

Tiong Seng Group

Sustainability Report

**For the year ended 31 December
2019**

CONTENT PAGE

BOARD STATEMENT	3
ABOUT TIONG SENG	4
ABOUT THIS REPORT	6
Reporting Scope and Period	6
Reporting Standard	6
ASSESSING MATERIALITY	7
Engaging with Our Stakeholders	7
Materiality Assessment	7
ENERGY, POLLUTION AND EMISSIONS	9
WATER.....	12
EFFLUENTS AND WASTE.....	14
HEALTH & SAFETY	17
Employee Health & Safety	17
Sub-contractor Health & Safety	18
HUMAN CAPITAL ASSETS	20
LOCAL COMMUNITY.....	23
COMPLIANCE AND ANTI-CORRUPTION.....	25

BOARD STATEMENT

The Board is pleased to present Tiong Seng Group's third Sustainability Report. Tiong Seng aims to be the trusted investment choice in the real estate and built environment sector through delivering excellence and creating long-term value for our stakeholders. The Board considers sustainability issues as part of the business strategic formulation and decision-making processes. In this report, we are proud to share our sustainability approach on managing environmental, social and governance (ESG) issues that are important to us and our stakeholders.

Board Assurance

We believe strong sustainability governance is critical to our success. The Board plays an important role in the selection and review of ESG factors that are material to us and oversees the management of the performance relating to these factors. This report adheres to the Singapore Exchange (SGX)-ST Listing Rules 711A and 711B and references the internationally recognised Global Reporting Initiative (GRI) Standards.

Sustainability Initiatives

As an established contractor and property developer, we are committed to contributing to a safe, high quality and sustainable built environment by using innovative technologies and adopting sustainable practices. We recognise the impacts that our operations and activities may have on society and the environment and seek to mitigate any potential negative impacts by implementing relevant measures. These measures include developing a comprehensive information management system to reduce paper consumption while streamlining our work processes, adopting efficient and sustainable construction methods and utilising mobile water recycling systems at our construction sites in Singapore to recycle water and reduce the silt introduced into drainage systems. In addition, we work closely with our suppliers, contractors and sub-contractors to identify opportunities to improve our sustainability performance.

Upholding high environmental and occupational health and safety standards in all our projects is of utmost importance to our business. We provide relevant environmental, health and safety (EHS) training to site staff, workers and sub-contractor's personnel through our satellite EHS training centres at several of our project sites across Singapore.

In the past year we received a Platinum Star award from the Building Construction Authority for our sustained leadership, excellence and innovation in Singapore's built environment. We additionally secured \$125 million worth of green loans and environmental performance-linked facilities from OCBC Bank and DBS Bank, of which \$70 million will exclusively be used for green projects. Apart from diversifying our sources of funding, these facilities will allow us to focus on our environmental and green objectives to make a positive difference in our society.

Resilience against COVID-19

The COVID-19 pandemic has presented the world with a major and evolving challenge. Tiong Seng has taken immediate actions to address this challenge to minimise business disruptions and support recovery efforts. The Board monitors developments relating to COVID-19 closely to ensure that we comply with laws and regulations strictly, including the temporary ceasing of our construction activities following the Singapore government's Circuit Breaker measures, and the implementation of Safe Management Measures once our operations reopen. Our utmost priority is to ensure the health and safety of our workers and employees, whilst preserving jobs.

As developments surrounding COVID-19 remain fluid, the Board will monitor the situation closely and keep our stakeholders updated on material developments. Tiong Seng is committed to continuously develop and implement measures that ensure the well-being, productivity and security for our stakeholders.

The Board would like to thank those who have been with us throughout our sustainability journey. We will continue our sustainability efforts to enhance the long-term value for our stakeholders.

ABOUT TIONG SENG



Tiong Seng is a construction and civil engineering company as well as a real estate developer based in Singapore. Besides Singapore, Tiong Seng develops residential and commercial properties in various second-and-third tier cities in the People's Republic of China ("China") such as Tianjin and Suzhou.

With 60 years of established track record, Tiong Seng strives to be the trusted investment choice in the real estate and built environment sector through delivering excellence and creating stakeholder value.



OUR SUSTAINABILITY HIGHLIGHTS – 2019

<i>Economic</i>		
Zero corruption incidents		
<i>Environmental</i>		
 13% reduction in water intensity from 2018 levels		
<i>Social</i>		
<p>100% of sub-contractors are BizSafe Level 3 and above</p>  <small>shutterstock - 211348171</small>	 <p>No incidents that resulted in employee permanent disability or fatality</p>	 <p>Remained below the construction industry workplace injury rate for Singapore in 2019</p>
 <p>Awarded 1 scholarship & 5 bursaries to deserving students in 2019</p>	 <p>57.7 hours of training per employee per year</p>	

ABOUT THIS REPORT

Reporting Scope and Period

This report includes performance data for the period from 1 January 2019 to 31 December 2019. The scope of the report covers Tiong Seng's development operations in Singapore where environmental or social issues are considered most material, including:

- Artra Condominium in Redhill
- Primary School at Punggol Central/ Punggol Way (PG17)
- Primary School at Punggol Way (PG26)
- Polyclinic & Long Term Care Facility Building on Balestier Road/ Serangoon Road
- Condominium Housing Development on Balmoral Road

The energy, water, human resources and safety data pertain to operations for the above projects and the number of employees at our head office in Singapore is included in the human resources data.

Our governance matters and economic performance are set out in the Corporate Governance and Financial Statements sections of our 2019 Annual Report respectively.

Reporting Standard

Our sustainability report is prepared in compliance with the Singapore Exchange (SGX)'s sustainability reporting listing requirements and with reference to the Global Reporting Initiative (GRI) Standards. The GRI framework has been chosen as it provides relevant guidance on stakeholder engagement, materiality assessment and performance disclosures based on our material topics. This report references the following topic-specific disclosures:

- Disclosures 302-1 and 302-3 from GRI 302: Energy 2016
- Disclosures 303-3 (a) from GRI 303: Water and Effluents 2018
- Disclosures 305-1, 305-2 and 305-4 from GRI 305: Emissions 2016
- Disclosures 403-9 (a)(i)&(iii) from GRI 403: Occupational Health and Safety 2018
- Disclosure 307-1 from GRI 307: Environmental Compliance 2016
- Disclosures 401-1 from GRI 401: Employment 2016 – rates of new employee hires and employee turnover
- Disclosures 404-1 from GRI 404: Training and Education 2016 – average hours of training per employee
- Disclosure 413-1a(iv) from GRI 413: Local Communities 2016
- Disclosure 419-1 from GRI 419: Socioeconomic Compliance 2016

Feedback

We value and welcome any feedback to help us improve our sustainability practices and performance. Please send your questions or feedback to enquiry@tionseng.com.sg.

ASSESSING MATERIALITY

Engaging with Our Stakeholders

We strive to build strong relationships with our stakeholders by engaging with them regularly to gather feedback and address any concerns they may have. With the valuable insights gained through our stakeholder interactions, we identify opportunities for improvement and to refine our sustainability approach.

We have identified our customers, investors, employees, business partners and suppliers, government agencies and the public as our 6 key stakeholder groups and seek to engage with them through various methods and channels, which are summarised in the table below.

