

Tiong Seng Group

Sustainability Report

For the year ended 31 December
2020

CONTENT PAGE

BOARD STATEMENT	3
ABOUT TIONG SENG	5
Awards and Accreditations.....	6
Green Projects.....	7
OUR SUSTAINABILITY HIGHLIGHTS – 2020.....	8
ABOUT THIS REPORT	10
Reporting Scope and Period.....	10
Reporting Standard	10
SUSTAINABILITY MANAGEMENT.....	11
Engaging Our Stakeholders	11
Materiality Assessment	12
ENERGY, EMISSIONS AND POLLUTION.....	13
WATER.....	17
EFFLUENTS AND WASTE	19
HEALTH & SAFETY.....	23
Employee Health and Safety	24
Sub-contractor Health and Safety	26
HUMAN CAPITAL ASSETS.....	28
Training and Education.....	28
Employment	29
Diversity and Equal Opportunity	30
LOCAL COMMUNITY	31
COMPLIANCE AND ANTI-CORRUPTION.....	33

BOARD STATEMENT

The Board of Directors (Board) of Tiong Seng Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to present the Group’s fourth 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

Despite the major and evolving challenges presented by the COVID-19 pandemic, Tiong Seng remains committed to contributing to a safe, high quality and sustainable built environment as an established contractor and property developer. In 2020, we achieved and exceeded our targets set for all our material ESG factors apart from plywood waste, which was not achieved due to the increased plywood usage in the effort to speed up project progress following delays caused by COVID-19.

We recognise the impact that our operations and activities may have on society and the environment and seek to mitigate any potential negative impact by implementing relevant measures. Apart from our efficient and sustainable construction methods such as recyclable and reusable Light Gauge Steel (LGS) hoardings, precast slab, Green concrete, precast drain, DfMA staircase etc., we adopt innovative technologies and processes to manage our energy consumption and waste. We also utilise 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.

Resilience against COVID-19

Tiong Seng has taken and continues to take action to address the challenges posed by the pandemic to minimise business disruptions and support recovery efforts. As the health and safety of our employees and workers are of utmost importance, we ensure compliance with governmental regulations and guidelines including the temporary ceasing of our construction activities following the Singapore government’s Circuit Breaker measures and the implementation of Safe Management Measures (SMM) once our operations reopened.

To adapt to new ways of working, we have embraced digitalisation to enable the continuance of meetings and trainings. We remain committed to ensuring the physical and mental well-being of our employees by helping them adjust to the new work-from-home arrangements via various means and initiatives.

Based on the following five key principles: i) Learn, ii) Re-think & Innovate, iii) Share, iv) Care and v) Work, we are placing focus on facilitating learning and innovation, maintaining productivity and implementing initiatives that will boost morale during the Circuit Breaker period. For example, we encouraged self-created learning and training amongst employees via Webinars, launched our TS CARE scheme to ensure none of our employees will be neglected or left behind and TS DigiGo to allow our workers to familiarize with our digital field tools in a fun and interactive manner while enabling them to be digitally connected.

We distributed food and daily essentials to our workers during the Circuit Breaker and contributed to various COVID-19 relief funds and donation drives to help the local community tide through these difficult times. As developments surrounding COVID-19 remain fluid, the Board will monitor the situation closely and keep our stakeholders updated on material developments.

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.

Over the years, Tiong Seng has developed a diverse portfolio of cutting-edge innovations which encompasses Engineering Solutions, our Group's third business segment. This segment provides building solutions as a service and comprises a blend of engineering capabilities such as Prefabricated Prefinished Volumetric Construction ("PPVC"), Precast, Structural Steel, Mass Engineered Timber ("MET") and Tunnel Segment production.

With more than 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.



Awards and Accreditations

In 2020, Tiong Seng won several awards in recognition of our continuous efforts for high quality build, extensive use of construction technology and ensuring workplace safety.

Awards:

- BCA Green and Gracious Builder Award 2018 Merit Category (valid from 4 October 2018 to 3 October 2021) – Tiong Seng Civil Engineering (Private) Limited
- bizSAFE (Partner) (valid from 6 March 2020 to 4 March 2022) – Tiong Seng Contractors (Pte) Ltd
- bizSAFE (Star) (valid from 10 July 2019 to 11 March 2021) – Tiong Seng Contractors (Pte) Ltd
- bizSAFE (Partner) (valid from 24 December 2020 to 22 December 2022) – Tiong Seng Civil Engineering (Private) Limited
- bizSAFE (Star) (valid from 10 July 2019 to 11 March 2021) – Tiong Seng Civil Engineering (Private) Limited
- AEC Excellence Awards 2020 – Kallang Polyclinic and Long-Term Care Facility
- Workplace Safety and Health (WSH) SHARP Awards 2020 Certificate of Commendation – Tiong Seng Civil Engineering (Private) Limited, Sloane Residences



Accreditations:

- Quality Management System ISO 9001: 2015 (valid from 21 December 2020 to 20 December 2023) - Tiong Seng Contractors (Pte) Ltd
- Environment Management System ISO 14001: 2015 (valid from 21 December 2020 to 20 December 2023) - Tiong Seng Contractors (Pte) Ltd
- Occupational Health & Safety Management System ISO45001:2018 (valid from 21 December 2020 to 20 December 2023) - Tiong Seng Contractors (Pte) Ltd



Green Projects

We have used recyclable and reusable Light Gauge Steel (LGS) hoardings for the Jurong Town Corporation Space @ AMK and Sloane Residence projects as well as their site offices. In both projects, Prefabricated Bathroom Units which reduce the need for manpower are used.



Jurong Town Corporation Space @ AMK

For Jurong Town Corporation Space, construction methods such as precast slab are used for the access and 40% of the super structural concrete works. This prevents material wastage and reduces our carbon footprint. Our initiative such as Green concrete (ingredients are recyclable materials), precast drain, DfMA staircase, MEP precast, PPVC ICE room and MSU, and usage of recycled water for construction are part of our efforts to reduce our environmental impacts.



Sloane Residence

For Sloane Residence, columns and walls, water tanks and boundary walls were precast to reduce cast on site which would otherwise require more workers. Recycled water for construction is also used in this project.

OUR SUSTAINABILITY HIGHLIGHTS – 2020

Economic



Zero regulatory non-compliance
incidents during the year
Target achieved

Zero confirmed cases of corruption
Target achieved

Environmental



1.16 kWh/m² electricity intensity
for building projects
23.82 kWh/m² electricity intensity
for civil construction projects^a
Target of < 10.00 kWh/m²
achieved for building projects



1.86 litre/m² diesel intensity
67% reduction from 2019
Target of < 6.00 litre/m² achieved



0.13 m³/m² water intensity for
building projects
2.62 m³/m² water intensity for
civil construction projects^b

Target of < 1.00 m³/m² achieved
for building projects

^a The electricity intensity target of 10.00 kWh/m² for 2020 was for building projects only and did not account for the different electricity intensity profile of civil construction projects. In 2020, the report scope includes two large-scale civil construction projects which involved a large electricity consumption for tunnelling work. Going forward, targets for building projects and civil construction projects will be set separately.

^b The water intensity target of 1 m³/m² for 2020 was for building projects only and did not account for the different water intensity profile of civil construction projects. In 2020, the report scope includes two large-scale civil construction projects which involved a large number of recharge wells. Going forward, targets for building projects and civil construction projects will be set separately.



