

# Kwan Yong Holdings Limited

光榮建築控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 9998



ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT **2020**

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# Chairman and Chief Executive Officer's Message

Dear Stakeholders,

Kwan Yong Holdings Limited ("**the Company**") and its subsidiaries (collectively referred to as the "**Group**" or "**Kwan Yong**") are proud to present our inaugural Environmental, Social and Governance ("**ESG**") Report. This report provides information about our economic, environmental, and social topics and performance.

As a responsible corporate citizen, the Group adopts a comprehensive approach in managing the environmental impacts of our construction activities and has adequate environmental policies in place to achieve sustainable operations. We have implemented noise and vector control management policies to minimise the social impacts of our construction activities.

At Kwan Yong, we leave no stone unturned in ensuring good workplace safety and health ("**WSH**") practices. The Group is committed to protecting the health and safety of all employees and workers, and we have plans to leverage technology to take WSH to even greater heights. We have implemented comprehensive safety policies and measures to safeguard the well-being of our employees and workers.

During the year ended 30 June 2020, a newly discovered coronavirus emerged and resulted in the formidable novel coronavirus (the "**COVID-19**") outbreak, which evolved into a global pandemic. This pandemic has a significant adverse impact on business operations and is changing the way we work. Despite all the challenges we may face amid this pandemic, the safety and welfare of our staff and workers remain our top priority in these trying times. All necessary measures imposed by the authorities to stop the transmission of the virus will be strictly complied with.

I would like to extend my appreciation to all stakeholders for your contributions and supports towards the Group's success all these years.

## **Kwan Mei Kam**

*Chairman and Chief Executive Officer*

Kwan Yong Holdings Limited

# About Kwan Yong

Kwan Yong Holdings Limited is a main contractor in the provision of building construction works in Singapore, which is known for its quality of work, especially in building construction works for the public sector. The Group builds institutional, commercial, industrial, and residential buildings and conducts businesses in Singapore.

According to a recent report published by Ipsos Group S.A. (a global market research company), the Group ranks fourth among contractors in the institutional sector in Singapore in terms of the average institution Construction Quality Assessment System (the “**CONQUAS**”) score in 2018. We have more than 30 years of experience in building construction works for various types of buildings which include institutional buildings, commercial buildings, as well as industrial and residential buildings, which can be categorised into (i) new construction and (ii) addition & alterations works.

# Our Sustainability Story and Performance

## SUSTAINABILITY TARGETS

At Kwan Yong, we are committed to achieving environmental and social sustainability in our daily operations. We endeavour to achieve the highest standards of environmental performance, prevent pollution, and minimise the adverse impact of our operations. Our sustainability targets for the year ended 30 June 2021 are as follows:

### Environmental

- **Reduce/Reuse/Recycle**
  - Reuse materials on site and increase percentage of waste recycled
  - Reduce disposal of recyclable materials
  - Ensure supplies are purchased from environmentally friendly suppliers
- **Energy**
  - Reduce energy intensity by implementing cost-effective energy management initiatives at all project sites
  - Improve resource efficiency by prolonging the useful life of equipment and fuels
- **Water**
  - Reduce water consumption
- **Housekeeping & Air Quality**
  - Achieve and maintain 95% clean air at worksite
  - Improve air quality by using fuel-efficient new machineries and well-maintained engines

### Occupational Health and Safety

- Ensure zero occupational health and safety incidents
- Promote on-the-job and refresher trainings for safety effectiveness indicators related issues by increasing the number of trainings per project per month for new staff and workers

## SUSTAINABILITY RECOGNITIONS

The Group's competitive advantage lies in our commitment to exceeding customer satisfaction through upholding the highest quality of work we produce and minimising any negative impact on the environment. At Kwan Yong, we constantly strive to outperform ourselves through undergoing skills training and implementing technology innovations for all our projects. In 2013, we were awarded with a CONQUAS score above 95 points according to the internationally recognised CONQUAS on quality of building projects. As a benchmark, the average CONQUAS score for 2019 was 89.2. Since 2014, the Building and Construction Authority Singapore ("BCA") has awarded the Group with a CONQUAS STAR rating for some of our projects. All projects scoring 95 and above will be rated CONQUAS STAR. This is testimonial of the Group's commitment to achieve high quality workmanship.

# Our Sustainability Story and Performance

We have won numerous accolades, awards, and certifications in recognition of our excellence in construction practices which are set out as follows:

- ISO 14001:2015 Environment Management System, 2019-2021
- ISO 9001:2015 Quality Management System, 2019-2021
- ISO 45001:2018 Occupational Health and Safety, 2019-2020
- BCA Green and Gracious Builders Award (Excellent), 2019-2022
- BizSAFE Partner, 2019 – 2021
- BizSAFE Level Star Certificate, 2017-2020

# Ethics and Integrity

## **ANTI-CORRUPTION**

All staff must declare any existing and potential conflict of interest in conducting, dealing, transaction or awarding any business to a third party where the staff had direct or indirect personal vested interest in the business. The declaration of any related person working in the Company must be disclosed as well.

Conflict of Interest Declaration Form must be submitted to the Human Resource Department on the first day of work and subsequently, at the beginning of each calendar year. Failure to declare or false declaration may result in termination of service.

There were zero reported incidents of corruption for the year ended 30 June 2020.

