



**NEW EXPERTISE
GREATER HORIZON**



Sustainability Report 2018

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Board Statement

Soilbuild Construction Group Ltd. (“Soilbuild”, and together with its subsidiaries, the “Group”) is pleased to issue its second annual sustainability report (the “Sustainability Report 2018” and/or the “Report”).

The Sustainability Report 2018, which reflects the Group’s performance as well as the Group’s strategy and vision for the future, is prepared as per the SGX Sustainability Reporting Guide and in reference to the Global Reporting Initiative (GRI) Standards.

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

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

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

Lim Chap Huat
Executive Chairman

About our Report

The Sustainability Report 2018 presents the annual sustainability performance of the Group which primarily includes the material Environmental, Social and Governance aspects of our business operations for the period 1st January 2018 to 31st December 2018. The Report has been prepared in reference to the Global Reporting Initiative (GRI) Standards. The reporting boundary includes the Group's operations at Singapore and Myanmar and the entities have been selected on the basis of our level of control and nature of operational activities, and therefore, the Report has excluded the performance data of the Group's Joint Venture companies.

The Group has commenced its precast and prefabrication business in 2019. We plan to include the precast and prefabrication business within the scope of reporting in 2019.

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

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

About Soilbuild Construction Group

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

In 2015, the Group was awarded the concept and price tender for the development of an Integrated Construction and Precast Hub (“ICPH”). In the ICPH, highly automated manufacturing processes has been adopted to offer precast solutions to the built environment sector. Since December 2018, the manufacturing facilities at ICPH have been commissioned.

In November 2018, through an acquisition transaction, the Group extended its manufacturing facilities for precast and prefabricated building components in Malaysia. With the ICPH and the manufacturing facilities in Malaysia, the Group is implementing its strategies to be a key supplier of precast and prefabricated building components to the local build environment.

MISSION

To deliver optimal construction and management solutions to our partners and customers, and to enhance shareholder value

VISION

To be the preferred multi-disciplinary construction company first in Asia Pacific, then global

Our values

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

INTEGRITY

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

MAKE IT HAPPEN

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

PROFESSIONAL

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

AGILITY

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

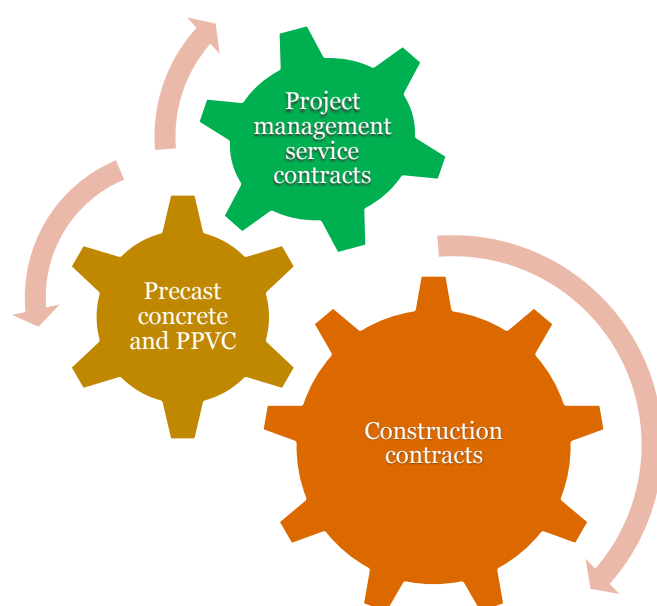
CUSTOMER-CENTRICITY

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

THINK AHEAD

Updated and well-informed.