2.15 kg/m² general construction waste intensity
86% reduction from 2019
 Target of ≤ 10.00 kg/m² achieved



0.13 kg/m² timber waste intensity
88% reduction from 2019
 Target of ≤ 0.17 kg/m² achieved



0.24 kg/m² plywood waste intensity^c
84% reduction from 2019



0.46 kg/m² scrap metal waste intensity
83% reduction from 2019
 Target of ≤ 1.68 kg/m² achieved

Social



Zero incidents resulting in employee permanent disability or fatality
 Target achieved



Accident frequency rate of **0.36 accidents** per million man-hours
74% reduction from 2019
 Target of ≤ 0.80 accidents achieved



Remained **below** the construction industry workplace injury rate for Singapore in 2020
 Target achieved



100% of sub-contractors are BizSafe Level 3 and above
 Target achieved



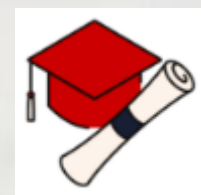
Average **62.1 hours** of training per employee
 Target of 35 hours achieved



1.89% monthly turnover rate
 Target of $\leq 3.00\%$ achieved



5 SIT bursaries awarded
 Target of 5 bursaries achieved



3 scholarships awarded
 Target 3 scholarships achieved

^c Target set for plywood waste intensity of at most 0.22 kg/m² in 2020 was not achieved due to increase plywood usage in the effort to speed up project progress following delay resulted from COVID-19, which inevitably caused more plywood needed.

ABOUT THIS REPORT

Reporting Scope and Period

This report includes performance data for the period from 1 January 2020 to 31 December 2020. The scope of the report covers Tiong Seng's construction operations in Singapore where environmental or social issues are considered most material, including:

- Great World Station & Tunnels for Thomson Line (T220)
- Pipeline From AYE/Henderson Road to River Valley Road (PUB5)
- Polyclinic at Balestier Road / Serangoon Road (KPC)
- Club Street Hotel (CH19)
- Jurong Town Corporation Space @ AMK (JAMK)
- Design-And-Build Purposed Built Dormitories at Jalan Tukang (CBTK)

The energy, water, waste and safety data pertain to operations for the above projects. The human capital assets data pertain to all workers under the Tiong Seng Construction segment, which is the material and significant aspect of the Group's operation

Our governance matters and economic performance are set out in the Corporate Governance and Financial Statements sections of our 2020 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:

- Disclosure 205-3: Confirmed incidents of corruption and actions taken
- 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 306-3 from GRI 306: Waste 2020
- Disclosures 403-9 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@tongseng.com.sg.

SUSTAINABILITY MANAGEMENT

Engaging 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 • Video conferences and face-to-face meetings with SMM in place 	<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"> • Half-Yearly • Throughout the year • Annually
Employees	<ul style="list-style-type: none"> • Employee satisfaction survey • Video conferences and face-to-face meetings with SMM in place 	<ul style="list-style-type: none"> • Annually
Business partners, Sub-contractors, Suppliers	<ul style="list-style-type: none"> • Project co-ordination meetings with the Project Team, EHS, Sub-contractors, and Suppliers (when required) via video conferences and face-to-face meetings with SMM in place 	<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 • Video conferences and face-to-face meetings with SMM in place 	<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 • 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 2020, we re-validated the list of material topics identified in the prior years to ensure they remain relevant to our business and stakeholders.

The following material topics in 2020 remain unchanged from the previous year:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Energy, Emissions and Pollution • 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

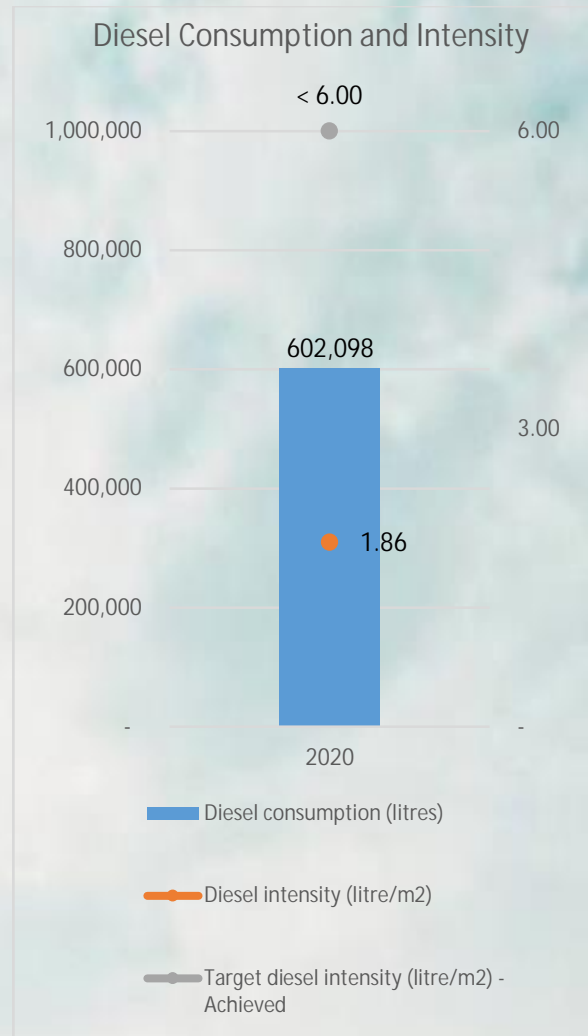
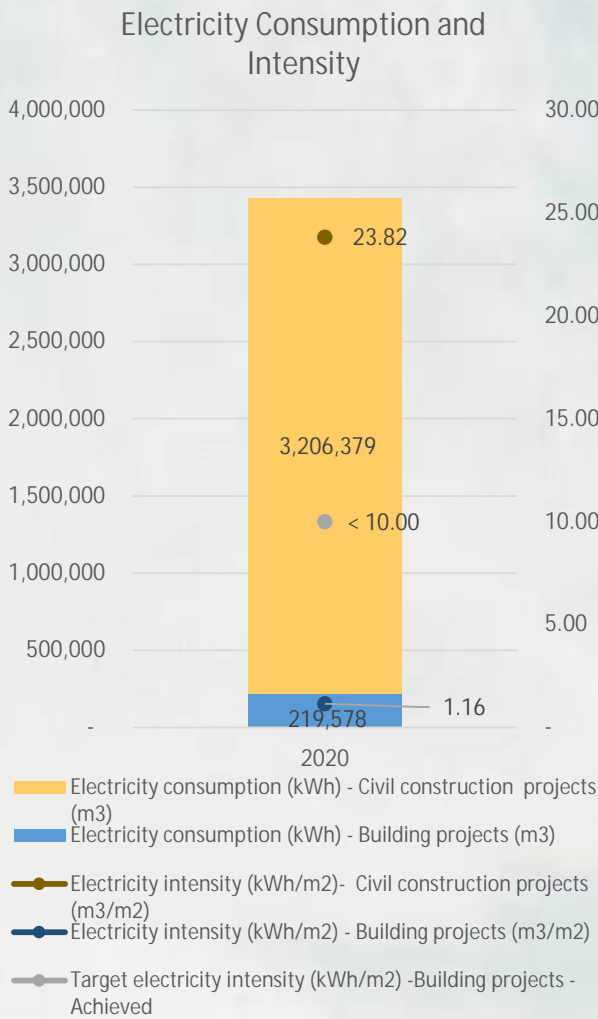
Managing Our Supply Chain

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 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 yearly assessments on the performance of our suppliers and sub-contractors in order to maintain high operational standards.



