

Growing Our Abilities Maturing In Strength



Sustainability Report 2019

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Board Statement

Soilbuild Construction Group Ltd. (“Soilbuild”, and together with its subsidiaries, the “Group”) is pleased to issue its third annual sustainability report (the “Sustainability Report 2019” and/or the “Report”).

The Sustainability Report 2019, which reflects the Group’s sustainability performance as well as the Group’s strategy and vision for the future, is prepared as per the SGX Sustainability Reporting Guide and in reference to the Global Reporting Initiative (GRI) Standards.

The Board of Directors (the “Board”) of Soilbuild has always been committed to sustainability and fully supports the adoption of the SGX sustainability reporting guidelines. The Board oversees the Group’s sustainability performance, practices and initiatives and its compliance with SGX guidelines on sustainability reporting. As a listed company, we are also committed to compliance with the Code of Corporate Governance of Singapore. The Code provides the framework for controls, checks and accountabilities and requires the Board to consider sustainability issues in its business decisions. Throughout the year, the Board and the management reviewed the Group’s sustainability objectives and progress.

At Soilbuild, we have a pragmatic approach towards sustainability. We focus on identifying and putting into practice initiatives and programs that deliver real-world and lasting benefits to the society. Material Environmental, Social and Governance (“ESG”) issues for the Group are identified and we are committed to continue to examine our material issues on year on year basis, with the aim to further strengthen our internal sustainability management framework, processes and procedures.

We recognise that corporations have a responsibility to deliver responsible products and services. We will ensure that sustainability remains a core focus of Soilbuild and would like to thank the management and employees for their help in the preparation of this report.

Lim Chap Huat
Executive Chairman

About our Report

The Sustainability Report 2019 presents the annual sustainability performance of the Group which primarily includes the material Environmental, Social and Governance aspects of our business operations for the period 1 January 2019 to 31 December 2019 (“FY2019”). The Report has been prepared in reference to the Global Reporting Initiative (GRI) Standards. The reporting boundary includes the Group’s operations in Singapore, Myanmar and Malaysia. The entities have been selected on the basis of our level of control and nature of operational activities, and therefore, the Report has excluded the performance data of the Group’s joint ventures.

The Group have commenced its precast and prefabrication business in 2019. Correspondingly, we have included the precast and prefabrication business within the scope of reporting in FY2019 for the first time.

Data presented in this Report has been sourced directly from the operations included within the reporting boundary. This Report covers material issues for Group’s operating subsidiaries as shown in the section Our Sustainability Approach. For any further queries and suggestion related to this Report or Soilbuild’s sustainability initiatives, please reach out to us at sbcg_ir@soilbuild.com.

The GRI Standards Content Index is included at the end of the Report. We have not obtained any independent assurance of the information being reported this year, but will continue to strengthen our reporting processes, and consider obtaining independent assurance in future.

About Soilbuild Construction Group

Soilbuild Construction Group Ltd. is a leading builder with a long and successful track record of constructing a sterling award-winning portfolio of residential and business space properties. Since its inception in 1976, Soilbuild charts over 40 years of success in offering a full spectrum of real estate services which includes Design and Build, Construction, Turnkey Construction, Project Management Consultancy, Procurement and Mechanical & Electrical Installation. Soilbuild is a publicly held company headquartered in Singapore and is listed on the Singapore Stock Exchange. Our track record in public sector projects puts us in good stead as we compete in tenders by the local public agencies including the Housing and Development Board (“HDB”) and Land Transport Authority (“LTA”). Projects in which we acted as the main contractor have achieved building excellence in winning several architectural and environment awards over the years.

In 2015, the Group was awarded the concept and price tender for the development of an Integrated Construction and Precast Hub (“ICPH”). In the ICPH, highly automated manufacturing processes has been adopted to offer precast solutions to the built environment sector. The construction works for the ICPH was completed in 2018 and the Group’s prefabricated and precast division commenced operations in 2019 and successfully completed its maiden delivery of certain precast products to customers in the second quarter ended 30 June 2019. In 2018, the Group completed a transaction to acquire 100% interest in Precast Concrete Builders Pte. Ltd. (formerly known as Sembcorp EOSM Pte. Ltd.) and its subsidiaries (the “Acquisition”). Through this Acquisition, the Group gained strategic ownership of manufacturing facilities for precast concrete components in Johor, Malaysia.

The Group is ramping up the production, in both the Group’s ICPH and Malaysia plants, for the secured orders from customers, while actively seeking to secure new orders. The Group has initiated its expansion plans for its manufacturing facilities located in Johor, Malaysia which is expected to be completed in 2020.



Our values

Our core values keep the inner workings of our brand in check. They shape our culture and define our beliefs and practices.

INTEGRITY

Always be forthright, doing the right thing and not cutting corners.

MAKE IT HAPPEN

Determination to bring projects to fruition, regardless of the challenge.

PROFESSIONAL

Keeping to standards and engaging customers in a practical, professional manner and tone.

AGILITY

Agility and flexibility to move and change quickly based on market conditions and needs.

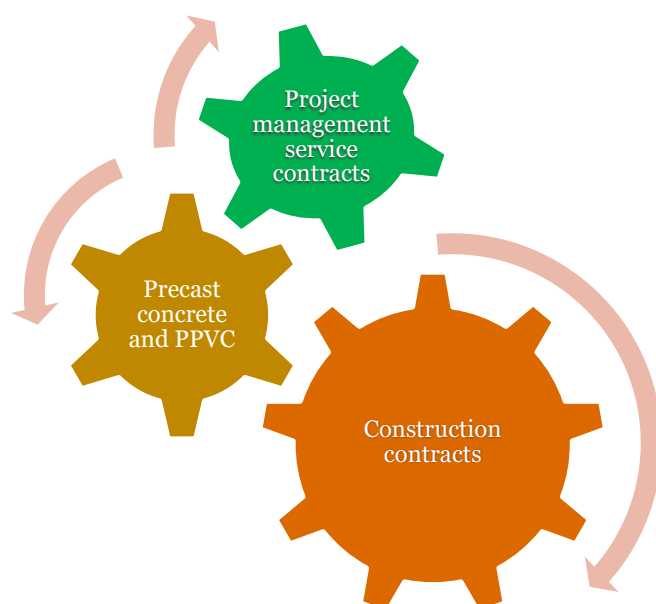
CUSTOMER-CENTRICITY

Always close to the market to understand their needs by giving them practical solutions; thus empowering and enabling organisations and individuals to go further.

THINK AHEAD

Updated and well-informed.

Our operations



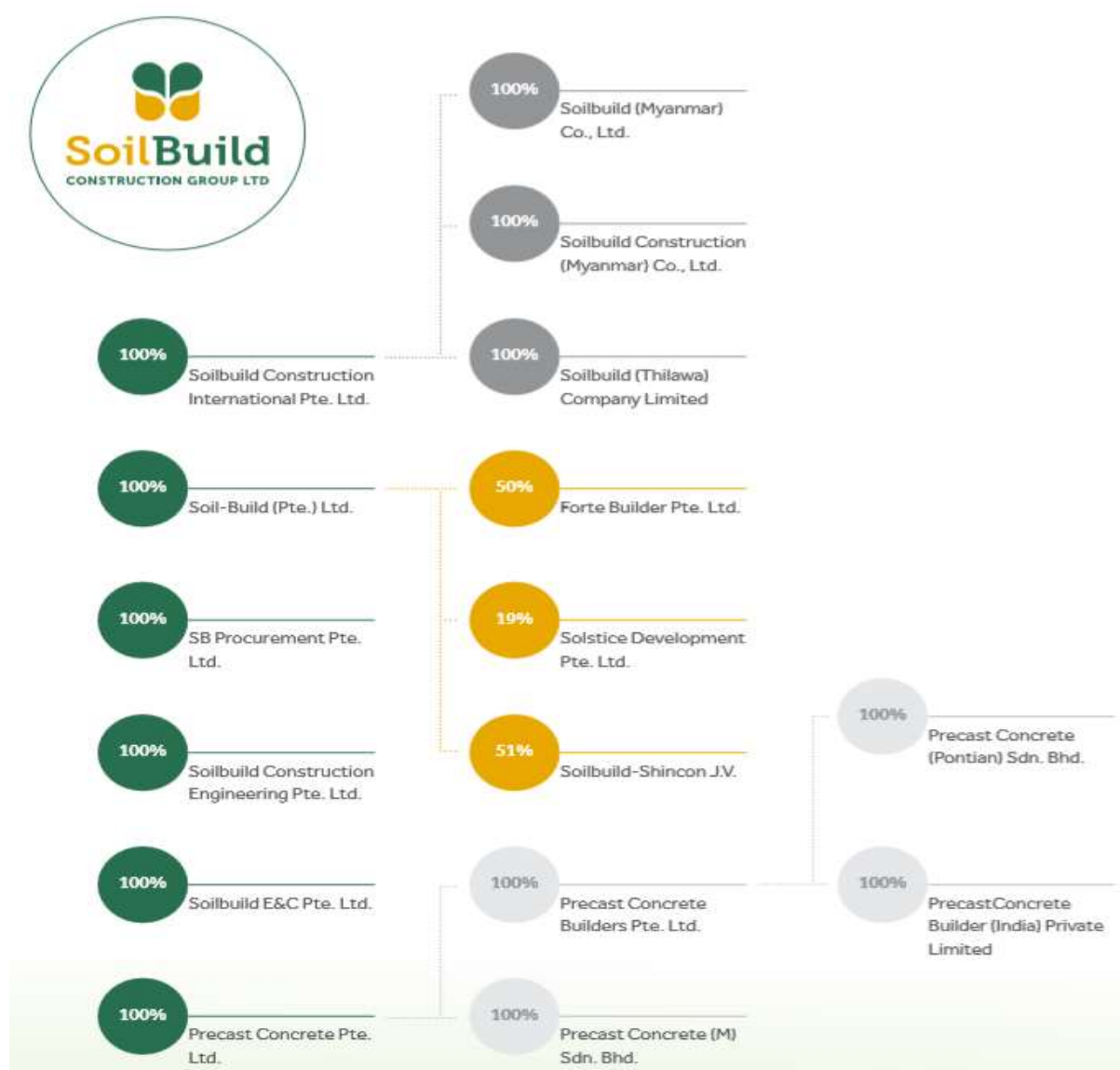
Our multi-disciplinary capabilities



Geographic presence

Soilbuild Entities	Location
Soil-Build (Pte.) Ltd.	Singapore
SB Procurement Pte. Ltd.	Singapore
Soilbuild Construction Engineering Pte. Ltd.	Singapore
Soilbuild E&C Pte. Ltd.	Singapore
Soilbuild Construction International Pte. Ltd.	Singapore
Precast Concrete Pte. Ltd.	Singapore
Precast Concrete Builders Pte. Ltd.	Singapore
PrecastConcrete Builder (India) Private Limited	India
Precast Concrete (Pontian) Sdn. Bhd.	Malaysia
Precast Concrete (M) Sdn. Bhd.	Malaysia
Soilbuild (Myanmar) Co., Ltd.	Myanmar
Soilbuild Construction (Myanmar) Co., Ltd.	Myanmar
Soilbuild (Thilawa) Company Limited	Myanmar

Group Structure



The group have a basic supply chain structure, where the lead company forms a series of relationship with companies that buy and sell supplies from each other. Our principal activities and the place of incorporation and operation are represented below:

Principal activities	Place of incorporation and operation	Number of Subsidiaries	
		2019	2018
Building contractors	Singapore	3	3
Construction and procurement services	Singapore/Myanmar	3	3
Precast and PPVC	Singapore/Malaysia/India	5	5
Manufacturing of construction materials	Myanmar	1	1
Investment holdings	Singapore	1	1
		13	13

The Group is well positioned to deliver regionally across Singapore, Malaysia and Myanmar. The Group recognises the importance of establishing resilient relationships with business partners and local authorities to keep abreast changes in statutory and regulatory requirements in the countries we operate in. Internally, the Group have invested in training and sharing sessions for employees to be updated with the latest regulatory changes and the potential impact these changes may have. This supports our efforts to prevent any non-compliance with regulatory requirements in the businesses. We are a statutory member of Singapore Business Federation (“SBF”) and full corporate member of Access Solution Industry Association (f.k.a. Access & Scaffold Industry Association) (“ASIA”). The Group's internal auditors conduct an annual review of the effectiveness of the Group's material internal controls, including internal financial, operational and compliance controls.