Our operations



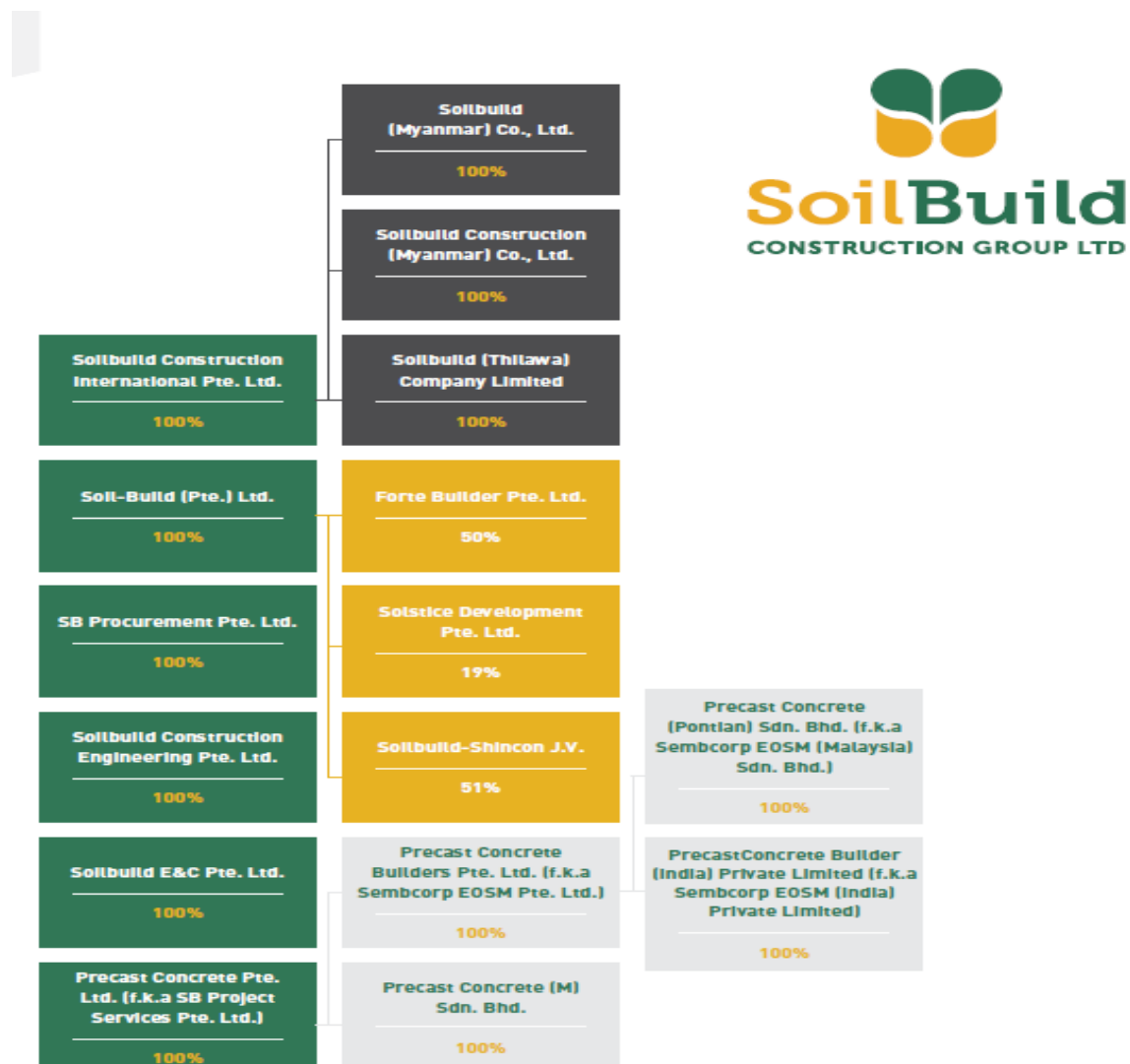
Our multi-disciplinary capabilities



Geographic presence

Soilbuild Entities	Location
Soil-Build (Pte) Ltd	Singapore
SB Procurement Pte Ltd	Singapore
Soilbuild Construction Engineering Pte. Ltd.	Singapore
Soilbuild E&C Pte Ltd	Singapore
Soilbuild Construction International Pte Ltd	Singapore
Precast Concrete Pte. Ltd.	Singapore
Precast Concrete Builders Pte Ltd (newly acquired in 2018)	Singapore
PrecastConcrete Builder (India) Private Limited (newly acquired in 2018, dormant)	India
Precast Concrete (Pontian) Sdn Bhd (newly acquired in 2018)	Malaysia
Precast Concrete (M) Sdn Bhd (newly incorporated in 2018)	Malaysia
Soilbuild (Myanmar) Co., Ltd.	Myanmar
Soilbuild Construction (Myanmar) Co., Ltd.	Myanmar
Soilbuild (Thilawa) Company Limited	Myanmar

Group Structure



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

Principal activities	Place of incorporation and operation	Number of Subsidiaries	
		2018	2017
Building contractors	Singapore	3	3
Construction and procurement services	Singapore/Myanmar	3	3
Precast and PPVC	Singapore/Malaysia/India	5	1
Manufacturing of construction materials	Myanmar	1	1
Investment holdings	Singapore	1	2
		13	10

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

Figure 1 Key strengths and value proposition



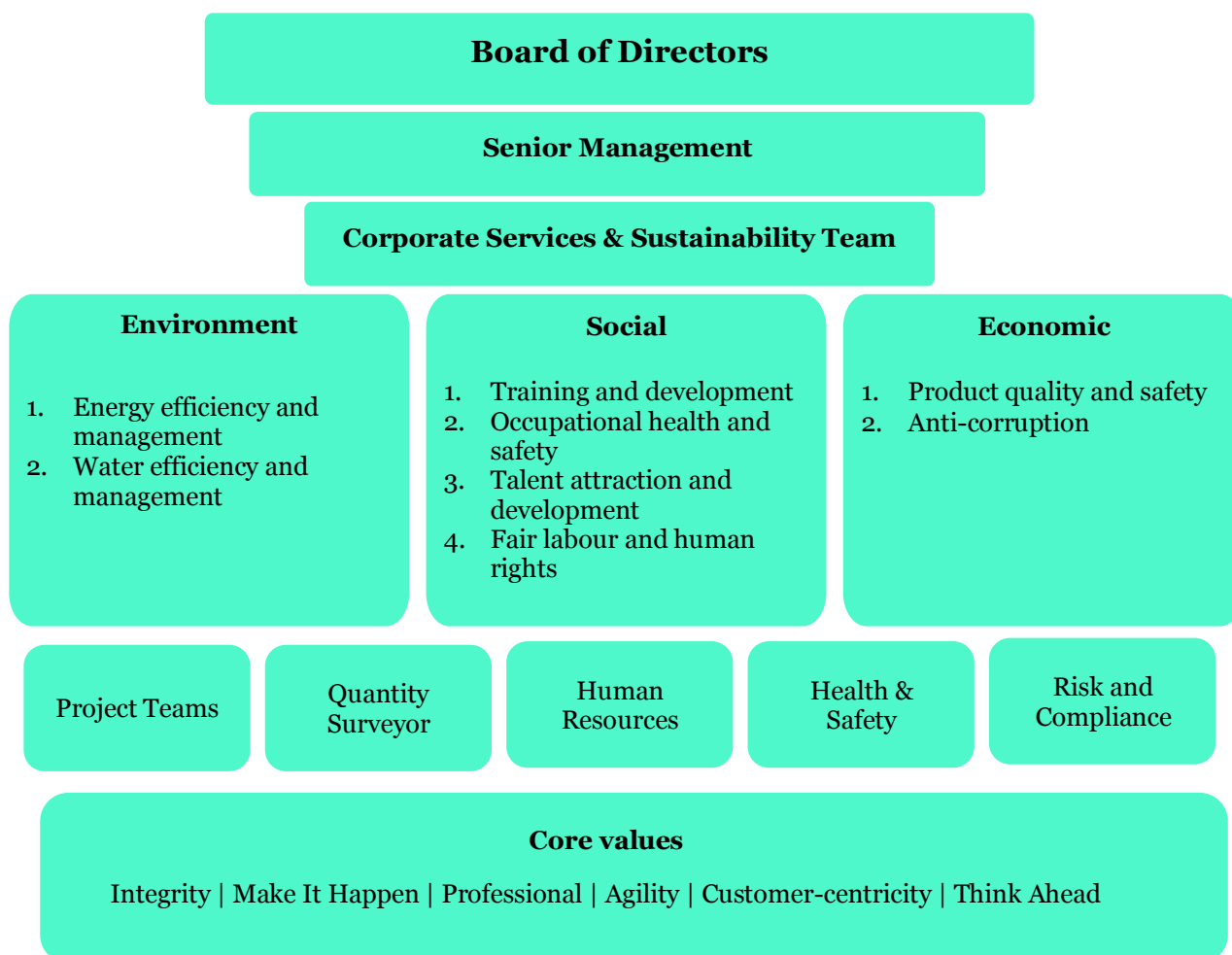
Outlook for Singapore's construction industry is expected to be supported by government measures to achieve sustainable growth, rising population and improvements in the built environment. Soilbuild's strategic initiatives to a) invest in productivity improvements, b) focus on core businesses which continue to have healthy demand, c) further develop its position in the public housing construction sector which has sustained construction demand and d) be a key and reliable supplier for precast and prefabricated building components, are expected to strengthen the Company's operations and increase our returns. Given our competitive strengths, the Board believes that we are able to overcome future challenges and drive its growth.