ENERGY, EMISSIONS AND POLLUTION

2020's Highlights



The usage of electricity and diesel accounts for our total energy consumption and the corresponding GHG emissions that we emit. Recognising the growing importance of climate risks to our business, we strive to contribute to climate change mitigation by reducing our greenhouse gas (GHG) emissions through the adoption of renewable energy projects and improvement of our energy efficiency.

In 2020, we reduce electricity consumption intensity by operating battery-operated tool technology on site and reduce non-essential use of lighting and air-conditioning by ensuring that air-condition temperatures are set at a minimum of 25 centigrade at HQ and site office. Solar energy is deployed for our noise monitoring devices and Total Suspended Solids (TSS) monitoring systems. During the year, we have also introduced the use of soil nailing which reduces concreting and the number of concrete trucks used.

Our electricity consumption was 3,425,957 kWh [12,333 Giga Joules (GJ)] in 2020, an increase of 512% from 560,187kWh (2,017 GJ) in 2019^d due to heavy electricity consumption for tunnelling activities of the civil construction projects scoped in this year. Nevertheless, our electricity intensity^e for building projects decreased by 76% from 4.80 kWh per square metre of project area in 2019 to 1.16 kWh per

^d The 2019 figures for electricity and diesel consumption and intensities have been restated due to updated data inputs.

^e Intensity is calculated using the total GFA/CFA of the building/civil projects in the report scope for 2020.

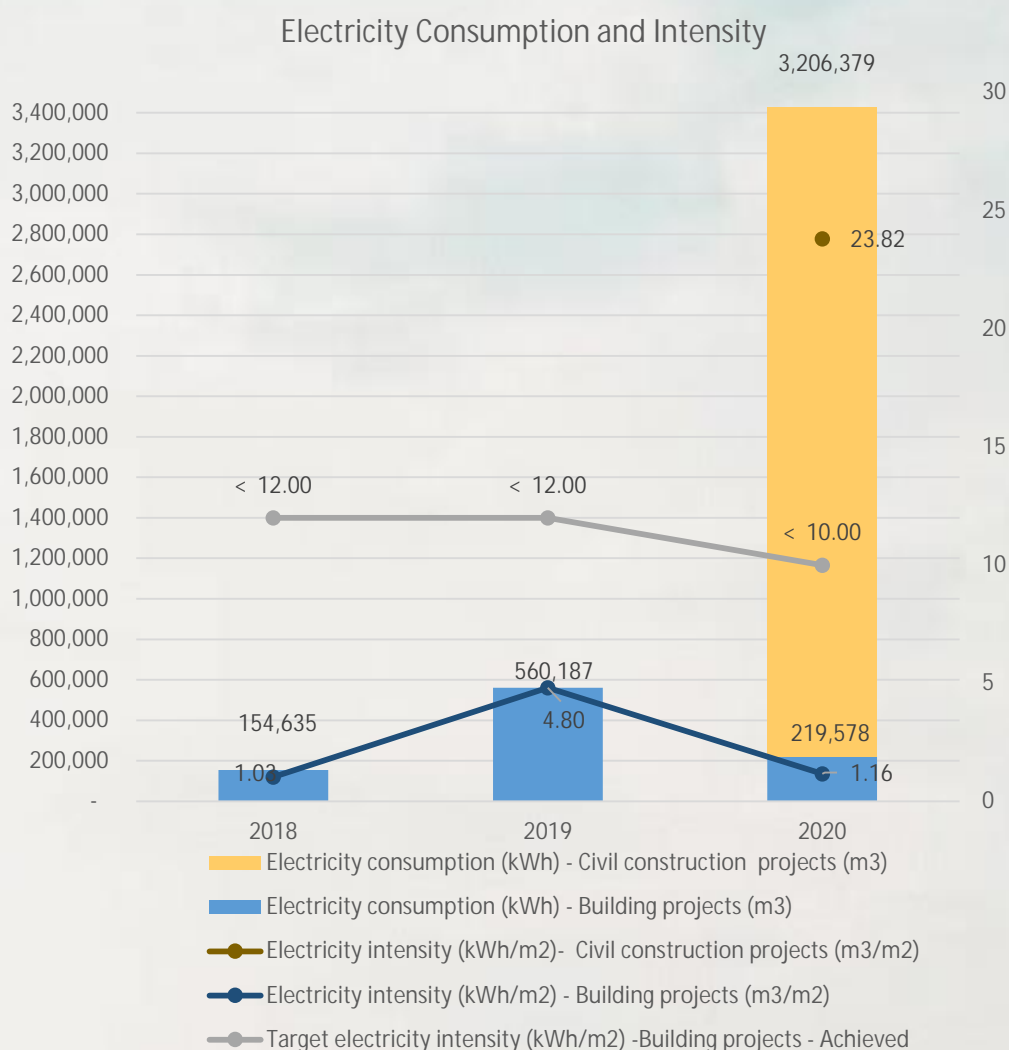
square metre of project area in 2020, meeting our target of less than 10 kWh per square metre for building projects.

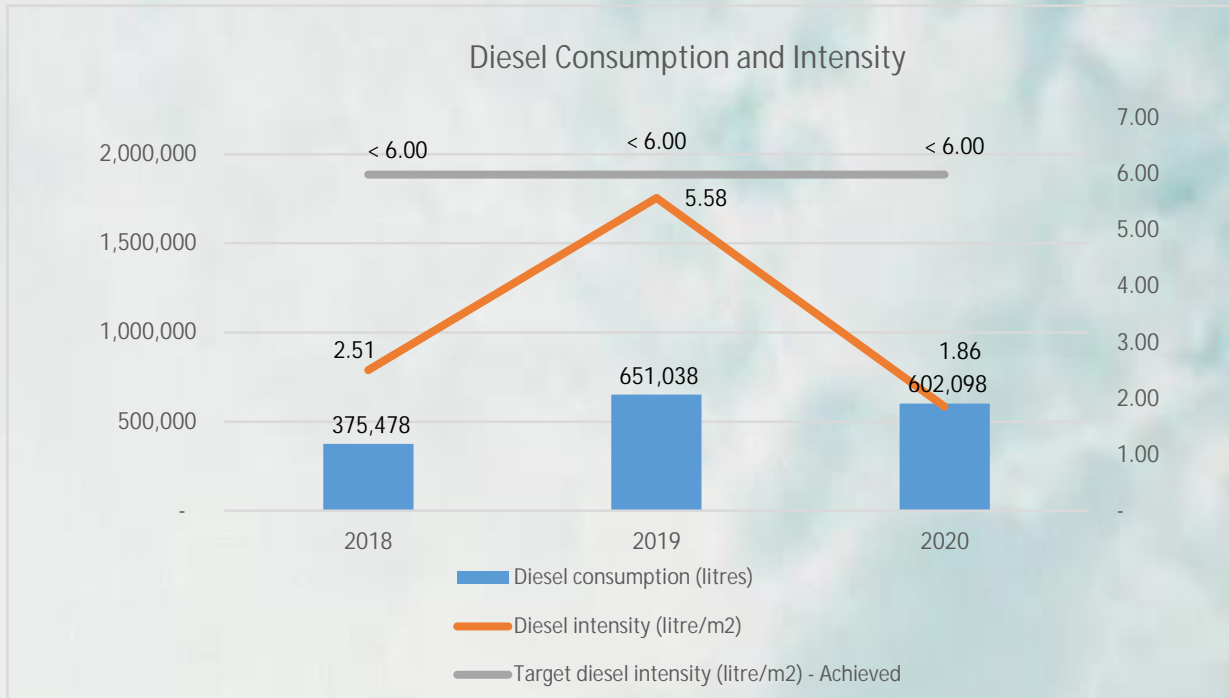
In addition, we consumed 3,206,379kWh of electricity for two large-scale civil construction projects (T220 and PUB5), especially for PUB5, for its tunnelling activities. The electricity intensity target of 10kWh per square metre for 2020 was for building projects only and did not account for the different electricity intensity profile of civil construction projects which required high electricity consumption for its tunnelling activities. Going forward, targets for building projects and civil construction projects will be set separately.