Figure 1 Key strengths and value proposition



For 2020, arising from the coronavirus outbreak that has spread rapidly around the world, the economy of many countries, including countries that Soilbuild operates in, are generally expected to contract, with some potentially pushed into recession. The increasing uncertainties and downside risks in the global economy, mainly contributed by COVID-19 situation, has led and will continue to lead to weakening business sentiments and consumer confidence. We are expecting the demand for construction works in the near term to be affected and correspondingly, competition in tender for new construction contracts will intensify with tighter margins.

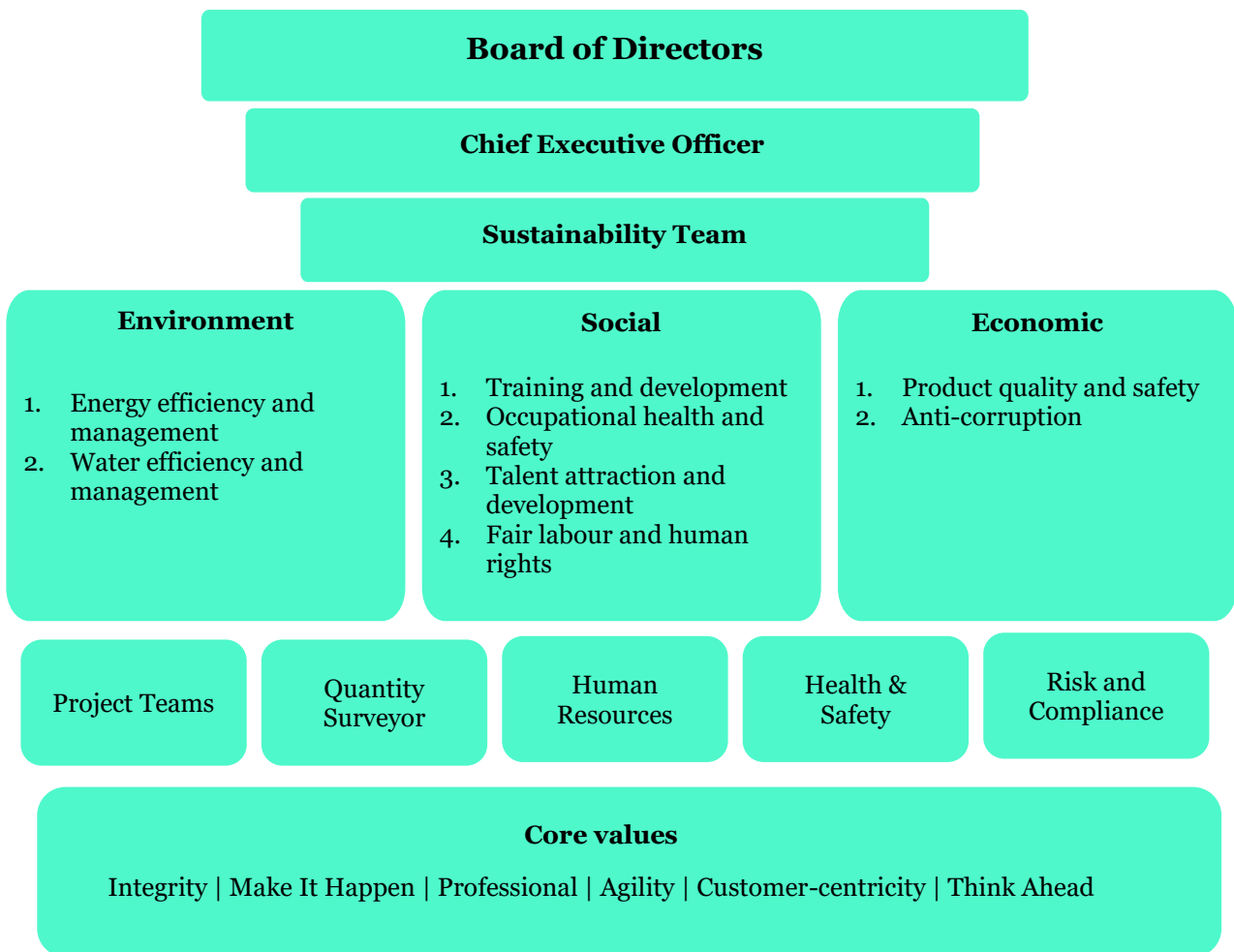
While Soilbuild operates in a highly competitive market, we will continue to adopt a strategic approach in our tender bids. To strengthen our core business and enhance returns, we will focus on a) investing in productivity improvements, b) further developing our position in the public housing sector and c) strengthening our position as a key and reliable supplier for precast and prefabricated building components. In tandem with these efforts, Soilbuild will continue to review the overall cost structure and remain disciplined in capital management.

Our Sustainability Approach

Sustainability Governance

Organisation-wide sustainability agenda is led by sustainability team headed by our Chief Executive Officer with guidance from the Board. The team initiates, drives, and monitors various aspects of our sustainability practices, to ensure effective integration of Environmental, Social and Governance initiatives into our business operations and corporate objectives.

Figure 2 Group's sustainability governance



Stakeholder engagement

Stakeholders are defined as groups of people or entities that are directly or indirectly influenced by our business operations and outcomes, or that can significantly influence our businesses. Feedback from our key stakeholder groups forms a crucial part of our strategic and business planning, and is viewed as a valuable insight for the Group to continuously improve our sustainability performance.

Through internal discussion and review with external consultants, key stakeholder groups are identified across the entire value chain and each stage of our business life cycle. Engagements with key stakeholder groups are planned annually.

Understanding the stakeholders' concerns and expectations is an essential part of Soilbuild's sustainability approach. Through regular formal and informal engagements, we develop mutually beneficial relationships with our stakeholders. As part of our stakeholder engagement process, we identified the following key stakeholder groups:

- Customers (project owners and developers)

- Employees
- Suppliers & Sub-contractors
- Shareholders & Investors
- Community
- Government & Regulators

Engagements with Key Stakeholder Groups in 2019

We are committed to expand our stakeholders' engagement methods and use the subsequent output in our future disclosures. Soilbuild's senior management is very much determined to continuously improve upon sustainability performance and devotes pre-decided time for the same by engaging with key stakeholder groups. The followings are our key stakeholders' topics and concerns raised, and our engagement mechanism:

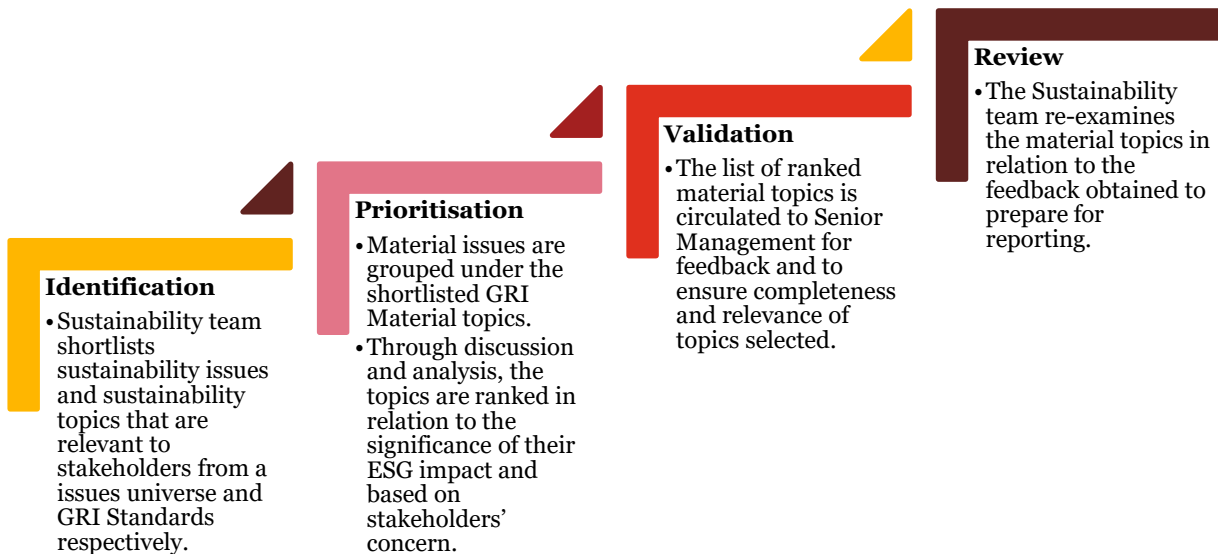
Figure 3 Stakeholder engagement mechanism

Stakeholder	Key Topics/Concerns	Engagement Mechanism
Customers	Safety, quality and site progress on schedule	Regular customer survey and engagement activities were conducted to measure customer satisfaction and collect feedback
Employees	Personal development, career advancement	<ul style="list-style-type: none"> • Employee survey conducted on an annual basis to measure the level of employee engagement • Monthly management meetings held to discuss day-to-day operation issues • Risk management meetings held quarterly to discuss summary of operation issues • Annual budget meetings conducted to communicate the Group's strategy and policy changes • Orientation conducted for new employees to familiarise them with the Group's management team • Newsletters were circulated to keep employees abreast of the Group's new developments
Suppliers and sub-contractors	Safety, compliance, site progress on schedule	<ul style="list-style-type: none"> • Safety briefings conducted regularly for staff and contractors working on site • Annual review of suppliers / sub-contractors to evaluate their performance and raise feedback or concern
Shareholders and investors	Economic and industry trends, Group performance	<ul style="list-style-type: none"> • Shareholders are kept abreast of Soilbuild's key developments through press releases and annual reports • Annual General Meetings and investor meetings are conducted to engage our shareholders and investors in two-way communications
Government, regulators and community	Contributing and caring our community and environment, adoption of best practices and compliance with regulations	<ul style="list-style-type: none"> • Keep abreast of new policies, regulations and guidelines launched and implemented by government and regulators • Comply with and continually improve the effectiveness of the quality management system which satisfies all ISO 9001:2015 standards requirements, or any relevant statutory and regulatory body such as Building & Construction Authority, Ministry of Manpower, National Environment Agency etc. • Meeting with community and addressing their concerns

