

MOVING **AHEAD...**

CSE GLOBAL LIMITED Sustainability Report FY2018

Sustainability Report

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Sustainability Report

1 MESSAGE FROM THE CHAIRMAN

It gives me great pleasure to present our Sustainability Report for the financial year ended 31 December 2018 ("FY2018"). In our report, we highlight the progress and achievements of our organisation over the previous 12 months, with particular focus on our commitment to working alongside our valued stakeholders to build a sustainable business based on our resilience, adaptability and innovation.

It is our belief that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as its financial performance.

The delivery of sustainable results is a critical aspect of our ability to remain strong and financially stable. Acknowledging this helps to put into focus our commitment to principles laid out in our Corporate Sustainability Policy. Our responsibility to society is to ensure that sustainable practices are incorporated into every link of our value chain. We must meet the needs not only of our customers, employees and the community we operate in, but also those of our environment and our future generations.

This report provides detail about how we have met our responsibilities with our key stakeholders during the FY2018 and beyond.

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2 ABOUT THE REPORT

This sustainability report articulates our commitment to sustainability and transparency. The report is designed to provide a transparent and balanced view of CSE Global Limited (the “Company”) and its subsidiaries (the “Group”), to reflect the interests of our key stakeholders, and to address those interests pragmatically. This report aims to include comprehensive and accessible information on the company’s strategy towards sustainability, key issues as well as data according to recognized standards.

2.1 Report Scope

The report covers the performance of our consolidated entities in financial year 2018 (“FY2018”) from 1 January 2018 to 31 December 2018. The content of this report will focus on the sustainability performance, activities and initiatives that are under our direct control, including our Singapore and international offices and operations, our local supply chain as well as any overseas activities directly associated with us. Material issues and topics described in this report have been selected according to their level of significance within the company boundaries, the sustainability context and the expectations of stakeholders which are reflective of our core business in a consistent manner for comparability of our performance indicators across time. In this respect, this report covers our core businesses in our material operational boundaries globally.

This sustainability report focuses on the Group’s sustainability strategies and practices whilst highlighting the economic, environmental, and social and governance aspects of our activities and developments. The report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

2.2 Report Methodology

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option. We have chosen the GRI Standards reporting guidelines for its robust guidance which offers an international reference for the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations. This report also takes into consideration the primary components of the report content as set out by the Singapore Exchange’s (SGX’s) “Comply or Explain” requirements for sustainability reporting. Our data are reported in good faith and to the best of our knowledge. We will continue to improve our data collection processes.

We did not seek external assurance for this report.

2.3 Report Structure

This Sustainability Report is structured to reflect the interests of our key stakeholders. We have identified five key stakeholder groups, namely, the environment and future generations, employees, customers, suppliers and communities. For each stakeholder group, we lay out our management approaches that govern how our material issues are identified as well as how the issues are prioritized and managed. Further, we will present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our aspects and boundaries. Finally, we will provide the information of our key performance indicators, performance targets and outcomes.

The information regarding the basis for report boundaries and our materiality assessment is provided in section 4.

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Altogether, this report provides the basis for our responses and disclosures to the GRI-Standards 'In-Accordance' - Core requirements. Relevant sections in the report are referenced in the GRI Content Index provided in section 7.

2.4 Report Contact and Feedback

We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

- ❖ In writing to:
Investor Relation
CSE GLOBAL LIMITED
202 Bedok South Avenue 1
#01-21
Singapore 469332
- ❖ Via our IR contact at <http://cseglobal.listedcompany.com/>

This report is provided in PDF format only and is available for download on the following page of our website: <http://cseglobal.listedcompany.com/sr.html>

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3 CORPORATE PROFILE

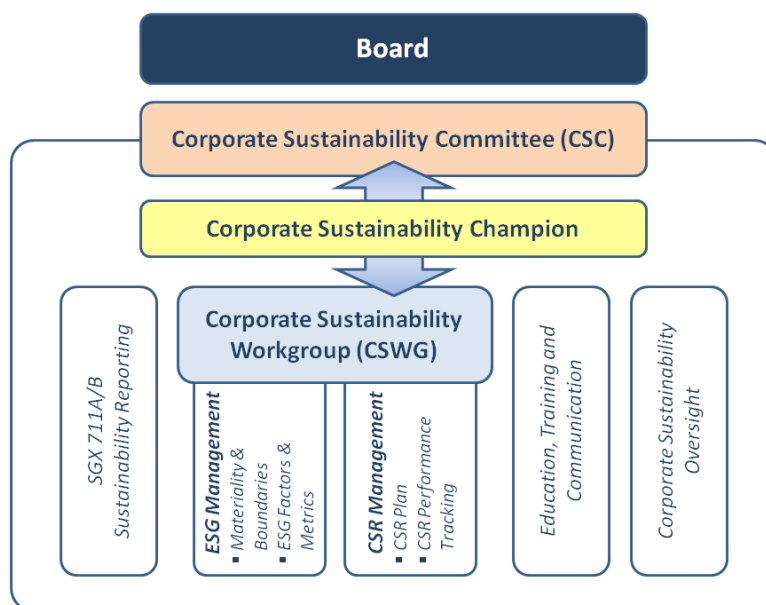
3.1 Vision and Mission

We believe it is our responsibility to manage the Group successfully on a sustainable long-term basis. We are committed to deliver greater value and returns to our shareholders, business partners and employees.

Our employees operate according to a set of core values that guide all aspects of our business. We recognise that cooperation, communication and trust are essential for us to collaborate to compete, and that care and concern through respect, patience, empathy and consideration are essential, both between each other and among the communities in which we operate.

