



COLEX
HOLDINGS LTD

Sustainability Report FY2018

About This Report

Our second sustainability report focuses on how we have built on our sustainability efforts from our inaugural year of reporting in 2017 to continue to improve our sustainability performance. The scope of this report covers the sustainability performance of Colex Holdings Limited (“Colex” or “Company”)’s waste disposal (Colex Environmental Pte Ltd) and contract cleaning operations (IPM) in Singapore from 1 January to 31 December 2018.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and Singapore Exchange Securities Trading Limited’s (SGX) sustainability reporting listing requirements.

The GRI guidelines were chosen due to their relevance for our reporting process and alignment with SGX requirements. This report references the following topic-specific disclosures:

Disclosure 303-1 from GRI 303: Water (2016)

Disclosure 302-1 from GRI 302: Energy (2016)

Disclosure 307-1 from GRI 307: Environmental Compliance (2016)

Disclosure 401-1 from GRI 401: Employment 2016

Disclosure 404-1 and 404-3 from GRI 404: Training and Education 2016

Disclosure 419-1 from GRI 419: Socioeconomic Compliance 2016

Colex values and welcomes any feedback, comments or enquiries regarding this report. Please send your questions or feedback to wastemgt@colex.com.sg.

Sustainability at Colex

The Intergovernmental Panel on Climate Change (IPCC), in a special report released in October 2018, emphasised the need to manage our resources in the best way possible in order to fight climate change and minimise its impacts over the next 12 years.

As the demand for products and services rises in line with a growing world population, waste management has become a major problem globally and locally, which requires new and innovative solutions. The concept of a circular economy, which focuses on the optimisation of resources through reuse and recycling, has been endorsed by businesses across various industries. In the waste industry, companies are investing in technologies to improve operational efficiency and safety. For example, the increasing use of electric or autonomous vehicles will revolutionise the industry and improve the way we manage and dispose of waste.

In addition, “sustainable consumption and production” is one of United Nations’ 17 Sustainable Development Goals (SDGs), which focus on the economic, environmental and social dimensions of sustainable development. Improving waste management is, therefore, essential in achieving this goal. In response to global efforts to reduce waste, Singapore is committed to achieving a 70% national recycling rate and a 30% domestic recycling rate by 2030¹.

As a waste management company, Colex recognises the changing landscape of the industry. As businesses and individuals work toward achieving their sustainability goals, they are increasing their recycling efforts in order to reduce waste generation. We support these efforts and strive to help them address the challenge of increasing waste and decreasing resources. We are also committed to

¹ As disclosed by Mr Masagos Zulkifli, Minister of the Environment and Water Resources, during parliamentary questioning on the 3rd April 2017 <https://www.mewr.gov.sg>



contributing to the achievement of the SDGs by providing support to cities and companies in their transition towards a zero-waste and low-carbon economy.

At Colex, our commitment to sustainability extends beyond our own business operations. We strive to manage resources such as energy and water in an efficient manner and ensure that the welfare and wellbeing of our employees are maintained. We are pleased to present this report and we aim to build on the progress made over the last year into the future.

Board Statement

The Board of Directors of Colex Holdings Limited (“Board”) is pleased to present our second sustainability report.

At Colex, we have built our business around reducing, reusing and recycling waste while investing in our people and contributing to local communities. Therefore, it is important for us to remain focused on sustainability for the benefit of our environment, as well as for the long-term success of our business.

The Board considers sustainability an essential part of Colex’s business strategy and oversees the integration of sustainability issues into its decision-making processes. A Sustainability Steering Committee, made up of representatives from various divisions across Colex, develops the Company’s sustainability policies and manages and monitors the Company’s sustainability performance.

In our first year of sustainability reporting, formalising and reporting on our sustainability efforts were our main focus. Since then, we have reflected on the progress made thus far and have identified several areas of improvement after monitoring and assessing our performance against the previous year. This year, a materiality review was conducted to revalidate material issues identified in FY2017. The review has enabled us to prioritise topics or areas that have a significant impact on Colex and its stakeholders.