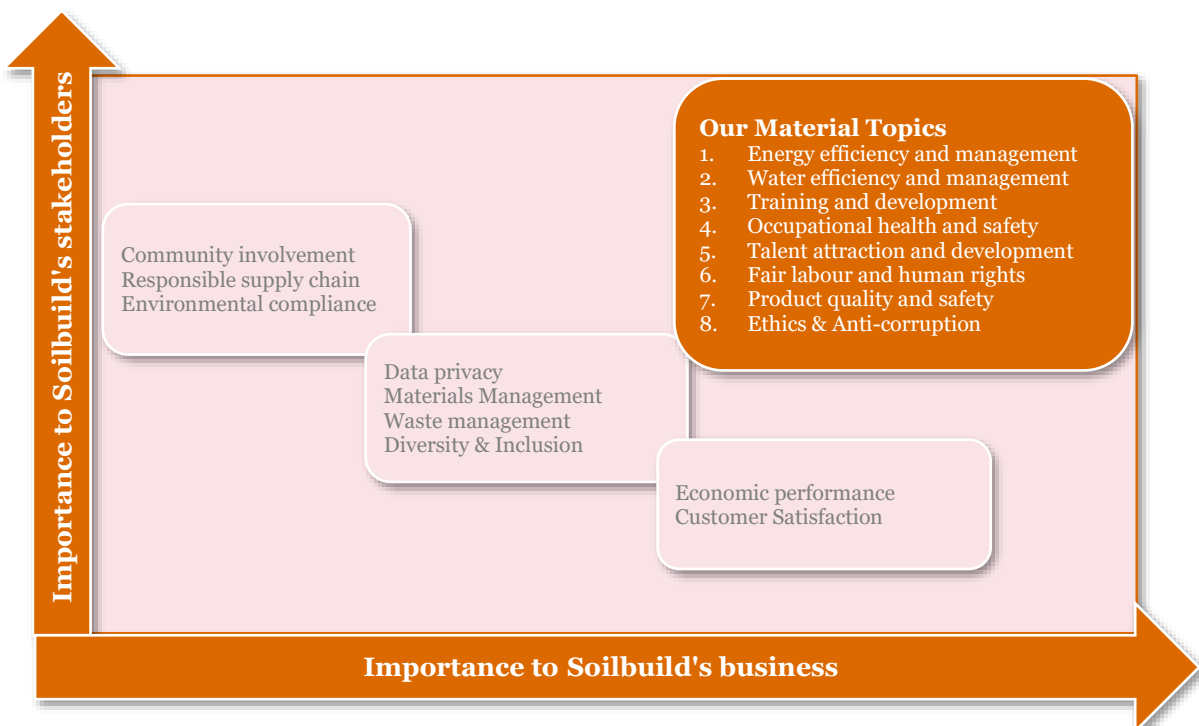
Materiality assessment

Materiality is a critical input into our corporate sustainability strategy because it ensures we provide our stakeholders with the sustainability information most relevant to them and our business. To determine this, we conduct formal materiality assessment on a regular basis. In 2019, we have revisited our materiality assessments for three regions: Singapore, Myanmar and Malaysia. The assessment process included interviews with internal stakeholders such as employees and management and internal workshops, to identify the most material sustainability issues. The boundary of material topics is restricted to our operations in Singapore, Myanmar and Malaysia and to our business partners comprising contractors, subcontractors and suppliers.

Soilbuild adopted a systematic four-step approach in determining the material topics for our operations.



To illustrate degree of importance to internal and external stakeholders, the material aspects have been plotted on a materiality matrix. Figure below provides an overview of our material topics.



Environmental performance: resource conservation

As an organisation that is committed to sustained growth and shared value creation, we adopt responsible practices across our supply chain. These are encapsulated in the various policies which govern our business practices and environment stewardship.

(a) Energy efficiency and management

Soilbuild believes in building a greener future and creating a friendlier environment for all our stakeholders by minimising the usage of natural resources and the waste in our business operations. We have implemented an environmental management system to identify and manage environmental of our business operations. These aspects are managed by setting targets and implementing programmes to achieve these targets. As an endorsement of our environmental management system, Soilbuild has obtained the ISO 14001:2015 certification for the scope of building and civil engineering construction services, as well as ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certification for design, manufacture and supply of precast concrete products.

Soilbuild has been awarded “BCA Green and Gracious Builder Award” in recognition of its efforts in promoting environment protection and gracious practices during the construction phase of projects. In 2019, Soilbuild also received award in its Digital BIM Technology adoption for its efforts in promoting energy-efficiency in the construction technology and processes.

We believe improvements in energy efficiency will enable our Company to reduce cost and improve overall operational efficiency. Integrating energy efficiency considerations into the design and construction of our assets can also help to reduce the energy usage (and electricity costs) of our customers. Through various operational measures, we maximise energy efficiency across key business units and at different stages in the building’s lifecycle. At Soilbuild we have diesel-use policy which ensures efficient use of diesel in operations such as in cranes, welding machine, diesel generators and air-conditioners.

Examples of on-going energy initiatives are:

Table 1 Energy management initiatives at Soilbuild

Energy Initiatives

- ✓ Monitoring and analysing energy usage in construction sites for all projects under construction for any abnormality and immediate rectification
 - ✓ Implementing various measures to reduce energy consumption, including using energy efficient equipment with the Energy Star logo
 - ✓ Using energy efficient lightings and green label photocopiers in the site offices
-

Soilbuild’s commitment to environmental stewardship is to minimise negative environmental impact as well as to constantly educate employees on sustainability. We apply the precautionary principle to our environment management to ensure that we minimise any impact on the environment and related risks to the organisation. As a growing company, we know our footprint is expanding, so we use strategies and practices to gain operational efficiencies, thereby reducing energy and water consumption, emissions and waste. At Soilbuild, employees are encouraged to promote energy and fuel efficiency to reduce carbon emissions.

The Group’s ICPH was completed in 2018. During the design and construction phase of the ICPH, the Group have taken various measures and consideration to incorporate green features into the building. These measures and considerations include (i) the use of energy saving LED lighting for offices, production areas and dormitory, (ii) double glazed glass used for all fenestration to reduce solar heat gain, (iii) sustainable products with recycled content used during construction, (iv) use of efficient air-con system, (v) use of energy-efficient features and environmental friendly products, (vi) use of water-efficient fittings and etc. The Group’s ICPH was awarded ‘BCA Green Mark Award – Gold’ by the BCA.

Performance for FY2019 and Target for FY2020

The energy consumption has increased in 2019, mainly due to the commencement of operations of the prefabrication and precast division. Nevertheless, the Group has continuously held campaigns at various construction sites to inculcate and raise green awareness to all employees working at the sites. In addition, the Group is currently in active discussion with a few power-supply retailers to explore options to promote green energy, including plans to equip our ICPH with solar panels.

Table 2 Energy consumption at Soilbuild

Energy use & efficiency	Unit	FY 2018 Performance	FY 2019 Performance	FY 2020 Target
Electricity consumption	MWh	1,386	2,295	To initiate at least one new energy (electricity) consumption reduction initiative and measure the resulting outcome and continue to set campaigns to raise awareness of energy saving
Diesel consumption	m ³	1,281	1,129	

Figure 4.1 Energy – Electricity consumption (MWh) by region
Construction segment

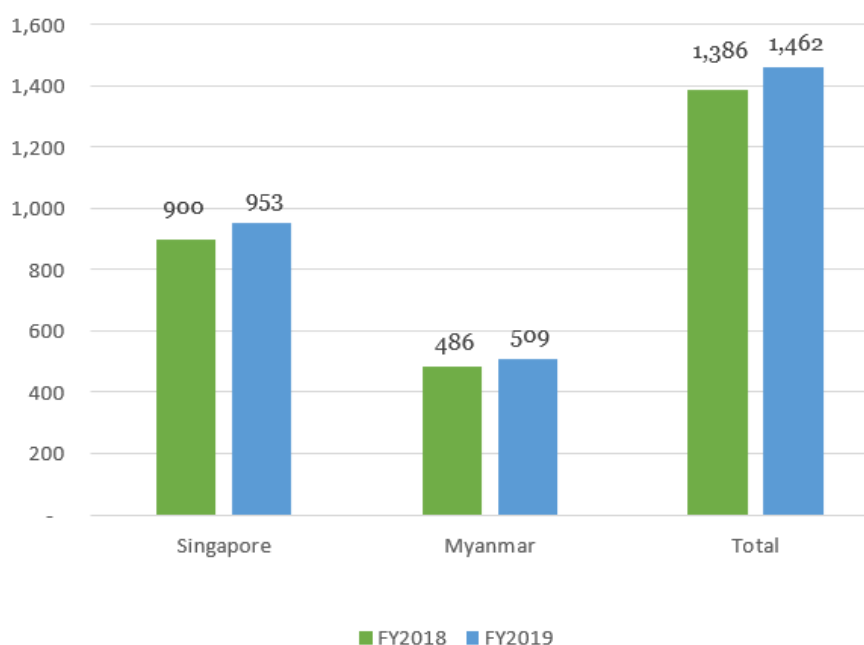


Figure 5.2 Energy – Electricity consumption (MWh) by region
Prefabrication and precast segment

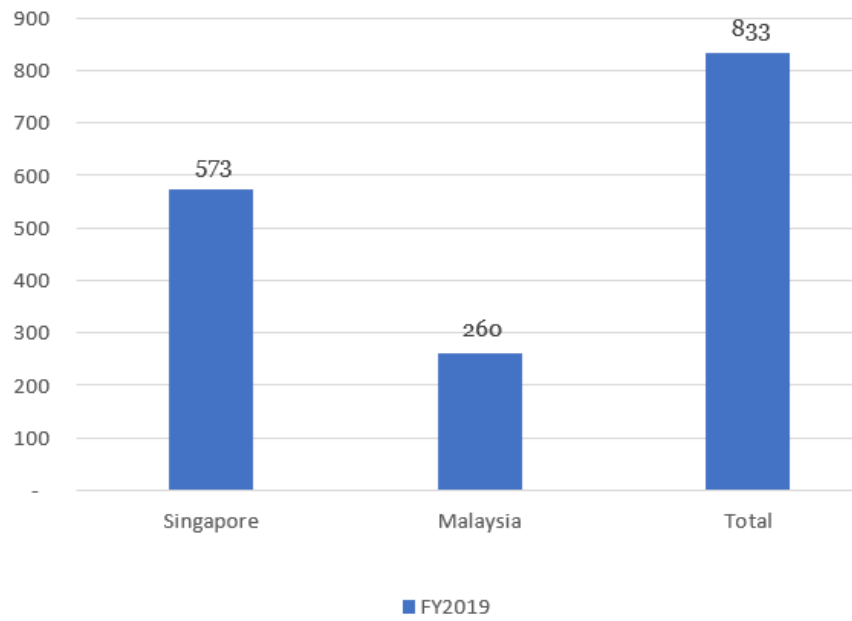
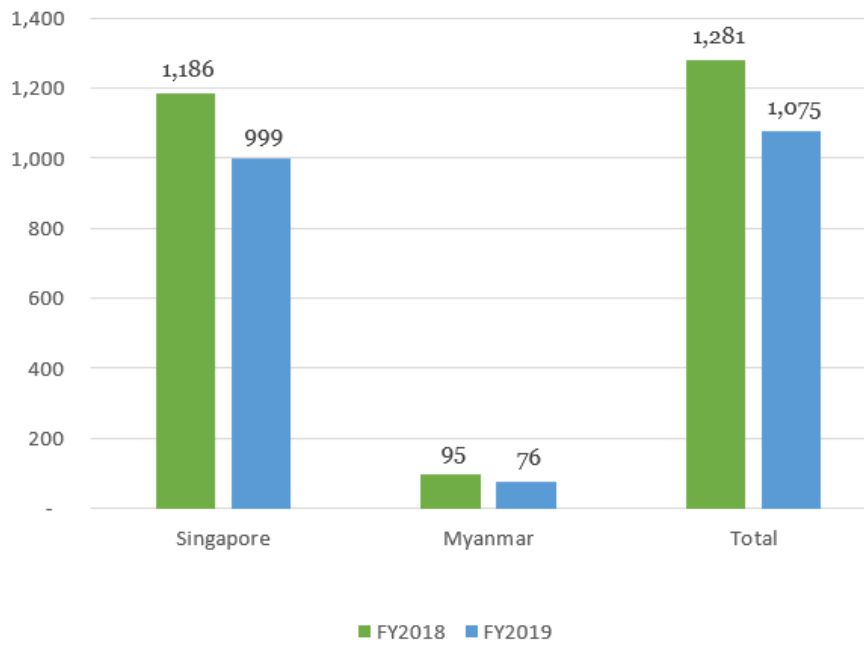
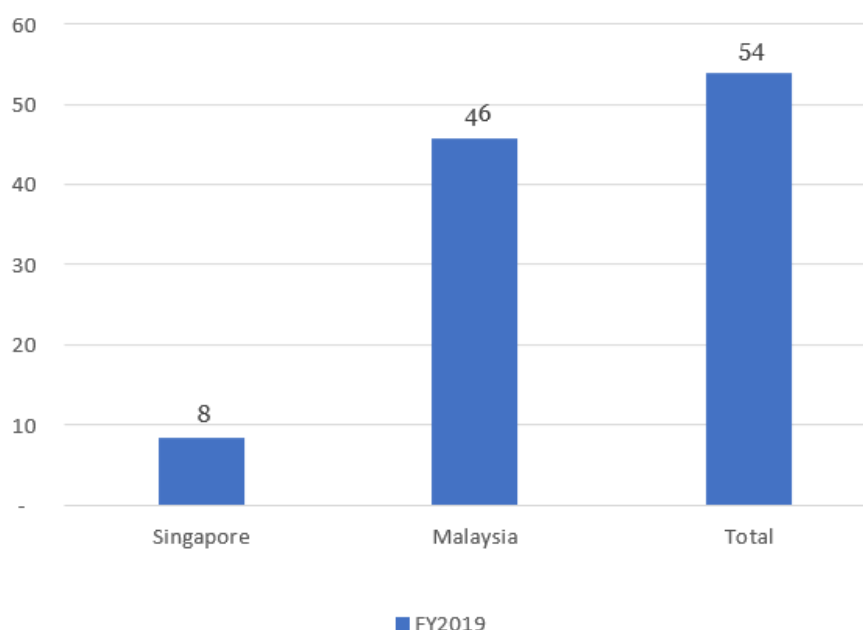


Figure 6.1 Energy – Diesel consumption (m³) by region
Construction segment



*Figure 7.2 Energy – Diesel consumption (m³) by region
Prefabrication and precast segment*



Soilbuild has identified energy management as key focus areas towards improving its operational efficiency. With progressive asset enhancement initiatives, Soilbuild successfully reduced the diesel consumption in construction segment by 206 m³ in FY2019 as compared to the previous reporting period. We will continue to monitor energy consumption of our construction projects and prefabrication and precast processes, and seek to improve on our practices to enhance energy use efficiency.

