

SHAPING  
SMART  
CITIES  
FOR  
TOMORROW

SUSTAINABILITY  
REPORT  
2018



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# Chairman's Statement

We are pleased to present our second sustainability report for the financial year 2018.

The Singapore government declared 2018 as the Year of Climate Action, and we have made efforts to contribute to this call. We are excited about our pioneering collaboration with Canadian-based cleantech company, CarbonCure Technologies Inc. (CarbonCure) which enhances our commitment to sustainable innovation. By using and distributing CarbonCure's cutting-edge technology, we hope to tackle climate change by reducing not only our carbon footprint, but also that of our industry. Given that buildings and construction together account for 36% of global final energy use and 39% of energy-related carbon dioxide emissions when upstream power generation is included<sup>1</sup>, the potential impact of any carbon emission savings from concrete innovation is enormous. We estimate that our implementation of CarbonCure's technology can reduce over 4,000 tonnes of carbon emissions annually at each of our concrete plants.

2018 was a significant year for Pan-United Corporation Ltd (PanU) as we unveiled our new corporate identity, vision and refreshed values. We commend our employees on their involvement in this process, which consisted of much feedback and deliberation. Our vision provides direction and focus to our business growth. Our values guide our practices and how we relate to our stakeholders, as the behavioural foundation on which our business is built.

We are pleased to present our updated core values:



**Teamwork**



**Innovation**



**Passion**



**Trust**



**Customer Focus**

In addition, we have also aligned our activities with the United Nations' Sustainable Development Goals. By identifying the goals and targets that are important to us, we demonstrate our commitment to tackling global challenges. This report details our sustainability efforts and will assist our business stakeholders in tracking our progress over time. It also covers other important initiatives on resource management, employee well-being and safety, and talent acquisition, among others.

The Board has been integral in determining these material factors, and in overseeing the overall sustainability strategy at PanU. We would like to thank our employees for their hard work in 2018, and for their help in putting together this report.

We estimate that our implementation of CarbonCure's technology can **reduce over 4,000 tonnes** of carbon emissions annually at each of our concrete plants.

<sup>1</sup> UNEP Towards a zero-emission, efficient, and resilient buildings and construction sector Global Status Report 2017, [https://www.worldgbc.org/sites/default/files/UNEP%20188\\_GABC\\_en%20%28web%29.pdf](https://www.worldgbc.org/sites/default/files/UNEP%20188_GABC_en%20%28web%29.pdf)

# About this Report

This second year of sustainability reporting by PanU is in line with the Singapore Exchange (SGX) Sustainability Reporting requirements, Listing Rule 711A and 711B.

This report presents data and information for the financial year from 1 January 2018 to 31 December 2018 (FY2018). It covers our Singapore-based operations, excluding our operations in Malaysia, Indonesia and Vietnam. It also excludes our Port business in China, which was de-merged on 7 February 2018.

This report has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core Option. While we have not sought external independent assurance for this reporting period, we will consider it for future years.

A soft copy can be found on our website: [www.panunited.com.sg](http://www.panunited.com.sg). Should you have any questions or feedback regarding this Sustainability Report, please do not hesitate to reach us at [info@panunited.com.sg](mailto:info@panunited.com.sg).

# About Us

PanU is a concrete innovation company headquartered in Singapore. We are listed on the Stock Exchange of Singapore and have operations spanning four countries, with a workforce exceeding 1,000 people.

Our primary activities include:

- Manufacture and supply of ready-mix concrete, ground granulated blast furnace slag and granite aggregates,
- Cement silo operations, cement trading and distribution,
- Quarry operations,
- Trading and shipping services,
- Trading and supply of refined petroleum products,
- Technology and digital-based services,
- Investment holding and general trading.

We are Singapore's largest provider of ready-mix concrete and cement with a growing footprint in Vietnam, Malaysia and Indonesia. In Vietnam, PanU is the top brand for high-quality specialised concrete products in Ho Chi Minh City.

Our concrete and cement businesses are vertically integrated with aggregate quarrying and logistics services to maximise on the value chain.

We serve both public and private sector clients in diverse areas including industrial and infrastructural, commercial, institutional, educational and residential projects.

For details on our corporate structure, please refer to our annual report.