3.2 Governance

Our Board of Directors (the Board) oversees all corporate governance and operational matters relating to our business. For corporate sustainability, the Board is supported by the Corporate Sustainability Committee (CSC) which is chaired by our Group Managing Director (Group MD) and Group Chief Financial Officer (Group CFO). CSC provides leadership and approval over corporate sustainability matters such as Corporate Social Responsibility (CSR) plan, community investment and environmental initiatives. Supported by CSC, our Corporate Sustainability Champion (the Champion) is our Subject Matter Expert (SME) in the area of corporate sustainability, and pro-actively raises awareness through education and training across the organization. Through the Corporate Sustainability Work Group (CSWG), our Champion engages businesses and functions in collectively executing the CSR plan, identifying and managing the Environment, Social and Governance (ESG) Factors as well as engaging sustainability stakeholders. Businesses and functions provide back-to-back assurance over the quality of information for sustainability reporting.



3.3 Ethics and Compliance

Being a listed company in the Singapore Exchange (SGX), we are managed to the highest standards of corporate governance as required in the listing rules. We strictly conform to local and international best practices. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by the officers and employees across the

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organization. Every new employee is introduced to our Code of Conduct and our policies on ethics and compliances which includes areas such as Bribery and Corruption Prevention Policy, Whistle Blowing Policy and Internal Compliance Code on dealing in securities transactions. Communication channels, such as Whistle-Blowing and Board escalation process, are in place to enable all employees and individuals engaged in business activities to report complaints of unethical behaviour. We have dedicated officers who maintains a register of incidences regarding ethics and compliance issues and escalates to the management where appropriate.

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4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

CSE Global Limited (CSE) is an international technology group listed on the Singapore Stock Exchange. Over the last decade, CSE has transformed itself to be a truly global organisation with over 1,100 employees worldwide.

The CSE Group of companies has been very successful in offering cost effective, totally integrated solutions to industries in the Automation, Telecommunications and Environmental sectors.

The Group now operates a network of 36 offices across the globe, generating more than 90 percent of its revenues outside its home market. In line with its global ambitions, the Group has adopted the ISO 9001 Quality Management System as certified by Lloyd's Register Quality Assurance (LRQA) and DNV.

We believe corporate social responsibility is a key driver towards long-term sustainability. Such responsibility is pragmatically integrated into our business practices as one of the core values in our corporate culture. Embedding such responsibility into our management processes across the value chain allows us to establish credibility among our stakeholders. Through our action today, we play a part in influencing the environment for our future generations. Through integrating the notion of sustainability in our business, we ensure that our business strategy and operations are in line with a long-term vision towards a conducive and sustainability future.

4.1 Sustainability Management Framework

In FY2017 & FY2018, we took the initiative to establish our sustainability reporting framework. We performed an analysis on our business and operation models as the basis for our stakeholder mapping and materiality assessment. Through our analysis, we identified five key stakeholder groups within our sustainability context and their respective material issues are to be shown in this report.

4.2 Key Stakeholders and Material Issues

We have a regular review, assessment and feedback process in relation to Environmental, Social and Governance (ESG) topics. Key to this is our Enterprise Risk Management (ERM) framework that provides the Group with a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, process and tools, as well as policies and limits, in addressing the Group's key risks.

Our ERM framework is constantly refined, ensuring relevance in a dynamic operating environment. References are made to the Singapore Code of Corporate Governance, ISO 31000, ISO 22313 and the Guidebook for Audit Committees.

As a Group, we adopt a balanced approach to risk management. As not all risks can be eliminated, we will only undertake appropriate and well-considered risks to optimise returns for the Group.

Material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant. We are continuously improving the adequacy and effectiveness of our risk management processes in response to changing business and operational environment.

Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to us and our stakeholders. For external stakeholders, priority is given to issues important to society and applicable to us. Then, we prioritize our sustainability efforts and report issues that are most material to its business and stakeholders.

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Stakeholders	Material Issues	Significance
Future Generation	<ul style="list-style-type: none"> ❖ Environmental education of our employees and customers ❖ Reduction of carbon emissions ❖ Energy consumption 	Our sustainability agenda for the environment and future generation is embedded into the day-to-day business activities among our staff. We continue to strive to improve from a holistic perspective through the company culture and practices. Within the big picture of sustainability, we take steps to focus on key goals such as curbing global warming and conserving resources. Such areas are crucial to a sustainability economic ecosystem for our customers which are keys to our business sustainability.
Employee	<ul style="list-style-type: none"> ❖ Employee well-being through workplace health & safety and work life balance ❖ Regular training of employees on critical skillsets to sustain competitiveness ❖ Competitive compensation scheme to retain talents ❖ Non-discrimination, diversity and equality ❖ Senior management engagement with employees 	An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.
Customer	<ul style="list-style-type: none"> ❖ Safety of our customers in our services delivery ❖ Customer data privacy ❖ Customer satisfaction and customer-centric approach 	The quality and safety of our services and products to our customers are the core focuses of our commitments. Through our quality and safety commitments to our customer, we will, in turn, be contributing to their own successful sustainable development.
Supplier	<ul style="list-style-type: none"> ❖ Environmental, labour and human rights impact in the supply chain 	To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers and partners share our values in their business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with supplier and channel partners to enhance both their own competitiveness and that of ours.
Community	<ul style="list-style-type: none"> ❖ Impact on communities and local economies, and future generation education ❖ Economic value generated and distributed to local community 	In our vision in moving our business to high-value-added business areas, abilities to identify and attract people with knowledge and talent are crucial to sustainability of our businesses. Within a broad range of our community engagements, we focus on the education of today's youth and providing financial and practical support to targeted local and communities, through donation, sponsorship, fundraising and voluntary activities.
Common to All Stakeholder Groups	<ul style="list-style-type: none"> ❖ Compliance with prevailing laws and regulations ❖ Good corporate governance & ethics, transparency and non-financial reporting ❖ Ethical business practices such as anti-corruption ❖ Grievance mechanisms 	Legal compliance and ethical practices are the core foundation of our business. Such culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholder groups.