(b) Water efficiency and management

At Soilbuild we are conscious of the increasing scarcity of water and aim to further strengthen our water management policies. Both water quantity and quality are important aspects of water management. From sustaining agriculture and food chain, water is required in all industrial plants and commercial operations. Drought conditions which are attributable to climate change is already causing acute water shortages in large parts of Asia and in the rest of the world. A large percentage of manufacturing and industrial operations which are dependent on freshwater are located in water scarce regions such as Southeast Asia and other areas where local communities lack access to reliable and affordable drinking water. These regions are also most susceptible to climate change impacts on water resources. We recognise the vital role the provision of a sustainable water supply plays in Singapore, Malaysia and Myanmar, which is critical for our own future prosperity and development.

At Soilbuild we acknowledge the significant operational benefits that arise from a strategic approach to water management. We are cautious on water consumption and believe water use efficiency is beneficial for business as well for environment and society at large. Water savings equipment and processes are encouraged across Soilbuild's operations. Employees are well informed on the issues relating to water scarcity and are advised to reduce water consumption across operations. At Soilbuild, treated water is used for multiple purposes such as for cleaning vehicles and construction sites, and other activities.

Table 3 Water management initiatives at Soilbuild

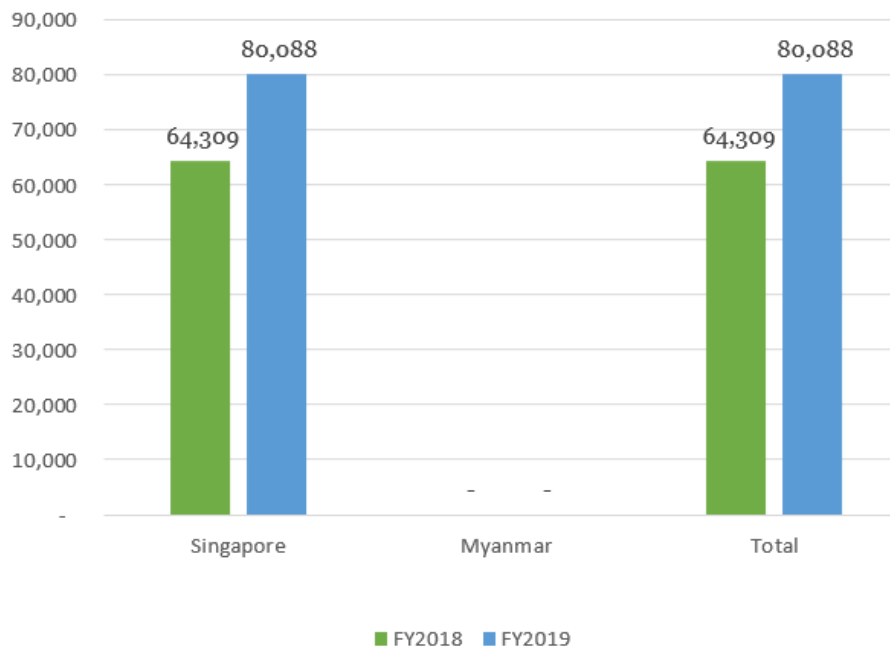
Water Initiatives

- ✓ Monitoring and analysing water usage in construction sites for all projects under construction.
- ✓ Using rainwater or recycled water to wash vehicles before they leave the construction sites, and using recycled water for washing before casting. Water saving devices like thimbles in taps are also installed wherever possible in our project sites and our corporate office.

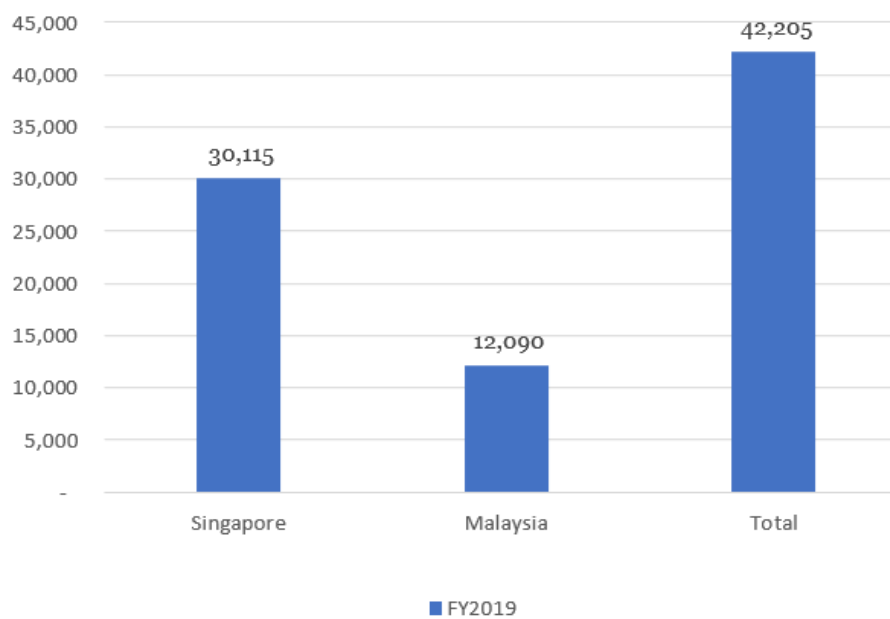
Performance for FY2019 and Target for FY2020

Total water consumption for both construction projects and prefabrication and precast operations was 122,294 m³ during 2019 (2018 : 64,309 m³). The increase in water consumption in 2019 is mainly due to the commencement of operations of the prefabrication and precast division. At Myanmar construction sites, water is extracted from tube wells, which is allowed within Yangon City Development Committee (“YCDC”) legislation for construction project sites with no charges. The measurement of water consumption was undeterminable due to lack of data. For our 2020 targets, we aim to reduce our water consumption across the key operational activities using innovative water efficiency and reduction measures. We will continue to monitor our water consumption of our construction projects and prefabrication and precast operations and promote water efficiency initiatives.

*Figure 6.1 Energy – Water consumption (m3) by region
Construction segment*



*Figure 6.2 Energy – Water consumption (m3) by region
Prefabrication and precast segment*



Social performance: collaborating with our employees and wider community

We recognise that our employees are invaluable to the success of our Group. We are committed to cultivating a balanced work-life environment for all our employees, as well as to developing the new workforce in our industry.

(a) Training and development

The Group signed “The Pledge for a Better Built Environment Workplace” developed by the BCA and Construction Industry Joint Committee in demonstrating the Group’s full support to transform the built environment sector into a workplace of choice for our local young talents as well as retaining existing talents within the sector. By signing the pledge, we are committed to adopt good human resource practices by bringing about more conducive work environment and better employee management.

We offer training to assist employees in achieving a higher level of competency and safety standards, in order to further enhance the quality of our services and products. Such training also aims to build a well-motivated, stable workforce with a high level of team work. A key objective of training is to develop competencies which would enable our employees to perform their current or future jobs successfully. All our training programmes are geared towards the following objectives:

- i) strengthening the job skills and knowledge of employees;
- ii) improving operational efficiency and productivity; and
- iii) developing and maximising the potential of employees, to the mutual benefit of Soilbuild and their own respective selves.

*Figure 7.1 Total employees at Soilbuild (as on 31 December)
Construction segment*

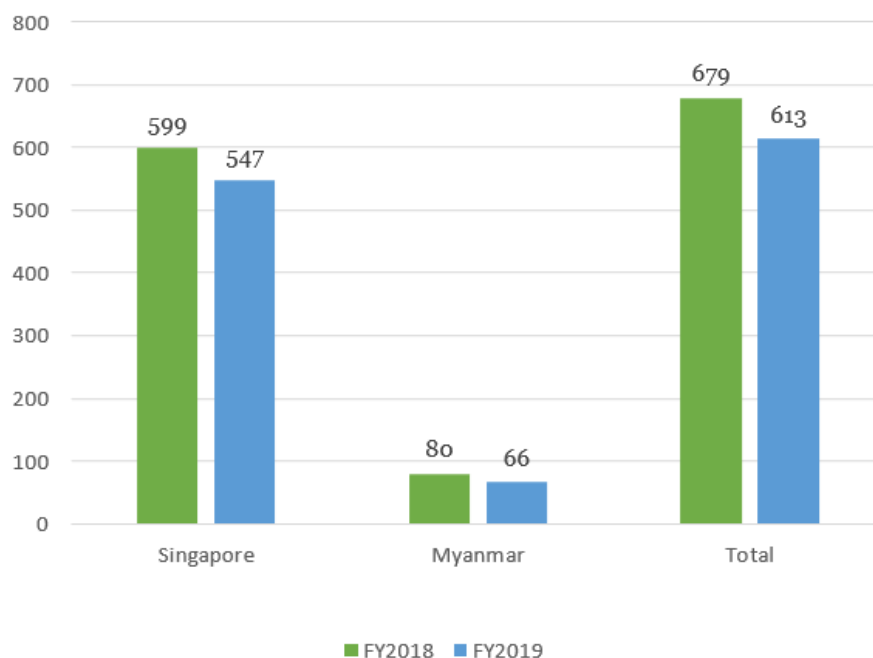


Figure 7.2 Total employees at Soilbuild (as on 31 December)
Prefabrication and precast segment