## **ANTI-BRIBERY**

Our company policy does not permit staff to accept gifts (cash or kind) or entertainment from suppliers and/or subcontractors. Employees are encouraged to exercise good judgement in declining any such offers and to report the gift-offering to the Company.

## **WHISTLEBLOWING**

Whistleblowing to protect the interest of the Company is critical to investigate any suspected malpractices. While management is responsible for detecting irregularities, employees are encouraged to report any fraudulent activity or suspected commercial malpractices that might have occurred, immediately to the Human Resource Department, or where that is not possible, to the Managing Director anonymously when they discover or suspect such activity.

All information received will be treated in the strictest confidence. Allegations of any misconduct or malpractices will be conducted fairly, objectively and without bias.

Disciplinary actions will be taken where and when necessary and the outcome of the investigation will be communicated to the reporting party whenever possible.

# Governance and Statement of the Board

Kwan Yong's board of directors (the "**Board**") and senior management have assessed sustainability issues as part of the strategic formulation of the Company. The Board has determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The Board acknowledges its responsibility in ensuring the integrity of this ESG report. To the best of its knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of the organisation and its impacts. The Board confirms that it has reviewed and approved this report.



# Stakeholder Engagement

We identify stakeholders as different groups that have an impact or have the potential to be impacted by our business, as well as external organisations that have expertise in topics that we consider material. We have a wide network of stakeholders, who include customers (end-users and developers), employees, communities, Government organisations and shareholders. We engage our stakeholders on an ongoing basis through channels and platforms such as regular dialogues and meetings.

The following table lists our stakeholder groups, engagement methods and material topics we address.

<b>Customers</b>	<b>Employees</b>	<b>Suppliers</b>	<b>Government Organisations</b>	<b>Communities</b>	<b>Shareholders</b>
<b>Issues of Concern</b>					
Workmanship quality	Occupational health and safety, development, benefits, and welfare	Raw material sourcing, environmental compliance	Regulatory requirements, environmental protection, workplace safety and health, compliance with COVID-19 safety regulations	Social welfare, environmental protection	Economic performance, corporate governance
<b>Engagement Approach</b>					
Customer feedback, monitoring and enhancement of customer satisfaction	Appraisals	Supplier evaluation	Ongoing dialogues, annual reports	Community service	Annual reports

# Reporting Practice

This report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It is also reported in accordance with the “Core” option of the Global Reporting Initiative (“GRI”) Standards.

This report incorporates the general standard disclosures and Key Performance Indicators (“KPIs”) as set out by the “Comply or Explain” provisions of the ESG Guide. The GRI Standards represent global best practices for reporting on economic, environmental, and social topics.

This report discloses progress on environmental, social and governance issues from 1 July 2019 to 30 June 2020. The Group has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year. Detailed section references with GRI Standards can be found on the GRI Index Page.

<b>Material Topics</b>	<b>Boundaries (i.e. which segment, which country, or which subsidiary)</b>
<b>ECONOMIC</b>	
Indirect Economic Impacts	Applicable to construction and other construction-related businesses
Anti-corruption	Group wide
<b>ENVIRONMENTAL</b>	
Materials	Applicable to construction and other construction-related businesses
Energy	
Water	
Emissions	
Effluents and Waste	
Environmental Compliance	
Supplier Environment Assessment	
<b>SOCIAL</b>	
Employment	Applicable to the Group’s employees and workers in construction and other construction-related services segments
Occupational Health and Safety	
Training and Education	
Diversity and Equal Opportunity	
Non-discrimination	Group wide
Child Labour	
Forced or Compulsory Labour	
Local Community	Applicable to local communities impacted by construction segments
Supplier Social Assessment	Applicable to suppliers for construction segment
Customer Health and Safety	Applicable to construction and other construction-related businesses
Socio-economic Compliance	Applicable across construction and other construction-related services segments

# Sustainable Built Environment

Kwan Yong endeavours to design and construct sustainable buildings that focus on protecting users' safety, as well as reducing the adverse environmental impacts in the construction and operation of the building. We are committed to comply with all Quality, Occupational Health & Safety and Environment ("QOHSE") requirements and continually improve our performance through the following principles:

Quality	Operational Health & Safety	Environment
<ul style="list-style-type: none"> <li>• Competitive Pricing</li> <li>• On-schedule Delivery</li> <li>• Excellent Quality</li> </ul>	<ul style="list-style-type: none"> <li>• Prevention of Injury</li> <li>• Prevention of ill Health</li> <li>• Manage and reduce OHS risk/ Security risk through effective Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>• Conservation of Natural Resource</li> <li>• Prevention of Pollution/ Nuisance</li> <li>• Management of Waste</li> <li>• Promotion of Environmental Awareness and Performance</li> </ul>

Furthermore, we have implemented a Green & Gracious policy to exercise responsibility for environmental leadership in all our business activities. We are committed to protect the environment and conserve energy and natural resources with adequate measures which include:

- Implementing training programs for staff and workers to raise environmental awareness
- Developing campaigns to manage and minimise waste and air pollution
- Ensuring responsible and efficient use of energy and water, as well as reusing and recycling construction materials
- Conserving natural resources by adopting pollution prevention practices
- Measuring the environmental impact and setting objectives/targets for continual improvement
- Encouraging suppliers and subcontractors to adopt our Green and Gracious principles

We conduct regular briefing sessions and Green Campaigns to raise awareness and educate our staff, workers, vendors and subcontractors on the Company's Green Policy and the importance of environmental conservation.