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4.3 Alignment with International Initiatives



4.3.1 Sustainable Development Goals (SDGs)

Established in 1945 under the Charter of the United Nations (UN), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Comprising all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.

On 25 September 2015, the UN General Assembly adopted the 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. Although the SDGs are primarily aimed at governments, they represent an important opportunity for businesses to also act in a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives.

We acknowledge that our participation in reaching the SDGs has room for improvement. As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.










SDGs Logo Source: <http://www.un.org/sustainabledevelopment/news/communications-material>

SDG Goal	Relevant Targets to Our Businesses <i>(Source: http://sustainabledevelopment.un.org)</i>	Our Participation
	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures. We monitor and report our GHG emissions and set reduction targets.
	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	All the paper used in our offices are either Forest Stewardship Council (FSC) certified or made from KHAN-NA. We actively promote the use of such papers across our organisation. Through that, the Company supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community.



The following SDG goals are relevant to our business, operations and value chain. They are addressed in our various policies at group level. Such goals are also embedded in various initiatives carried out across the organization.

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				We do not believe these goals are relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals.
				

4.3.2 United Nations Global Compact (UNGC)

The United Nations (UN) Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

Below are the references of our report to the 10 principles of the UN Global Compact.

Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	5.2.2, 5.2.6
Principle 2	Make sure that they are not complicit in human rights abuses.	5.2.2, 5.2.6
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.2.2, 5.2.6
Principle 4	Elimination of all forms of forced and compulsory labour.	5.2.2, 5.2.4.1
Principle 5	Effective abolition of child labour.	5.2.1, 5.2.2
Principle 6	Elimination of discrimination in respect of employment and occupation.	5.2.2, 5.2.6
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	5.1.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	5.1.2, 5.1.3
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	5.1.2, 5.1.3
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.3

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4.4 Awards and Achievements

Year	Description
2001	ISO9001
2006	OHSAS
2007	ISO14001
2014	Bizsafe Level 3

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5 STAKEHOLDER ENGAGEMENT

We believe that good Corporation Social Responsibility (CSR) practice goes hand-in-hand with good corporate management practice. We also recognize that it is vital that our management approaches are adaptable to the dynamics of business and operation environment in such a way that we can continuously assess our impacts, develop sustainability objectives and respond in a proper manner to meet our stakeholders' expectations. Our CSR framework is based on our approach to sustainability and includes policies and measurement mechanisms to monitor the impacts made by our businesses and operations.

Key to the success of our sustainability programme is regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and the provision of appropriate feedback mechanisms so that we can monitor and evaluate how we are doing and explore new possibilities stimulated by stakeholder responses. We see our sustainability reports as being a critical component of this continuous cycle of communication and evaluation. The overall sustainability context of the stakeholder engagements is managed through our CSR plan for our sustainability governance oversight.

<i>Stakeholder</i>	Management Approach	Initiatives	Outcome and Responses	Boundaries
<i>Future Generation</i>	Environmental policy, Waste Management, ISO 14001 certification	Internal Awareness and Education	Energy Efficient Lighting (e.g. LED), Digital Filing and Document to Reduce Paper Consumption.	Group Operations
<i>Employee</i>	Code of Conduct, Fair Employment Practices, Training and Career Development, Flexible Work Policy, Pension Scheme, WHS Framework, OHSAS Certification, BizSafe	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews	Work Life Balance Programmes, Training Programmes, Employee Benefits, Re-engagement	Group Operations
<i>Customer</i>	Customer Relationship Management Policies, Policies on Quality Assurance, Data Security for Customer Information, Privacy policy, ISO9001	Customer Feedback Process, Competitive Benchmarking survey, Customer Data Protection Awareness and Education Program	Customer Complaints and Compliments Statistics / Trending	Group Operations
<i>Supplier</i>	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Incident Register, Supplier Engagement	Group Operations
<i>Community</i>	Selection of Community Initiatives in Alignment with Organization Goals	CSR Programme, Awards and Accolades	Increase Visibility of Company's CSR Efforts, Internship Programmes (Support Young Talents who are Disciplined, Creative, and Innovative), Education Scholarships, Awards and Accolades Programmes	Group Operations

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5.1 Protecting Our Environment for the Future Generations