# Performance Highlights



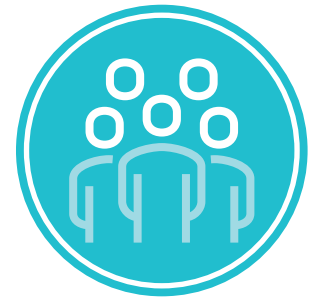
## **We are collaborating**

with CarbonCure Technologies Inc. to reduce our carbon footprint



## **We achieved**

9% water supply from recycled sources, exceeding our initial target of 5%

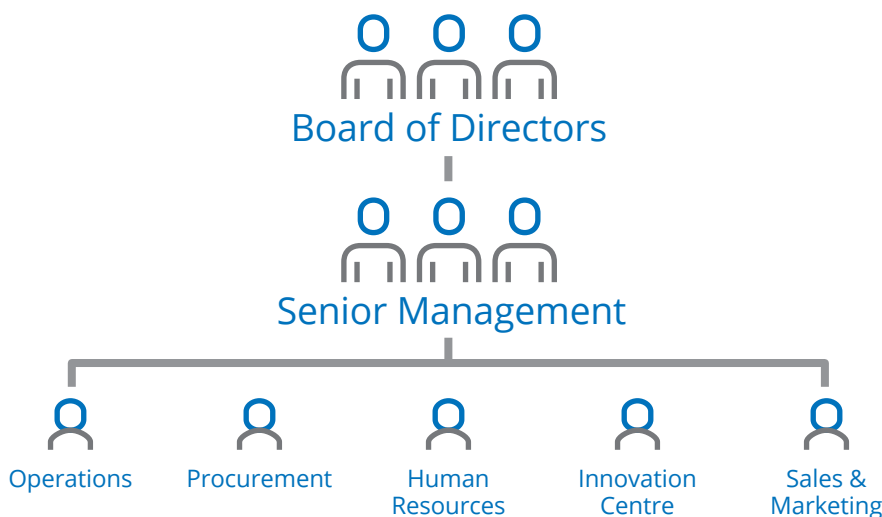


## **We refreshed**

our core values. These have been distilled to 5 values: Teamwork, Innovation, Passion, Trust and Customer Focus

# Sustainability Governance

Our sustainability strategy is aimed at developing safe and environmentally-friendly solutions for the communities we live and operate in. Information and data from key management in Operations, Procurement, Human Resources, the Innovation Centre, Sales and Marketing are reported to the Senior Management team that manages and monitors PanU's sustainability performance and targets. Our Board oversees the application and progress of our sustainability thrusts. With the support of the Audit Committee, the Board ensures that we have the appropriate policies and practices in place for better accountability and oversight.



## Values, Vision and Mission

The way that we conduct our business is guided by our core values. The extensive process of re-evaluating our values began in 2016 when our Senior Leadership decided to take a broad perspective to better understand our business context. Our employees were involved in the re-evaluation process, in order to subsequently strengthen the integration of these principles across the organisation.

The Board and Senior Management team were interviewed and a cross-section of employees was engaged using an online Organisation Accelerator Questionnaire. Their concerns, ideas, reflections, feedback and goals were aggregated into a report. After further deliberation by Senior Management, a refreshed set of 5 values was identified.

**A new vision was forged to provide focus and direction to our growth:**

*“To be a technology company in concrete and logistics”*

**Our mission remains as:**

*“Shaping smart cities for tomorrow”*



# Stakeholder Engagement

Stakeholder engagement continues to be key to sustaining our growth and long-term relationships. Our stakeholders are identified by assessing their reliance on, involvement with, and influence on our business.

Stakeholder	Frequency	Method	Topics raised	Our response
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Regular</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Dinner</li> <li>• Internal emails</li> <li>• Staff meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Health and well-being</li> <li>• Health and safety</li> <li>• Training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Employee wellness talks, health screenings etc.</li> <li>• Employee training and development programmes</li> <li>• e-Learning Portal</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Quarterly</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Extraordinary General Meeting</li> <li>• Annual reports</li> <li>• SGX announcements</li> <li>• Corporate website</li> <li>• Email alerts</li> </ul>	<ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Group financial results</li> <li>• Dividend pay-outs</li> <li>• Any matters affecting the Group</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of quarterly announcements and investor-related information on company website</li> <li>• Annual report, Sustainability report and other communications such as notices and letters to shareholders, and Proxy Forms on company website</li> <li>• Shareholder participation at general meetings</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Billing queries</li> <li>• Customers' requirement</li> <li>• Research &amp; Development (R&amp;D) collaborations</li> </ul>	<ul style="list-style-type: none"> <li>• Frequent communication to understand requirements and changing demands</li> </ul>
<b>Regulators/ Government</b>	<ul style="list-style-type: none"> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• On-site inspections and visits</li> <li>• Meetings</li> <li>• Government publications</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental compliance</li> <li>• Labour standard compliance</li> <li>• SGX listing requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborations to ensure compliance and achieve high ratings whenever possible</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Regular</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and delivery schedules</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings to collect and monitor relevant data</li> </ul>



# Materiality Assessment

In 2017, PanU engaged an external consultant to facilitate a materiality assessment workshop with our senior management team. The team selected factors believed to be most significant to, and with the largest impact on our stakeholders. The shortlisted, high-priority factors were validated with the Board and remain unchanged in 2018.