We perform Green Awareness Pre-Qualification assessment for subcontractors and suppliers to ensure that their practices are in line with our Green Campaign policies. We regularly assess our suppliers and subcontractors to ensure that they operate in an environmentally sustainable manner. We ensure strict compliance with local environmental laws and regulations in our daily operations.

# Sustainable Built Environment

## User Safety

GRI 416-1, 416-2, 417-1, 417-2, 417-3

At Kwan Yong, we strictly uphold our QOHSE policy to achieve quality in works and services. We continuously refine our business operations and processes and regularly review our QOHSE objectives and targets to properly implement, maintain and improve our QOHSE management and performance. With continuous refining of business operations, we commit to deliver the highest quality and standard to our developers, buyers, and end-users, as well as Government authorities and agencies. We strictly comply with all safety requirements of our customers and local safety regulations.

## Sustainable Construction

We strive to operate our construction projects in a responsible and sustainable manner that is compliant with local environmental regulations and requirements. We target to minimise any adverse impact on the environment and natural resources by implementing adequate environmental policies and Green and Gracious policies to achieve sustainable construction. We also procure from suppliers that provide environmentally friendly, non-toxic, and biodegradable materials on site to minimise the adverse environmental impact of our operations.

## Energy Conservation

GRI 302-1, 302-3, 302-4

The Group is aware of the intensity of energy consumption from construction operations. As such, we have implemented measures and policies to minimise our energy consumption and the impacts on natural resources.

At Kwan Yong, we perform a modelling study of energy use at all construction sites to monitor electricity consumption. We schedule regular maintenance and repairs to maintain optimal engine performance and thus reduce fuel consumption. We invest in technologically advanced machines to increase our energy efficiency and reduce fuel consumption. These measures and conscientious decisions are part of our energy conservation efforts to effectively control our energy consumption and reduce wastage.

The Group has developed an Energy Consumption Guideline to minimise the adverse impact of our operations on natural resources, specifically diesel, fuel, and electric energy consumption. The guideline applies to all project managers, site workers and subcontractors. We monitor the energy consumption data to minimise energy wastage at our construction project sites. For the year ended 30 June 2020, the Group completed 5 projects with a total gross floor area of 58,546.3m<sup>2</sup>. The total energy consumption and energy intensity ratio is as follows:

Total Energy Consumption (kWh)	Energy Intensity Ratio (kWh/m <sup>2</sup> )
912,202.3	15.6

# Sustainable Built Environment

Our construction management include the following energy conservation measures:

## **Increase Energy Efficiency**

- Use of "Energy Star Label" 3-in-1 photocopier machine, desktop central processing unit (CPU) and laptops
- Use of energy efficient electrical appliances and equipment with Singapore Green Label

## **Reduce Energy Usage**

- Use of T5Lighting with Motion Sensor to minimise electricity wastage

## **Use Sustainable Energy**

- Use of solar panel on site and off site to promote usage of renewable energy

## **Emissions Management**

*GRI 305-2, 305-4, 305-5, 305-7, 307-1*

We understand that our business operations generate air pollutants such as dust and exhaust from machinery and mechanical plants. To protect our workers, the occupants living in the vicinity and the environment, we target to minimise, and control dust, fumes and smoke generated at construction sites to a tolerable level. Contractors and workers are adequately trained on the consequences of air pollution on human health and the environment, and they are given instructions on the operation and maintenance of equipment to ensure the preservation of air quality on-site. We have implemented Earth Control Measure practices to ensure that the level of total suspended solids ("TSS") adhere to the regulatory requirements before being discharged into the public drains.

We strictly comply with local laws and regulations on greenhouse gas emissions in our daily operations.

# Sustainable Built Environment

## *Dust Management*

All activities involving excavation or disturbance of soils must have preventive and physical controls in place to minimise the generation of dust and reduce its release into the atmosphere.

## *Exhaust Management*

All operations of plants and equipment must comply with local regulations, and maintenance and servicing must be performed regularly in accordance with manufacturing guidelines to ensure that any exhaust or other emissions generated are within standard specifications.

## **Good Housekeeping**

- Chemical substances with low vapour pressure shall be stored under tight lids
- Storage facility should be well ventilated to prevent excessive accumulation
- Sand and aggregates should be kept in proper enclosed pits and covered
- Cement to be stored in proper enclosures and covered instead of storing in the open
- All construction debris should be properly stored and removed for disposal
- Paved wash bay is to be provided for washing of vehicles before leaving worksite
- Washings from the wash bay should be channelled to a slit trap

## **Control and Maintenance**

- Regular servicing and inspection of the generator to prevent air pollutants
- Water spraying to be carried out regularly to minimise dust pollution
- Slit fences shall be erected around the structure for demolition and hacking work
- Slit fence to be inspected regularly to rectify any wear and tear

## **Education and Training**

- Site Environmental Control Officer (the “**ECO**”) shall provide necessary training for all workers on site before the start of the project and when required to ensure proper operation of machines

Regular monitoring helps to discover the defects and issues which have an adverse impact on the environment. The ECO educates workers on equipment maintenance measures to prevent air pollution and conducts weekly inspections to ensure control and compliance with local environmental standards and regulations. Posters regarding the exposure to harmful substances are displayed at our projects sites to remind workers of the effects of harmful substances and the need to keep containers of chemicals and oils closed.

Air quality monitoring is performed in the event of suspected air pollution or toxicity.