5.1.1 Our Approach

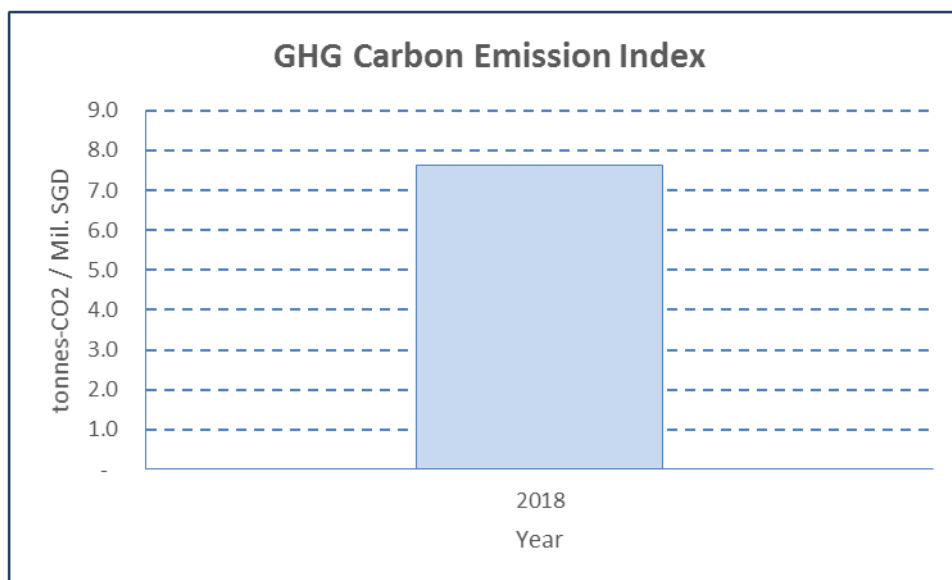
We are committed to maintaining and building on the same stringent environmental policies and standards as our parent company and key regional affiliates. We continually seek new and innovative ways to reduce the environmental impact of our products and services while maintaining the highest levels of quality. We recognise our responsibility to protect the environment for the health and wellbeing of future generations.

5.1.2 Reduction of Carbon Footprint

We recognize that the effective management and monitoring of its carbon footprint can reduce operating costs, raise brand profile, create a competitive edge and increase stakeholder value. Our carbon footprint is measured in terms of Greenhouse Gas (GHG) emission. However, GHG emission is an absolute measure of how much carbon dioxide equivalent (CO₂e) is emitted. Our GHG emission is predominantly indirect (Scope 2) emission. We have started the process of tracking direct (Scope 1) emission with effect from FY2018 for some of the group entities and will be extending the process to cover rest of entities progressively in forthcoming periods with the aim to track, report and manage direct emission in the future years. We do not include the GHG emissions generated by our suppliers (Scope 3).

Considering the changes and dynamics of business and operations, we established our GHG emission efficiency index for consistent tracking of carbon footprint over time. To this end, we have set a target for GHG emission efficiency improvement of 10% from our 2018 level by 2030. Our target for GHG emission improvement is 0.8% per year. Although various business lines and operations account for different percentage of GHG emissions across the organization, they all support this target and have aligned our environmental objectives accordingly.

In FY2018, our GHG emission efficiency index stands at 7.6, and we are on track towards our target by 2030.



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5.1.3 Reduction of Paper Consumption

All our employees are urged to minimize paper wastage at work by adhering to our Internal Paper Usage Reduction Guidelines. For example, encouragement of double-sided printing and blank sides of unneeded single-sided copies are used for printing drafts. Paper re-use and recycling habits are also cultivated through various initiatives.

Further, we encourage all employees to adopt digital documents instead of paper documents with an aim to further reduce paper consumption.

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5.2 Caring for Our Employees

5.2.1 Our Approach

Our people are our most valuable resource and investing in their professional and personal well-being is vital to our business sustainability. Our goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. They are the foundation upon which we build all our business initiatives and conduct our day-to-day activities.

We recognise that a motivated workforce will convey a positive and powerful message to all our key stakeholders, such as our customers, suppliers and the members of the community. By attracting, nurturing, empowering and rewarding our employees, we create an environment conducive for innovation and inspiration flourish to further boost our competitiveness. Such commitment to our employees promotes a corporate culture of passion, quality, excellence and trust within the organization which reflect in our ability to create values to our stakeholders.

Our Human Resource (HR) management principles and policies have been developed and established based on fair employment practices with the goal of attracting, supporting and maintaining a motivated workforce. Our HR policies cover key areas such as remuneration, benefits, health and safety, career development and training. Such policies are communicated to all employees through our comprehensive Employee Handbook which is regularly reviewed by our management and we constantly seek feedback from our staff to ensure that our decisions are aligned as much as possible with their needs.

Our business operates in an environment which comprises diverse races, cultures and geographic locations. With this in mind, our HR policies are implemented across the organization within the principles with pragmatism, taking into consideration of the prevailing laws and regulations as well as local culture, norms and racial sensitivity.

5.2.2 Employment Practices

Our employment practices focus on maximizing the strength of our employees by providing equal opportunities based on merits, and help our employees to develop strength through our comprehensive training and development programme. We regularly review the performance and development of our employees to effectively match their strength to their job specifications. Our performance based reward scheme provides guidance and motivation to our employee to perform to their potentials in alignment with the objectives of the company.

5.2.2.1 Communications

As our Company grows, effective communications across the organization are crucial to ensure continuous alignment of objectives of the employees and the organizational objectives. We achieve this through our various communication sessions customized based on target employees. Communication sessions for our managers are held on a regular basis. Agendas covered at these sessions are customized in appropriate to the target functional scope of the managers.

5.2.2.2 Employee Feedback

We value our employee's expertise in their areas of responsibilities. Therefore, their feedbacks are important in the improvement of overall management and operation of the organization. Through various established processes of employee engagement, such as employee objective setting, performance review as well as exit interview in the case of resignations, we gather such valuable feedbacks for the continuous improvement of our organization.

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In addition, there are other feedback channels for areas specific to business and function, such as health and safety issues and compliance issues. Such feedbacks are managed by the leaders and managers of their specific business and function domain. We have also established reporting and escalation channel should the feedback requirements the attention of higher management.

5.2.2.3 Career Development and Training

We recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. Employee career development and performance management established based on merits and contributing skill sets towards the organization objectives through objective settings and regular performance reviews. We continue to review and improve our career development and performance review process in light of the changing business and operation environment.