On the contrary, although there was an increase in Gross Floor Area (GFA) of the projects in 2020, our diesel consumption decreased by 8% from 651,038 litres (23,625 GJ) in 2019 to 602,098 litres (21,849 GJ) in 2020. Accordingly, our diesel intensity decreased by 67% from 5.58 litres to 1.86 litres per square metre of project area. The total energy consumption of electricity and diesel is 34,182 GJ in 2020.

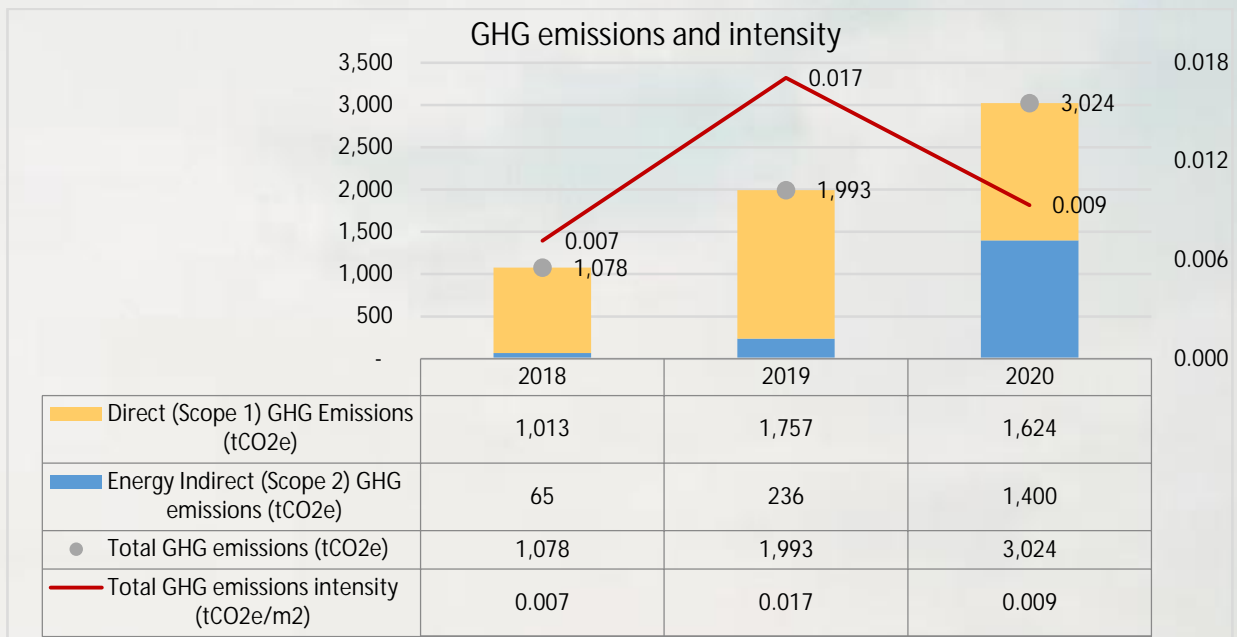
We strive to minimise our environmental footprint by ensuring that our electricity consumption remains below 10 kWh per m² of GFA and our diesel consumption remains below 6 litres of diesel per m² of GFA. We have met all our 2020 targets. The variation in the on-site energy intensity depends on the phase of construction and whether workers' quarters are included in the construction sites, which contributes substantially to energy demand.

Lower energy intensities recorded in 2020 is attributed to the suspension of construction activities for about 2 months due to COVID-19 regulations and subsequent delays in business resumption for up to 3 months. We will continue to review the data trends and adjust our targets accordingly.





The following chart depicts the total our GHG emissions from years 2018^f to 2020, which consists of direct (scope 1) GHG emissions^g and indirect (scope 2) GHG emissions^h, and the total GHG emissions intensity which is calculated based on total GHG emissions over m² of GFA.



^f The 2019 figures for GHG emissions and intensity have been restated due to updates in emission conversion factors according to the Singapore Energy Statistics 2019 and updated data inputs.

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

^h 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 2020.

The total GHG emissions from electricity and diesel have increased by 52% from 1,993 tonnes of carbon dioxide equivalent (tCO_{2e}) in 2019 to 3,024 tCO_{2e} in 2020. The GHG emissions intensity has decreased by 47% from 0.017 tCO_{2e} per m² in 2019 to 0.009 tCO_{2e} per m² in 2020.

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.

2021's Target(s) ¹
<ul style="list-style-type: none">▪ Electricity intensity of less than 10 kWh/m² of project GFA▪ Diesel intensity of less than 6 litres/m² of project GFA

¹ Resource consumption may vary subject to the nature of the projects included in the report scope as well as the impacts of the COVID-19 pandemic. Nevertheless, we intend to continue our efforts on responsible resource management and will continue to explore resource efficiency improvements. 2021's target reflected are for building projects, where separate target will be set for civil projects accordingly.

WATER

2020's Highlights

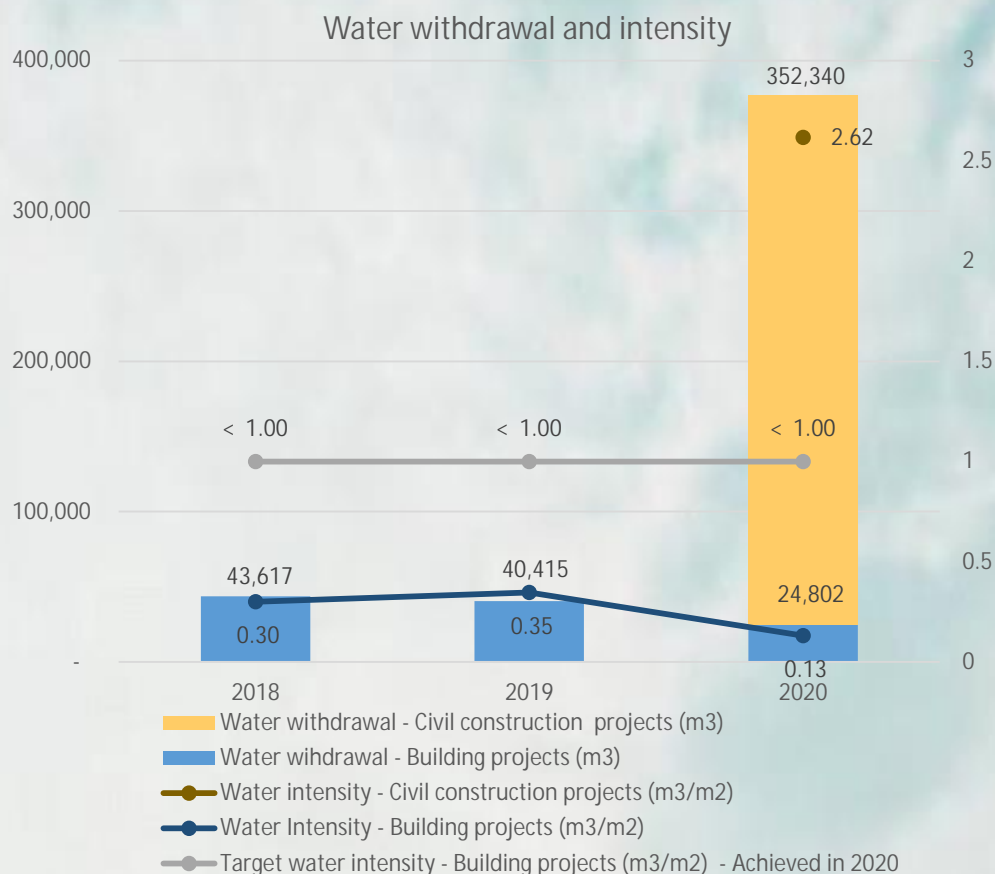


Singapore's total water demand is expected to double by 2060, with the non-domestic sector accounting for 70% of Singapore's water demand according to PUB^j. High levels of water use may put significant strains on water resources and result in wastewater pollution that could compromise important ecosystem services and affect the quality of life. In water-scarce Singapore, the consequences can be severe as the threat to water security could be further exacerbated by the impact 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 and site 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 collected rainwater and site run-offs. The filtered water is used for construction purpose, cleaning of construction vehicles and flushing of toilets.