Stakeholder	Engagement methods	Frequency
Customers	<ul style="list-style-type: none"> Customer surveys Regular dialogues, briefings and debriefings 	<ul style="list-style-type: none"> Throughout the year
Investors	<ul style="list-style-type: none"> Financial results and announcements Business developments, press releases, and other relevant disclosures via SGXNet and website Annual General Meeting 	<ul style="list-style-type: none"> Quarterly Throughout the year Annually
Employees	<ul style="list-style-type: none"> Employee satisfaction survey 	<ul style="list-style-type: none"> Annually
Business partners, Sub-contractors, Suppliers	<ul style="list-style-type: none"> Clients – interaction at project sites Project co-ordination meetings with the Project Team, EHS, Sub-contractors, and Suppliers (when required) 	<ul style="list-style-type: none"> Weekly
Government agencies	<ul style="list-style-type: none"> Meetings with government agencies on specific topics Industry representatives at best practice forums 	<ul style="list-style-type: none"> When required
Community	<ul style="list-style-type: none"> Public notices and updates of critical activities to the neighbourhood and community Community outreach and festive celebrations in the surrounding neighbourhood Management Corporation Strata Title (MCST) engagement Town Council meetings 	<ul style="list-style-type: none"> Throughout the year

Materiality Assessment

In 2017, a formal materiality assessment was conducted to identify the ESG topics that are most important to our business and stakeholders. The materiality assessment was guided by the GRI Principles of Materiality and Stakeholder Engagement. The material topics were identified and prioritised based on inputs from our stakeholders, consideration of trends and developments in the construction and real estate development sectors as well as global and local sustainability issues. In 2019, we re-validated the list of material topics identified in the past two years to ensure they remain relevant to our business and stakeholders.

The following material topics in 2019 remain unchanged from the previous year:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Energy, Pollution and Emissions • Water • Effluents and Waste 	<ul style="list-style-type: none"> • Health and Safety – Occupational and Supplier Assessment • Human Capital Assets - Training and Education, Employment, and Diversity and Equal Opportunity • Local Community 	<ul style="list-style-type: none"> • Compliance and Anti-corruption

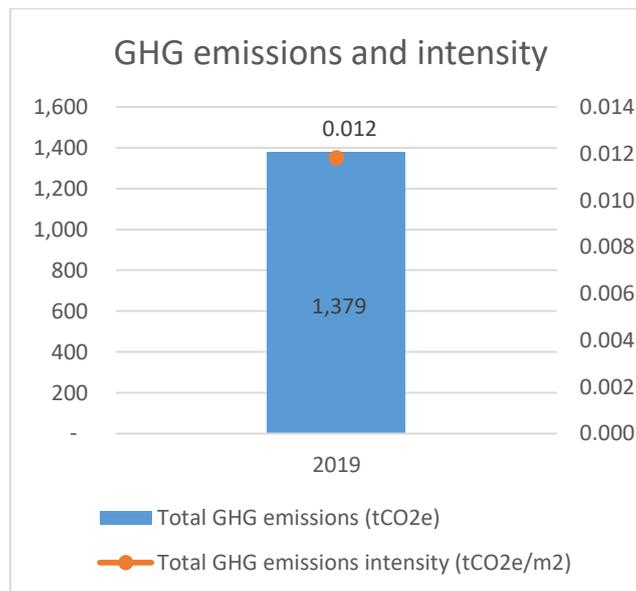
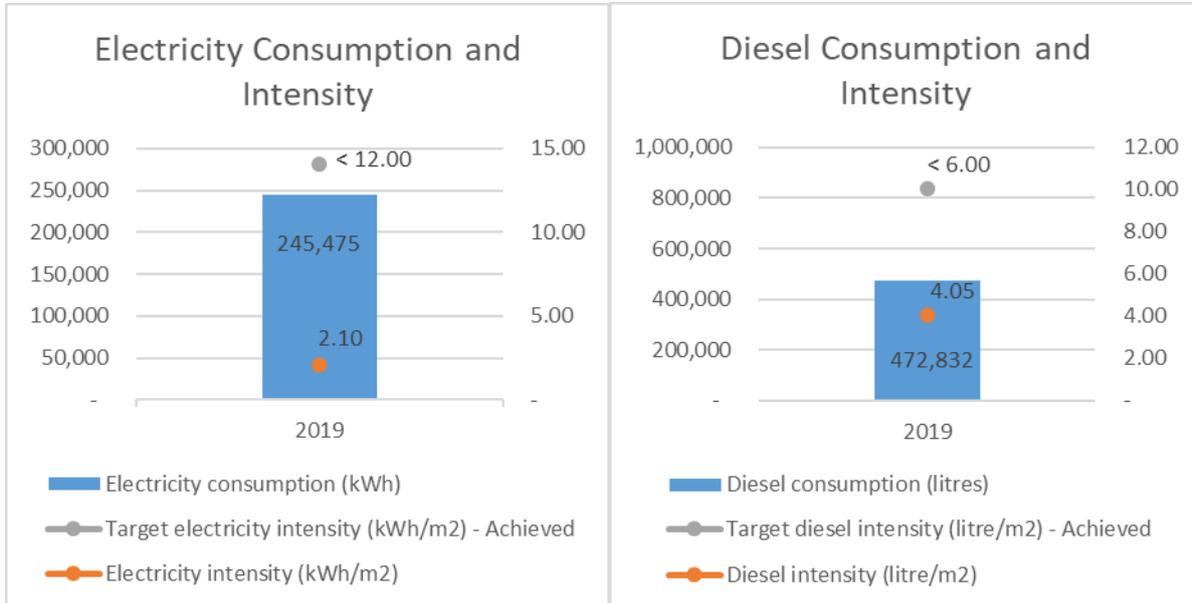
Managing Our Supply Chain

Our suppliers and sub-contractors play an important role in helping us deliver quality work as we rely on them for various construction and building materials as well as providing reliable and timely services for our operations. Before engaging the services of our suppliers and sub-contractors, they are assessed based on their financial capacity and business track record, human resource capability, quality of work, and other relevant criteria, such as environment, health and safety records. In addition, we conduct regular assessments on the performance of our suppliers and sub-contractors in order to maintain high operational standards.



ENERGY, POLLUTION AND EMISSIONS

2019's Highlights



The usage of electricity and diesel accounts for our total energy consumption and the corresponding greenhouse gas (GHG) emissions that we emit. We understand the importance of reducing our contribution to climate change and therefore strive to reduce our GHG emissions through the adoption of renewable energy projects and improvement of our energy efficiency.