Our material factors are presented below:



## Environmental

Sustainable Materials

Recycled Water

Waste Management



## Social

Diversity & Inclusion

Occupational Health & Safety



## Governance



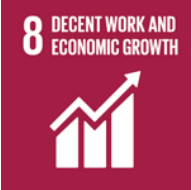
Regulatory and Legal Compliance





# The Sustainable Development Goals of PanU

In 2015, global leaders adopted the United Nations' 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). These goals provide a common language to tackle the key global challenges that universally apply to all peoples and nations. Each goal comprises multiple targets that are in turn accompanied by specific metrics to facilitate the measurement of progress.

At PanU, we view ourselves as a global corporate citizen with a responsibility to support the achievement of the 2030 Agenda for Sustainable Development. As a first step, we have identified and mapped the SDGs that we can impact through our practices. In future, we may leverage the SDG metrics to track our impact or use them to guide our strategies or initiatives.

The table below highlights our mapped SDGs and our impact on them:

	Goal	Target	Initiative
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>Goal 3</b> Ensure healthy lives and promote well-being for all at all ages.</p>	<p><b>3.4:</b> By 2030, reduce by one third premature mortality from non-communicable diseases through prevention, treatment and promotion of mental health and well-being.</p> <p><b>3.8:</b> Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>	<p>We care for our employees by providing them health benefits and undertaking wellness programmes. In FY2018, we initiated a revamp of the medical benefits scheme for our employees. Our staff attended a Business Psychological Resilience Programme (B-PREP) which helped educate them on mental health and crisis management.</p> <p><i>Occupational health and safety</i></p>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<p><b>Goal 6</b> Ensure availability and sustainable management of water and sanitation for all.</p>	<p><b>6.3:</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p>	<p>Through our water recycling and rainwater harvesting initiatives, we treat and reuse wastewater so as to reduce water wastage and prevent water pollution.</p> <p><i>Recycled water</i></p>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>Goal 8</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p><b>8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men.</p> <p><b>8.8:</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<p>At PanU, we employ over 1,000 men and women. Through our employment, we provide livelihoods for a diverse group of people, who in turn support their families.</p> <p>We strive to ensure the health and safety of all our workers, staff and contractors through implementation of stringent policies and practices.</p>

	Goal	Target	Initiative
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>Goal 9</b> Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	<b>9.4:</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	We use recycled materials as well as CarbonCure's green technology to reduce the embedded carbon footprint of our concrete, as well as improve the resource and emission efficiency of its production.  <i>Sustainable Materials</i>
<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>Goal 11</b> Make cities and human settlements inclusive, safe, resilient and sustainable.	<b>11.6:</b> By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	By reducing the energy intensity of our products through CarbonCure's technology and by using recycled materials in our concrete production, we reduce waste and emissions. This contributes to sustainable, safer and more resilient cities.
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>Goal 12</b> Ensure sustainable consumption and production patterns.	<b>12.5:</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.  <b>12.6:</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	<i>Sustainable Materials</i>  Through our reporting, we report our sustainability information and track our progress.
<b>17</b> PARTNERSHIPS FOR THE GOALS 	<b>Goal 17</b> Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.	<b>17.7:</b> Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.	To be a leader in developing clean, green concrete, we actively pursue partnerships with other innovators and thinkers. In the past, we have collaborated with the Singapore government and Nanyang Technological University (NTU). This year, we have entered into a strategic partnership with cleantech company CarbonCure.  <i>Sustainable Materials</i>

# Environmental

As a concrete producer, PanU aims to create more efficient, environmentally-friendly products to contribute to the reduction of greenhouse gas emissions associated with building construction. With our extensive in-house R&D capabilities through the Innovation Centre, we seek to develop high-performance products that integrate green technology to create safer, more sustainable building materials for our customers and communities. We continually seek partnerships with other innovators and thinkers, collaborating with institutions like NTU and cleantech firms like CarbonCure in our research endeavours.