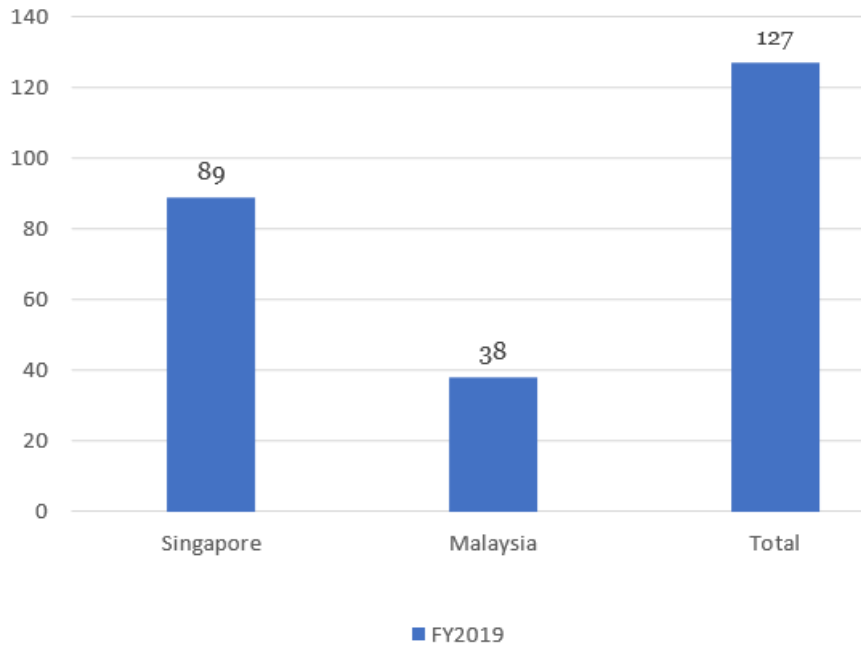


Figure 8.1 Distribution of employees by functions
Construction segment

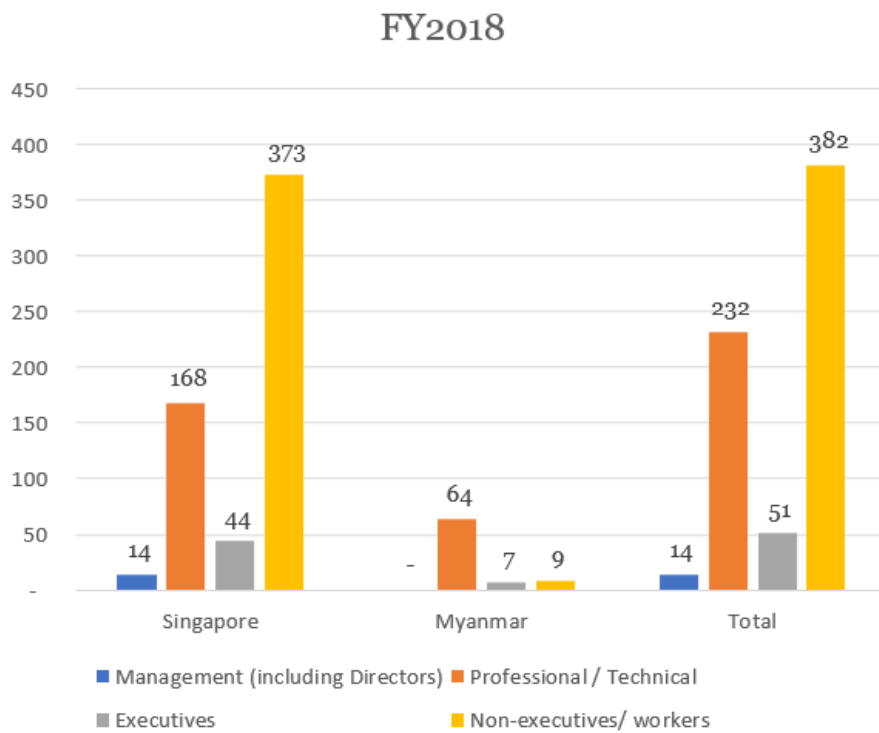
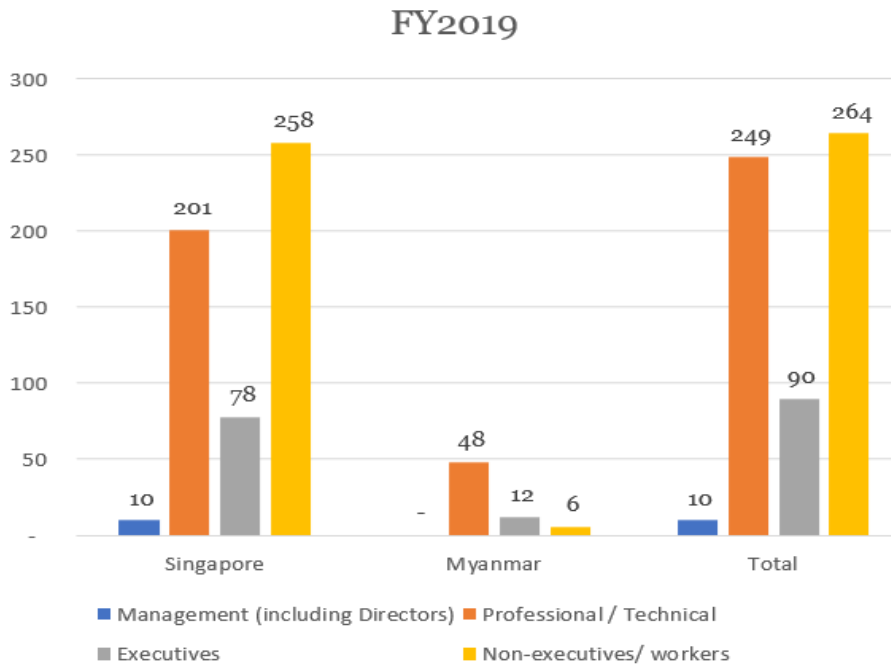


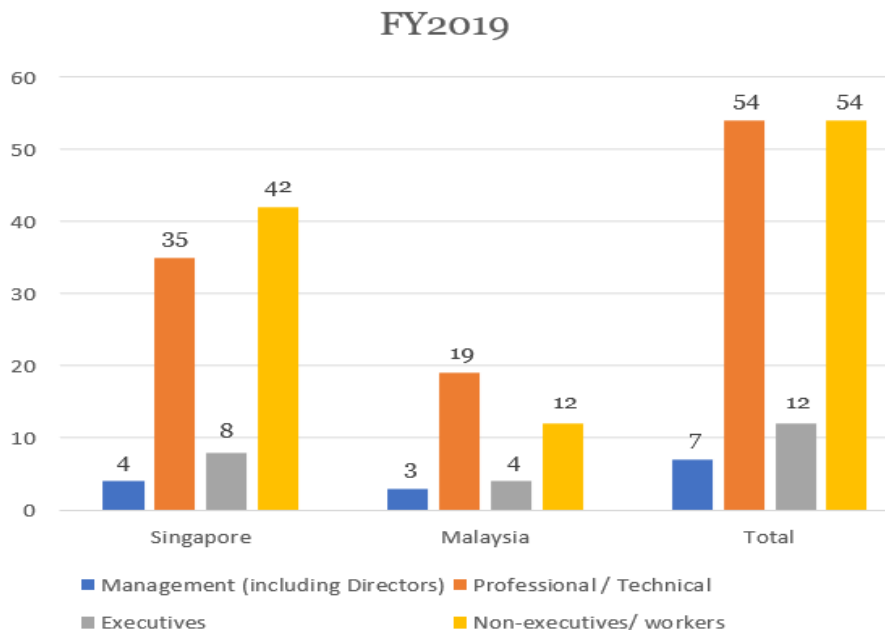
Figure 8.1 Distribution of employees by functions
Construction segment



Note:

- a) Management including Company directors and all working directors
- b) Professional or technical shall include all HQ or Site engineers who have academic qualification and/or technical experience relating to construction
- c) Executives shall include all HQ or Site staff who have academic qualification not relating to construction, but holding degrees or diploma in other fields
- d) Non-executives or workers shall include all the rest as well as foreign workers

Figure 8.2 Distribution of employees by functions
Prefabrication and precast segment



Note:

- a) Management including Company directors and all working directors
- b) Professional or technical shall include all employees who have academic qualification and/or technical experience relating to prefabrication and precast operations, such as engineers and quantity surveyors
- c) Executives shall include all administrative employees who have academic qualifications not relating to prefabrication and precast operations, but hold all other degrees or diploma, such as finance and human resources personnel
- d) Non-executives or workers shall include all the rest as well as foreign workers

Figure 9.1 Distribution of employees by age group
Construction segment

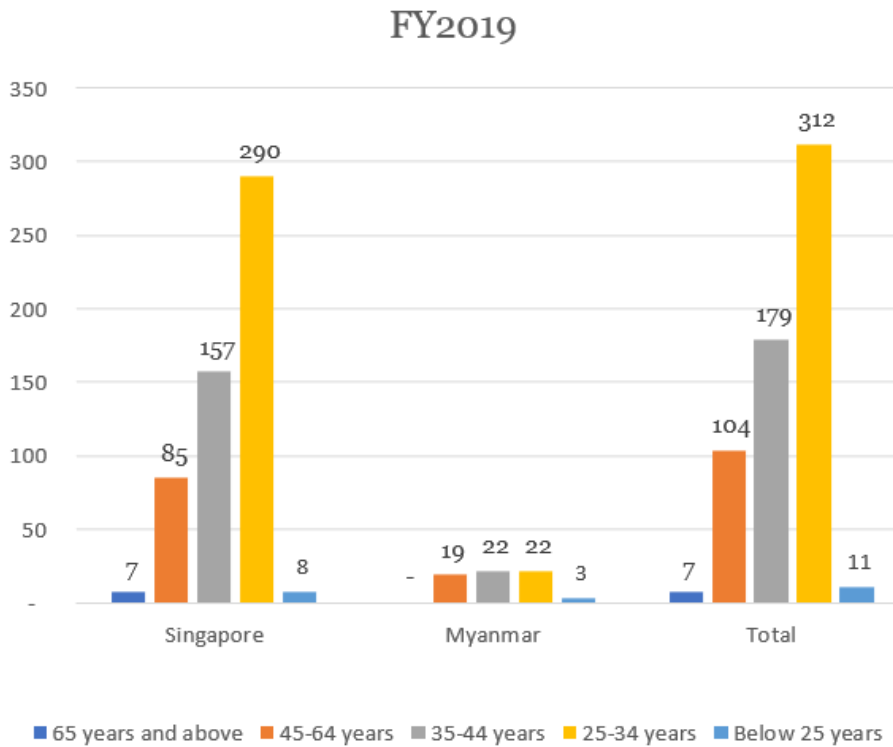
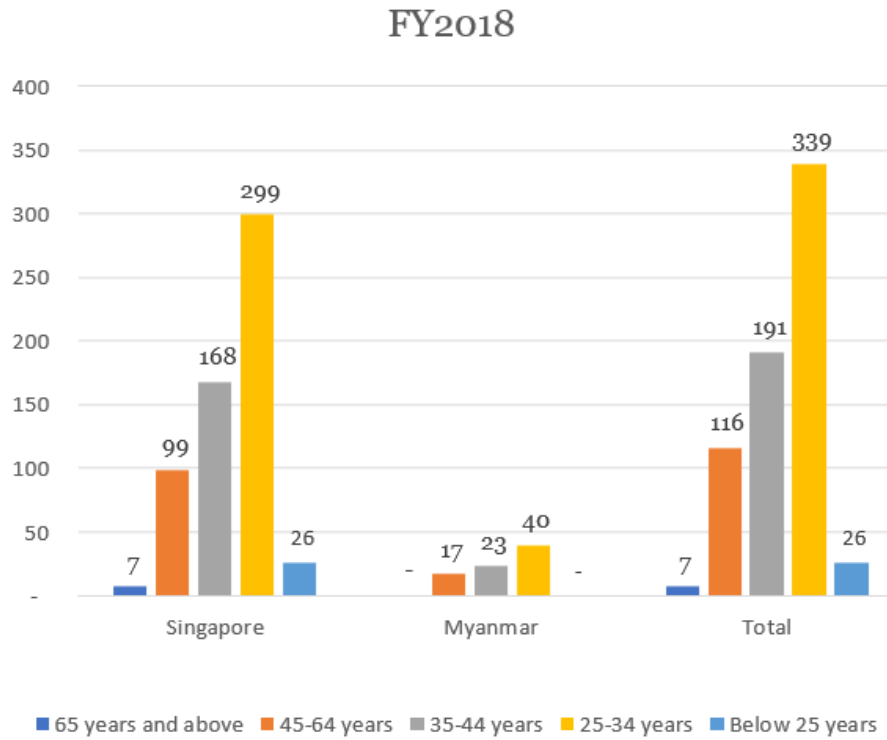
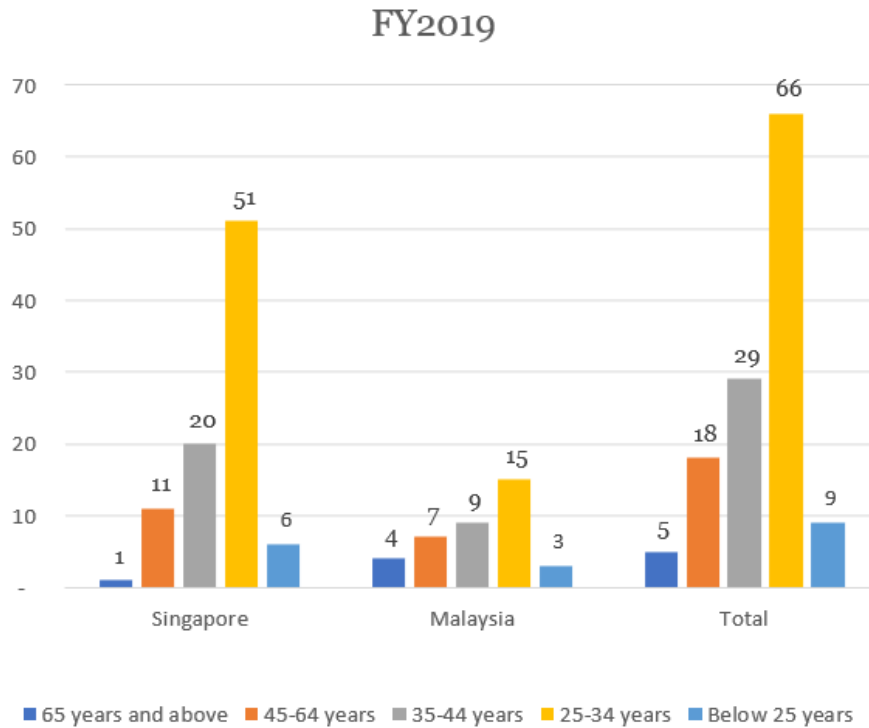