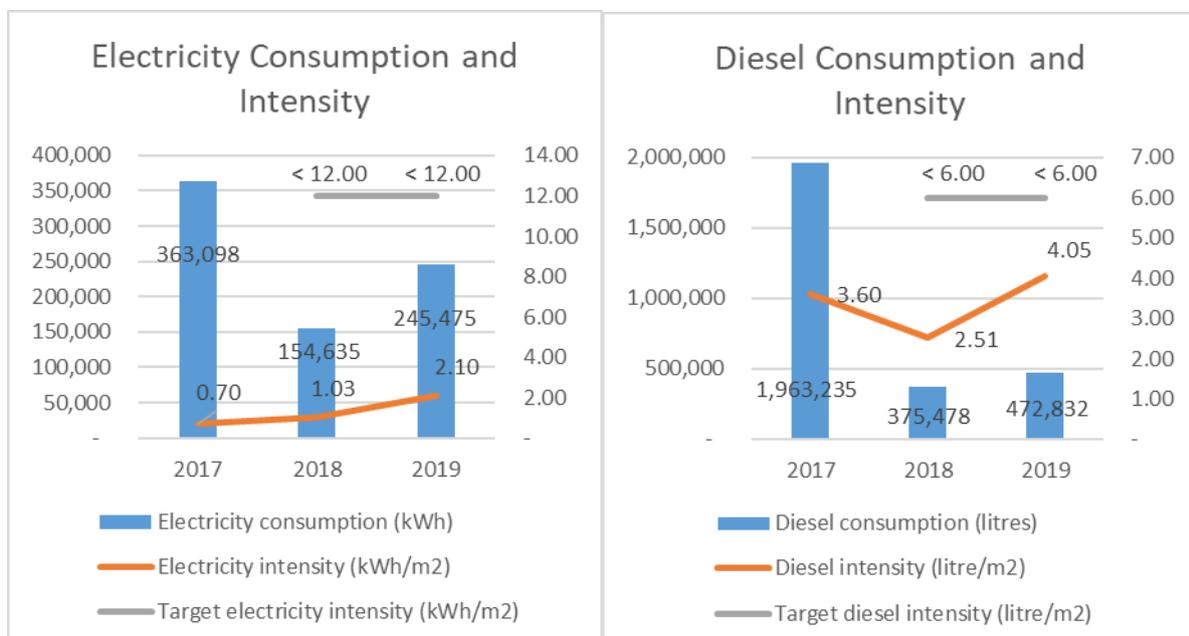
Dust and exhaust gas generated in our operations pose a threat to the health of workers on site and compromise the air quality of surrounding areas. We also recognise that noise and vibration generated by tools and machines during construction activities can have significant health effects. Hence, various measures have been taken to manage and reduce air and noise pollution from our operations to safeguard the health of our workers and surrounding communities. In addition, we

comply with the National Environment Agency (NEA)'s regulations and industry standards to improve air quality and to protect the environment by using instrumentation devices to measure and monitor defined parameters of air quality and noise emission. We ensure that the Pollutant Standards Index (PSI) reading remain below 50 and the average noise level is kept below 75 dB(A) during the day (7am to 7pm) and below 65 dB(A) at night (7pm to 10pm), at applicable sites.

In 2019, we introduced the use of battery-operated tool technology to reduce electricity consumption on site. We have also launched a "Save Energy" campaign on site and in our headquarters to reduce non-essential use of air-conditioning and lighting and ensure that air-condition temperatures are set at a minimum of 25 centigrade.

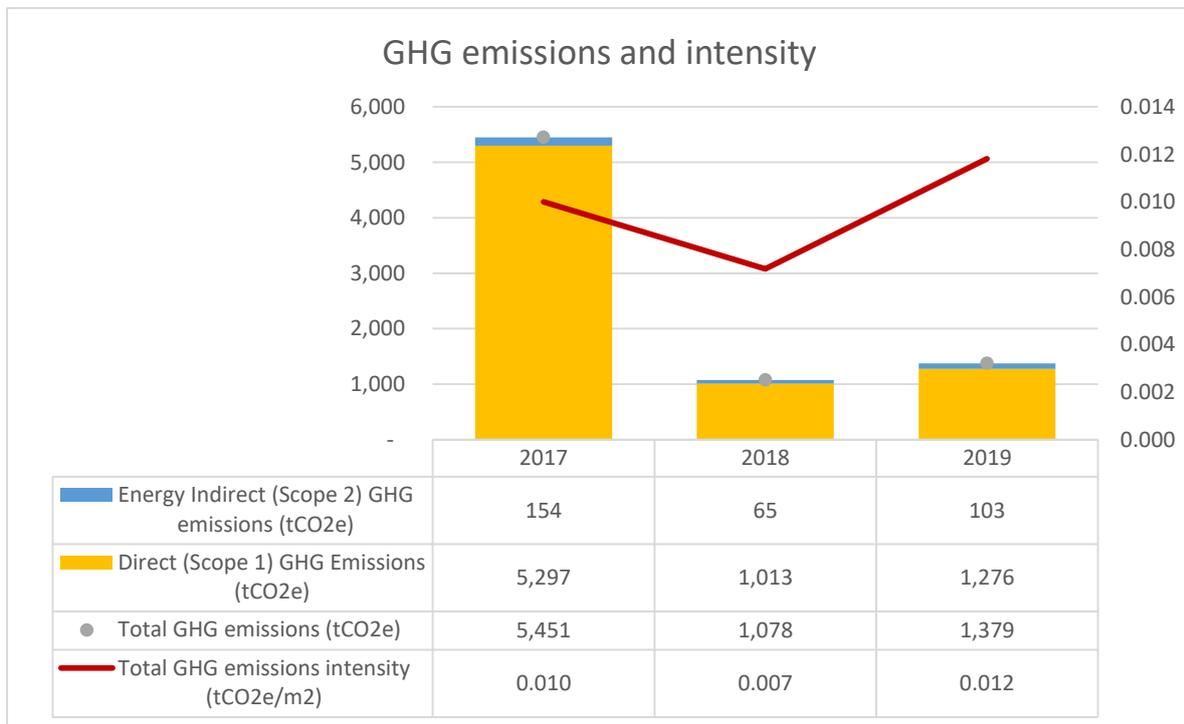
Our electricity consumption was 245,475 kWh [884 Giga Joules (GJ)] in 2019, an increase of 59% from 154,635 kWh in 2018. Our electricity intensity^a increased from 1.03 kWh per square metre of project area in 2018 to 2.10 in 2019. There was an 26% increase in our diesel consumption, from 375,478 litres per year in 2018 to 472,832 litres (17,158 GJ) in 2019 with the diesel intensity¹ increasing from 2.51 to 4.05 litres per square metre of project area. The total energy consumption from electricity and diesel is 18,042 GJ in 2019. The increase of energy consumption and intensity in 2019 was due to the increase in size of project sites as they progress towards the Temporary Occupation Permit (TOP) stage. Notwithstanding the increase in energy consumption, we have met all our 2019 targets.

We strive to minimise our environmental footprint by ensuring that our electricity consumption remains below 10 kWh per m² of GFA and our diesel consumption remains below 6 litres of diesel per m² of GFA. The variation in the on-site energy intensity depends on the phase of construction and whether workers' quarters are included in the construction sites, which contributes substantially to energy demand. Lower energy intensities were recorded in 2017 and 2018 as our construction sites had less or no workers' quarters. We will continue to review the data trends and adjust our targets accordingly.



^a Gross floor area (GFA) used to calculate intensity was average GFA of projects over the year

The following chart depicts the total our GHG emissions from years 2017^b to 2019, which consists of direct (scope 1) GHG emissions^c and indirect (scope 2) GHG emissions^d, and the total GHG emissions intensity which is calculated based on total GHG emissions over m² of GFA.