## Sustainable Materials

### Management Approach

One way that we reduce the carbon footprint of our concrete is by integrating more recycled content into our production, hence reducing the volume of natural aggregate consumed. We provide a diverse range of products to our clients who increasingly demand sustainable products. These include the 'Eco' and 'Green' ranges developed in-house by our R&D team at the Innovation Centre. The products include recycled concrete aggregates, Washed Copper Slag and Ground Granulated Blast-Furnace Slag (GGBFS).



We participate in the Waste Management & Recycling Association of Singapore (WMRAS) accreditation scheme, which examines our recycled concrete aggregates and crushers. The scheme includes an annual audit. We are proud to have their seal of approval.



PanU holds the highest sustainability certification of "Leader" awarded by the Singapore Green Building Council, achieving 4 out of 4 ticks. The next renewal of this certification is in 2021.



*Signing ceremony of the strategic partnership agreement on 15 November 2018. The CarbonCure-PanU collaboration was signed by Mr Christian Weisenburger from CarbonCure and Mr Ken Loh from PanU. It was witnessed by Mr James Gordon Carr, Canada's Minister of International Trade Diversification, and Mr Png Cheong Boon, Chief Executive Officer of Enterprise Singapore, the Singapore government agency championing enterprise development.*

### Partnership with CarbonCure

In November 2018, PanU signed a strategic partnership with CarbonCure, a cleantech company renowned for cutting-edge technology that incorporates carbon dioxide in concrete production to produce greener and stronger concrete. PanU will be the first company in Asia to use CarbonCure's product innovation. It is our plan to introduce the technology to other ready-mix concrete producers in Singapore and subsequently, other Asian markets.

The CarbonCure technology is differentiated by its process, which involves the chemical conversion of carbon dioxide captured from industrial emitters into a nano-mineral that is permanently embedded in the concrete. This process improves the compressive strength of the concrete. Concrete producers thus achieve manufacturing efficiencies while reducing their carbon footprint.

Through the use of this technology, PanU has the potential to save over 4,000 tonnes of carbon emissions annually at each of our concrete plants.

We are in the process of implementing the technology at several batching plants initially, and aim to begin data collection and analysis in 2019.

### Performance

- Similar to 2017, 8% of our input materials are made up of recycled materials<sup>2</sup> this year.

### Targets

- Measure and report the results of the CarbonCure project in 2020.
- Continue to assess areas to reduce the use of natural, virgin materials in our products.



*CarbonCure system at a PanU plant.*

<sup>2</sup> Formula: total recycled input materials used/ total input materials used



## Recycled Water

Water is a key ingredient in the production of concrete. We resourcefully reduce our water consumption where we can. We also strive to improve the efficiency of our water usage.

### Management Approach

Although most of our water is drawn from municipal sources, we regularly recycle water through rainwater harvesting and grey water reuse for activities like wetting dry floors and washing trucks and tyres. We filter the water through onsite water treatment plants located in our industrial sites and use the treated water to reduce wastage.

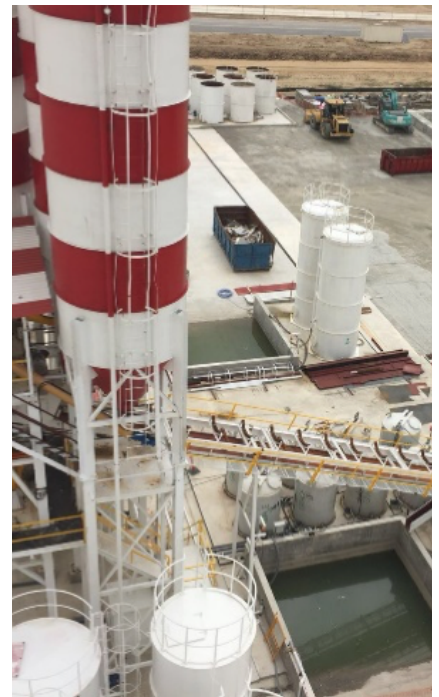
In 2018, we increased the number of tanks and ground pits used for rainwater collection. At least 15 to 20 new tanks per plant were added to our storage facilities. The increased capacity for recycled water storage, and particularly benefitting from heavy rainfall this year, enabled us to far exceed our recycled water targets for 2018.

### Performance

- 9% is recycled water.

### Target

- Increase recycled water use to 18% by FY2020.