Figure 9.2 Distribution of employees by age group
Prefabrication and precast segment



As on 31 December 2019, total numbers of employees at Soilbuild are 740 (2018: 679). We have a diverse mix of employees across various age groups. In order to build more gender inclusive work environment, we aim to further improve gender diversity across various levels in the organisation.

Figure 10.1 Distribution of employees by gender
Construction segment

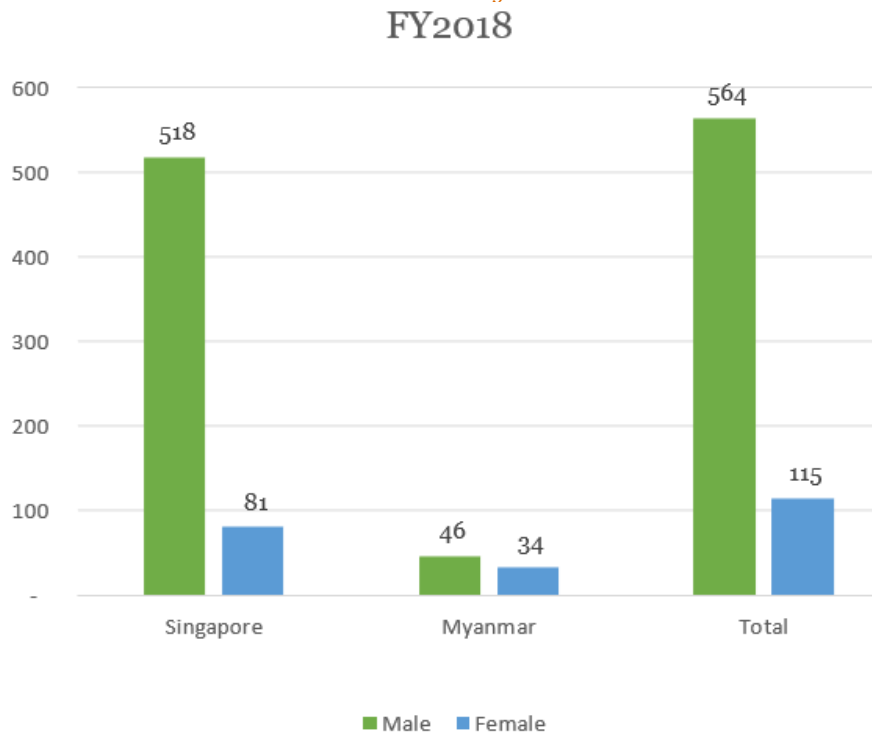


Figure 10.1 Distribution of employees by gender
Construction segment

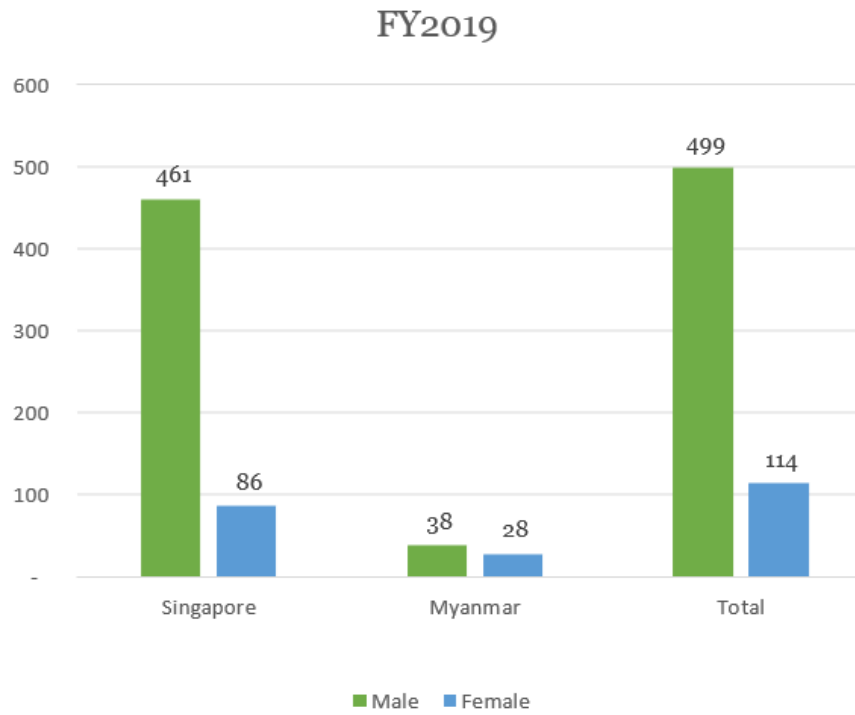
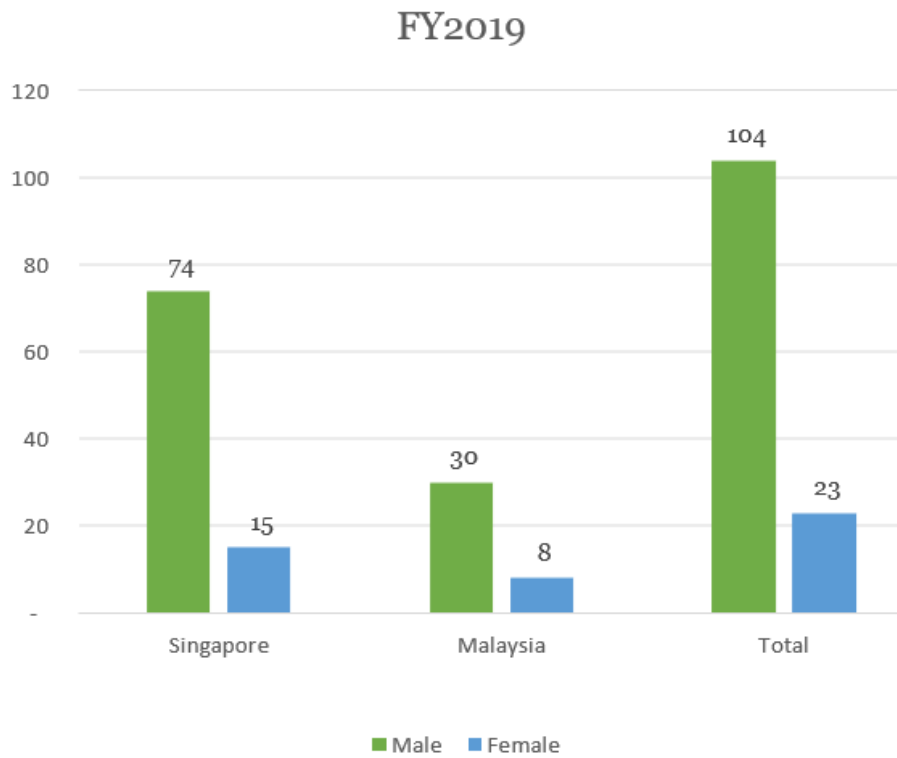


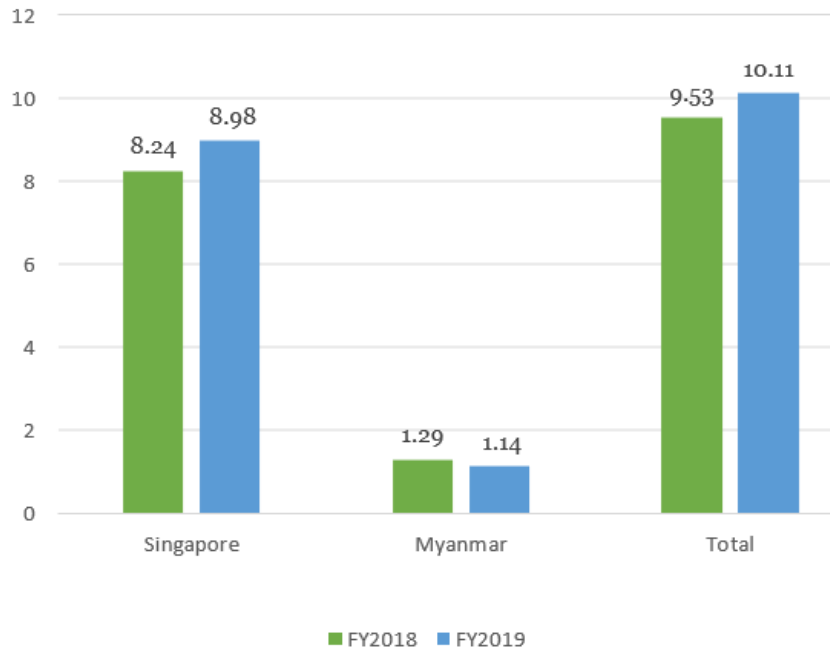
Figure 10.2 Distribution of employees by gender
Prefabrication and precast segment



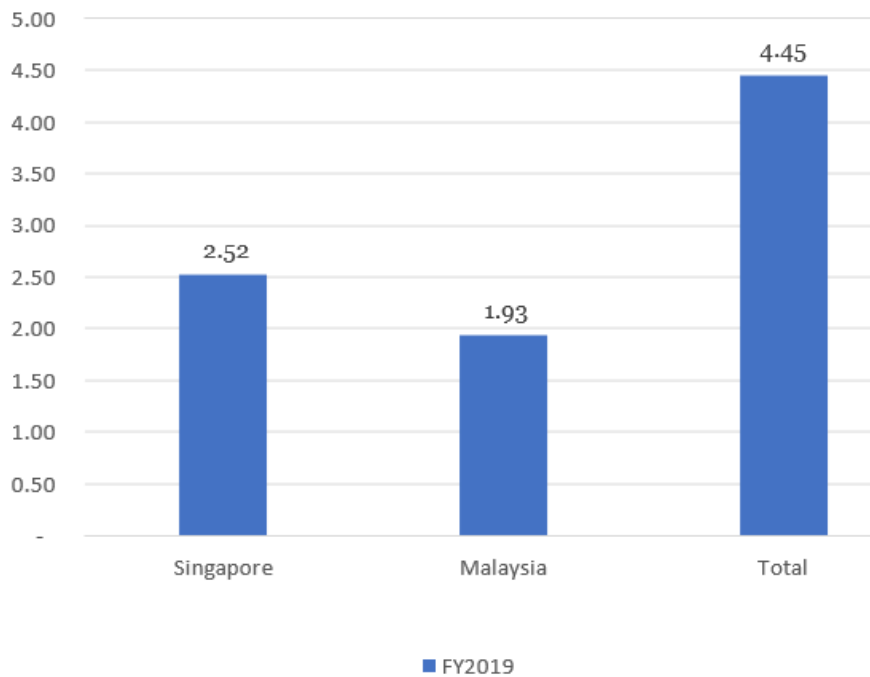
Performance for FY2019 and Target for FY2020

Below figure presents the key performance indicators relating to training and development of our employees. Total employees mean all personnel in Group's payroll, including workers; and Training include all external trainings or seminars registered, and in-house trainings.