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



In 2020, our water withdrawal from the Public Utilities Board for building projects decreased by 39% from 40,415 m³ in 2019.^k to 24,802 m³ in 2020. Accordingly, our water intensity^l for building projects decreased by 63% from 0.35 m³ per m² of project GFA in 2019 to 0.13 m³ per m² of project GFA in 2020, meeting our target of less than 1 m³ per m² for building projects.

In addition, we withdrew 352,340 m³ of water for two large-scale civil construction projects (T220 and PUB5) which involved a large number of recharge wells, translating to a water intensity of 2.62 m³ per m² of project construction floor area (CFA) for civil construction projects. The water intensity target of 1 m³/m² for 2020 was for building projects only and did not account for the different water intensity profile of civil construction projects. Going forward, we will account for the different nature of our projects in our target setting.

In 2021, we target to keep our water intensity below 1 m³ per m² of GFA for building projects and 4 m³ per m² of CFA for civil construction projects. 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.

2021's Target(s)^m

- Water intensity of less than 1 m³/ m² of project GFA for building projects
- Water intensity of less than 4 m³/ m² of project CFA for civil construction projects

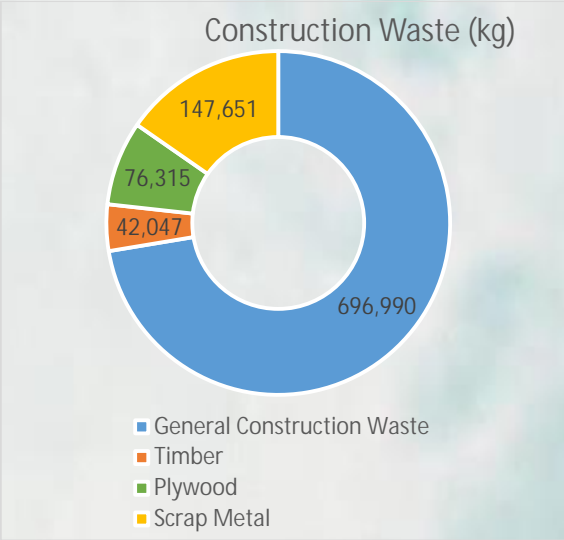
^k The 2019 figures for water withdrawal and intensity have been restated due to updated data inputs.

^l Intensity is calculated using the total GFA/CFA of the building/civil projects in the report scope for 2020.

^m Resource consumption may vary subject to the nature of the projects included in the report scope as well as the impacts of the COVID-19 pandemic. Nevertheless, we intend to continue our efforts on responsible resource management and will continue to explore resource efficiency improvements.

EFFLUENTS AND WASTE

2020's Highlights



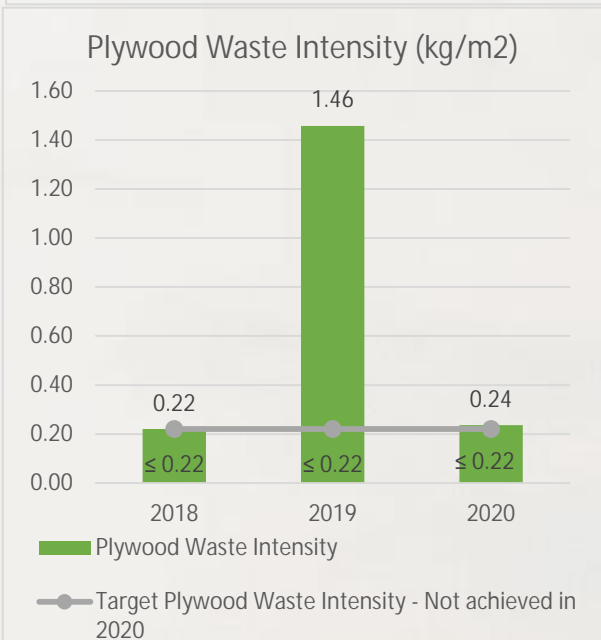
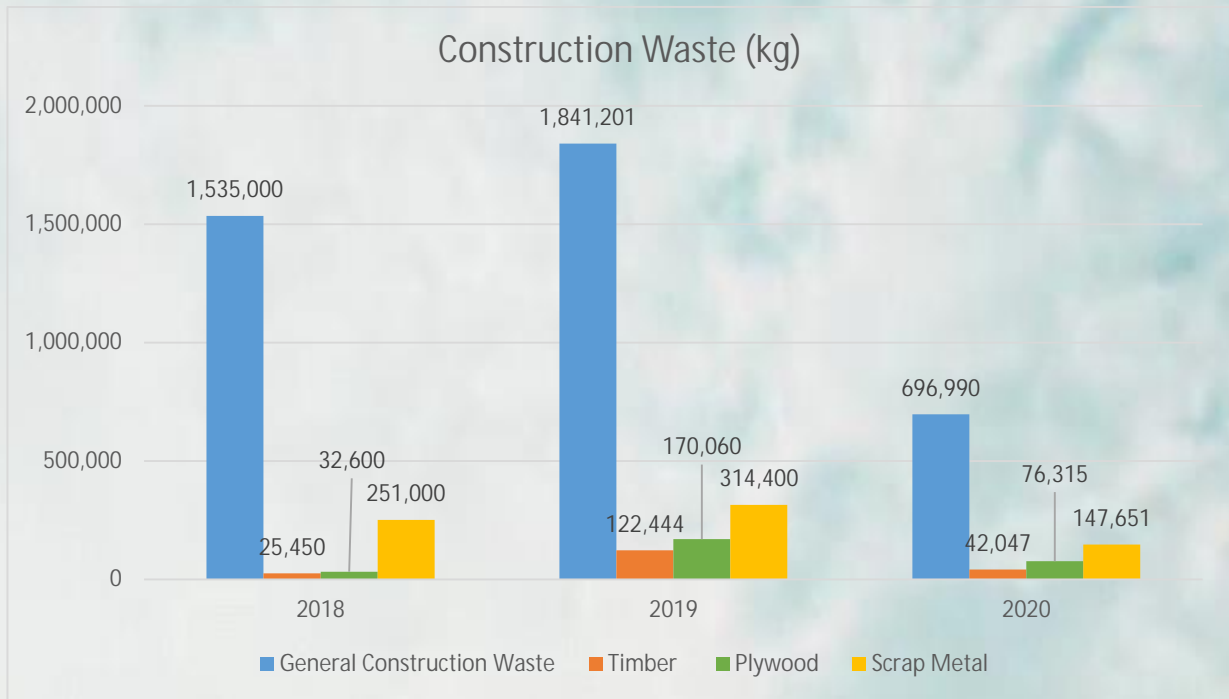
Construction activities may generate large amounts of waste which may put a strain on our natural resources and ultimately lead to environmental degradation. Proper waste management is necessary to avoid air, water and soil pollution, which pose a threat to the environment and human health. Similarly, 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. 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, timber, plywood, scrap metal 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, timber, plywood and scrap metal wastes decreased by 62%, 66%, 55% and 53% respectively from 2019ⁿ to 2020. The waste intensities for general construction, timber, plywood and scrap metal wastes decreased by 86%, 88%, 84% and 83% respectively from 2019 to 2020.