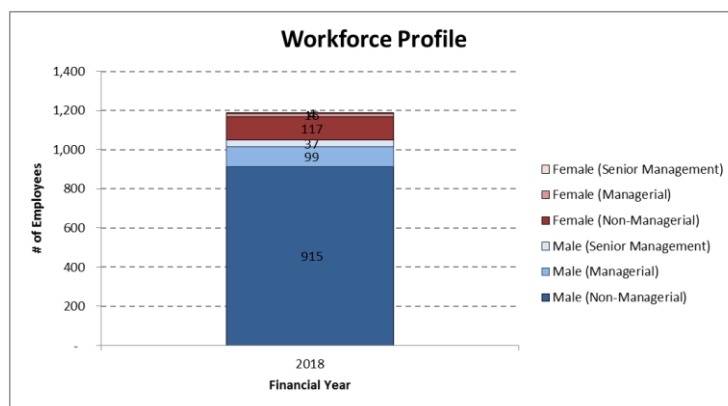
Our training programme covers a variety of areas catering for employees with difference job scopes and skills set requirements. Our core training curriculum and contends are developed guided by well-established industry and international standards such as ISO-9100, ISO-14000, OHSAS and BizSafe. In addition, specific training curriculums are developed based on the specific requirements of the specific businesses and functions. Training topics range from soft skills development in areas such as communications and leadership, to technical programmes covering project management and office productivity tools.

We recognized that the training requirements vary depending on the levels of management responsibilities. In light of changing business requirements and opportunities in variety of training methodologies, we continue to revise our training curriculum and programme to align with organization objectives and to strive for effectiveness and efficiency in our training approach.

5.2.3 Workforce Diversity

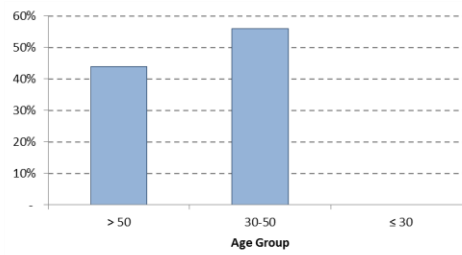
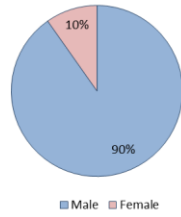
Our business thrives on diversity. As such, we leverage on a host of strengths and skills that can only come from a diverse workforce embracing employees from various ethnic groups, religion, age and gender.

In FY2018, 137 of our employees were female, comprising 12% of our workforce, while 1,051 (88%) employees were male. In terms of management function, 16 females (14%) held managerial positions compared to 99 males (86%), while 117 females (11%) and 915 males (89%) held non-managerial positions. From age profile perspective, there were 372 employees below 30 years old. The number of employees between 30 and 50 years old was 585 as compared to 231 employees above 50 years old.

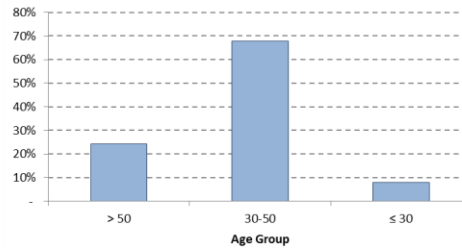
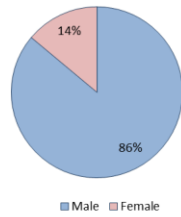


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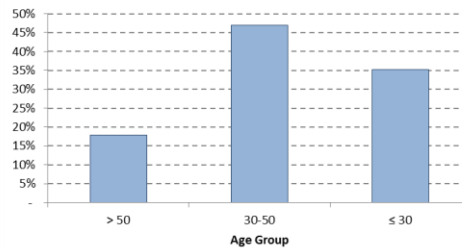
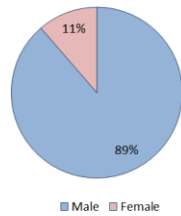
Senior Management



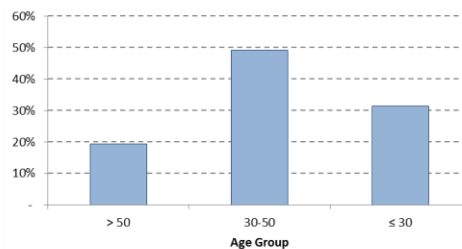
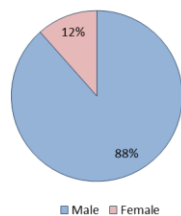
Managerial Staff



Non-Managerial Staff



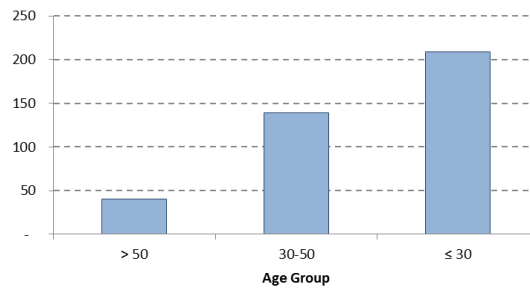
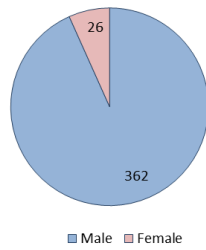
Overall



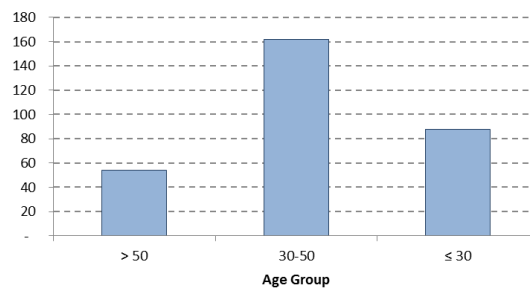
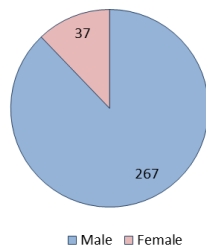
In FY2018, we hired a total of 388 new employees, while 304 resigned during the same period. As a result, we have a net increase of 84 in our workforce. Out of the new hires, 54% of the new hires were below the age of 30; 36% were between 30 and 50 years old while 10% were above 50 years old. The gender ratio of new hires was 362 males to 26 females. For the resignees, 29% were below the age of 30; 53% were between 30 and 50 years old while 18% were above 50 years old. The gender ratio of resignees was 267 males to 37 females.