The total GHG emissions from electricity and diesel have increased by 28% from 1,078 tonnes of carbon dioxide equivalent (tCO_{2e}) in 2018 to 1,379 tCO_{2e} in 2019 while the GHG emissions intensity¹ has increased from 0.007³ tCO_{2e} per m² in 2018 to 0.012 tCO_{2e} per m² in 2019.

2020's Target(s)

- Electricity intensity of less than 10 kWh/m² of project gross floor area (GFA), and
- Diesel intensity of less than 6 litres/m² of project GFA.

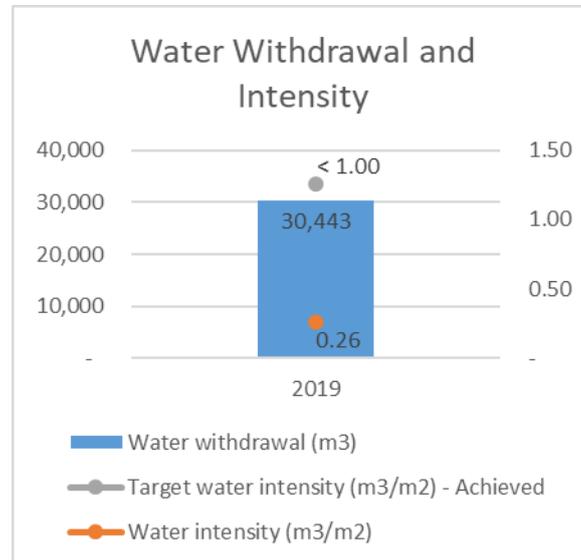
^b The 2017 and 2018 figures have been restated due to updates in conversion factors used.

^c Direct (scope 1) GHG emissions arose from diesel consumption and is converted using the emission factors derived from IPCC 2006, IEA 2005.

^d Energy indirect (Scope 2) GHG emissions arose from electricity consumption and is converted using the emission factors from Grid Emission Factors adapted from Singapore Energy Statistics 2019.

WATER

2019's Highlights

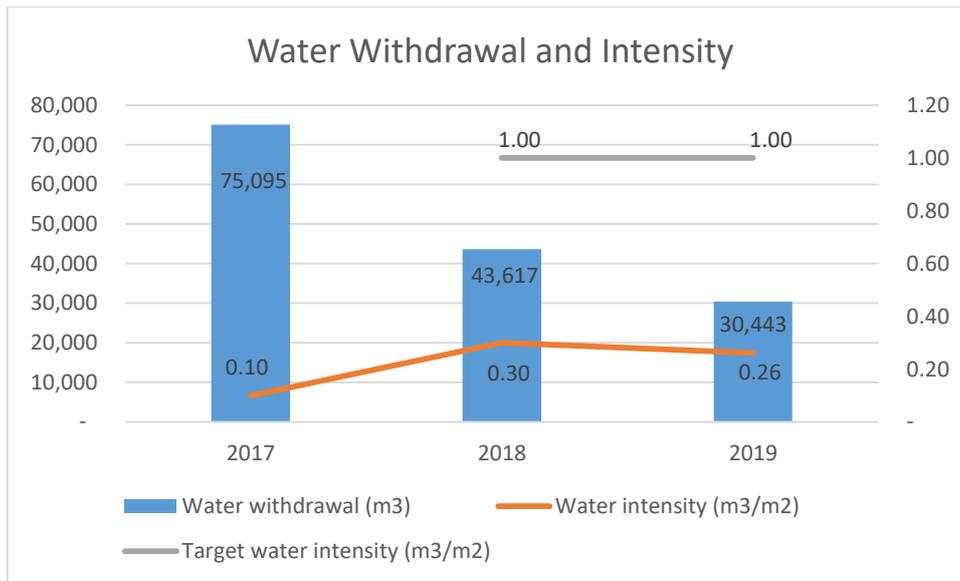


Singapore's total water demand is expected to double by 2060, with the non-domestic sector accounting for 70% of Singapore's water demand according to PUB^e. High levels of water use put significant strains on water resources and result in wastewater pollution that could lead to the degradation of water quality. Poor water quality and water stress can compromise important ecosystem services and affect the quality of life of local communities. The consequences can be severe particularly in water-scarce Singapore, where the threat to water security is expected to be further exacerbated by the impacts of climate change.

At Tiong Seng, we are committed to reducing our total water withdrawal by using water-saving features and increasing our efforts to recycle water where applicable. At our construction sites, NEWater (recycled water) is used in lieu of potable water and push-button water taps are installed in toilets and washrooms to reduce water consumption.

To support the Singapore Government's efforts to conserve water and to minimise water wastage, water recycling plants are installed at each of our project sites. These water recycling plants use filtration systems to recycle water collected from rain water and site run-offs and the filtered water is used for construction purposes. The filtered water is also used for the cleaning of construction vehicles and the flushing of toilets. Excess filtered water is discharged as "clean water" into public drains.

^e Source: <https://www.pub.gov.sg/Documents/PUBOurWaterOurFuture.pdf>



As a result of our water conservation efforts, our water withdrawal from the Public Utilities Board was reduced by 30% from 43,617 m³ in 2018 to 30,443 m³ in 2019. Our water intensity^f decreased by 13% from 0.30 m³ per m² of project GFA in 2018 to 0.26 m³ per m² of project GFA in 2019, achieving our target for 2019.

In 2020, we target to keep our water withdrawal below 1 m³ per m² of GFA. The variation in our water consumption depends largely on the phase of construction and whether there is a presence of workers' quarters at the construction sites.

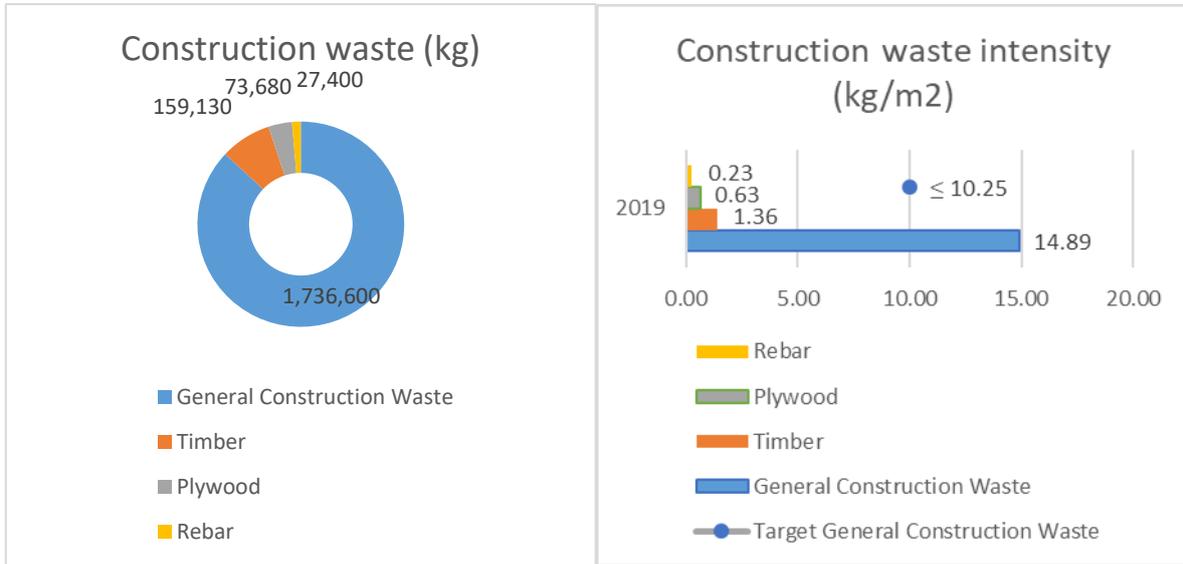
2020's Target(s)

- Water intensity of less than 1m³/ m² of project GFA

^f GFA used to calculate intensity was average GFA of projects over the year

EFFLUENTS AND WASTE

2019's Highlights



Construction activities may generate large amounts of waste which puts a strain on our natural resources and ultimately leads to environmental degradation. Proper waste management is necessary to avoid air, water and soil pollution, which pose a threat to the environment and human health. Similarly, effluents must be disposed properly especially where substantial quantities of chemicals and nutrients (principally nitrogen, phosphorous, or potassium) are present. Failing to do so would affect water quality and in turn negatively impact the ocean's biodiversity and aquatic ecosystems.