Our Sustainability Approach

Sustainability Governance

Organisation-wide sustainability agenda is led by our Sustainability team headed by the Director of Corporate Services with guidance from the senior management and Board of directors. The team initiates, drives, and monitors various aspects of our sustainability practices, ensuring effective integration of Environmental, Social and Governance initiatives into our business operations and corporate objectives.

Figure 2 Group's sustainability governance



Stakeholder engagement

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

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

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

- Customers (project owners and developers)
- Employees
- Suppliers & Sub-contractors
- Shareholders & Investors
- Community
- Government & Regulators

Engagements with Key Stakeholder Groups in 2018

The scope of the stakeholders' engagement in FY 2018 was limited, mostly on account of the challenging local market conditions that impacted our domestic business operations. However, we are committed to expanding our stakeholders' engagement methods and using the subsequent output in our future disclosures. Soilbuild's senior management is very much determined to continuously improve upon sustainability performance and devotes pre-decided time for the same by engaging with key stakeholder groups. Our key stakeholders' topics and concerns raised and our engagement mechanism are as shown:

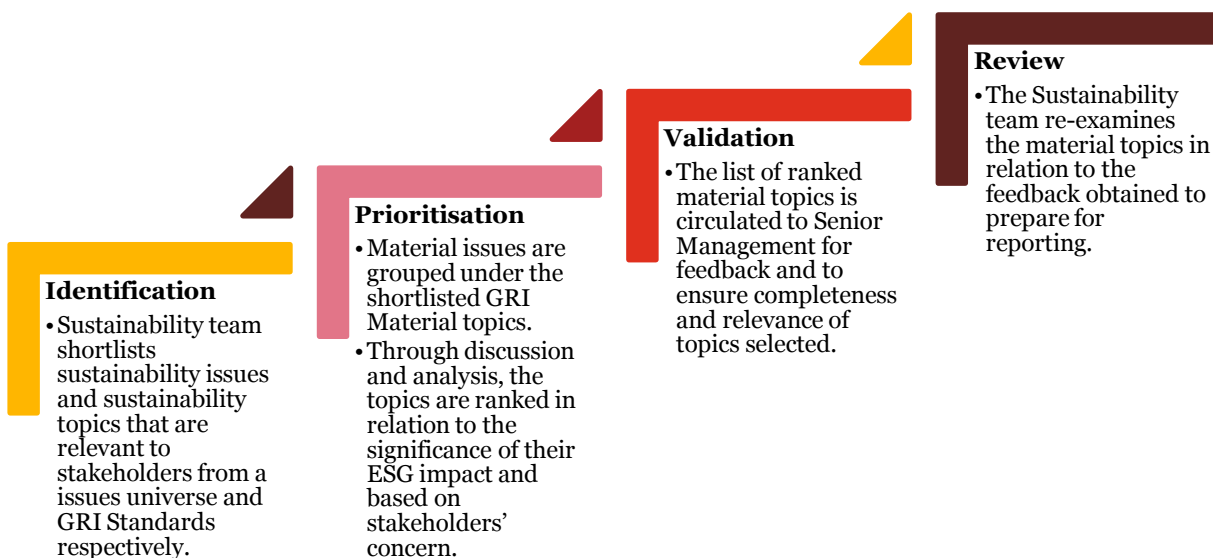
Figure 3 Stakeholder engagement mechanism

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

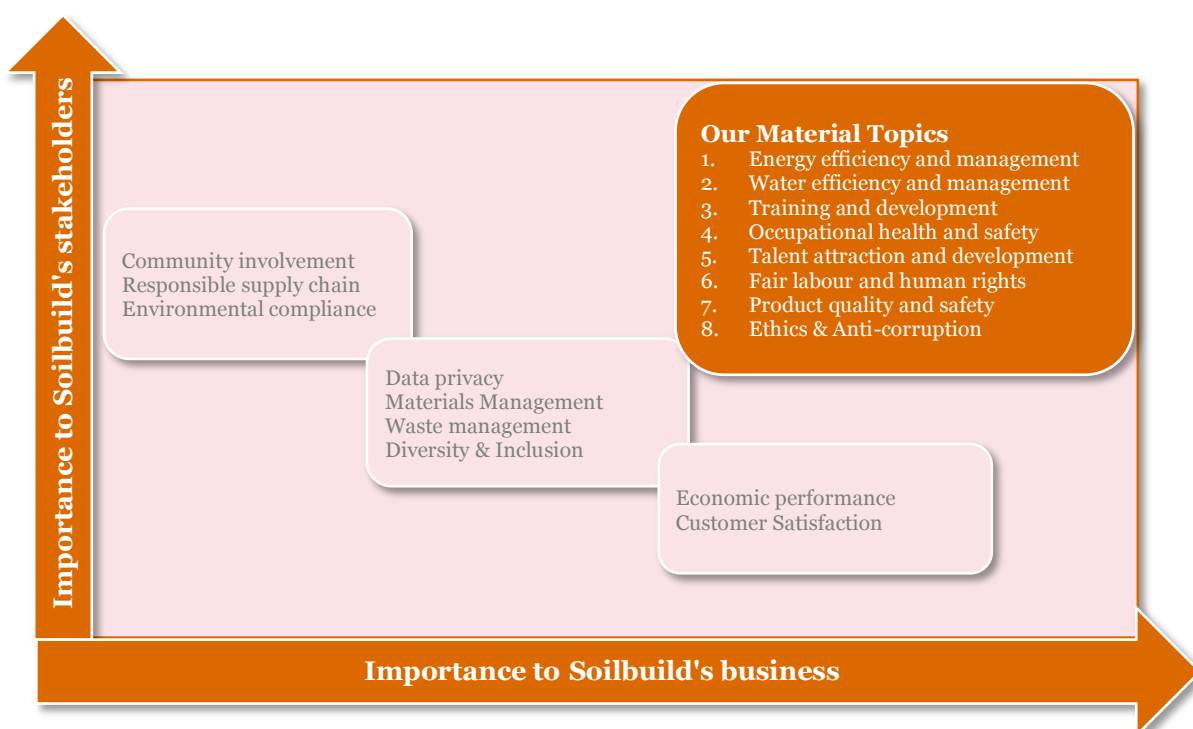
Materiality assessment

Materiality is a critical input into our corporate sustainability strategy because it ensures we provide our stakeholders with the sustainability information most relevant to them and our business. To determine this, we conduct a formal materiality assessment on a regular basis. In 2018, we have revisited our materiality assessments for two regions: Singapore and Myanmar. The assessment process included interviews with internal stakeholders such as employees and management and internal workshops, to identify the most material sustainability issues. The boundary of material topics is restricted to our Singapore and Myanmar operations and business partners comprising contractors, subcontractors and suppliers.