Besides monitoring the progress and performance in the focus areas, the Board has been involved in the identification of associated key performance indicators (KPIs) and targets relating to each material topic for the following year. In FY2018, we took proactive steps to address gaps in our sustainability performance and identified ways in which our performance can be improved.



Stakeholder Engagement

Colex strives to build lasting relationships with key internal and external stakeholder groups that matter most to our business. The waste industry is constantly evolving and it is important that we understand issues that are relevant to us and obtain feedback from our stakeholders in order to help us make progress towards our business and sustainability goals.

We engage our stakeholders through a range of methods (see the table below) on a regular basis to understand issues of concern to them and to respond to any questions raised about our business operations. We are also able to identify and address any concerns our stakeholders have about sustainability through these interactions.

Stakeholders	Engagement Methods
Employees	<ul style="list-style-type: none"> • Company handbook • New employee orientation • Whistle blowing policy • Safe and healthy working environment • Learning and development opportunities
Local Communities	<ul style="list-style-type: none"> • Community Involvement Programme (CIP) • “Cash for Trash” initiative
Investors/Shareholders	<ul style="list-style-type: none"> • Media releases • Quarterly SGX’s announcements • Briefings for investors and media • Yearly annual general meeting (AGM) for shareholders • Annual report • Investor conferences and roadshows
Government/Regulators	<ul style="list-style-type: none"> • Ongoing dialogues and feedback • Meetings, briefings, consultations and inspections • Letters and electronic communication

Materiality

Focusing on materiality enables us to make decisions based on issues that are important to us and our stakeholders. We conducted a materiality assessment in FY2017 to identify environmental, social and governance (ESG) factors that were most material to our business operations and of significant interest to key stakeholders. In FY2018, we conducted a review to revalidate material ESG factors identified in FY2017. The material ESG factors in FY2018 remain unchanged from those identified in the previous year.

We recognise the need to join global efforts to address the SDGs in order to protect the environment, eradicate poverty and inequality, and promote peace and stability. Therefore, we made an effort to link relevant SDGs to the identified material topics in order to demonstrate our commitment to achieving the SDGs. We strive to contribute to the achievement of the SDGs by promoting the sustainable and efficient management of resources and safeguarding the welfare and wellbeing of our stakeholders.

The material ESG factors mapped to the SDGs in FY2018 are as follows:

Sustainability Focus Areas	Material Factors	Relevant Sustainable Development Goals (SDGs)
Economic	<ul style="list-style-type: none"> ▪ Economic Performance² 	
Environmental (Waste management operations only)	<ul style="list-style-type: none"> ▪ Waste and recycling ▪ Water ▪ Energy and Emissions 	<ul style="list-style-type: none"> ▪ Goal 7: Affordable and clean energy ▪ Goal 11: Sustainable cities and communities
Social	<ul style="list-style-type: none"> ▪ Occupational Health and Safety ▪ Staff Retention ▪ Local Communities 	<ul style="list-style-type: none"> ▪ Goal 3: Good health and well-being ▪ Goal 8: Decent work and economic growth
Compliance	<ul style="list-style-type: none"> ▪ Social Compliance ▪ Training and Education ▪ Environmental Compliance 	<ul style="list-style-type: none"> ▪ Goal 17: Partnerships for the goals

² Please refer to our Annual Report and financial statements for details on this factor.