The decrease in waste is attributed to the suspension of construction activities for about 2 months due to COVID-19 regulations and subsequent delays in business resumption for up to 3 months and better on site waste control as well as increasing application of DfMA in construction project that cut down in situ work and hence waste .

We have met our 2020 target of reducing our waste intensities to the targeted levels for each type of waste, except for plywood waste. Our target for waste intensity of plywood was not met despite substantial reduction in year 2020 due to increase plywood usage in the effort to speed up project progress following delay resulted from COVID-19, which inevitably caused more plywood needed. At times, adjustments to planned construction methodology were necessary to be made on site due to various constraints and project-specific requirements, further contributing to the higher consumption of materials including those that were of one-time usage.

2021's Target(s) ^o

Maintain / reduce waste to the following intensity levels:

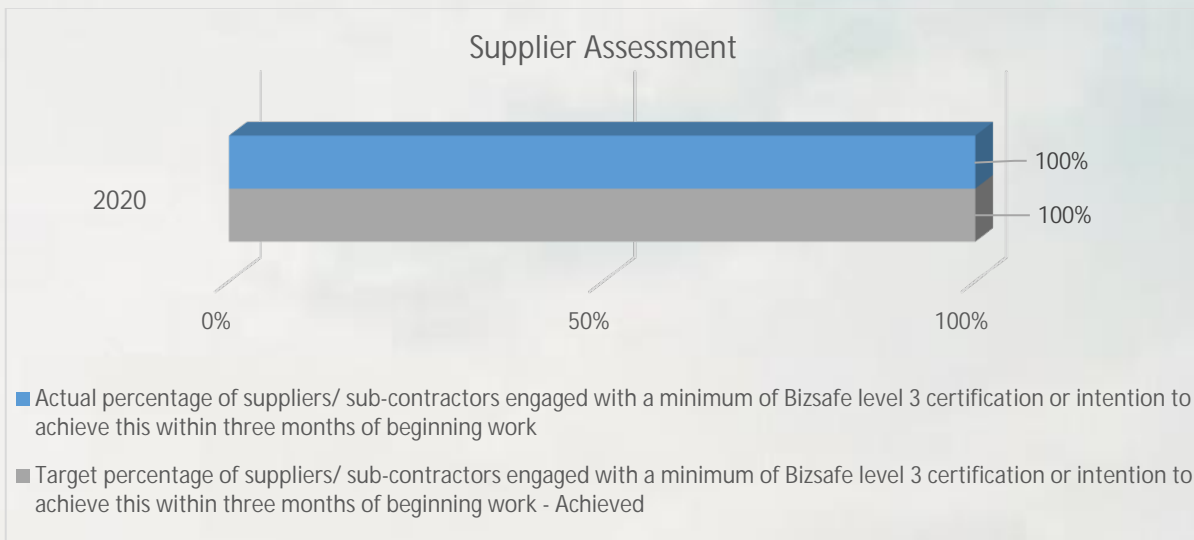
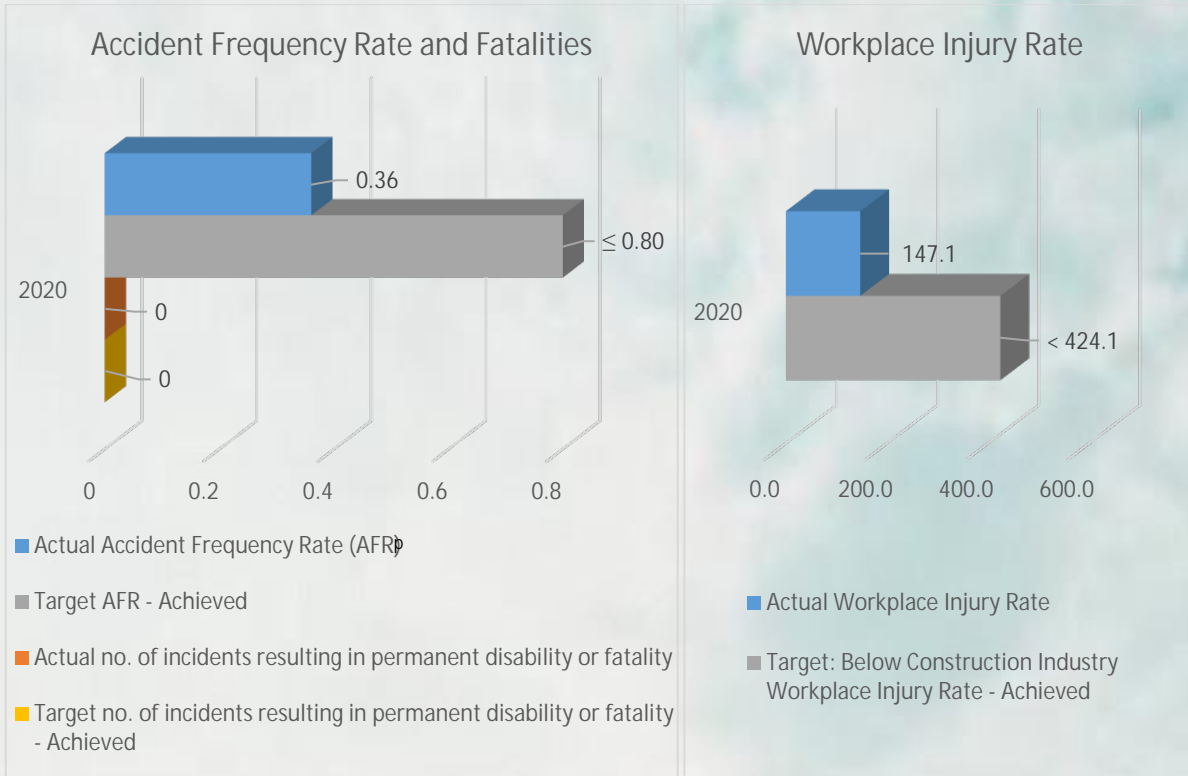
- General construction waste – 9.00 kg per m²
- Timber waste – 0.15 kg per m²
- Plywood waste – 0.20 kg per m²
- Scrap metal waste – 1.65 kg per m²

ⁿ The 2019 figures for waste generated and intensities have been restated due to updated data inputs.

^o Resource consumption may vary subject to the nature of the projects included in the report scope as well as the impacts of the COVID-19 pandemic. Nevertheless, we intend to continue our efforts on responsible resource management and will continue to explore resource efficiency improvements. 2021's target reflected are for building projects, where separate target will be set for civil projects accordingly.

HEALTH & SAFETY

2020's Highlights



At Tiong Seng, we are committed to safeguarding the health and safety of our own employees and sub-contractors. Amid the COVID-19 pandemic, we monitor the situation closely and maintain close communications with all our employees, foreign workers and the relevant authorities. In accordance with the government health advisories and guidelines, we have implemented Safe Management Measures (SMM) in all our projects in FY2020. Where appropriate, we provide support to our workers to meet their needs and promote general well-being during this difficult period. As part of our support to our staff and workers, we distributed masks and COVID-19 sanitisation kits to protect themselves from COVID-19.