# Sustainable Built Environment

## Water and Effluents Management

GRI 303-1, 303-3, 306-1, 307-1

Our Water Pollution Control measures minimise pollution of surface water, public sewer and rainwater drain to prevent water pollution. We engaged licensed sanitary plumbers to design sanitary and water supply for all worksites which include site offices, canteens, and workers' quarters. Our sewerage system ensures all wastewater generated at the construction sites are properly treated and disposed of. We implemented a TSS panel to monitor the turbidity of discharge into the storm water drainage system to ensure that TSS does not exceed 30 mg per litre of trade effluent.

We launched a water reduction plan to monitor water usage at all project sites. We regularly inspect water meters to identify and isolate leaks and overflows and monitor water consumption. We utilise recycled water from filtrated systems for the wash bay, watering of plants and cleaning. We implemented real-time monitoring of water consumption data to ensure there is no water wastage in our construction project sites. The total water consumption and intensity ratio of the 5 completed construction projects are as follow:

Total Water Consumption (m <sup>3</sup> )	Water Intensity Ratio (m <sup>3</sup> /m <sup>2</sup> )
55,231.2	1.1

Singapore has limited water resources, and it is essential to monitor and regulate the water quality carefully to keep Singapore's water clean. Soil pollution must also be controlled, as pollutants in the soil can enter the water system as run-off or groundwater.

Water pollutants from construction activities include solid waste, sand, hydrocarbon and solvents, termite control chemicals, acids and alkalis and lead-based paints. These pollutants can cause adverse environmental impacts such as the siltation of open drains preventing the flow of rainwater to reservoirs, flooding, and the death of aquatic life.

To control water pollution, we practice good housekeeping and storage measures, and we recycle treated water at all project sites. Our drainage facilities are designed in accordance with local regulations and are regularly cleaned and maintained to ensure that effluents are properly treated before discharging into drains or canals. In addition, we provide training to workers on proper waste management during operations, including maintenance of machinery and equipment, storage of materials and spill control. We strictly comply with local laws and regulations on water and effluents management in our daily operations.

# Sustainable Built Environment

Notably, our water and effluents management include the following measures:

## **Effluents Management**

- Provision of slit fences for temporary drains
- Discharge of sewage or other untreated wastewaters must be treated before entering the drain
- All vehicles must be free from mud, slit or any waste before leaving site
- Regular cleaning and maintenance of silt traps, concrete lined perimeter cut-off drains, silt fences and other facilities
- Design of sewers must cater to the number of occupants and duration of construction
- Silt-laden water and mud slurry flow through silt traps, sedimentation tanks and other facilities for removal of silt before discharging into drains and canals
- The surface where oil and diesel is delivered and handled must be impermeable and not connected to water drainage systems to prevent oil spills

## **Good Housekeeping**

- Proper storage of building materials, chemicals and fuels
- Proper maintenance of machinery, equipment and vehicles

## **Good Storage**

- Secondary containment to prevent spillage or leakage from entering land water surface drains
- Provision of spill control kit, collection sumps and facility for pumping out the spilled contents
- Greases and lubricants should be stored in appropriate containers such as drums, tins with close covers and bunded with curbs to prevent spillages or leakages from entering the ground or drains
- Old unusable oil in an oil drum should be stored in secondary containment for collection and recycling
- No empty oil and diesel drums should be dumped outside of the secondary containment area
- No full or empty oil drums or other containers should be stored directly on unprotected soil

## **Good Maintenance**

- Regular maintenance of wash bay to remove excessive slit from the wash bay
- Maintenance of slit and drainage are conducted as per site schedule
- Damages to temporary sanitary pipes are monitored through regular inspection



# Sustainable Built Environment

## Waste Management

GRI 306-2, 307-1

The Group is committed to manage construction wastes and ensure proper disposal. We understand that our business operations generate large amounts of hazardous and non-hazardous wastes, mainly construction debris such as timber, metal, and industrial waste. Consequently, the Group has implemented a Waste Management Plan covering pre-construction, construction, and post-construction phases to ensure that construction wastes are reused and recycled where possible. Construction wastes must be properly segregated, stored and disposed of at all project sites to reduce the risk of mishandling hazardous waste.

Waste disposal methods are detailed for each type of waste, and the ECO conducts regular monitoring and inspections to ensure proper waste management at all construction sites. We strictly comply with local laws and regulations on waste generation in our daily operations.

### Reduce

- Usage of computer software for estimating required quantities accurately
- Adopt just-in-time ordering to avoid surplus orders and minimise wastage
- Designate central areas for storage of reusable items
- Encourage designs that result in lesser wastage

### Reuse

- Empty diesel containers and containers for toxic industrial wastes are labelled with hazard warning sign and collected by supplier for reuse
- Salvage unused materials for use at other locations
- Coordinate with other project sites for sharing of unused materials

### Recycle

- Designate a person in-charge to monitor and ensure effective recycling system on site
- Materials for recycling must be kept clean, dry and segregated from other materials or waste

### Repurpose

- Items which cannot be reused are repurposed before recycling them

# Sustainable Built Environment

## Manage

- Refuse areas must be kept clean and all containers of toxic materials such as solvent and paint must be kept closed
- Wastes must be segregated into general waste and industrial wastes

## Disposal

- Food wastes must be cleared daily regardless of the quantity of waste

To minimise the generation of waste, we segregate our resources into timber, hardcore, steel, and non-recyclable/non-reusable waste. Timber and hardcore are recycled and reused, steel is sent to the scrap yard and non-recyclable/non-reusable waste is disposed of.