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



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



Environmental performance: resource conservation

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

(a) Energy efficiency and management

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

In addition, Soilbuild has also been awarded “BCA Green and Gracious Builder Award” in 2018 for Soilbuild’s efforts in promoting environment protection and gracious practices during the construction phase of projects.

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

Examples of continuous energy initiatives are:

Table 1 Energy management initiatives at Soilbuild

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

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

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

Performance for FY2018 and Target for FY2019

In 2018, the Group have participated in the celebration of Earth Day 2018, during which awareness were created and valuable knowledge were shared on broad sustainability topics. In addition, the Group have also set campaigns at various construction sites to inculcate and raise green awareness to all employees working at the sites.

Table 2 Energy consumption at Soilbuild

Energy use & efficiency	Unit	FY 2017 Performance	FY 2018 Performance	FY 2019 Target
Electricity consumption	MWh	2,787	1,386	To conduct internal energy audit at selected construction sites to identify areas for improvement and continue to set campaigns to raise awareness of energy saving
Diesel consumption	m ³	751	1,281	

Figure 4 Energy – Electricity consumption (MWh) by region

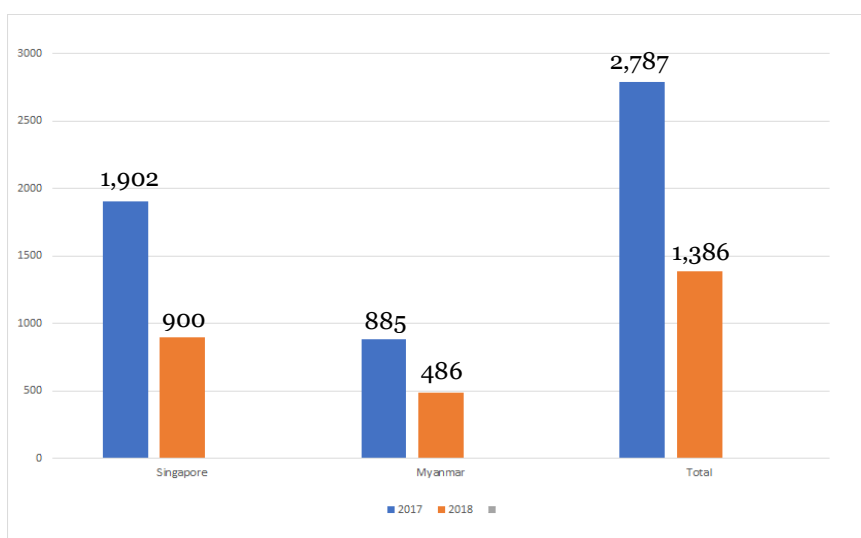
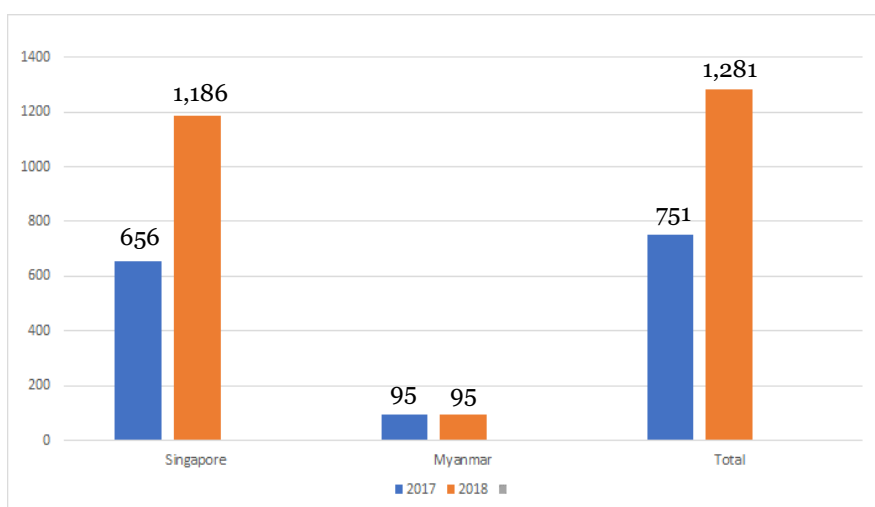


Figure 5 Energy – Diesel consumption (m³) by region



Soilbuild has identified energy management as a key focus area towards improving its operational efficiency. We will continue to monitor our energy consumption of our construction projects and improve on our practices to improve efficiency of energy use. We take the opportunity to upgrade or enhance equipment to better energy efficiency levels during major equipment replacement cycle or Asset Enhancement Initiative (“AIE”) works at our sites. We will report in subsequent years the outcomes of our focused interventions towards energy efficiency.

(b) Water efficiency and management

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

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

Table 3 Water management initiatives at Soilbuild

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

Performance for FY2018 and Target for FY2019

Total water consumption for Singapore project sites was 64,309 m³ during 2018 (2017 : 116,327 m³). In the case of Myanmar sites, water was extracted from tube wells, which is allowed within Yangon City Development Committee (“YCDC”) legislation for construction project sites with no charges. Hence the measurement of water consumption was undeterminable due to lack of data. However, we understand that improvement and upgrading of town water supply network in Myanmar is in progress and YCDC is targeting to complete the upgrading of full water supply system by 2019, after which we will be able to monitor and control our water usage. For our 2019 water targets, we aim to reduce our water consumption across the key operational activities using innovative water efficiency and reduction measures. We will continue to monitor our water consumption of our construction projects and promote water efficiency initiatives.

Social performance: collaborating with our employees and wider community

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

(a) Training and development

In 2017, the Group signed ‘The Pledge for a Better Built Environment Workplace’ developed by the BCA and Construction Industry Joint Committee in demonstrating the Group’s full support to objectives of the pledge to transform the built environment sector into a workplace of choice for our local young talents as well as retaining existing talents within the sector. By signing the pledge, we are committed to adopting good human resource practices by bringing about a more conducive work environment and better employee management.

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

- i. strengthening the job skills/ knowledge of employees;
- ii. improving operational efficiency and productivity; and
- iii. developing and maximising the potential of employees, to the mutual benefit of Soilbuild and themselves.