Environmental

Waste and Recycling

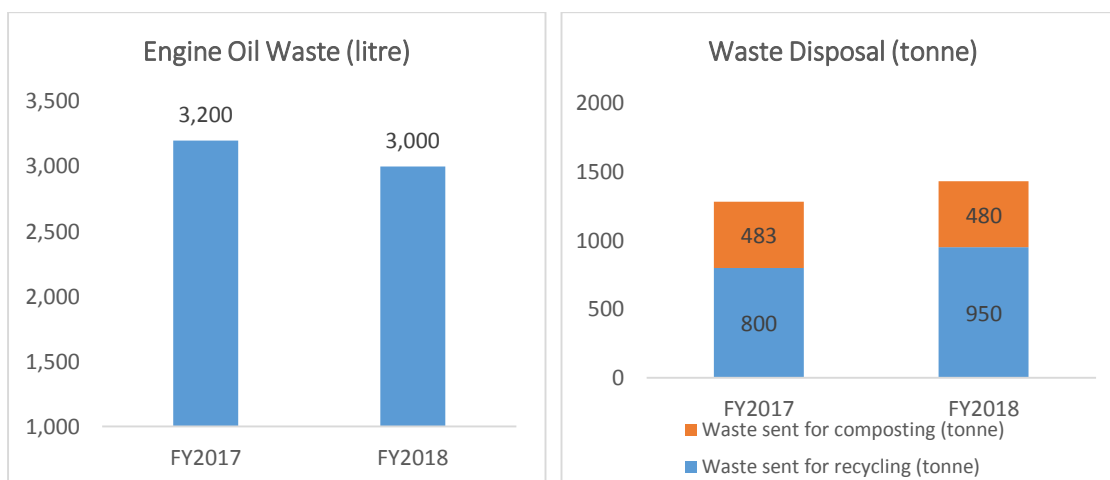
FY2018's Performance
<ul style="list-style-type: none"> Amount of waste collected for recycling and/or composting: 1,430 tonnes
Performance Against FY2018's Target
<ul style="list-style-type: none"> Achieved our FY2018's target of continuing to bundle waste recycling services to further encourage recycling of waste
FY2019's Target(s)
<ul style="list-style-type: none"> Continue to bundle waste recycling services to further encourage recycling of waste

As a waste management and cleaning service provider, we believe it is our responsibility to protect the environment by managing waste generated in the areas we serve in an efficient and sustainable manner.

We continue to serve residents in Jurong by collecting both waste and recyclable items from this area. Solid waste collected from the area is incinerated at our incineration facility while recycled items are processed at our own Material Recovery Facilities (MRF). We view the contract as an opportunity for us to fulfil a community service obligation and strive to ensure that these services are delivered to a high standard. At the beginning of each day, a driver job card with an assigned collection route is provided to each driver collecting waste. Waste pick-ups are tracked and monitored through a Global Positioning System (GPS) tracker installed on each collection truck. Each driver's job card is signed off by a supervisor upon returning to the site of the facility.

Besides waste collection services, we offer bundling recycling services to our clients. To increase the use of these services, we created recycling corners with recycling bins provided at the sites with full signage. All recyclable materials collected are taken to the MRF where the sorting of paper, plastics, metal and aluminium takes place. The sorted items are then sold to various vendors, who either use or export them.

As for our own activities, one of the main wastes that we produce is engine oil from our workshop. Understanding that this is a toxic waste, we contract waste disposal specialists to take away and safely dispose of this waste. In addition, we use non-toxic chemicals in our cleaning service operations since they are safe to use and have a low environmental impact. We also purchase and use environmentally-friendly products such as toilet paper made from recycled fibres in our operations.





The amount of waste collected for recycling and/or composting (garden waste) increased from 1,283 tonnes in FY2017 to 1,430 tonnes in FY2018. One of the main wastes from our business operations is oil from the workshop. There was a decrease in the amount of oil waste that we produced from FY2017 to FY2018, which was due to a higher grade of oil used for Euro 6 engines which require longer oil change interval. We will continue to maintain or reduce the amount of oil waste produced in FY2019.

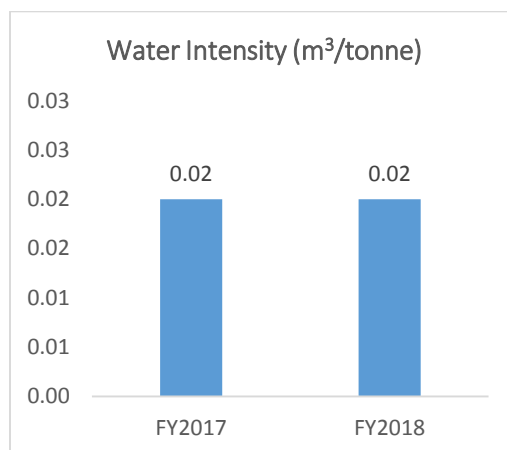
Water

FY2018's Performance
<ul style="list-style-type: none"> Water intensity = 0.02 m³/tonne of waste collected
Performance Against FY2018's Target
<ul style="list-style-type: none"> Achieved our FY2018's target of capping our water usage at 550 m³/month; our water usage was 414 m³/month
FY2019's Target
<ul style="list-style-type: none"> Maintain or reduce water intensity at current levels