Disposal centres and bin areas are effective waste management centres only if workers and contractors utilise them with care. As such, we conduct pre-trainings to ensure that our workers and contractors are adequately educated on the consequences of improper waste disposal on human health and the environment. In addition, instruction posters on proper disposal methods are displayed at disposal centres and bin areas on site. We monitor the waste generated to ensure proper waste management in our construction projects.

## Innovation in Construction

*GRI 203-2*

At Kwan Yong, we continuously look for solutions to minimise resource wastage and maximise the productivity of our projects. We utilise the principles of lean construction through technological advancement and research and development in design and construction. We have implemented innovations such as cutting and bending reinforcement bars on site and increase the use of formwork, precast and prefabrication on site. This effectively reduces time and cost, minimises the use of raw materials and wastage, increases labour productivity and ensures on-site productivity and quality control.

## Sustainable Materials

*GRI 301-2*

To conserve the amount of raw materials used in our construction projects, we use recycled and sustainable materials for site applications during the construction stage, such as recycling waste concrete for road curbs and recycled steel for drains.

We ensure that raw materials are reused and recycled wherever possible, and we store our raw materials properly to ensure durability and avoid damage. We monitor the use of raw materials at all project sites and analyse consumption data to mitigate the risk of resource wastage by implementing corrective measures in a timely manner.

We have also adopted mass engineered timber (“**MET**”) construction for three of our projects during the year ended 30 June 2020. MET is a sustainable method of construction which comprises of engineering wood products with improved structural integrity, and these building components can be prefabricated off-site and assembled on-site.

# Sustainable Built Environment

## **Sustainable Supply Chain**

*GRI 308-1, 308-2, 414-1, 414-2*

We assess our vendors using environmental and social criteria to ensure that they are committed to implement environmental control measures and comply with environmental regulations. Our environmental criteria include green certificates for their products and services and their green practices.

In addition, we evaluate vendors based on their Green and Gracious practices to ensure that they implement best practices in mitigating possible inconveniences to the public caused by construction work. We perform evaluation of existing vendors annually and conduct physical inspections at the vendor's office to ensure the brand and quality of their products and services.

During the year ended 30 June 2020, there was no negative environmental and social impact in our supply chain.

# Caring for Our People

At Kwan Yong, we understand the importance of our employees and workers. We make conscious efforts to ensure their safety and well-being. We are committed to develop their careers through a comprehensive career progression guideline and upskill them through on-the-job training. We implement adequate safety policies and measures to ensure the safety of our staffs and workers on site, and we endeavour to achieve zero safety incident in our operations. Our policies and operations are in strict compliance with local labour regulations.

## **Occupational Health and Safety**

*GRI 403-2*

Kwan Yong is committed to protecting the health and safety of our employees and workers. Our safety practices include:

- Enhancing security on site and ensuring a safe work environment
- Conducting risk assessments to identify hazards and implementing effective risk control measures, including halting work to ensure that risks identified are minimized or mitigated
- Adequate implementation of safety measures in the use of any machinery, equipment, plant, article, or process at the workplace
- Developing and implementing emergency response plans
- Ensuring workers are provided with sufficient instructions, training, and supervision so that they can work safely

The Group also encourages and incentivises employees to engage in safety practices by presenting safety awards to employees who diligently observe safety measures.

For the year ended 30 June 2020, there were two minor reportable safety incidents and zero fatalities involving our employees. The Group operates in strict compliance with workplace safety laws and regulations. We take careful measures to ensure that all employees are protected from occupational hazards.

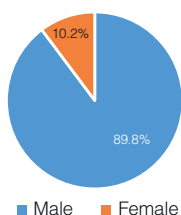
# Caring for Our People

## Our Workforce

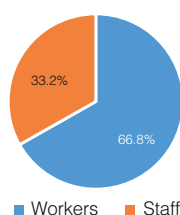
GRI 405-1

At Kwan Yong, we believe in developing a diverse and harmonious environment to develop constant progress in providing the best services to our customers. We embrace diversity and hire employees based on their merits and there is no discrimination in the hiring process. Currently, the construction industry is largely male-dominated. We will continue to strive for gender diversity and increase the female-to-male ratio in our workforce. Our total staff strength stood at 488 for the year ended 30 June 2020.