Sustainability Report

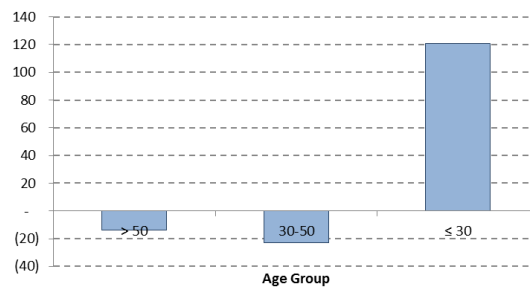
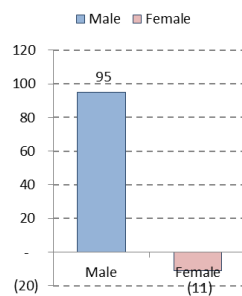
New Hire



Resignee



Net Employee Movement



In addition to the human resources we managed under our payroll internally, we also engage external contracted companies as our outsourced vendors which provide outsourced personnel who might work within our premises. Although we supervise these people, they are employed by contracted companies and are not included in our head count. We do not employ other types of un-contracted workers.

We expect that all the contracted companies we work with will share our core principles of HR management practices. In our vendor selection process, we take into consideration of their HR management practices as one of the key selection and performance criteria. We regularly review the performance of our vendors based on these criteria as a key basis to determine whether to continue to engage the vendors with their services.

5.2.4 Employee Benefits

All employees are covered by the respective local statutory manpower legislation, which provides basic employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement.

Sustainability Report

In addition to the statutory benefits outlined in the legislation, we provide beyond-compliance-level benefits to our fulltime employees. Examples of these benefits include paternity leave and compassionate leave in Singapore.

5.2.4.1 Work–Life Balance

While developing the talents of our employees and providing equal opportunities for them to excel are the key drivers for our company, we also recognize that well-being and contentment of our employees pivotal to the success and sustainability of our business and performance. Our employees are our most valuable asset, and we appreciate that their overall well-beings need to be well looked after in order for them to sustain their performance and realize their full potential.

To support our employees to strike a work-life balance, we aim to create an environment that allows our employees to achieve harmony in their personal and professional life. We achieve this through the adoption of a flexible approach to work arrangements and offering programmes to support health and wellness.

We understand that workplace could be at times stressful due to the competitiveness of our workforce and our business. To support our employees in their effort of pursuing excellence, we have various programmes and initiatives to balance their work with fun, and to development an environment and culture of mutual support.

5.2.4.2 Retirement and Healthcare

Our company has presence in various geographic locations where there are various local laws and regulations on pension and healthcare for employees. Our HR management practices comply with such laws and regulations.

5.2.5 Safety and Health in the Workplace

We are committed to Workplace Safety and Health (WSH) and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer, but also boost morale. As an essential requirement we are in compliance with the Workplace Safety & Health Act. In addition, we have attained certification for OHSAS-18001 and BizSafe. These well recognized standards provide us with the frameworks to manage risks associated with safety and health in our workplace.

5.2.6 Individual Rights

Respecting and protecting basic human rights is fundamental to all our operations and deeply ingrained in our Code of Conduct, which applies to all employees. Labour rights, the prohibition of discrimination and harassment, protection of privacy, prohibition of forced and child labour, and workplace health and safety are all strictly observed within the work environment and discrimination and harassment of any kind is not tolerated at our company.

We also respect our employees' rights to freedom of association as well as their membership of trade unions and other professional bodies.

In FY2018, no incidents of forced labour, child labour or young workers were identified across the organisation, and no human rights-related grievances have been reported.

Sustainability Report

5.3 Focusing on Our Customers' Needs

5.3.1 Our Approach

Customer service, quality products and the highest level of product safety have always been our priorities, with customer satisfaction being the goal of all our corporate activities. Customer retention begins with trust, and we place the utmost importance on training our employees in customer service excellence as well as in continuously striving to improve the quality and safety of our products and services.

Open and frequent communication and responsive feedback are ingrained into our daily activities with customer interaction. In addition to striving for excellence in product service and support, we attach enormous importance to data privacy. We have process and controls in place over confidential and sensitive data related to our customers such as contracts.

Since 2001, we have been certified under the ISO 9001 standard for quality management systems. The certification has helped us increase the control of our internal processes and the quality of our services.

5.3.2 Customer Feedback and Satisfaction

We listen to our customers and take their opinions very seriously. We consolidate customer feedback through a range of communication channels including our website, regular customer survey, and our customer service personnel. Through our customer feedback system, we capture our customers' comments for analysis and action. Customer compliments are also tracked so that we can monitor where we are getting things right and cascade positive feedback to our employees, to their superiors and to our management team.

5.3.3 Service Quality and Safety

Reliability and quality of our products are of paramount importance to us. Health and safety of our customers is always our priority. To ensure product safety to our customers, we have in place a set of key quality assurance processes and standards, such as ISO 9001, OHSAS-18001, BizSafe, to ensure compliance with regulations and international standards. Ultimately, we aim to totally eliminate product safety incidents so as to foster a 'Safety First' culture through employee training and quality control.