We strive to ensure proper management and disposal of effluents by conducting regular testing of water discharged and complying with discharge quality standards. Total Suspended Solids (TSS) Meters have been installed at the water discharge points to monitor the quality of water discharged into public drains. The monitoring is conducted using closed-circuit television (CCTV) footage and readings obtained from the TSS Meters.

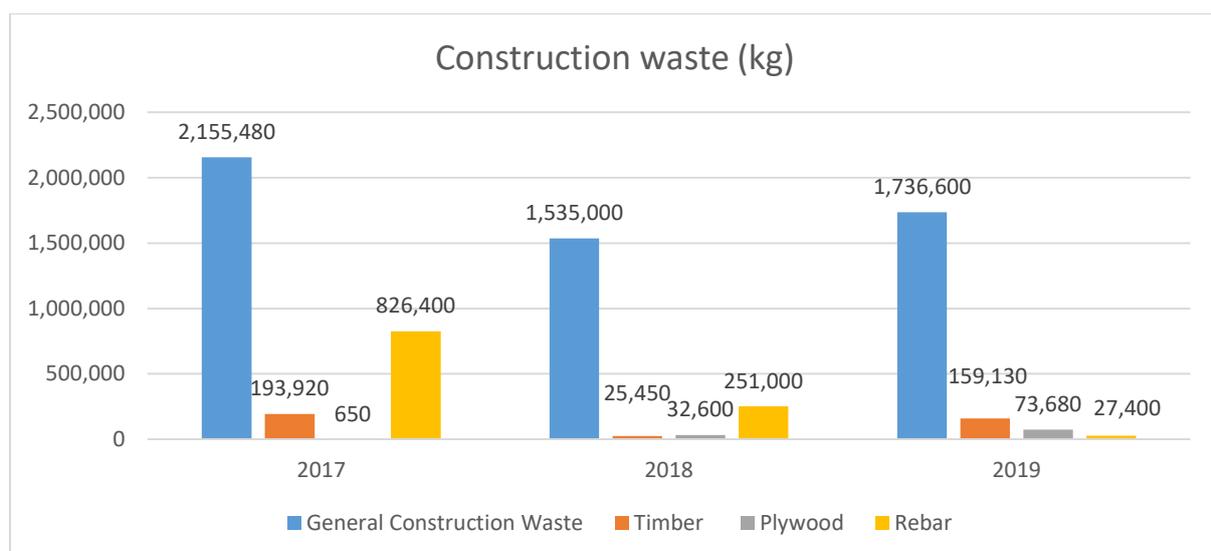


We follow a robust framework to reduce, reuse and recycle the construction waste generated from our operations. In addition, several measures have been taken to monitor the quantity and composition of waste generated. Separate waste bins are placed at our construction sites for the collection of various waste types - general construction waste, steel, timber, and food waste. In order to monitor and improve on our waste management performance, vehicles carrying waste are weighed at the work site's weighing bridge before they leave for the respective disposal sites. We also work with NEA-licenced waste collectors to ensure that the waste generated is properly disposed of. Our waste management performance is tracked on a regular basis through monthly reviews and data submitted to the Building and Construction Authority (BCA) each year under the Green and Gracious Builder Scheme.

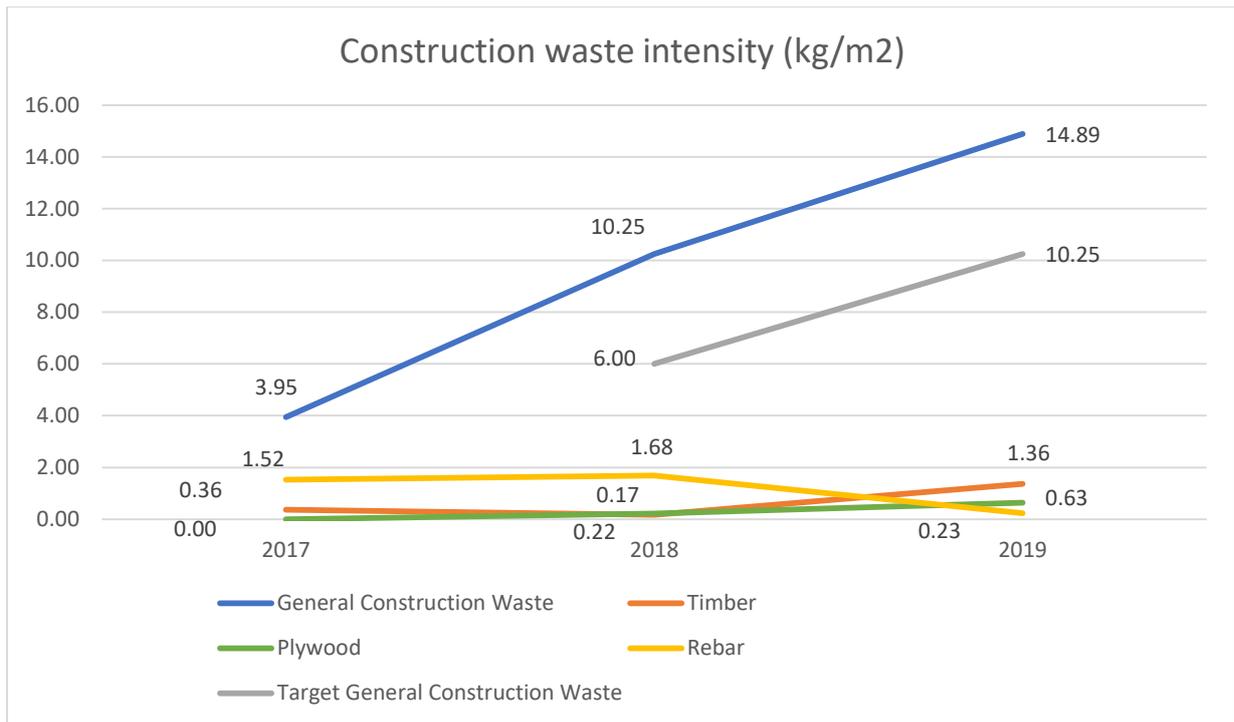
Further, we adopt innovative technologies and processes to reduce waste. In lieu of conventional construction methods, the Design for Manufacture and Assembly (DfMA) and pre-cast off-site production methods are used to reduce the need for wet work at our construction sites. We also utilise system formwork in our construction activities, which replaces and can be reused more than conventional metal and timber formworks. In addition, Building Information Modelling (BIM) is used in the management of steel design to reduce steel use and waste on site.