Figure 6 Total employees at Soilbuild (as on 31 December)

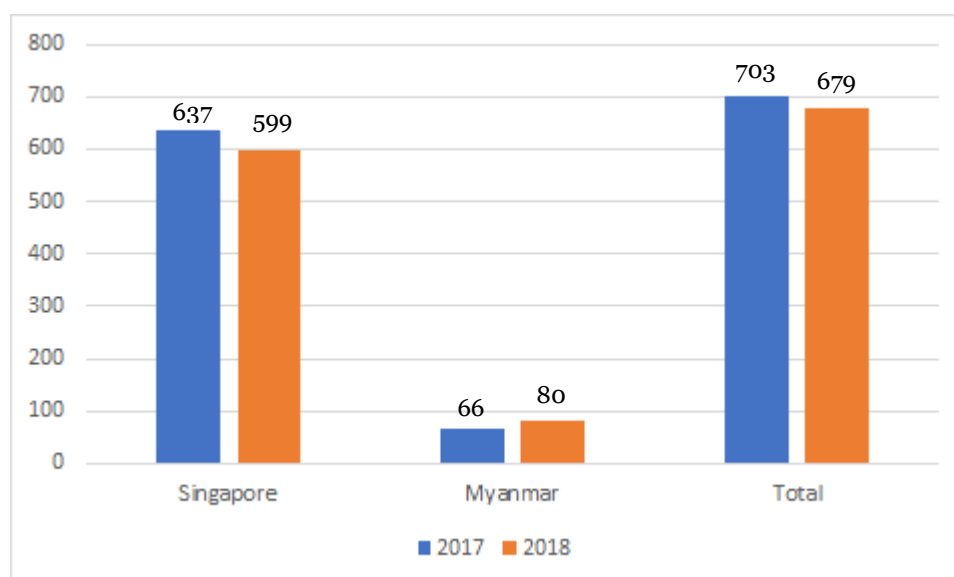
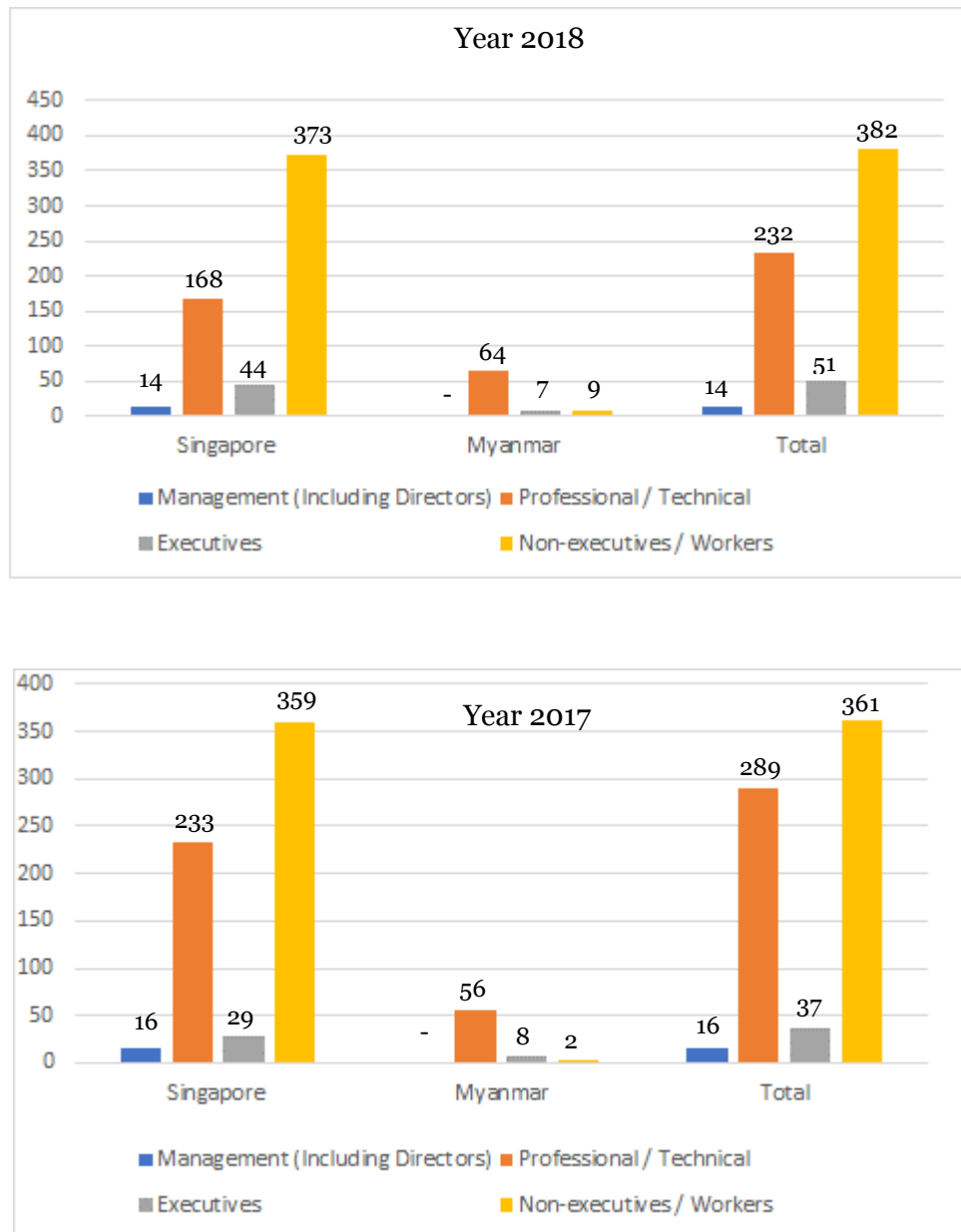