*New water tanks and ground pits for collection of rainwater.*

## Waste Management

Given rapid urbanisation and the constant need for concrete for construction, it is extremely important to make the production process more efficient. Also, to reuse as much as possible the superfluous material or waste, in order to avoid increasing landfills. We try to ensure most of our waste is recycled, either by ourselves or with the help of third parties.

### Management Approach

We have two main sources of waste: concrete waste and sludge. We recycle superfluous concrete from our customers back into concrete production as concrete aggregates, which are key ingredients in concrete.

Similarly, the sludge waste we produce is collected by third party contractors that reuse this waste for important purposes such as:

- Backfilling
- Temporary Access
- Stabilising slopes to prevent erosion or landslides

In our corporate offices, we reduce paper waste as far as possible. Besides monitoring paper usage and encouraging double-sided printing in the office, we have harnessed technology by introducing e-filing and e-invoicing to our clients as a means of cutting down paper use.

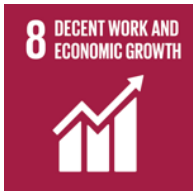
### Performance

Non-hazardous waste generated from our operations and recycled in FY2018 was 246,559 metric tonnes. We did not have any hazardous waste.

### Target

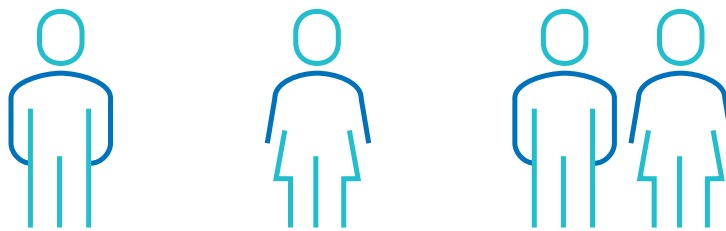
- Raise awareness in paper reduction for employees in FY2019.

# Social



Employees at PanU are regarded as a family and the cornerstone of our success. Our team of highly committed individuals has accumulated years of knowledge and experience to advance the organisation in a myriad of ways. We work hard to ensure their well-being, development and safety in our organisation.

## Our Employees



Male

Female

Total

<b>Permanent Contract</b>	882	146	1,028
<b>Temporary Contract</b>	68	3	71
<b>Full-time</b>	947	148	1,095
<b>Part-time</b>	3	1	4

Our employees are not covered by collective bargaining agreements.



## Diversity and Inclusion

At PanU, we are proud of our employee diversity of different races, nationalities and cultures. Their diverse backgrounds offer a diversity of experiences and perspectives that broadens our value proposition and prepares us to counter a greater number of risks and capitalise on opportunities. Through targeted programmes, we aim to foster a productive, pleasant and collaborative work environment.

### Management Approach

#### *Talent management*

We continue to introduce initiatives aimed at delivering value to our customers by up-skilling our workforce. We have reviewed and implemented training sessions for our entire team, from customer service officers to our drivers, so as to foster and sustain a culture of service excellence in PanU.

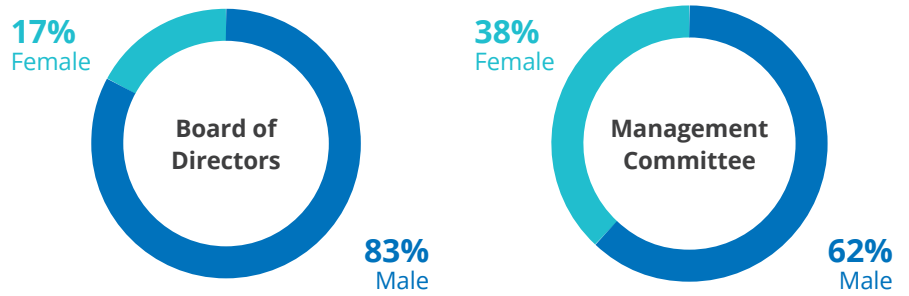
During FY2018, we initiated the process of implementing a one-stop e-Learning Portal, to provide technical and soft skills training to our employees. The Portal was launched in April 2019 and the first e-learning course is focused on re-familiarising our employees with the Employee Code of Conduct.

We have introduced a series of training programmes to improve the core competencies of senior management and strengthen their ability to adapt to fast-changing conditions. As a first step, we conducted Presentation Skills Training with the help of an external consultant for 10 participants from our senior management in 2018. This was followed by individual coaching sessions for selected participants to enhance their communication skills.