^P Accident frequency rate = $\frac{\text{number of workplace injuries}}{\text{number of hours worked during the year}} \times 1,000,000$ hours worked.

In line with our commitment to provide a workplace where the risk of illness or injury to our workers, community and customers are eliminated or minimalised, our Occupational Health and Safety Management System was certified under the new ISO45001:2018 standard in 2020. The effectiveness of our system is checked by an external certification body on a yearly basis. As such, our hazard identification and risk assessment processes undergo constant review and improvement, in turn improving safety for our stakeholders.



Employee Health and 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, and 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 virtual 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 toolbox meetings and monthly EHS committee meetings held at all project sites via video conferencing. Our employees are encouraged to take part in safety initiatives, which include quarterly safety rewards, demonstrations, talks, and creating safety posters. In-person meetings were conducted in small groups with safe distancing measures in place and the duration of the meetings kept to a minimum. 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 once every 3 years to ensure that they are maintained in good condition and meet safety requirements. In addition, Construction Safety Audit Scoring System (ConSASS) audits are conducted every six months by external auditors approved by MOM or Singapore Accreditation Council to assess the welfare of the workers' quarters. Our Safe Management Officer also conducts inspections of toilet facilities on a monthly basis.

The accident frequency rate decreased from 1.37 accidents per million man-hours in 2019 to 0.36^q in 2020. The workplace injury rate^r decreased from 431.0 in 2019 to 147.1 in 2020 which was below the rate of 424.1 for the construction industry in Singapore during the same period. There were no fatalities as a result of work-related injury and no high-consequence work-related injuries in 2020. The injury sustained in FY2020 was a foot fracture.

The work-related hazards that pose a risk of high-consequence injury were identified to include improper storage of marbles, the risk of which is minimised through the use of a rack system and pallet jacks to retrieve the marbles. In 2020, to eliminate work-related hazards and minimise risks, we implemented clean and unobstructed pathways to worksites with the use of barricades and fences which provide workers with proper site access and improves safety. Mandatory cut-resistant gloves were provided to our workers where our risk assessment identifies the potential for cuts. We have also used Body-Worn Cameras as part of our efforts to influence behavioural safety on sites. In addition, we use podium steps and height-adjustable working platforms instead of ladders in our new construction sites.

GRACIOUS PRACTICES – Accessibility



Clean & Unobstructed Site Access/Entry

^q Accident frequency rate = $\frac{\text{number of workplace injuries}}{\text{number of hours worked during the year}} \times 1,000,000$ hours worked. This excludes injuries that resulted in less than three days of sick leave, per 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. The number of hours worked during the year was 2,776,601.

^r 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.

Sub-contractor Health and 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.

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 toolbox meetings and monthly EHS committee meetings at all project sites conducted via video conferencing.

We require all our contractors to have a minimum BizSAFE Level 3 certification and we have achieved our 2020 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.

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. 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.

GRACIOUS PRACTICES – Manpower management – Training & Onboarding



WAH Training to workers by Trainers & Appointed personnel's

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.

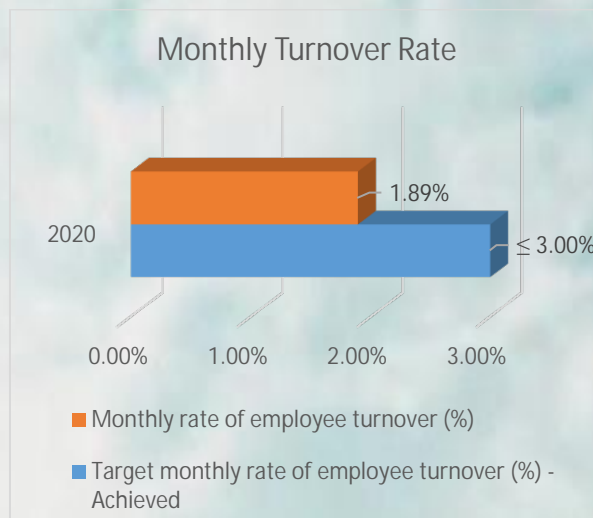
The training programme, which includes a mixture of classroom-based and practical training sessions, covers topics ranging from working height safety/scaffolding safety, electrical safety, lifting safety, excavation safety, hot-work safety, confined space safety, tunnel safety to good environmental practices. The classroom-based sessions were conducted via video conferencing and our e-learning platform, DigiLearn, and practical sessions were conducted with SMM in place. 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.

2021's Target(s)

- **Maintain zero work-related incidents resulting in fatality**
- **Reduce AFR to 0.50 in accordance to our Environmental Health Safety Management System**
- **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

2020's Highlights ^s



Training and Education

We 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. However, due to COVID-19 restrictions, construction activities were suspended and delayed during 2020 and the Coretrade Training was suspended from April to June 2020. In addition, per MOM's regulations, all in-person Workplace Safety and Health (WSH) trainings and assessments were suspended from 2 June 2020 until further notice to minimise physical interactions. 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. These include but not limited to the launch of multiple applications such as TS DigiGo, a mechanism to allow our workers to familiarize with our digital field tools in a fun and interactive manner and DigiLearn for workers to improve safety awareness by observing various safety videos uploaded and complete a question and answer quiz thereafter.

As a result, in 2020, each employee received an average of 62.1 hours of training[†], an increase from 57.7 hours in 2019.

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

^s Data includes all workers and staff under Tiong Seng Group employment on all projects and at our Singapore head office.

[†] The average number of training hours per employee is calculated using total training hours that include an estimated 7,371 hours of webinars.

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.



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, 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 974 employees in 2020, a decrease from 1,094 in 2019 mainly due to the suspension of construction activities ensuing from the COVID-19 pandemic which caused workers to return to their home country as well as tighter border control by the government. Facing the challenges posed by the pandemic in 2020, our monthly new-hire rate was 0.95%, a decrease from 1.50% in 2019, while our monthly turnover rate was 1.89%, a decrease from 2.50% in 2019.^u

We remain committed in providing our employees with care and support to tide through these difficult times. To support our employees in the new work-from-home arrangements and promote well-being, we provided them with webinars on Keeping A Mentally Healthy and Productive Work Life and monthly health tips. In addition, our employees were encouraged to take part in the National Steps Challenge Season 5 to keep healthy.

^u Data includes all workers and staff under Tiong Seng Construction segment and at our Singapore head office.

GRACIOUSNESS

STARTS WITH YOU & ME

优雅始于你我



CREATE TEAM BONDING

Spend time to organise online calls to check in on team's progress and chat chat.

团结协作

居家工作期间多参与线上会议，与同事分享工作进度，相互鼓励



IMPROVE GROUP DYNAMIC

Develop good work habits and efficient work arrangements for team to function at its potential

增进活力

养成良好的工作习惯，制定高效的工作安排，使团队发挥潜力

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.