According to a study conducted by the World Resources Institute in 2015, Singapore was identified as one of six countries that are most likely to be water stressed by 2040. Reducing the pressure on our water resources and the environment is, therefore, a national priority.

Truck washing and the cleaning of the MRF account for a significant amount of the water consumption at Colex. We recognise that reducing water consumption in our operations is essential to environmental stewardship. Hence, we have implemented measures to reduce our water use for truck washing and MRF cleaning. Training and information on water-saving measures are provided to truck drivers to promote water conservation. We also use rainwater stored in a tank in our daily operations.

Waste water management is an important sustainability issue for Colex because waste water is generated from truck washing and the cleaning of the MRF. Waste water pollutes the environment and the food chain and is harmful to the environment and human health. Hence, we engage a licenced contractor to collect waste water generated on a daily basis. Also, a waste water treatment process has been implemented at Colex since December 2018.





All water used on our premises and in our business operations was drawn from the Public Utilities Board (PUB). In FY2018, our water consumption was 414 m³ a month on average. Our water intensity remained constant at 0.02 m³/tonne of waste collected from FY2017 to FY2018.

Energy and Emissions

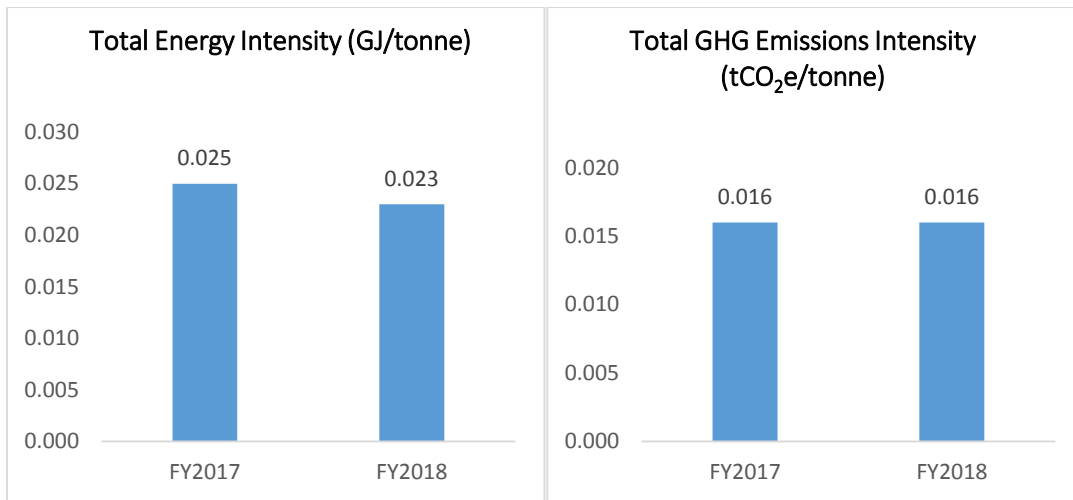
FY2018's Performance
<ul style="list-style-type: none"> Total energy intensity: 0.023 GJ/tonne Total GHG emissions intensity from electricity use: 0.016 tCO₂e/tonne
Performance Against FY2018's Target
<ul style="list-style-type: none"> Achieved our FY2018's target. The energy usage for FY2018 was 6,500 GJ
FY2019's Target
<ul style="list-style-type: none"> We aim to maintain or reduce energy intensity at current levels

In the waste industry, energy consumption accounts for a substantial portion of operating costs and greenhouse gas (GHG) emissions. At Colex, a significant amount of this energy use occurs at the MRF in the form of electricity. The machines, tools, trucks and vans used in our operations consume a large amount of diesel, which contributes to our total GHG emissions. Therefore, reducing our energy consumption is an efficient and effective means of lowering our operating costs and minimising our carbon footprint. We have robust systems in place to monitor and manage our energy consumption to help us ensure we are being as energy efficient as possible.