In addition to skills training, we have succession planning programmes to support employees in their career growth; enable leadership development and meet our people resource requirements for the future. We also work with polytechnics and universities in Singapore and Malaysia to attract young talent. In FY2018, we introduced targeted recruitment of technologically-skilled talent to fill positions in Information Technology and Operations. To facilitate the recruitment of diverse talent, we have signed up with LinkedIn and are participating in career fairs in 2019. Younger talent from a variety of backgrounds can contribute to innovative and out-of-the-box thinking, providing the potential for limitless value-add to PanU.

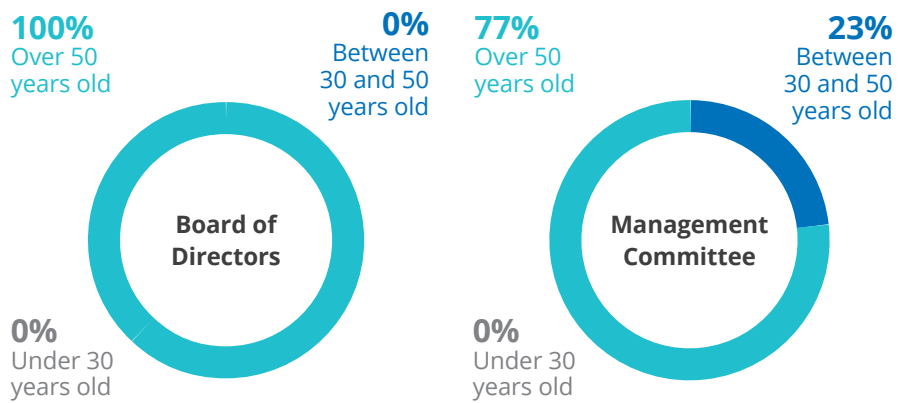
Performance

## Upper Management by Gender

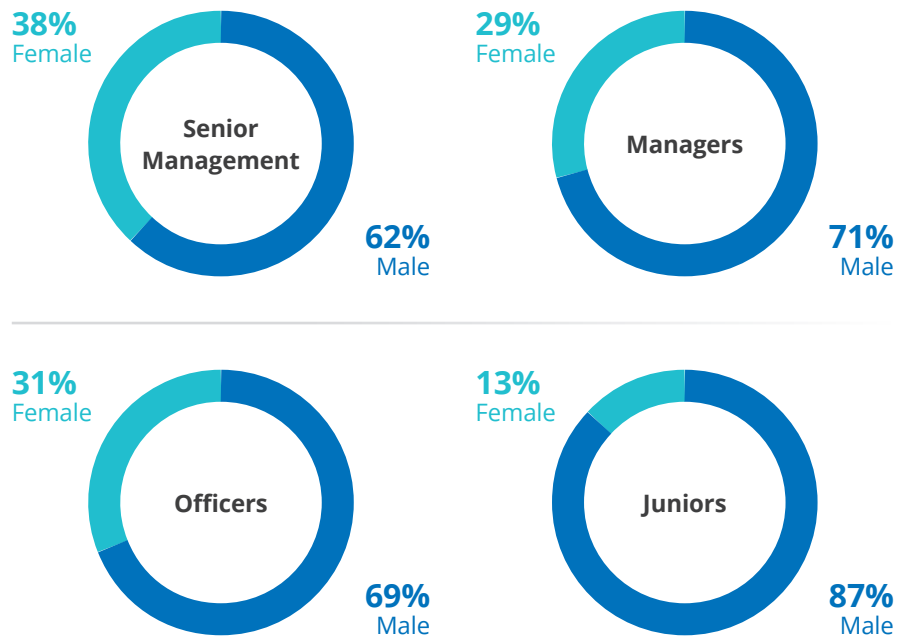


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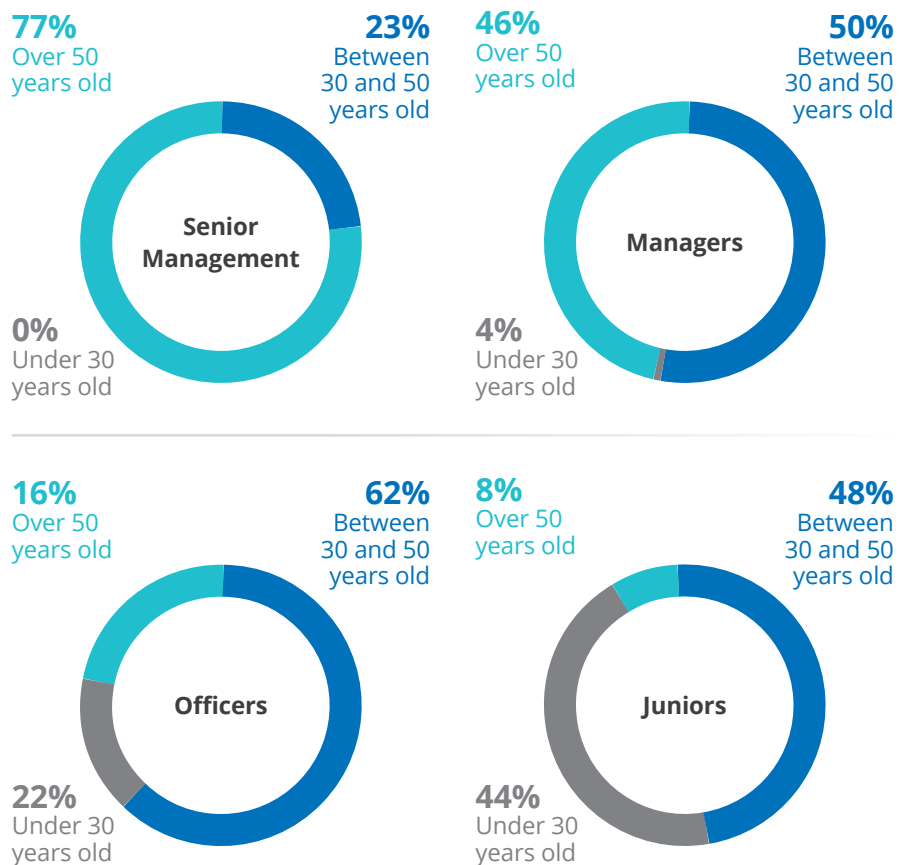
## Upper Management by Age



## Employees by Gender



## Employees by Age Category



### Target

- Implement a diversity and inclusion strategy and policy by the end of FY2020



## Occupational Health and Safety

We recognise that there are health and safety risks in our industry. In order to ensure the safety of all our employees, we have adopted strict health and safety policies and implementation and monitoring practices across our business operations.

### Management Approach

To help us manage on-site safety, we have a risk management system in place that follows SS506 Guidelines. One of our subsidiaries has also achieved ISO 45001 certification. The robust ISO 45001 standard emphasises roles and responsibilities, ensuring an efficient system of safety checks and a cohesive system of accountability.

This year, three main occupational health and safety training programmes were conducted, both in English and Chinese:

- **Perform Work in Confined Space Operation:** This identifies the duties and responsibilities of personnel working in confined spaces under the WSH Legislation and Code of Practice
- **Supervise Construction Work in Workplace Safety and Health:** This is to train supervisors for the risk management process as well as responsibilities, planning and organisation of the work at construction sites