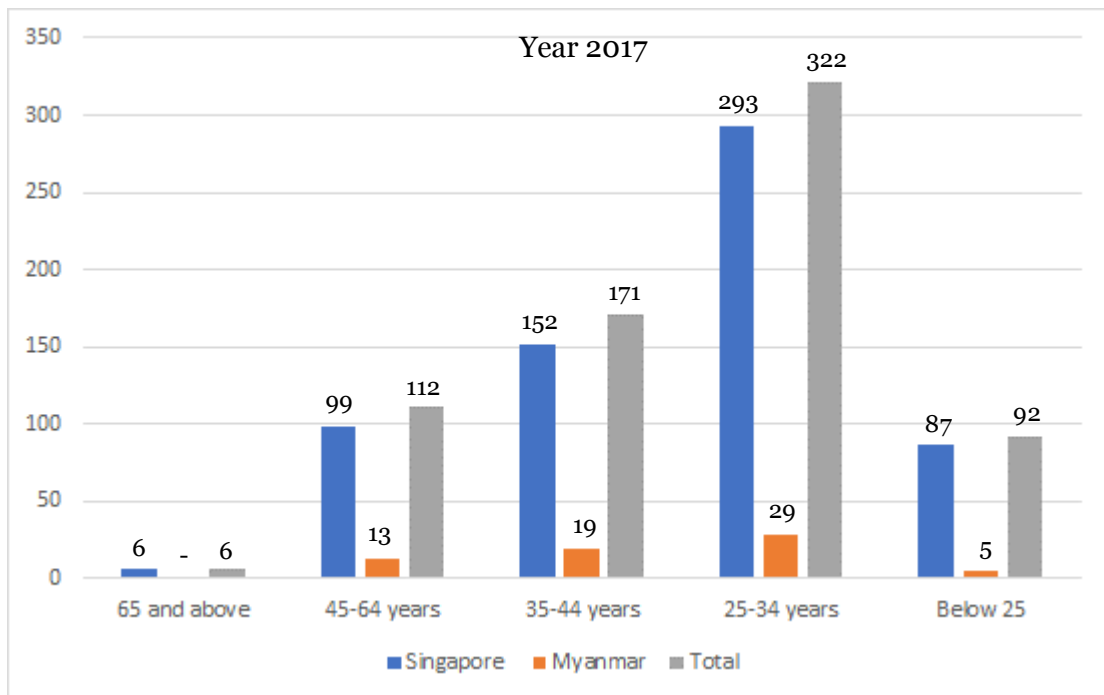
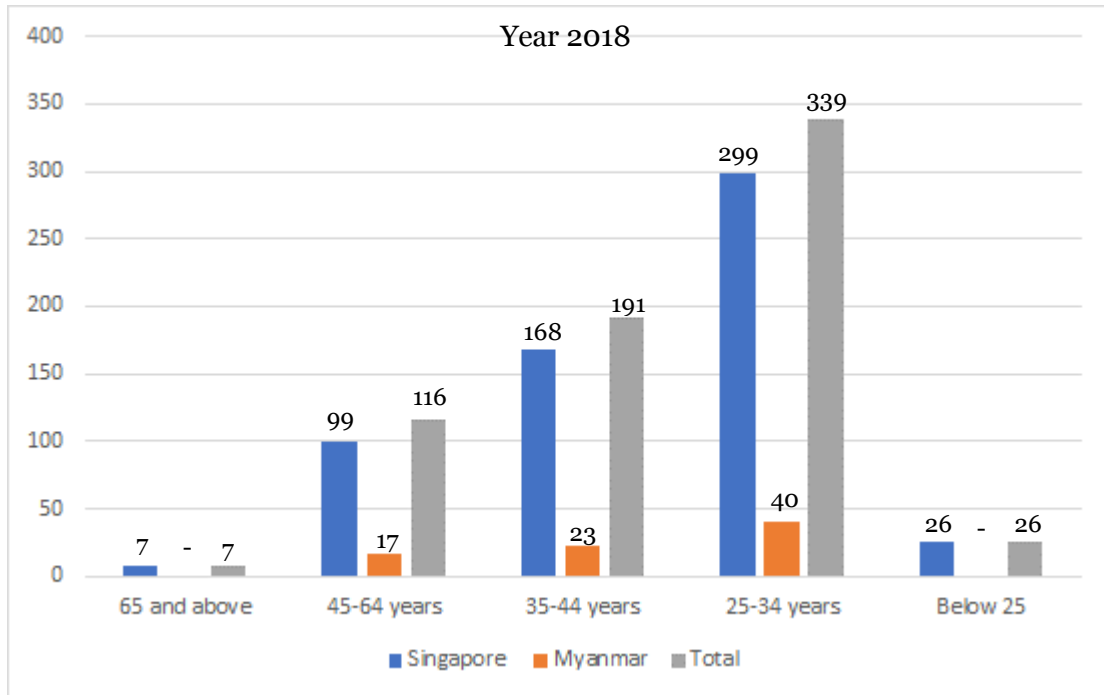
Figure 7 Distribution of employees by functions



Note:

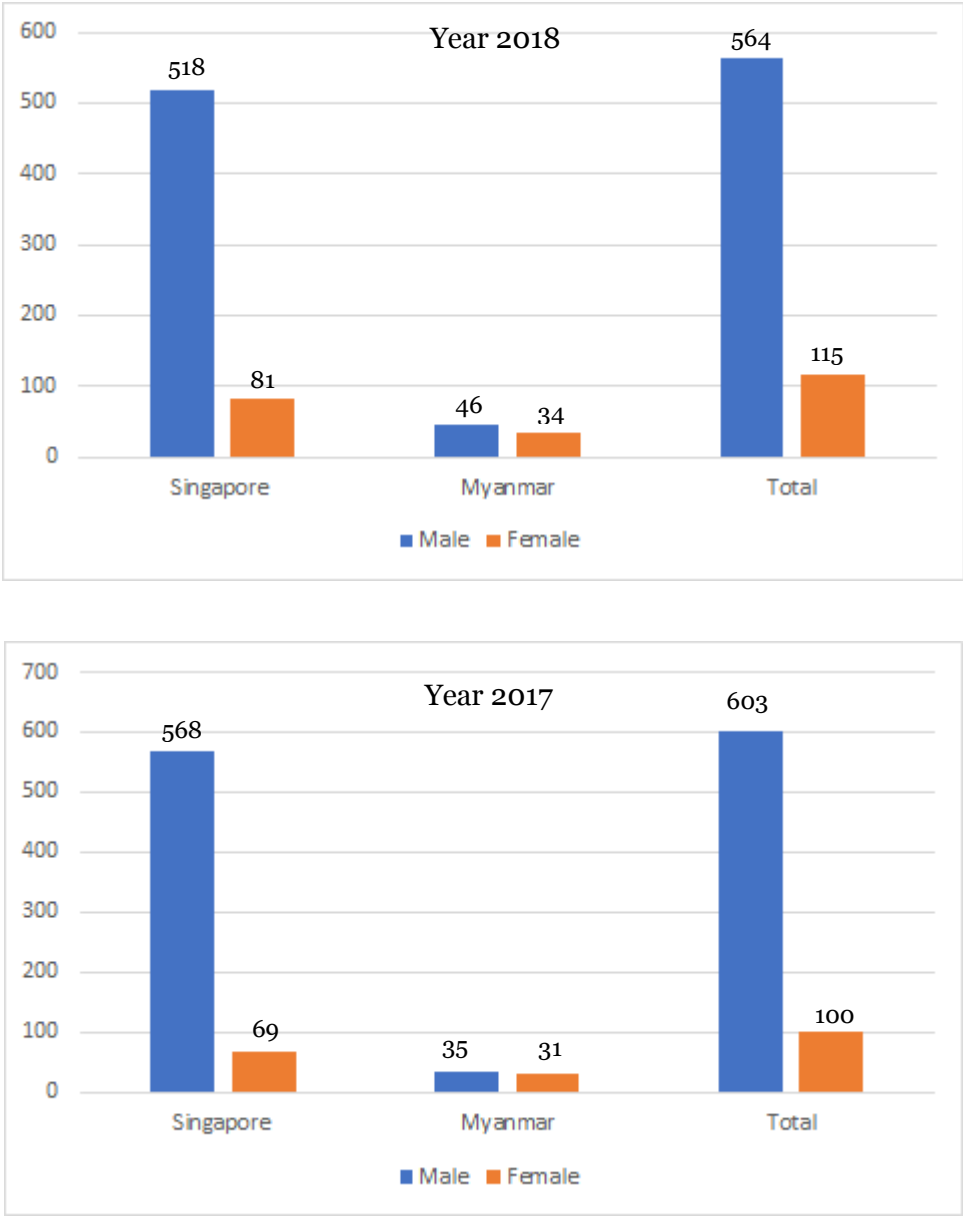
- a) Management includes board of directors and senior management
- b) Professional or technical includes all HQ or Site engineers, diploma holders relating to construction
- c) Executives includes all HQ or Site staff not relating to construction qualification, but holding all other degrees or diploma
- d) Non-executives or workers includes all the rest as well as foreign workers