*Figure 11.1 Training hours per employee
Construction segment*



*Figure 11.2 Training hours per employee
Prefabrication and precast segment*



At Soilbuild, potential employees are groomed for next generation leaders. Competency building trainings for the next level such as project managers are provided. We develop training plans based on career development plan for middle management. We also provide mentor guiding program for selected potential deserving candidates. Soilbuild also encourages and where appropriate, arranges for training courses to supplement and keep directors updated on areas such as accounting, legal and industry-specific knowledge. Soilbuild is responsible for funding the training of directors. The directors are also kept updated on revisions to relevant laws and regulations through presentations and workshops organised by the Management. The Board supports directors receiving further relevant training in connection with their duties, particularly on relevant new laws and regulations.

At Soilbuild, we believe in providing trainings based on need and strength assessment to all eligible employees. As part of our FY 2020 ESG targets, we aim to roll-out new training programme for all employees, as well as professional conversion programme and new leadership course for managers and above.

(b) Talent Attraction and Retention

In the current competitive landscape, talent attraction and retention remain a key concern for Soilbuild. Soilbuild is committed to develop human capital and industry talent in the built environment through various programmes.

To build a healthy talent pipeline in preparing for the Group's continuous business expansion, we have been participating in the BCA – Industry Build Environment Undergraduates Sponsorship/Scholarship programme to offer opportunities to potential awardees to scale up their career in the built environment. Sponsorships or scholarship are provided to students from NTU, NUS, ITES/Polytechnic institutes as part of our talent attraction initiatives. The following are the initiatives that Soilbuild has taken to promote people development:

- i) to take part in the BCA-Industry Built Environment Undergraduate Scholarship programme to offer opportunities to potential awardees to take up a career in the built environment;
- ii) worked with BCA and academic institutions to offer internship opportunities to students; and
- iii) initiated a staff mentorship programme with the objectives of attracting, retaining and motivating talents.

Performance for FY2019 and Target for FY2020

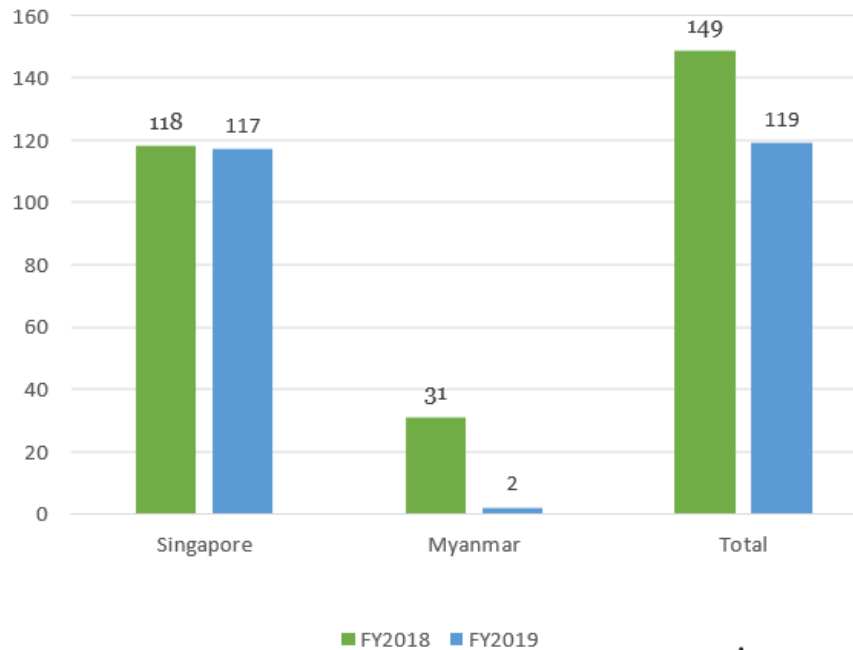
Table 4 Details on sponsorship / scholarship programme

Undergraduates Sponsorship/Scholarship programme	FY 2018	FY 2019
Sponsorship	2	-
Scholarship	-	-
Trainee	-	2
Total	2	2

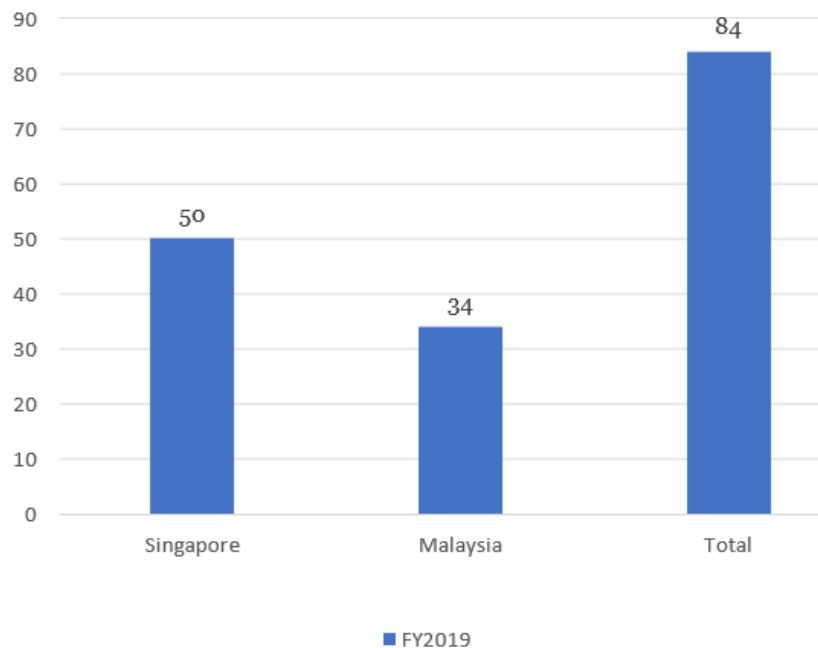
We believe in keeping people motivated as it directly influences their performance. Every year performance assessment is conducted to guide our employees on their strengths and weakness and provide necessary direction to grow their career. We develop our employees to their full potential by offering training and staff development, a fair and equitable system and a safe working environment. We will continue to provide relevant training and development courses to constantly equip our people with key competencies and skills so that they can perform efficiently in their current job functions.

As part of Soilbuild's FY 2020 targets, we will continue to implement new programmes to secure fresh talent in the Company. As part of our future initiatives, we will explore new participation in sponsorship or scholarship programme with educational institutions to bring in young and fresh talent into the organisation and ensure our current employees meet technical and functional competencies to fulfil the current and future requirements of the Group's business. The Group will also identify opportunities for senior employees to upskill and continue employment.

*Figure 82.1 Total number of new employee hires
Construction segment*

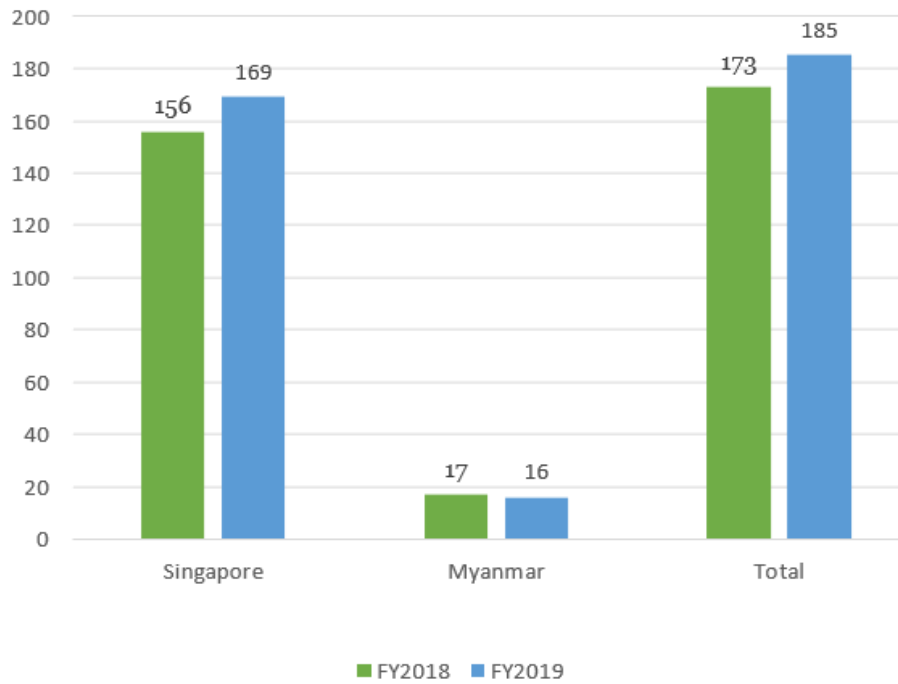


*Figure 92.2 Total number of new employee hires
Prefabrication and precast segment*

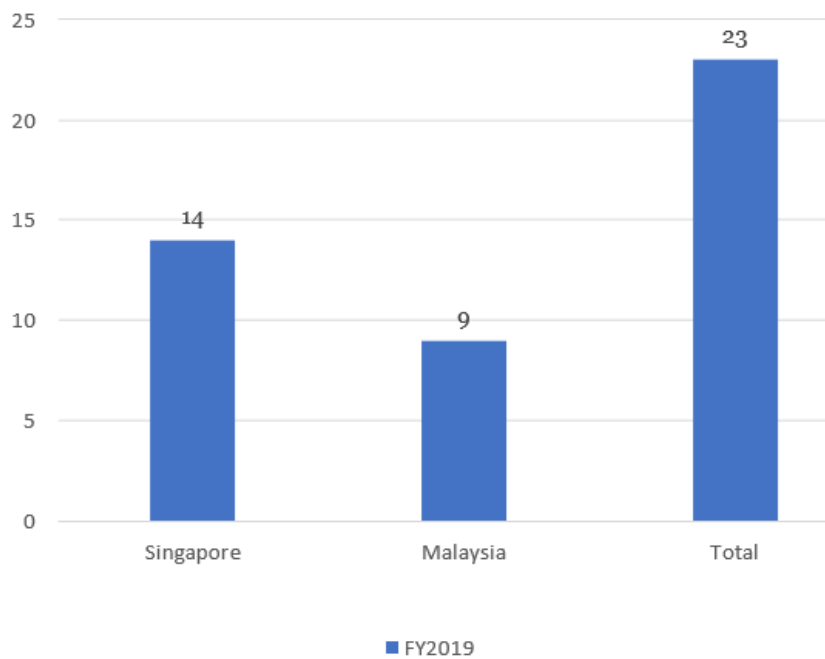


The rate of new employee hires during the reporting period was 21% and 3% (2018 : 20% and 39%) in Singapore and Myanmar respectively in construction segment; and 56% and 90% in Singapore and Malaysia respectively in prefabrication and precast segment during FY2019. Overall, the rate of new employee hires was 19% (2018 : 22%) in construction segment and 66% in prefabrication and precast segment during FY2019. At Soilbuild, we put in efforts to implement inclusive recruitment practices and optimise use of available labour and talent in different regions.