- **Occupational First Aid:** This teaches the basic principles and practices of first aid

In these courses, employees learn about emergency response plans, control measures for specialised operations, risk assessment methods and preventive measures as well as basic but important standard operating procedures. Depending on the relevance, all employees are required to attend some form of safety training.

In FY2017, PanU invited the Singapore Civil Defence Force (SCDF) to evaluate our facilities and provide insights on our safety and emergency response procedures. In FY2018, SCDF returned to PanU to train our employees on emergency response procedures for terrorist attacks. PanU continues to collaborate with SCDF in order to be prepared in case of any national emergency.

PanU has 265 subcontracted workers, primarily working in our concrete batching plants. These workers comprise of:

- General workers for batch-plant duties
- Mechanics for plant maintenance
- Wheel loader operators to operate machines that load raw materials into weighing hoppers and replenish stockpiles
- Mixer truck drivers to help deliver ready-mix concrete to project sites

We work with trusted contractors to maintain the well-being of our subcontracted workers.

### Wellness and well-being

At PanU, we understand the value of caring for our employees by providing them health benefits and wellness programmes. In FY2018, we initiated a revamp of the medical benefits scheme for our employees. The changes included a removal of the cap on a medical claim per visit, the introduction of cashless payment with panel doctors, improvement of coverage for certain employee groups and expansion of coverage to include traditional Chinese medicine and emergency medical services.

Mental health is equally as important as physical health. We continually look to equip our employees with the tools necessary to improve their emotional resilience. In FY2018, 6 of our employees attended the Business Psychological Resilience Programme (B-PREP). The training consisted of two modules designed to educate employees on mental health and crisis management.