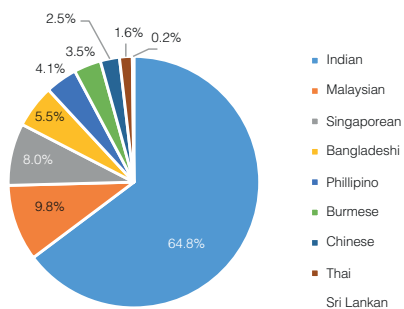
**Our Workforce by Gender**



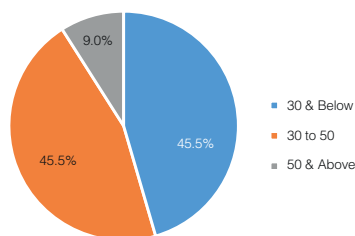
**Our Workforce by Employment Type**



**Our Employees by Nationality**



**Our Employees by Age Group**



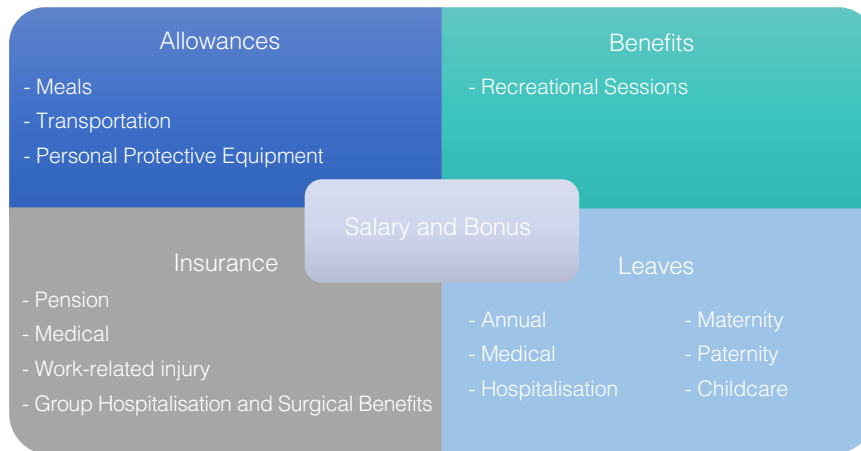
## Benefits and Employee Retention

GRI 401-2, 401-3, 404-2, 404-3, 405-2

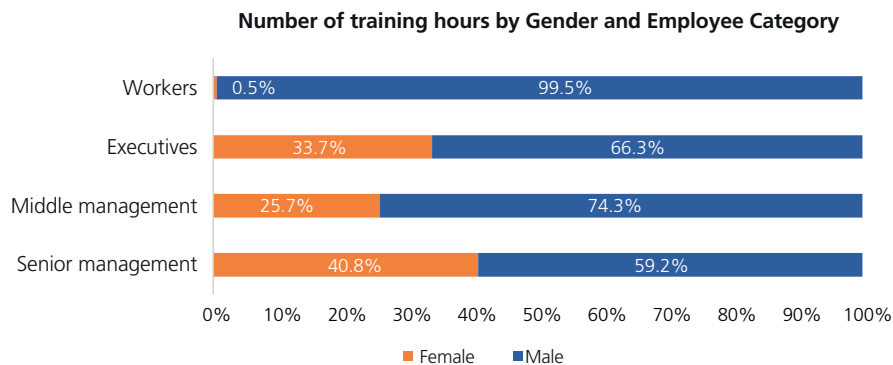
At Kwan Yong, we offer employees competitive and fair remuneration and employee benefit packages that commensurate with their experience, performance and job responsibilities. We strive for fair remuneration for all employees regardless of gender, age, or nationality.

In addition, we recognise the contributions of our employees and their welfare is of the utmost importance to us.

# Caring for Our People



We strive to improve workers' welfare and facilities by enhancing their housing and living conditions. In addition, all full-time employees are entitled to medical benefits as well as employee wellness programs that promote teamwork, interactions, and good health among employees. During the year ended 30 June 2020, 19 employees were entitled to parental leave and 17 employees took parental leave.



The Group is committed to be an employer of choice. We perform regular employee development reviews to align the career interests of our employees with the Group's performance and to retain talent. We ensure that employees are equipped with the requisite technical skills to perform proficiently at their jobs. We also prepare our staff to be multi-skilled so that they are readily equipped with the required skill sets to perform any role or adapt to organisational changes in the Group.

We strive to help our employees reach their fullest potential and achieve excellence in their development. We aim to create a culture of continuous learning where employees take personal responsibility for their own development. We recognise the need to develop our people so that they are fully equipped to deliver our business objectives. All employees are given equal opportunities to excel and develop their careers, and we provide them with financial support and guidance for career development.

# Caring for Our People

Our training and development curriculum comprises any activity that is designed to develop and diversify their skillsets to improve their job performance and productivity. This includes active involvement in various projects, attending training courses, conferences and seminars, work shadowing, formal study, coaching and mentoring. The Group regularly monitors the training and development activities, and we review our support framework to continually improve our training and development policies.

The benefits that we endeavour to achieve through effective training and development include:

- Higher standards of work performance
- Exchange of ideas and disseminate good practice
- Effective management and implementation of change
- Encouragement of team spirit
- Increase motivation and job satisfaction
- Greater understanding of the Group's business

## **Social Compliance**

*GRI 406-1, 408-1, 409-1, 419-1*

The Group strictly complies with all labour and socioeconomic regulations. We do not discriminate based on gender, ethnicity, nationality, age, religious belief, disability, or marital status. For the year ended 30 June 2020, there was no incident of discrimination.

To ensure strict compliance with local employment laws, we implement access controls at our sites and offices to prevent illegal workers from entering or working at our premises. We also monitor the presence of illegal workers on sites by conducting random checks. The Group ensures that all employees have the necessary visas, work permits, specific registrations, licenses, and qualifications before commencement of work.

In compliance with labour laws and regulations, the Group does not employ minors or offer apprenticeship. There was no incident of child labour and forced labour for the year ended 30 June 2020.

# Caring for Our People

## **Safety against COVID-19**

*GRI 403-1, 403-4, 403-6, 403-8*

During the COVID-19 outbreak, we stay committed to prioritising the safety and well-being of our employees and workers. The Group strictly complies with the COVID-19 safety regulations implemented by the Singapore Government.