*Figure 13.1 Total number of employee turnover
Construction segment*



*Figure 13.2 Total number of employee turnover
Prefabrication and precast segment*



The rate of employee turnover during the reporting period was 31% and 24% (2018 : 26.0% and 23%) in Singapore and Myanmar respectively in construction segment; and 16% and 24% in Singapore and Malaysia respectively in prefabrication and precast segment during FY2019. Overall, the rate of employee turnover was 30% (2018 : 25%) in construction segment; and 18% in prefabrication and precast segment during FY2019. The turnover of employees in construction sector is particularly subject to the market and economic condition. The turnover in 2019 was in line with the industry norms in respective countries.

In 2020, Building and Construction Authority (“BCA”) accepted Soilbuild’s written proposal (CED Journey) which describes its goals and plan to achieve the values Soilbuild intends to create, as well as how it will go about doing so over the next 3 years to build up its construction engineering capability by the adoption of Design for Manufacturing and Assembly (DfMA) technologies through a detailed implementation plan. Being part of the BCA CED programme will enhance our ability to attract and retain talents, and also allows us to tap on certain CED Incentives schemes for BCA-approved CED projects e.g. Specialist Consultant Incentive and Enhance Specialist Consultant Incentive.

(c) Occupational Health and Safety

Health and safety at our workplace are of utmost importance to Soilbuild. We manage Quality, Environment, Safety and Health effectively by establishing, implementing and maintaining a best practice and process oriented integrated management system.

Soilbuild is actively promoting work safety and good environmental awareness by continuously upgrading the skills of our employees in order to increase their knowledge and efficiency in operational safety supervision and management. Planned events like “The Safety Time Out” are conducted regularly on construction sites, as well as precast plants. The Safety Time Out is an on-going event initiated by the Workplace Safety and Health Council. The key objective of this event is to increase awareness of the workers on individual hazards and demonstrate the consequence of poor housekeeping.



During Safety Time Out, Soilbuild employees take time off from their routine operations to take stock and review particular work activity or system to ensure safe operations. The WSH officer conducts the training together with the safety team members. Firstly, the WSH officer briefs the workers on the reason for carrying a Safety Time Out and explains the near miss that were captured regularly. After which, the safety team member enacts the scenario based on the common findings. Through this enactment, workers’ awareness will be increased. At the same time, they become more conscious of their surrounding when they work.

Soilbuild adopts the Carrot and Stick Approach in promoting safety awareness at sites. The Management would take time to conduct site visits and would take the project team to task should there be any safety lapses. On the other hand, the Management would also reward project team members, suppliers and contractors should the team manage to maintain a good safety record during the project timeline.



Soilbuild has also implemented appropriate procedures and policies to prevent and mitigate the spread of communicable diseases for the corporate office, construction sites and precast plants. Furthermore, Soilbuild is committed to managing occupational health and safety issues. Preference is given to engage OHSAS 18000-certified or bizSAFE-certified vendors/ contractors. Soilbuild has been certified by the Workspace Safety and Health Council to have fulfilled the requirements to attain bizSAFE Level Star and obtained the OHSAS 18001:2007 certification for the scope of building and civil engineering construction services; and Green Concrete FL50H 022-146-3335 and SSEN206 – Ready-Mixed Concrete Certification for the prefabrication and precast operations.

Performance for FY2019 and Target for FY2020

Soilbuild pays a lot of emphasis on ensuring that work environment is safe for workers. There have been no workplace fatalities during the reporting period (2018 : Nil). In addition, Soilbuild have performed better than the national's average for Accident Frequency Rate (AFR) in FY2019. For 2019, our Accident Severity Rate (ASR) of 88 and AFR of 3.8, compared with the national average of 115 (ASR) and 1.5 (AFR) respectively.

We aim to further strengthen our reporting on the key performance indicators relating to occupational health and safety of our employees. Soilbuild implements compulsory safety induction to educate new staff on the importance of workplace safety and risk management procedures.

Soilbuild have embarked on technological route to improve the safety standards on sites. There are several projects in the pipeline to improve the Quality, Safety and Health standards for our people, our partners and our clients.

Our target is to achieve accident-free person-hours for all projects that the Company operates in both Singapore and Myanmar markets.

(d) Fair labour and human rights

We recognise that our employees are invaluable to the success of Soilbuild and we place a high value on the contribution of each of our employees and continuously work to meet their needs and concerns at workplace. This includes engaging our employees so that they feel a sense of belonging to the Group, motivating them to take ownership of their roles and responsibilities, respecting the need for work-life integration, and paying attention to their well-being. To advance our organisation and to meet challenges in the course of our business, we believe in employing right people with the right skill and experience to plan and execute projects competently. Our human resource strategy and programme are developed to attract new workforce in our organisation and industry and to retain competent employees to enhance productivities in our day-to-day operations. We are committed to foster a conducive work environment by adhering to rules, regulations and guidelines issued by relevant authorities. We adopt fair employment practices, respect and uphold human rights principles.

To cultivate a strong sense of job satisfaction amongst our employees and to provide opportunities for employees to achieve their full potential, we conduct employee performance review annually. During the performance review, the performance of each employee will be assessed by their

immediate superior by using a set of key performance indicators based on the core and functional competencies. The results of the performance assessment will then be discussed between the employee and their immediate superior, whereby the employee's achievement and their concern, area of strength and weakness, training and career advancement plan will be agreed upon and documented. The performance assessment will then be submitted to Senior Management for endorsement and will be considered in the formulation of the Group's human resource planning.

Performance for FY2019 and Target for FY2020

During 2019, the Group have taken various health and wellness, as well as caring initiatives to promote closer ties among the employees, and their well-being.



Yoga Class



Soilbuild Charity Walk

Besides the Soilbuild Charity Walk, Soilbuild also participated in a charity event, making contribution/donation to the children from Mountbatten Vocational School (f.k.a. Vocational School for the Handicapped). Soilbuild employees bought the Christmas gifts as stated in the children's wish list and sent these gifts to them to bring them joy during the festive session.

Amid the COVID-19 outbreak, Temasek Foundation announced an initiative to distribute 500ml of free zero-alcohol hand sanitizer to every Singapore household in March 2020. Soilbuild participated in this meaningful initiative – 109 of our site construction workers volunteered at each of the 109 community centres island-wide to help in the dispensation of the sanitizer and other general tasks. We are proud of our volunteer representatives who were able to response to the needs of our society.



Soilbuild to help in dispensation of the sanitizers

Soilbuild also extended assistance to other region, including donations made in conjunction with Donation Ceremony of COVID-19 organised by Ministry of Health and Sports in Myanmar.



Director, Myanmar operations giving away donation

In the subsequent years, we will roll out a series of health and wellness programmes for all employees, while actively fulfilling our social responsibilities.

Governance: growth with purpose

In today’s management environment, integrity and ethics have become a demand of the times as well as a universal value for all companies. Also, as companies become more exposed and vulnerable to risk factors such as technology advancements and recurrence of design errors, it is critical that we continue to improve our quality management system to remain competitive and to sustain growth.

(a) Service and Product quality and safety

Soilbuild strives for excellence in all aspects of our operations. This includes consistently delivering unmatched service and product quality to our customers, and taking a proactive approach to managing environment, health and safety practices. Our customers rely on our brands and reputation for safe, high quality services / products that they can trust. We use international standards to ensure the quality and safety of our services / products. In this section, we will reflect on the periodic assessment of the health and safety impacts of services / products. At Soilbuild, we seek to effectively identify, assess and treat all quality & safety related risks associated with Soilbuild’s business activities, services and products in a responsible manner.

Soilbuild takes pride and places great emphasis on the quality aspects of all projects. We strongly believe in delivering high standards of quality and service levels to our customers which are key to maintaining customer satisfaction.

Soilbuild has established the following quality objectives:

- i. to comply and continually improve the effectiveness of the quality management system which satisfies all ISO 9001:2015 standard requirements, or any relevant statutory and regulatory, customer or other obligations to which the organisation subscribes;
- ii. to provide total customer satisfaction and encourage repeated patronage by consistently exceeding customers’ expectations with reliable quality works;
- iii. to deliver projects on time and operate within an allocated budget; and
- iv. to constantly provide training to all staff and upgrade work processes to improve our work quality procedure so as to improve efficiency and reduce wastage of resources.

As an endorsement of our quality management system, Soilbuild has obtained the ISO 9001:2015 certification for the scope of building and civil engineering construction services. The attainment of the above certification will strengthen our customers’ confidence in the quality of our products and services and differentiate us from our competitors who have not attained such certification.

Performance for FY2019 and Target for FY2020

There have been no significant incident concerning the health and safety impacts of our products and services in FY2019. Soilbuild's FY2020 target is to continue to incorporate and improve health and safety consideration in our construction projects, as well as in the prefabrication and precast operations.

Completed Projects in FY 2019



28 Wilkinson Road



40 Wilkinson Road



164 Kallang Way



171 Kallang Way

(b) Ethics & Anti-corruption

At Soilbuild, our corporate philosophy is to conduct business in a transparent and ethical manner. We strongly believe that corruption and fraudulent acts are severe detrimental factors to the sustainability of our organisation and society. In the course of our business, our engagement with customers, consultants, sub-contractors, suppliers, business partners and associates, business representatives and agents, may expose us to the risk of corruption, fraudulent and unethical practises. We have established policies and procedures to prevent such practices. Our policies and procedures are communicated to all our employees, customers, consultants, sub-contractors, suppliers, business partners and associates, business representatives and agents, as we expect full compliance and adherence to our policies and procedures in the business dealings with our Group.

We have established and formalised, as part of our human resource management, Employees' Code of Ethics policy, which sets out the guidelines of acceptable codes of ethics in a workplace. These guidelines also include dealing with potential areas of conflict of interest between Soilbuild Construction Group Ltd.'s employees, associates, vendors, consultants, suppliers and sub-contractors. As part of a yearly exercise all staff are required to read and understand the policy and complete the Conflict of Interest Declaration form. All employees of the Group are expected to observe integrity and professionalism in their course of work by always acting in an honest, fair and ethical manner.

The Group's Employees' Code of Ethics includes the following aspects:

- ✓ Declaration of potential conflicts upon commencement of employment and subsequent yearly declaration by all employees

- ✓ Managing conflicts when receiving gifts from vendors, consultants, suppliers and sub-contractors
- ✓ Entertainment
- ✓ Interested person transaction and business with family and friends
- ✓ Financial interest in an outside company
- ✓ Fraudulent financial reporting
- ✓ Asset misappropriation
- ✓ Aiding and abetting
- ✓ Insider trading and dealings in securities
- ✓ Money laundering

The policy also covers areas such as Discrimination free and Harassment free workplace, Conflict of Interest, Managing Conflicts, Outside Employment, Fraud and Intellectual Property.

Guidelines on ethical legal responsibilities are also provided under a Gift and Entertainment Declaration policy. The policy applies to all full-time and part-time employees, and other persons working for Soilbuild. Types of gifts cover cash or cash equivalent instruments and non-cash gifts above a pre-determined commercial value. Depending on the type of gifts the necessary procedures and the need for declaration form is determined as per the policy.

The Group have also put in place a whistle-blowing policy to provide employees, vendors, consultants, suppliers and sub-contractors with an avenue to raise concerns about possible improprieties in financial reporting or other matters, and we believe that arrangements are in place for the independent investigation of such matters and appropriate follow-up action. A dedicated email address is created for reporting suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policies and arrangements have been made available to all employees of the Company. The policy is also provided as part of the letter of awards to all sub-contractors.

Performance for FY2019 and Target for FY2020

In FY2019, there were no cases of bribery and corruption. As part of our future initiatives, we will continue to review and improve our internal policy on the prevention and management of bribery and corruption. Our target is to provide training on all ethics and anti-corruption related policies and practices to 100% of our employees and ensure the Company meets high levels of standards on anti-corruption.

With effect from 1 January 2020, Soilbuild implemented a new policy, Ethical Legal Responsibilities — Social Media Policy. With internet and technology widely available, it has become convenient for us to use social media platforms, e.g. WeChat, Weibo, Twitter, LinkedIn, YouTube and Facebook, to send and exchange information and content at any time and in any way. This policy outlines the corporate guidelines or principles of communicating in the online world.

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