-3 Confirmed incidents of corruption and actions taken	9
Anti-competition		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	9
Environmental Topics		
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	20, 21
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20, 21
	302-3 Energy intensity	20, 21
Water		
GRI 3: Material Topics 2021	3-3 Management of material topics	23
Management Approach Disclosures 2018	303-1 Interactions with water as a shared resource	23
	303-2 Management of water discharge-related impacts	23
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	23
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21
	305-2 Energy indirect (Scope 2) GHG emissions	21
	305-4 GHG emission intensity	21
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	22
Management Approach Disclosures 2020	306-1 Waste generation and significant waste-related impacts	22
	306-2 Management of significant waste-related impacts	22
GRI 306: Waste 2020	306-3 Waste generated	22
Social Topics		
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	33
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	34 - 36
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	34 - 36
	403-2 Hazard identification, risk assessment, and incident investigation	34 - 36
	403-3 Occupational health services	34 - 36
	403-4 Worker participation, consultation, and communication on occupational health and safety	34 - 36
	403-5 Worker training on occupational health and safety	34 - 36
	403-6 Promotion of worker health	34 - 36
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34 - 36
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	34 - 36
	403-9 Work-related injuries	34 - 36
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 33
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	33
	404-3 Percentage of employees receiving regular performance and career development reviews	33
Diversity and Equal Opportunities		

GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	32, 39
Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	9
Freedom of Association and Collective Bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	9
Child Labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidence of Child Labour	9
Forced, or Compulsory Labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidence of forced or compulsory labour	9
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	40
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	40
Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	37
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	37
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	34
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	34
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	9

SASB Index

Engineering & Construction Services
Sustainability Accounting Standard

Topic	SASB Code	Accounting Metric	Page Reference
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	10
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	20 -27
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	42
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	42
Workforce Health & Safety	IF-EN-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	35, 42
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	42
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	20, 23
Business Ethics	IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	42
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	42
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	9

Activity Metric	SASB Code	Page Reference
Number of active projects	IF-EN-000.A	7
Number of commissioned projects	IF-EN-000.B	7
Total backlog	IF-EN-000.C	42

TCFD Disclosures

Code	TCFD Recommendations	Page no.
Governance		
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	28
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	28
Strategy		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	30
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	28, 29
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	28, 29
Risk Management		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	29
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	29
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	29
Metrics and Targets		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	19 - 27
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	19, 21, 24
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	19, 21, 24