In order to reduce our energy consumption and GHG emissions, we use fuel-efficient vehicles in our operations and regularly upgrade existing vehicles. Training is provided to each truck driver on using the shortest routes possible and tracking each vehicle's diesel consumption using a computerised system. Trucks and vans that have high diesel consumption are inspected and serviced if required and the diesel consumption of each vehicle is presented to the management on a monthly basis. Our vehicles use high-quality, low-sulphur diesel that is purchased directly from the refinery. In addition, we use automated trucks and electric lifters when collecting and sorting waste as a way of cutting down on GHG emissions and noise pollution in the areas we serve. All vehicles are inspected yearly to comply with the Land Transport Authority's Carbon Emissions-Based Vehicle Scheme (CEVS). We also adhere to United Nations Economic Commission for Europe (UNECE)'s R101 Fuel Consumption standards. To promote environmental awareness, a truck inspection manual is provided to each truck driver and posters on environmental issues are displayed within our premises.

In our office, we use LED lights, a motion sensor system and an energy-efficient air-conditioner system to reduce our electricity consumption. We also encourage our employees to turn off lights when they are not in use. We track and monitor the electricity consumption of the MRF and a report is presented to the management on a monthly basis. This measure allows us to mitigate any increase in electricity consumption. We ensure that the electricity supply to the MRF is disconnected when it is not in use and that all the machines run in an efficient manner.

Our total energy intensity decreased 5% from 0.025 GJ/tonne of waste collected in FY2017 to 0.023 GJ/tonne of waste collected in FY2018. The total GHG emissions intensity remained constant at 0.016 tCO₂e/tonne of waste collected between FY2017 and FY2018.



Social

Occupational Health and Safety

FY2018's Performance
<ul style="list-style-type: none"> • Number of fatalities as a result of work-related injury: 0 • All our operations assessed for bizSAFE Level 3
Performance Against FY2018's Target
<ul style="list-style-type: none"> • Achieved our FY2018's target of zero workplace accidents resulting in permanent injury or fatality
FY2019's Target
<ul style="list-style-type: none"> • Continue to assess all our operations for bizSAFE Level 3

At Colex, safeguarding the health and safety of our employees is our priority since some of them are in roles that pose health and safety risks. We strive to provide our employees an incident and injury free work environment by adopting safety practices and looking for ways to reduce health and safety risks whenever possible. It is our responsibility to ensure that the working conditions of our employees adhere to international standards.

All of our operations are assessed for health and safety risks on a regular basis and are bizSAFE Level 3 certified. In order to achieve bizSAFE level 3 certification, members of Colex's top management team took part in a bizSAFE Workshop for Top Management conducted by a bizSAFE service provider. A Risk Management (RM) Champion was then appointed to participate in a bizSAFE course to develop a Risk Management Implementation Plan, which is audited every three years by an external third party approved by the Ministry of Manpower (MOM).

Employees of Colex Environmental Pte Ltd and Integrated Property Management (IPM) Pte Ltd (both of which are wholly-owned subsidiaries of Colex) receive training relating to "work at height" and safety in the workplace. All new employees are required to attend an induction course which includes safety training. We also ensure that our welders receive health screenings and medical tests regularly. We have an emergency response team who are trained in firefighting and first aid in order to comply with the Singapore Civil Defence Force's requirements as a result of the presence of diesel tanks on our premises.

Our safety handbook contains information on health and safety procedures and is provided to each of our employees. We also adhere to the National Environment Agency (NEA)'s Safety Guide for General



Waste Collectors. In our cleaning business, our cleaners are trained on proper handling of equipment and chemical to ensure their safety.

In FY2018, there were zero workplace related fatalities reported.