Figure 8 Distribution of employees by age group



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

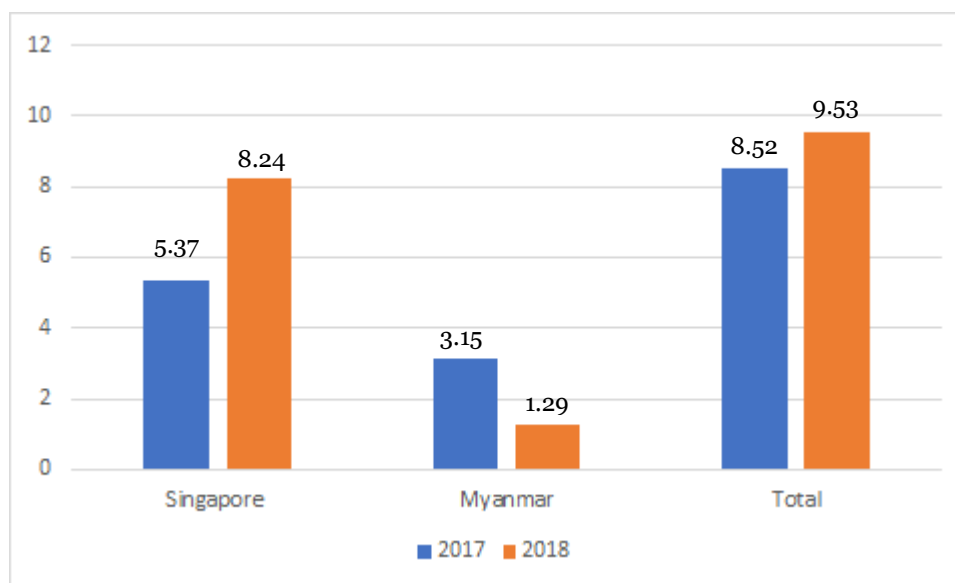
Figure 9 Distribution of employees by gender



Performance for FY2018 and Target for FY2019

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

Figure 10 Training hours per employee



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

At Soilbuild, we believe in providing training based on individual needs and strengths to all eligible employees. As part of our FY 2019 ESG targets, we aim to roll out new training programmes for all employees, new leadership courses for managers and above, as well as professional conversion programmes.

(b) Talent Attraction and Retention

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

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

- i. continued to take part in the BCA-Industry Built Environment Undergraduate Scholarship programme to offer opportunities to potential awardees to take up a career in the built environment;

- ii. worked with BCA and academic institutions to offer internship opportunities to students;
- iii. initiated a staff mentorship programme with the objectives of attracting, retaining and motivating talents.

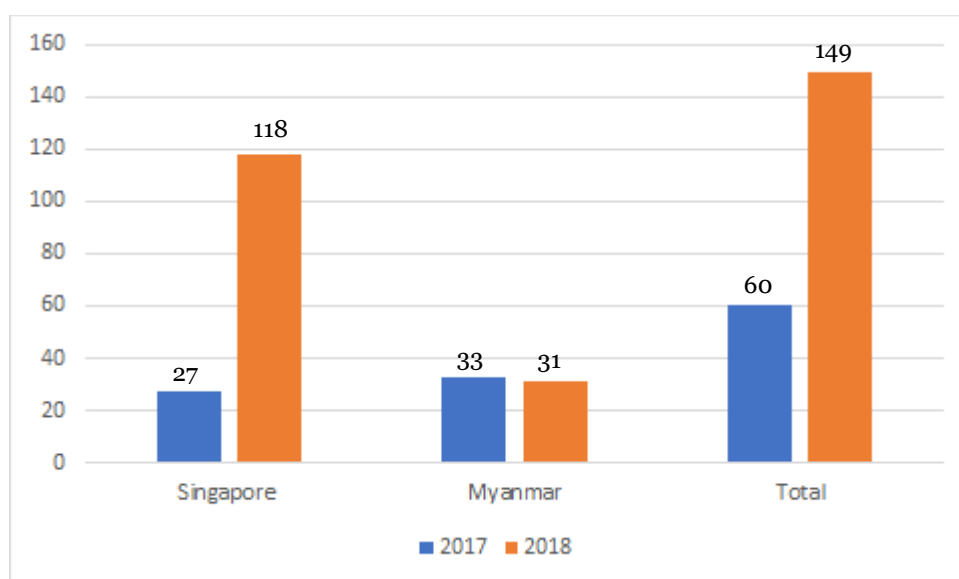
Performance for FY2018 and Target for FY2019

Table 4 Details on sponsorship / scholarship programme

Undergraduates Sponsorship/Scholarship programme	FY 2017	FY 2018
Sponsorship	2	2
Scholarship	2	-
Total	4	2

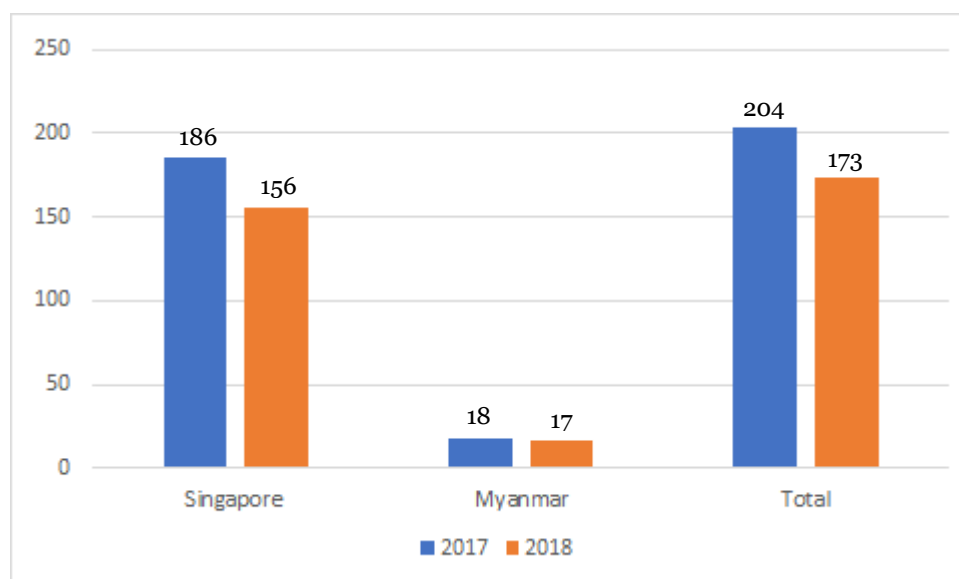
We believe in keeping people motivated as it directly influences their performance. Every year performance assessment is conducted to guide our employees on their strengths and weaknesses and provide necessary direction to grow their career paths. We aim to develop our employees to their full potential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