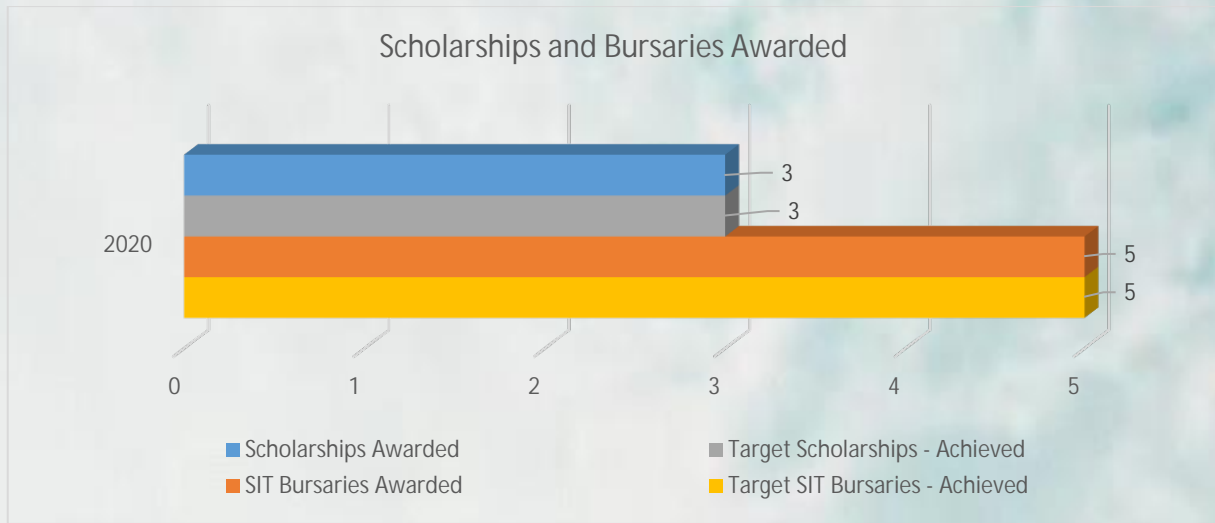
2021's Target(s) ^v

- Employee training hours - Achieve at least an average of 40 hours per year per employee
- Limit monthly turnover rate to 2.50%

^v Employee training hours and turnover rate may vary subject to the impacts of the COVID-19 pandemic. Nevertheless, we intend to continue our efforts on fair employment practices and employee development.

LOCAL COMMUNITY

2020's Highlights



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. We have improved our signages by including multiple languages for workers to understand and comply.

GRACIOUS PRACTICES – Public Safety



Site safety information available to visitor

Social Responsibility

Our involvement in the local communities enables 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). 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 SIT. The bursary covers the recipient's educational expenses and fees for educational activities organised by the institute. In 2020, 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. In addition, we awarded scholarships to 3 students.

During the year, we also made donations to various charity organisations including Law Society Pro Bono Services, Vision 2030 Fund, Young Men's Christian Association of Singapore, Migrant Workers' Assistance Fund and NCSS Charitable Fund. In addition, we contribute to trade organisations through donations.

To support the local community amidst the COVID-19 pandemic, we contributed to various COVID-19 relief funds including the Singapore Contractors Association Ltd (SCAL) COVID-19 Fund and the Student Relief Fund at SIT (COVID-19). During the two months of Circuit Breaker, we provided food and essential items to our workers. In addition, we donated surgical masks to the Ministry of Trade and Industry to aid the government's efforts in tackling the pandemic. The Company also answered the call from the nation to undertake several essential services projects to work on quarters for workers and recovering COVID patients.

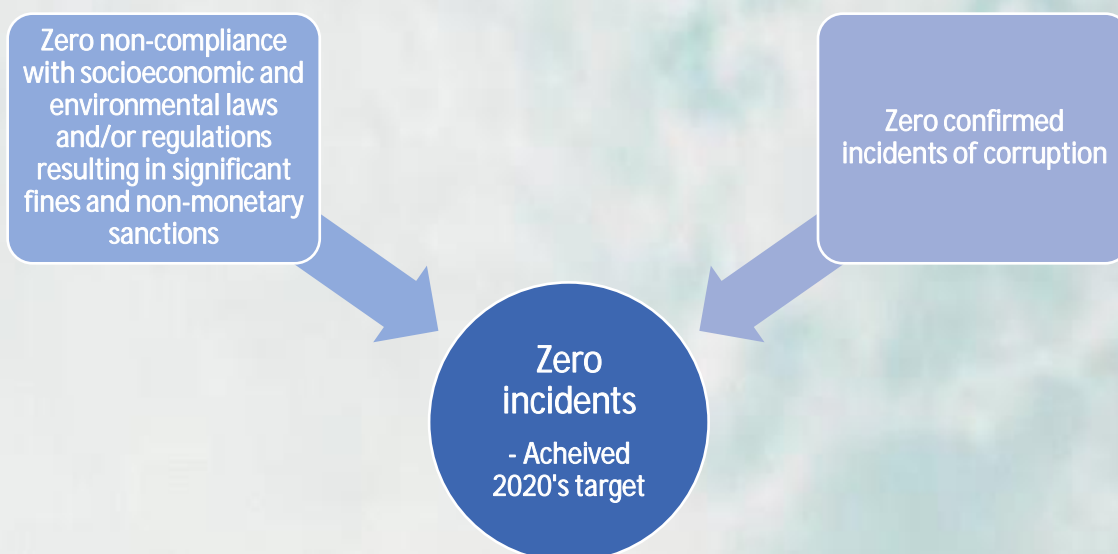
On top of that, we partnered with one of our banker for the latter to launch the Value Chain Financing (VCF) scheme for our strategic subcontractors and suppliers. In this VCF scheme, the bank will do a holistic assessment of the financing needs of each firm within the projects' value chain and to work out a program for them, which some may not have previously been able to access to in the past.

We seek to build good relationships within the real estate development community and the general public by, where opportunities arises, sharing our experiences at industry virtual 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.

2021's Target(s)
<ul style="list-style-type: none">▪ SIT bursaries – 5▪ Scholarships - 3

COMPLIANCE AND ANTI-CORRUPTION

2020's Highlights



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 webinars and virtual 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

On 16 September 2019 and 24 July 2020, the Board had made public announcements (“Announcements”) in relation to the investigations by the Corrupt Practices Investigation Bureau involving the Company’s then Chief Executive Officer and Executive Director Mr. Pek Lian Guan (Mr. Pek) and then Director of Tiong Seng Contractors (Private) Limited (TSCPL) Mr. Pay Teow Heng (Mr. Pay). They were each charged in court on 24 July 2020 on 2 counts of abetting to conspire to corruptly give gratification in the form of loans to an employee of the Land Transport Authority as inducement for advancing the business interest of TSCPL. The charges were filed against the two individuals and no charges were filed against TSCPL or any other companies in the Group.

Mr. Pek and Mr. Pay will be contesting the charges and pending the outcome of the cases, they have relinquished their current executive roles, powers and duties in the Group with effect from 31 July 2020. They have also stepped down from all their board appointments within the Group, including TSCPL.

Following the Announcements, the Board immediately instructed the Company's internal auditor PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC") to carry out internal controls review of Tiong Seng Corporate Office Management of Employee Loan and Anti-Bribery and Anti-Corruption Practices ("Services") and promptly implemented the salient recommendations proposed by PwC to strengthen the governance framework. At the same time, we also invited independent professionals from the industry to join our business units to further strengthen our management decision-making process and governance of the various business units.

The Company also engaged professionals to provide periodic Anti-Bribery & Anti-Corruption training and update to the key management and staff of the Group as part of its measures to keep abreast of the latest developments as well as to continue to uphold Tiong Seng's beliefs and culture to conduct our business in a proper and professional manner.

2021's Target(s)
<ul style="list-style-type: none">▪ Maintain zero incidents of non-compliance with socioeconomic and environmental laws and/or regulations resulting in significant fines and non-monetary sanctions▪ Maintain zero confirmed incidents of corruption