General construction waste increased from 1,535,000 kg in 2018 to 1,736,600 in 2019. Timber waste and plywood waste also increased from 25,450 kg and 32,600 kg respectively in 2018 to 159,130 kg and 73,680 kg in 2019. On the other hand, rebar waste was reduced from 251,000 kg in 2018 to 27,400 kg in 2019. The general construction waste, timber and plywood intensities increased from 10.25 kg per m², 0.17 kg per m² and 0.22 kg per m² respectively in 2018 to 14.89^g kg per m², 1.36 kg per m² and 0.63 kg per m² in 2019. The rebar intensity decreased from 1.68 kg per m² in 2018 to 0.23 kg per m² in 2019. We were not able to meet our 2019 target of maintaining or reducing our general construction waste intensity.

The increase in general construction, timber and plywood waste and their respective intensities was due to increase in size of project sites as they progress towards the TOP stage. At times, adjustments to planned construction methodology were necessary to be made on sites due to various constraints and projects specific requirement, further contributed to the higher consumption of materials including those that were of one-timed usage.



^g GFA used to calculate intensity was average GFA of projects over the year



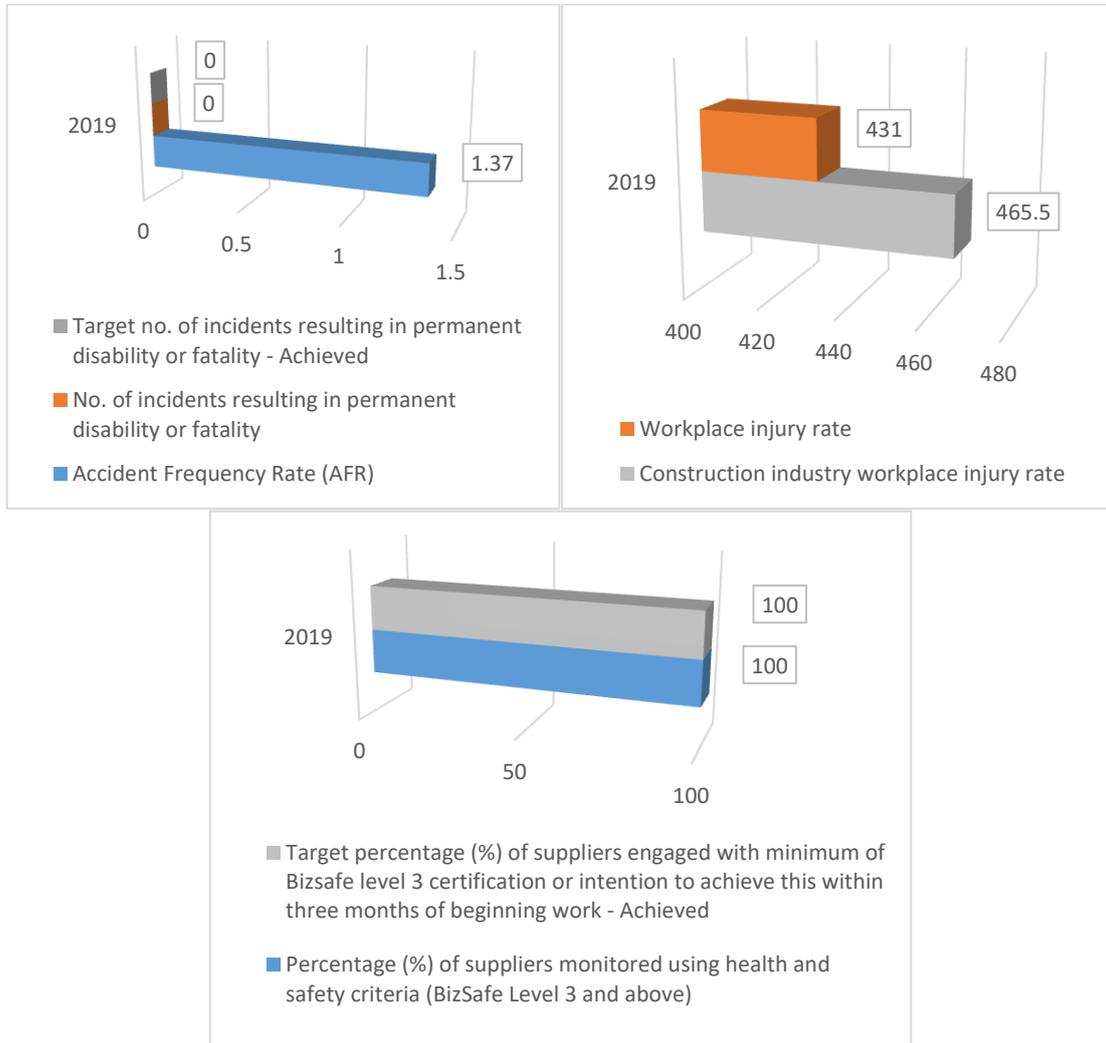
2020's Target(s)

Maintain / reduce waste to the following intensity levels:

- General construction waste – 10 kg per m²
- Timber waste – 0.17 kg per m²
- Plywood waste – 0.22 kg per m²
- Rebar waste – 1.68 kg per m²

HEALTH & SAFETY

2019's Highlights



At Tiong Seng, we are committed to safeguarding the health and safety of our own employees and sub-contractors. Amid COVID-19, we will continue to monitor the outbreak and maintain close communications with all our employees, foreign workers and the relevant authorities. Where appropriate, we will provide support to our workers and make any special arrangements to ensure their needs and general well-being are met during this difficult period.

Employee Health & Safety

We have an occupational health and safety (OHS) policy in place to protect all employees against possible occupational risks and prevent accidents from happening in the workplace. Information on the OHS policy is provided to all employees and new employees are informed of the policy during the Quality, Environmental, Occupational Health & Safety (QEHS) induction programme. For new employees at our construction sites, the First-Day Environment, Health and Safety induction programme provides an overview of the OHS policy implemented at Tiong Seng. The Corporate EHS team participates in forums and seminars on a regular basis to keep abreast of the latest regulations and to re-examine the existing OHS policy to ensure regulatory compliance.

Safety updates, initiatives and our corporate health and safety targets are shared with our employees during daily tool box meetings and monthly EHS committee meetings held at all project sites. Our employees are encouraged to take part in safety initiatives, which include quarterly safety rewards, demonstrations, talks, and creating safety posters. Each year, safety awards are presented to projects with the best safety record. We provide our employees with OHS training relevant to their work scope and offer health reviews to eligible employees annually.

We carry out risk assessments and safety inspections of machines and equipment on a regular basis to ensure that they are maintained in good condition and meet safety requirements. In addition, we conduct Construction Safety Audit Scoring System (ConSASS) audits every six months, to assess the welfare of the workers' quarters and conduct inspections of toilet facilities regularly.