### Performance



	For Employees	For non-employees whose work and/or workplace is controlled by PanU
Number of fatalities as a result of work-related injuries	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	1
Number of recordable work-related injuries	0	10
Total Work-Related Injuries	0	11
Rate of fatalities as a result of work-related injuries	0	0
Rate of high-consequence work-related injuries	0	0.44
Rate of recordable work-related injuries based on 200,000 hours	0	4.37

In FY2018, the work-related injuries incurred were a result of working in hot conditions, at heights and in confined spaces.

### Targets

- Reduce the rate of recordable work-related injuries by 5% by FY2020
- Maintain zero high-consequence injuries across our operations
- Maintain zero fatalities across our operations
- Introduce Safety Day, involving both employees and subcontractors

# Governance

The relationship between our company, our employees and our customers is built on trust. The way we govern our business and these relationships is therefore crucial to our long-term success. To help us maintain integrity in all matters, we have governance policies and procedures in place.

## Regulatory and Legal Compliance

We are subject to a number of regulations and compliance requirements which are established by various bodies such as the Ministry of Manpower (MoM), the National Environment Agency (NEA) and the Singapore Exchange (SGX).

### Management Approach

We work closely with government agencies and regulatory bodies for regulatory and legal compliance in the economic, social, and environmental areas. This helps us ensure compliance with the SGX listing rules, Singapore Companies Act, Singapore Income Tax Act and other local regulations. We also comply with various MoM requirements pertaining to workplace health and safety as well as fair employment.

The NEA conducts ad-hoc inspections of our concrete batching plants. We maintain clean sites with no breeding ground for vectors like mosquitoes, in order to keep diseases such as dengue and malaria at bay. The Pollution Control Department inspects our sites for dust control. We continue to practice environmentally-responsible activities, such as, use a cement filter bag system to trap dust, wet floors to stop dust rising and prevent drain blockages with regular drain checks.

### Performance

In FY2018, there were no incidents of non-compliance with laws and regulations in the social and economic areas or with environmental laws and regulations.

### Target

- Maintain zero incidents of non-compliance in the social, economic and environmental areas.

# External Initiatives and Memberships of Associations

- Waste Management & Recycling Association of Singapore (WMRAS)
- Singapore Green Building Council (SGBC)
- Singapore Concrete Institute
- American Concrete Institute (Singapore Chapter)
- Ready-Mixed Concrete Association of Singapore
- BCI Asia Construction Information Pte Ltd
- The Concrete Society Ltd
- The Singapore Contractors Association Ltd
- Tunnelling and Underground Construction Society (Singapore)
- Integrated Management System (ISO 9001, ISO 45001 & ISO14001)
- Business Council for Sustainable Development Singapore (Founding Member)

# GRI Index Table

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<b>GENERAL DISCLOSURES</b>		
102-1	Name of the organisation	Chairman's Statement, 2
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102-3	Location of headquarters	About Us, 4
102-4	Location of operations	About Us, 4
102-5	Ownership and legal form	Annual Report 2018, page 102, Statistics of Shareholdings
102-6	Markets served	About Us, 4
102-7	Scale of the organisation	Social, 15  Annual Report 2018, page 2, Group Financial Summary and page 12-21, Performance Review
102-8	Information on employees and other workers	Social, 15
102-9	Supply chain	About Us, 4
102-10	Significant changes to the organisation and its supply chain	No significant changes to organisational structure and supply chain.
102-11	Precautionary principle or approach	Although we do not explicitly reference the precautionary principle in our risk management, we undertake environmentally responsible practices with the aim of being responsible corporate citizens.
102-12	External initiatives/charters	External initiatives and memberships of associations, 22
102-13	Membership of associations	External initiatives and memberships of associations, 22



Disclosure Number	Disclosure Title	Reference
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102-49	Changes in reporting	N/A - No changes
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Disclosure Number	Disclosure Title	Reference
<b>SPECIFIC DISCLOSURES</b>		
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103-1/2/3	Management approach	Social, 15-16
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103-1/2/3	Management approach	Governance, 21
419-1	Non-compliance with laws and regulations in the social and economic areas	Governance, 21



**Pan-United Corporation Ltd**  
(Company Registration No. 199106524G)

7 Temasek Boulevard  
#16-01 Suntec Tower One  
Singapore 038987

Tel: 6305 7373 Fax: 6305 7345  
Email: [info@panunited.com.sg](mailto:info@panunited.com.sg)

[www.panunited.com.sg](http://www.panunited.com.sg)