We have developed a Safe Management Measure Plan on prevention against infectious disease for employees to abide by in the event of an infectious disease outbreak. Prevention measures include educating the workers on the importance of personal hygiene, such as frequent washing of hands and wearing of face masks. We are also committed to protect our workers by providing good housing, safe water supply and sewage disposal and implementing disinfection measures. We educate workers to seek immediate medical attention and practise isolation if they are suspected to have contracted an infectious disease such as COVID-19.

In addition, it is mandatory for all our contractors to inform the Ministry of Health Contact Tracing Officers about any infectious disease outbreak in our project sites. We adhere to BCA COVID-Safe Restart Criteria and require our contractors to maintain proper records of workers living in the quarters or worksite for contact tracing purposes.



# Caring for Our Community

At Kwan Yong, we are committed to do our part for the community. Given the nature of our business, we are aware of the social impacts of our operations, and we strive to minimise any inconvenience or negative impacts on the community. We strictly comply with local regulations on noise and vector control and we engage in open communications with the surrounding community of our project sites for feedbacks and complaints. We recognise the importance of public safety near the vicinity of all project sites and have implemented adequate measures to minimise safety and security concerns for neighbouring residents, such as maintaining walkways with adequate lighting and proper signage, and providing safety nettings and catch platforms at all project sites.

## Noise Management

*GRI 413-2*

The Group implements adequate noise pollution control measures to minimise the impact of noise pollution on the workers and residents living in the vicinity of the construction sites. All noise and vibration related impacts on surrounding occupants must be assessed with mitigation measures put in place where required. Additionally, we ensure that all plants and equipment strictly comply with regulatory requirements and are serviced regularly to ensure that the noise generated is within the permissible level.

The ECO ensures that noise generated during construction activities adheres to the permissible limits specified in the Environmental Pollution Control (Control of Noise at Construction Sites) Regulations, and the frequency of noise monitoring complies with local legal requirements. We also conduct regular hearing tests for our workers to ensure that their hearing is not impaired due to prolonged work in a noisy environment.

For the year ended 30 June 2020, we received one fine from the National Environment Agency (“NEA”) that amounted to SGD5,000 for noise pollution. We have stepped up our control measures to include more frequent monitoring of noise levels and re-evaluating job schedules to carry out noisy works in the day. Noise levels are closely monitored by the ECO and remediation measures will be implemented immediately if the noise generated exceeds the permissible limits.

# Caring for Our Community



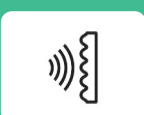
**Quieter Equipment or Mechanical Plant**

- All plant equipment are fitted with appropriate noise suppression equipment
- Minimise use of vibration in compaction equipment and static rolling
- Replace equipment with smaller machinery where applicable




**Regular maintenance of Mechanical Plant and Vehicles**

- Carry out periodic preventive maintenance and service of construction equipment, mechanical plant and vehicles
- Take machines/equipment for servicing whenever there is abnormal noise emitting from the machine/equipment




**Noise Barriers**

- Where possible, enclose noisy machines in acoustical enclosures lined with sound absorbent materials
- Erect barriers around the site to prevent noise transmission
- Machines generating loud noises are enclosed with noise barriers sheets



**Scheduling of Noisy Activities**

- Schedule noisy activities sequentially to avoid excessive noise
- Ensure that noisy activities such as piling, demolition or concreting are carried out in the day as much as possible



**Other Measures**

- Educate site workers on noise reduction, proper usage of machinery and use of hearing protection
- Noise levels and vibration limits are closely monitored
- Keep residents informed of any operations generating excessive noise levels

## Vector Control Management

GRI 413-2

We implement vector management plans at every project site to prevent the breeding of disease-bearing insects to protect workers and residents in the vicinity from harmful diseases. The ECO conducts weekly inspections to monitor and ensure that our vector control procedures are complied with at all project sites. Our vector control measures, and implementation follows local environmental regulations.

Where to control	When to control	What to control	How to control
<ul style="list-style-type: none"> <li>• Potential breeding grounds and habitats are high vector density areas such as worker quarters, site offices, washing area, storage area, buildings under construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Frequency of vector control has to be established based on site observations and peak density periods.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential breeding grounds and habitats for mosquitoes, flies and rodents.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase frequency of environmental insecticide spraying to control insects such as flies and mosquitos.</li> <li>• Conduct routine pest control checks and treatment.</li> </ul>

# Caring for Our Community

The ECO oversees the pest control measures and evaluates the efficiency of controls. If there are complaints with regards to pest breeding, the ECO will implement tighter corrective measures to reduce the breeding of pests. This strengthens the degree of compliance and accountability in the vector management at our project sites.

For the year ended 30 June 2020, our Group received three fines from NEA that amounted to SGD5,000 for mosquito breeding. We have implemented the necessary measures to prevent such recurrences, such as spraying environmentally friendly insecticides at areas with water storage, such as drains, toilets and worker rest areas.

## Community Engagement

*GRI 413-1*

Our Group has always placed a significance in giving back to society to help the less-privileged groups whenever an opportunity arises. During the reporting period, we made donations to assist institutions that provide social welfare services, and financial support reliefs to eligible construction firms to help small and medium-sized enterprise construction companies to tide through COVID-19.