The accident frequency rate^h increased from 0.8 accidents per million man-hours in 2018 to 1.37 in 2019. In 2019, the workplace injury rateⁱ is 431 which was below the rate of 465.5 for the construction industry in Singapore during the same period. There were no high-consequence work-related injuries in 2019 and the main injuries were splashes or ingress of particles to the eye, lacerations to hands and arms and ankle injuries from slips, trips and falls.

In 2019, to eliminate work-related hazards and minimise risks, Tiong Seng introduced mandatory cut-resistant gloves where the risk assessment identifies the potential for cuts. We have also successfully trialled the use of Body-Worn Cameras as part of our efforts to influence behavioural safety on sites. In addition, we have introduced the use of podium steps and height-adjustable working platforms instead of ladders in our new construction sites.



Sub-contractor Health & Safety

We strive to ensure the safety of our sub-contractors by creating a safe working environment at our construction sites and assessing the safety performance of our sub-contractors.

^h Excludes injuries that resulted in less than three days of sick leave, per Ministry of Manpower (MOM)'s definition. Data includes all workers and staff under Tiong Seng Group employment at the stated projects and Singapore head office, as well as workers who are not employees but whose work and/or workplace is controlled by the Tiong Seng.

ⁱ According to MOM, workplace injury rate = $\frac{\text{number of fatal and non-fatal workplace injuries}}{\text{number of workers}} \times 100,000$. A workplace injury is any personal injury or death resulting from a workplace accident, including work-related traffic injuries.

Information on Tiong Seng's Environment, Health and Safety policy and health and safety targets is provided to our sub-contractors before and during commencement of work. Regular dialogues are held to allow our sub-contractors to share any concerns or issues that they may have relating to health and safety. Our sub-contractors are also provided with updates and information on incidents reported during our daily tool box meetings and monthly EHS committee meetings at all project sites.

We require all our contractors to have a minimum BizSAFE Level 3 certification and we have achieved our 2019 target in this respect. They are also required to participate in briefings relating to risk assessment and safe work procedures as well as training relevant to their work scope. We will only engage new contractors who are not BizSAFE Level 3-certified if they can achieve the BizSAFE Level 3 certification within three months of the date of the new contract agreement. In addition, all contractors (including our second and third tier suppliers) are encouraged to attain the Biz-SAFE-STAR status within two years of their Level 3 certification. In addition, safety inspections and audits are carried out every six months to ensure that machines and equipment used by sub-contractors are in proper working condition. Besides conducting an evaluation on each sub-contractor, we provide training to the members of its management team and share best safety practices with them.

We have taken various measures to prevent workplace injuries and fatalities, which include providing additional training, developing management plans and carrying out a weekly inspection of our sites. We also adopt the Design for Safe Construction (DfSC) principles in our projects and offer various training courses to our employees and contractors such as the Incident Blackbox Learning.



TSC EHS Satellite Training Centres

Various satellite EHS training centres have been established at our project sites across Singapore to provide our site staff, workers and sub-contractor's personnel with specialised training relating to OHS requirements and best practices in order to raise environmental and OHS standards.

The training programme, which includes a mixture of classroom-based and practical training sessions, covers topics ranging from working height safety/scaffolding safety, electrical safety, lifting safety, excavation safety, hot-work safety, confined space safety, tunnel safety to good environmental practices. All participants are required to complete a 30-minute theory test and a practical work-at-height test at the end of the training. A helmet sticker is issued to participants who pass the test.

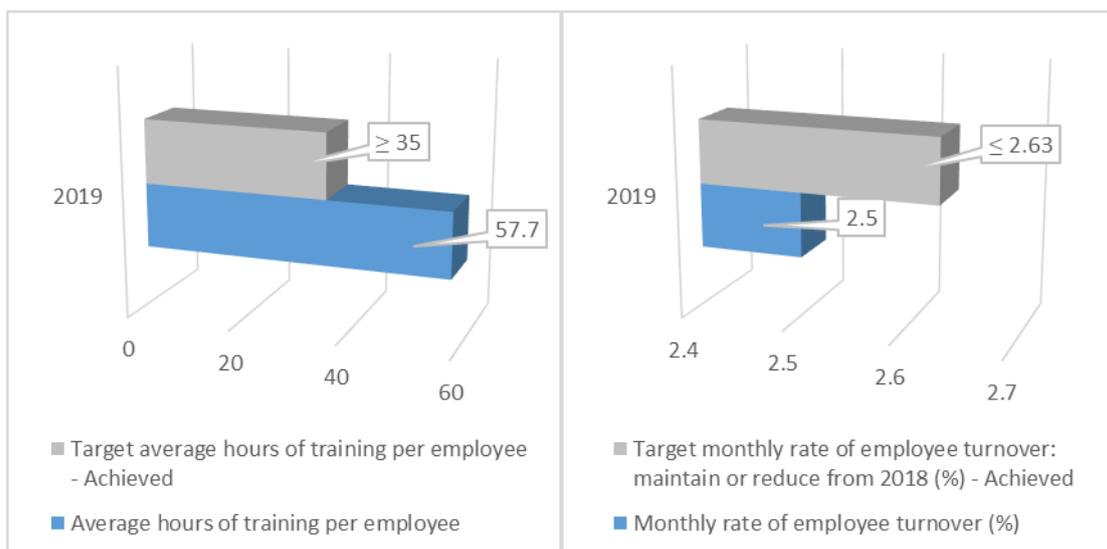


2020's Target(s)

- Maintain zero work-related incidents resulting in fatality
- Reduce AFR to 0.80
- Maintain workplace injury rate below construction industry rate
- Continue to only engage sub-contractors with a minimum of Bizsafe level 3 certification or those who intend to achieve this within three months of beginning work

HUMAN CAPITAL ASSETS

2019's Highlights^j



^j Data includes all workers and staff under Tiong Seng Group employment at the stated projects and Singapore head office

Training & Education

We continue to invest in the professional development of our employees to align with our changing business needs. At Tiong Seng, we provide various learning opportunities throughout our employees' careers to ensure that they develop the skills needed to perform their duties and drive excellence in operations and safety.

We ensure that our workers are sent for Coretrade Training to equip them with the specific skills they need based on their job scopes and we assist them to obtain certification to perform certain tasks or to operate certain machineries. In 2019, each employee received an average of 57.7 hours of training, a slight increase from 55.4 hours in 2018.

At Tiong Seng, we offer our chargehands (i.e. worker leaders) an opportunity to develop skills such as leadership through the Chargehand Grooming Programme. We also have a comprehensive Scholarship Training Programme which aims to hone the skills and build the careers of our scholars through an Immersion Programme, a Talent Development Programme and a Management Executive Programme. Our Undergraduate, Diploma and ITE Scholarship Sponsorship Programme offer scholarships to talented students undertaking tertiary education at local institutions. In addition, we have a Talent Management Programme in place to identify and retain talented employees and to support employee career progression, such as from worker to supervisory level.

Despite the challenges of COVID-19, Tiong Seng continues to engage its staff through various means and initiatives to facilitate learning and innovation, maintain productivity and boost employee morale by encouraging self-created learning and training amongst employees via Webinars.



Employment

At Tiong Seng, we are committed to providing our employees with a working environment free from discrimination, irrespective of race, sex/gender, religion, national origin, age, disability, genetic information, marital status, or any other classification protected by law. We seek to support women, minorities, veterans and individuals with disabilities and strive to empower all our employees to reach their full potential.