We have established a comprehensive Quality Policy with specific Quality Objectives. Such Quality Policy and Objectives underpin our product quality management approach and processes.

Our quality management approach identifies our stakeholders, key aspects of the product quality and the impacts on our stakeholders. Our quality management processes take an end-to-end quality view from the areas of planning, support down to operation, performance evaluation and improvement. At each key aspects of the end-to-end quality management processes, we have leadership in place to spear head the quality improvement processes. We have mapped out the sequence and interaction of business processes to ensure seamless collectively management of inter-dependencies of the quality management processes among the leaderships.

5.3.4 Data Safety and Privacy

Ensuring safety and privacy of our customers' data is of great priority to us. We have processes and controls in place for handling and communicating sensitive and confidential information of our customers such as contracts, customer orders and service delivery orders. Our information security policies ensure our customers' data are managed in accordance to the level of confidentiality. We strictly observe all local laws and internal regulations applicable to personal information protection.

Sustainability Report

5.4 Partnering Our Suppliers

5.4.1 Our Approach

As a part of our ambition to realize sustainability throughout our value chain, we extend the application of responsible business practices to our local partners and suppliers. We recognise that we are only at the beginning of our journey to integrate sustainable business practice throughout our supply chain, and we commit in our pragmatic approach to continuous improvement. We aim to identify new opportunities for collaboration with our suppliers, gradually increase transparency and continue to build shared capacity to minimise our indirect environmental and social impacts.

5.4.2 Supplier Selection

Our key suppliers are carefully selected through our supplier selection process. When selecting our key suppliers, we examine criteria such as financial health, quality of products and services, as well as competitiveness of pricing. In addition, we also take into consideration of the overall sustainability policies adopted by our suppliers. Our final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

5.4.3 Supplier Review

We regularly review the performance of our key suppliers to determine whether to extend our partnership with them. During the key supplier review process, we engage with our key suppliers to communicate our expectations and mutual feedbacks. Such review process ensures alignment of our key suppliers' services and products to our business requirements and sustainability objectives through pragmatic and continuous improvement in our partnership with our key suppliers.

Sustainability Report

5.5 Supporting Our Community

5.5.1 Our Approach

We have been providing support to the communities. The key motivation driving all our community engagement initiatives is to enable and empower young people. By supporting young people today and helping to educate them about the world they are to inherit, our goal is to benefit not only the current generation, but also the next.

We also recognize that meeting the needs of today's youth goes beyond their own education, security and well-being, extending to that of their families, homes and neighbourhoods as well. To this end, our engagement programmes also encompass financial and practical support in carefully selected communities, through donations.

Our community initiatives are selected according to how closely they are aligned with our own community engagement goals of "enabling and empowering young people" and the tangible impact on the beneficiary. Separately, we also engage on other community initiatives on an ad hoc basis. All our business units and some of our channel partners are involved in our community engagement programmes.

5.5.2 Our Community Initiatives

Besides creating value for our stakeholders, we firmly believe in supporting and serving the communities in which we operate.

At CSE Australia, we recognised the benefit of giving back to those less fortunate and we voiced our support on environmental and health related issues in the workplace and the community. In addition, CSE Australia had donated and sponsored several charitable organisations throughout FY2018. Fundraising events and donations at CSE Australia and New Zealand offices were conducted throughout the year with all contributions donated to the Royal Society for the Prevention of Cruelty to Animals (RSPCA), Pink Ribbon Morning Tea for breast cancer, the Lions Club District WA – "Razzamatazz" Ride for Youth, Surf Life Saving Awards, Oxfam Trail Walk, NSW Friendship Circle and Youth Focus. For the fourth year, CSE Australia supported the Salvation Army Christmas Appeal in both Australia and New Zealand where food and toy donations were collected for those less fortunate in the community.

CSE Americas contributed about US\$14,000 to the American Heart Association (AHA) – the nation's oldest and largest voluntary organization dedicated to fighting heart disease and stroke through funding life-changing research and educating consumers on healthy living.

CSE Americas continued their support for Texas Children's Hospital for the seventh consecutive year. Texas Children's Hospital is a not-for-profit organization whose mission is to create a healthier future for children and women throughout the global community by leading in patient care, education and research. In 2018, CSE Americas participated in the organization's annual tennis charity event, contributing over US\$1,600 in funds.

In addition, CSE Americas contributed over US\$2,400 to three scholarship foundations: (1) The W-Industries "Excellence Scholarship", in partnership with the Houston Tennis Association, in providing scholarships to outstanding student athletes exhibiting excellence in academic achievement, community service, and personal character; (2) the Drew M. Bingham Foundation, which raises funds towards endowment to Texas A&M Corpus Christi Scholarship Fund, and provides scholarships to students demonstrating financial need; and (3) The Laredo Border Chapter API (a chapter of the American Petroleum Institute), which raises funds for scholarships and to promote education, well-being and success in today's youth.

Sustainability Report

CSE Americas had also contributed to another great organization, St. Jude Children's Research Hospital, whose mission is to find cures for childhood cancer and other life-threatening diseases. Other charitable donations that CSE Americas had supported for the year were the American Cancer Society, the American Diabetes Association, the Houston Chapter API 2018 Tennis Tournament, the 4-H Club, including numerous donations to local blood banks, fire departments and schools.

In Singapore, CSE Asia contributed S\$60,000 to Promiseland Community Services, KK Health Endowment, Singapore Association of the Visually Handicapped, Touch Community Services Limited, Thye Hua Kwan Moral Society and HCA Hospice.