For the year ended 30 June 2020, we made a total of SGD182,651 in donations to the following organisations:

Organisation	Amount (SGD)
Community Chest of Hong Kong	177,651
Singapore Contractors Association Ltd – COVID-19 Fund	5,000

# HKEX ESG Reporting Guide Content Index

This Content Index includes references to KPIs of the HKEX ESG Reporting Guide.

Subject Areas, Aspects, General Disclosures and KPIs		Section Reference
<b>A. Environmental</b>		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Sustainable Built Environment
A1.1	Types of emissions and respective emissions data	Emissions Management
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Emissions Management
A1.3	Total hazardous waste produced and, where appropriate, intensity	Not available to the Group's business
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Waste Management
A1.5	Description of measures to mitigate emissions and results achieved	Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Waste Management
Aspect A2: Use of Resources		
General disclosure	Policies on efficient use of resources including energy, water, and other raw materials	Sustainable Built Environment
A2.1	Direct and/or indirect energy consumption by type in total and intensity	Energy Conservation
A2.2	Water consumption in total and intensity	Water and Effluents Management
A2.3	Description of energy use efficiency initiatives and results achieved	Energy Conservation
A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	Water and Effluents Management
A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not available to the Group's business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Innovation in Construction, Sustainable Materials
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Innovation in Construction, Sustainable Materials

# HKEX ESG Reporting Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Section Reference
<b>B. Social</b>		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Benefits and Employee Retention
B1.1	Total workforce by gender, employment type, age group and geographical region	Our Workforce
B1.2	Employee turnover rate by gender, age group and geographical region	Benefits and Employee Retention
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Occupational Health and Safety
B2.1	Number and rate of work-related fatalities	Occupational Health and Safety
B2.2	Lost days due to work injury	Occupational Health and Safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Benefits and Employee Retention
B3.1	The percentage of employees trained by gender and employee category	Benefits and Employee Retention
B3.2	The average training hours completed per employee by gender and employee category	Benefits and Employee Retention
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Social Compliance
B4.1	Description of measures to review employment practices to avoid child and forced labour	Social Compliance
B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	Social Compliance

# HKEX ESG Reporting Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Section Reference
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Sustainable Supply Chain
B5.1	Number of suppliers by geographical region	Not available to the Group's business
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Environmentally Sustainable Supply Chain
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	User Safety
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not available to the Group's business
B6.2	Number of products and service-related complaints received and how they are dealt with	User Safety
B6.3	Description of practices relating to observing and protecting intellectual property rights	Not available to the Group's business
B6.4	Description of quality assurance process and recall procedures	Not available to the Group's business
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not available to the Group's business
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering	Ethics and Integrity
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Whistleblowing
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Not available to the Group's business
B8.1	Focus areas of contribution	Not available to the Group's business
B8.2	Resources contributed to the focus areas	Not available to the Group's business

# GRI Content Index

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile, Our Workforce
102-8	Information on employees and other workers	Our Workforce
102-9	Supply chain	Sustainable Supply Chain
102-14	Statement from senior decision-maker	Chairman's Message
102-15	Key impacts, risks, and opportunities	Stakeholder Engagement
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
201-1	Direct economic value generated and distributed	2019 Interim Report
203-2	Significant indirect economic impacts	Innovation in Construction
301-2	Recycled input materials used	Sustainable Materials
302-1	Energy consumption within the organization	Energy Conservation
302-3	Energy intensity	Energy Conservation
302-4	Reduction of energy consumption	Energy Conservation
303-1	Water withdrawal by source	Water and Effluents Management
303-3	Water recycled and reused	Water and Effluents Management
305-2	Energy indirect (Scope 2) GHG emissions	Emissions Management
305-4	GHG emissions intensity	Emissions Management
305-5	Reduction of GHG emissions	Emissions Management
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Emissions Management

# GRI Content Index

GRI Standards	Disclosure Content	Section Reference
306-1	Water discharge by quality and destination	Water and Effluents Management
306-2	Waste by type and disposal method	Waste Management
307-1	Non-compliance with environmental laws and regulations	Energy Conservation, Emissions Management, Water and Effluents Management, Waste Management
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Retention
401-3	Parental leave	Employee Retention
403-1	Occupational health and safety management system	Safety against COVID-19
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety against COVID-19
403-6	Promotion of worker health	Safety against COVID-19
403-8	Workers covered by an occupational health and safety management system	Safety against COVID-19
404-2	Programs for upgrading employee skills and transition assistance programs	Benefits and Employee Retention
404-3	Percentage of employees receiving regular performance and career development reviews	Benefits and Employee Retention
405-1	Diversity of governance bodies and employees	Our Workforce
405-2	Ratio of basic salary and remuneration of women to men	Benefits and Employee Retention
406-1	Incidents of discrimination and corrective actions taken	Social Compliance
408-1	Operations and suppliers at significant risk for incidents of child labour	Social Compliance
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social Compliance



# GRI Content Index

<b>GRI Standards</b>	<b>Disclosure Content</b>	<b>Section Reference</b>
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement
413-2	Operations with significant actual and potential negative impacts on local communities	Noise Management, Vector Management
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain
416-1	Assessment of the health and safety impacts of product and service categories	User Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	User Safety
417-1	Requirements for product and service information and labelling	User Safety
417-2	Incidents of non-compliance concerning product and service information and labelling	User Safety
417-3	Incidents of non-compliance concerning marketing communications	User Safety
419-1	Non-compliance with laws and regulations in the social and economic area	Social Compliance