Staff Development

FY2018's Performance
<ul style="list-style-type: none"> 100% of eligible employees received a bi-annual performance review
Performance Against FY2018's Target
<ul style="list-style-type: none"> Achieved our FY2018's target of providing bi-annual performance reviews for 100% of eligible employees
FY2019's Target
<ul style="list-style-type: none"> Continue to provide bi-annual performance reviews for 100% of eligible employees

Our employees are our biggest asset and we are committed to developing and investing in our human capital. We recognise the importance of creating a positive work environment for our employees as it can improve employee performance, which in turn contributes to the company's overall growth. We strive to create an environment where our employees are encouraged to develop and grow within the company.

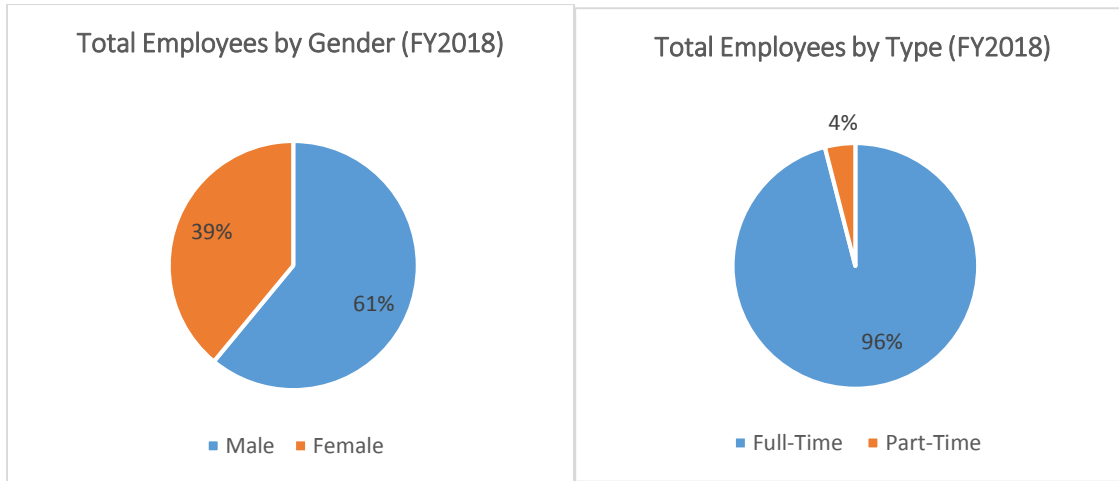
Each employee receives a performance review that evaluates his/her performance and identifies his/her professional development goals twice a year. The outcome of each employee's performance appraisal is compiled and a report is submitted to the management team before an annual increment proposal is made.

We also offer the following benefits to our employees:

- Full Attendance Incentives
- Recommendation Award referring new crew and new cleaners under a friend-gets-friend scheme
- Provision of Daily Productivity Incentive (DPI) in a salary package
- Provision of medical fee and proficiency driving test coverage
- Flexi working hours; after completion of jobs, driver are allowed to leave, to encourage productivity and efficiency.
- Birthday vouchers and monthly birthday celebration(s)
- A "buddy system" for new employees
- Year-end gathering for all staff
- Yearly Management Retreat for G&A Staff
- Periodic buffet lunch for site staff

In FY2018, there were 96% full-time and 4% part-time employees in Colex. Male employees consisted of 61% of Colex's total workforce while female employees comprised 39%. In line with our policies, all eligible³ employees received a bi-annual performance review in FY2018.