Figure 11 Total number of new employee hires



The rate of new employee hires during the reporting period was 19% and 42% (2017 : 4% and 50%) in Singapore and Myanmar respectively. Overall, the rate of new employee hires was 22% (2017 : 8%). At Soilbuild, we put in our best efforts to implement inclusive recruitment practices and optimise the use of available labour and talent in different regions.

Figure 12 Total number of employee turnover



The rate of employee turnover during the reporting period was 25% and 23% (2017 : 26% and 27%) in Singapore and Myanmar respectively. Overall, the rate of employee turnover was 25% (2017 : 26%). The turnover of employees in construction sector is particularly subject to the market and economic condition. The turnover in 2018 was in line with the industry norms in respective countries.

As part of Soilbuild's FY 2019 targets, we will continue to implement new programmes to secure fresh talent in the Company. As part of our future initiatives, we will explore new participation in sponsorship or scholarship programme with educational institutions to bring in young and fresh talent into the organisation and ensure our current employees meet technical and functional competencies for now and future requirements of the Group's business. The Group will also identify opportunities for elderly employees to upskill and continue employment.

(c) Occupational Health and Safety

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

Soilbuild actively promotes work safety and good environmental awareness by continuously upgrading the skills of our employees in order to increase their knowledge and efficiency in operational safety supervision and management. Planned events like "Safety Time Out" is conducted regularly on construction sites.



During Safety Time Out, the project teams at Soilbuild take time off from their routine operations to take stock and review particular work activities or systems to ensure safe operations. The safety officer conducts the training together with the safety team members. Typically, the safety officer briefs the workers on the importance and rationale for carrying out the Safety Time Out. Issues like near misses are highlighted and various methods are adopted to try to increase workers' safety mindset and awareness.

Senior management would take the lead and conduct regular site visits to encourage and instill a safety culture throughout the organization.



Soilbuild has also implemented appropriate procedures and policies to prevent and mitigate the spread of communicable diseases for the corporate office and all construction sites. Furthermore, we are committed to managing occupational health and safety issues. Preference is given to engage OHSAS 18000-certified or bizSAFE-certified vendors/ contractors. Soilbuild has been certified by the Workspace Safety and Health Council to have fulfilled the requirements to attain bizSAFE Level Star and obtained the OHSAS 18001:2007 certification for the scope of building and civil engineering construction services.

Performance for FY2018 and Target for FY2019

Soilbuild emphasises on ensuring that a safe work environment for our project team members and workers. There has been no workplace fatalities during the reporting period (2017 : Nil). In addition, Soilbuild has consistently performed better than the national average in industry safety metrics

(Do we need to show this statistic?)

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

We have also started to adopt technology to improve our safety standards on sites. At the moment, Soilbuild is working with software and platform providers to develop artificial intelligence to recognise unsafe acts on site. There are several projects in the pipeline to help us improve the Quality, Safety and Health standards for our people, our partners and our clients.

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

(d) Fair labour and human rights

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

To cultivate a strong sense of job satisfaction amongst our employees and to provide opportunities for employees to achieve their full potential, we conduct employee performance review on a yearly basis. During the performance review, the performance of each employee will be assessed by their immediate superior by using a set of key performance indicators based on the core and functional competencies. The results of the performance assessment will then be discussed between the employee and their immediate superior, whereby the employee's achievement and their concern, area of strengths and weaknesses, training needs and career advancement plan will be agreed upon and documented. The performance assessment will then be submitted to senior management for endorsement and considered in formulating the Group's human resource planning.

Performance for FY2018 and Target for FY2019

During 2018, the Group has taken various health and wellness initiatives to promote closer ties among the employees, and their well-being.



Zumba Fitness Class



Soilbuild Charity Walk

In the subsequent years, we will roll out a series of health and wellness programmes for all employees.

Governance: growth with purpose

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

(a) Service and Product quality and safety

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

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

Soilbuild has established the following quality objectives:

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

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

Performance for FY2018 and Target for FY2019

There have been no incidents of non-compliance concerning the health and safety impacts of our products and services in FY2018. Soilbuild's FY2019 target is to continue to incorporate and improve health and safety consideration in our constructions.

Completed Projects in FY 2018



HDB, Fern Grove



HDB, Sun Natura

(b) Ethics & Anti-corruption

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

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

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

- ✓ Declaration of potential conflicts at the commence of employment and subsequent yearly declaration by all employees
- ✓ Managing conflicts when receiving gifts from vendors, consultants, suppliers and sub-contractors
- ✓ Entertainment
- ✓ Interested person transaction and business with family and friends
- ✓ Financial interest in an outside company
- ✓ Fraudulent financial reporting
- ✓ Asset misappropriation
- ✓ Aiding and abetting
- ✓ Insider trading and dealings in securities
- ✓ Money laundering

The Group's Code of Ethics policy also cover areas such as Discrimination free and Harassment free workplace, Conflict of Interest, Managing Conflicts, Outside Employment, Fraud and Intellectual Property.

Soilbuild has a policy on Ethical Legal Responsibilities - Gift and Entertainment Declaration, approved by the Executive Chairman and which came into effect from June 2017. The policy applies to all full-time and part-time employees, and other persons working for Soilbuild. Types of gifts cover cash or cash equivalent instruments and non-cash gifts with particular estimated commercial value. Depending on the type of gifts the necessary procedures and the need for declaration form is determined as per the policy.

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

Performance for FY2018 and Target for FY2019

In FY2018, there were no cases of bribery and corruption.

As part of our future initiatives, we will continue to review and improve on internal policy on the prevention and management of bribery and corruption within Whistle blowing initiative. Our target is to provide training on all ethics and anti-corruption related policies and practices to 100% of our employees and ensure the Company meets high levels of standards on anti-corruption.

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