Tiong Seng had 1,094 employees in 2019, a decrease from 1,341 in 2018, which was due to reduced number of projects in operation. In 2019, our monthly new-hire rate was 1.50%, a drop from 2.36% in 2018, while our monthly turnover rate was 2.50%, a slight decrease from 2.63% in 2018.^k



Diversity and Equal Opportunity

Tiong Seng strives to create a culture that promotes diversity and equality in the workplace. This culture enables us to gain greater access to a diverse pool of talents who drive business growth. A diverse and inclusive workforce is also crucial to the achievement of social and economic development goals.

We recruit and hire our employees based on merit, skills and experience through fair selection processes. Every year, we conduct employee performance reviews in a fair and transparent manner to ensure fair and equal progression.

^k Data includes all workers and staff under Tiong Seng Group employment at the stated projects and Singapore head office

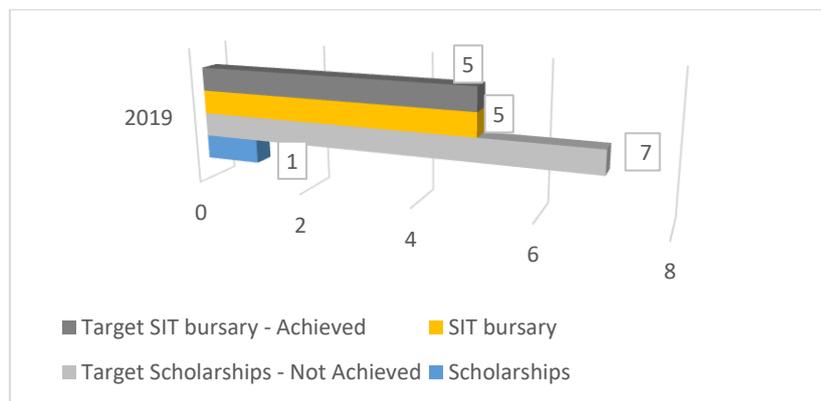


2020's Target(s)

- Employee training hours - Achieve at least an average of 35 hours per year per employee
- Limit monthly turnover rate to 3%

LOCAL COMMUNITY

2019's Highlights



We strive to contribute to local communities by supporting various meaningful initiatives. Through the 'Tiong Seng Bursary', we provide deserving and financially disadvantaged students an opportunity to pursue a full-time undergraduate degree programme in engineering at the Singapore Institute of Technology. The bursary covers the recipient's educational expenses and fees for educational activities organised by the institute.

We recognise that our operations and activities have potential positive and negative impacts on the local communities in which we operate. Local communities benefit from the provision of upgraded facilities and housing but may be affected by noise and other environmental impacts originating from our construction activities. Therefore, we strive to mitigate our negative impacts and amplify our positive impacts on local communities.

Safety around our sites

Tiong Seng is committed to protecting the safety and comfort of local communities around our work sites by implementing EHS policies that ensure their welfare. A 24-hour hotline is in place for local communities to provide feedback on issues such as unsafe practices, noise pollution and other disturbances.



Social Responsibility

Our involvements in the local communities enable us to identify and channel our efforts to address local needs and concerns. We strive to address those needs by focusing on philanthropic activities, which include providing scholarships and bursaries to talented students at Ngee Ann, Nanyang and Singapore Polytechnics, BCA Academy, Institute of Technical Education (ITE), Nanyang Technological University (NTU), National University of Singapore (NUS) and the Singapore Institute of Technology (SIT). We also contribute to community clubs and trade organisations through donations. In 2019, we contributed donations towards the SIT bursary which would eventually benefit up to 5 SIT students on a yearly basis who may otherwise not have the financial means to attend university. During the year, we awarded a scholarship to 1 student and we aim to increase the number of scholarships to 3 in 2020.

We seek to build good relationships within the real estate development community and the general public by sharing our experiences at industry events, forums and learning initiatives, such as the Lean Construction initiative led by the Ministry of Manpower and the publication of the HR Guidebook with the BCA. By sharing our expertise, we hope to do our part in developing and increasing the pool of talent in the construction industry.

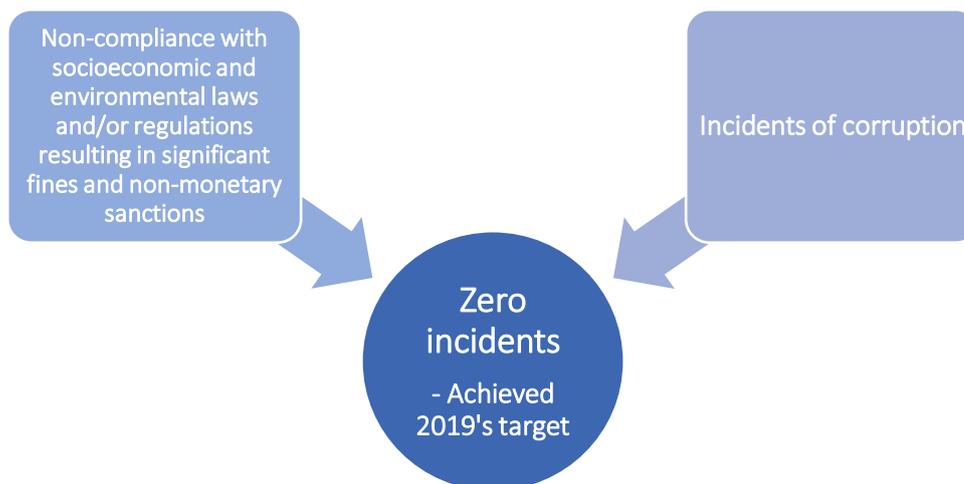


2020's Target(s)

- SIT bursary – 5
- Scholarship – 3

COMPLIANCE AND ANTI-CORRUPTION

2019's Highlights



During the year, the Company worked with professionals to provide Anti-Bribery & Anti-Corruption seminar to the management as part of its measures to keep everyone abreast of the latest development as well as to continue to uphold the belief and culture to conduct our business in a proper and professional manner.

Compliance

At Tiong Seng, we are committed to complying with all relevant local laws and regulations relating to areas such as building standards and the environment in order to safeguard our interests and the interests of our stakeholders.

We keep abreast of the latest updates in laws and regulations by sending our employees to attend seminars and forums on a regular basis. Where necessary, we also engage with the various authorities to have a better understanding and interpretation of the applicable laws and regulations. Regular on-site checks are conducted to ensure all facilities compliant with the relevant regulations, including health and safety regulations.

Anti-corruption

At Tiong Seng, we are committed to doing business in an ethical and transparent manner. We have a zero-tolerance policy towards fraud, bribery, corruption, money laundering and the financing of terrorism. We strive to conduct our business dealings with the highest integrity and transparency by implementing and adhering strictly to the following policies:

- Whistle Blowing Policies
- Insider Trading Policies
- Gift Policies
- Conflict of Interests Policies
- Interested Parties Transaction Review & Reporting Policies

2020's Target(s)

- Maintain zero incidents of non-compliance with socioeconomic and environmental laws and/or regulations resulting in significant fines and non-monetary sanctions
- Maintain zero incidents of corruption