³ Eligible employees are all full-time permanent employees of Colex Environmental Limited and Integrated Property Management Pte Ltd



Local Communities

FY2018's Performance
<ul style="list-style-type: none"> Implemented several awareness-raising initiatives that have a positive impact on our communities
Performance Against FY2018's Targets
<ul style="list-style-type: none"> Achieved our FY2018's target of continuing to raise awareness about recycling by inviting students from local schools to visit our plants and facilities Achieved our target of responding to all complaints made through our email: wastemgt@colex.com.sg within three working days as stipulated in the policy
FY2019's Targets
<ul style="list-style-type: none"> Continue to raise awareness about recycling by inviting students from local schools to visit our plants and facilities

As a waste collection and cleaning company, it is our responsibility to promote better waste management and encourage the use of recycling services, which are vital in building healthy and sustainable neighbourhoods and communities. We believe that providing community services will have a positive impact on our communities in which we operate. Therefore, we have implemented several initiatives aimed at raising awareness about the importance of proper waste disposal and recycling. For example, once again, we invited several schools to visit the MRF in order to give them an understanding on how waste is sorted and recycled. We also work with these schools on their newspaper collection initiatives under the Community Involvement Programme (CIP). We also run recycling programmes for the community, such as the cash-for-trash initiative held every Sunday in Jurong. The initiative encourages residents to recycle and to keep recyclable materials out of landfills.

We acknowledge that our business operations can have some negative impacts on local communities, which include noise pollution, traffic congestion and road safety hazards. Hence, we strive to address these issues through careful planning and monitoring our waste collection schedule based on residents' needs in order to provide quality services to the communities we serve. For example, the driver's card is signed off by a supervisor daily to ensure that each driver adheres to the waste collection schedule. Besides that, we halt waste collection activities in business areas during lunch hours and we adjust our waste collection schedules to minimise disruption to the routines of residents. Also, cleaning services are provided based on clients' schedules and needs and are monitored on a regular basis.

Compliance

FY2018's Performance
<ul style="list-style-type: none">Zero incidents of significant⁴ non-compliance with all relevant training, socioeconomic and environmental laws and regulations
Performance Against FY2018's Target
<ul style="list-style-type: none">Achieved our FY2018's target of achieving zero incidents of significant⁵ non-compliance with all relevant training, socioeconomic and environmental laws and regulations
FY2019's Target
<ul style="list-style-type: none">Achieve zero incidents of significant⁵ non-compliance with all relevant training, socioeconomic and environmental laws and regulations

As a waste collection company and licenced cleaning service provider, we strive to conduct our operations in a sustainable way and in compliance with various laws and regulations. We are committed to meeting the requirements of NEA's environmental laws and MOM's social and training regulations in order to minimise harm to human health and the environment. In FY2018, there were zero incidents of significant⁵ non-compliance with all relevant training, socioeconomic and environmental laws and regulations.

Social Compliance

We require all our drivers and attendants to attend Singapore Workforce Skills Qualifications (WSQ)'s and NEA's Clean Mark training programmes. We also ensure employees who are involved in cleaning tasks undertake WSQ's courses in order to equip them with the necessary knowledge and skills to perform their jobs.

In addition, we follow MOM's regulation of not employing illegal and "phantom" workers. To comply with the regulation, we conduct regular checks on employees' identification cards (IDs) and work permits to ensure that we meet the requirements of the regulation.

At Colex, we have a strict no-missed collection policy and require our drivers to adhere to a 7am-7pm collection schedule. All our trucks are fitted with speed limiters and our truck drivers are required to adhere to a speed limit of 60 km/h so as not to endanger the safety of our communities.

Training and Education

We also offer training to directors and relevant employees regularly when there are changes made to existing laws and policies. Information about these laws and policies is included in the company handbook and is provided to all employees. We have achieved the target of zero cases of non-compliance in respect of the mandatory training and hiring requirements set by MOM.

⁴ Significant non-compliance is an incident resulting in a fine over SGD 5,000.

⁵ Significant non-compliance is an incident resulting in a fine over SGD 10,000.



Environmental Compliance

At Colex, we are taking steps to ensure that we are in compliance with various environmental laws and regulations enforced by NEA and other regulatory bodies as well as international standards (such as ISO 14000). We have implemented measures to minimise the environmental impact of all aspects of our business, which include ensuring no leakages from trucks and proper containment of waste during waste collection.

All our operations meet the requirements of the ISO 14000 (environmental management) and ISO 9000 (quality management) standards. Our employees are also required to familiarise themselves with NEA's Code of Practice for Licensed General Waste Collectors.