In 2018, a total of 32 CSE Global Engineering and Education Bursaries were awarded: 10 bursaries to students in National University of Singapore, 5 bursaries to students in Nanyang Technological University, 2 bursaries to students in Singapore University of Technology and Design, 13 bursaries to students of Singapore Polytechnic and 2 bursaries to our staff at CSE.

Sustainability Report

6 PERFORMANCE TABLE

6.1 Energy Usage and CO₂ Emissions

GHG emissions are measured in tonnes (t-CO₂); the underlying measures for direct and indirect CO₂ emissions calculation are electricity consumption in kilowatt Hours (kWh) and fuel consumed. The electricity and fuel we purchase are both from non-renewable sources.

Our business and function grow over time; the GHG emissions and electricity consumption vary. To ensure consistency and comparability of the GHG emission and electricity consumption measures over time, we create a GHG emission index and electricity consumption index for our performance monitoring. The index adjusts the GHG emissions and electricity consumption for the size of our activities. We normalize the amount GHG emissions and electricity consumption by the amount of our revenues which we use as a proxy of the size of our activities. The GHG emission index is measured in t-CO₂ per SGD million and the electricity consumption index is measured in kWh per SGD million.

	FY2018
GHG Emission Index (kg-CO ₂ / SGD million)	7.6
Electricity Consumption Index (kWh / SGD million)	10,246

FY2018 Performance

This is the first year we include these indices in our report. For performance tracking purpose, we will use FY2018 data as our base for our performance tracking towards our 2030 goals.

In subsequent years, we will track our performance with reference to this base year.

We will continue to thrive to sustain our performance towards our 2030 goals.

Sustainability Report

6.2 Employment Profile

	FY2018
Male : Female ratio in non-managerial positions	915 : 117 (Total = 1,032)
Male : Female ratio in managerial positions	99 : 16 (Total = 115)

**FY2018
Performance**

This is the first year we are tracking these statistics in our report. We have not set a target for this ratio as the ratio achieved for FY2018 is already quite balanced for our business and industry.

We will monitor our employment profile every year.

We will continue to thrive to sustain our performance towards our 2030 goals.

Sustainability Report

6.3 Customer Feedback

	FY2018
Customer Satisfaction Index	87%

**FY2018
Performance**

This is the first year we use this index in our report. For performance tracking purpose, we will use FY2018 data as our base for our performance tracking towards our 2030 goal of 90% customer satisfaction index.

We will continue to thrive to sustain our performance towards our 2030 goals.

Sustainability Report

7 GRI CONTENT INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option. We did not seek external assurance for this report.

N.B.: AR = Annual Report, SR = Sustainability Report (i.e. this report)

GRI Reference	Disclosure	Response	
General Standard Disclosure			
Organization Profile	102-1	Name of the organization	SR Section 3
	102-2	Activities, brands, products, and services	AR Page 16
	102-3	Location of headquarters	AR Page 21
	102-4	Location of operations	AR Page 21
	102-5	Ownership and legal form	AR Page 134
	102-6	Markets served	AR Page 22
	102-7	Scale of the organization	AR Page 20
	102-8	Information on employees and other workers	SR Section 5.2.3
	102-9	Supply chain	SR Section 5.4, 5.4.1, 5.4.2, 5.4.3
	102-10	Significant changes to the organization and its supply chain	No significant changes
	102-11	Precautionary Principle or approach	SR Section 3.2, 3.3, 4, 4.1, 5, 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.5.1
	102-12	External initiatives	SR Section 4.4
	102-13	Membership of associations	SR Section 4.4
Strategy	102-14	Statement from senior decision-maker	SR Section 1
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	AR Page 34 (Report on Corporate Governance), SR Section 3.1, 3.3
Governance	102-18	Governance structure	AR Page 34 (Report on Corporate Governance), SR Section 5.4, 5.4.1, 5.4.2, 5.4.3
Stakeholder Engagement	102-40	List of stakeholder groups	SR Section 5, 5.1, 5.2, 5.3, 5.4, 5.5
	102-41	Collective bargaining agreements	NIL
	102-42	Identifying and selecting stakeholders	SR Section 5
	102-43	Approach to stakeholder engagement	SR Section 5
	102-44	Key topics and concerns raised	SR Section 4.2, 5
Reporting Practice	102-45	Entities included in the consolidated financial statements	AR Page 92
	102-46	Defining report content and topic boundaries	SR Section 2.1, 2.2, 2.3
	102-47	List of material topics	SR Section 4.2
	102-48	Restatements of information	No Significant Changes
	102-49	Changes in reporting	No Significant Changes
	102-50	Reporting period	SR Section 2.1
	102-51	Date of most recent report	SR Section 2.1
	102-52	Reporting cycle	SR Section 2.1

Sustainability Report

GRI Reference		Disclosure	Response
	102-53	Contact point for questions regarding the report	<i>SR Section 2.4</i>
	102-54	Claims of reporting in accordance with the GRI Standards	<i>SR Section 2.2</i>
	102-55	GRI content index	<i>SR Section 7</i>
	102-56	External assurance	<i>SR Section 2.2</i>
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	<i>AR Page 28</i>
	201-2	Financial implications and other risks and opportunities due to climate change	<i>Not Applicable</i>
	201-3	Defined benefit plan obligations and other retirement plans	<i>SR Section 5.2.4.2</i>
	201-4	Financial assistance received from government	<i>An US entity has qualified to receive financial assistance from the Louisiana Dept. of Revenue, to offset the training costs of its employees. The State offers this program to businesses who are committed in furthering the education and development of their employees.</i>
Anti-corruption	205-1	Operations assessed for risks related to corruption	<i>SR Section 4.2</i>
	205-2	Communication and training about anti-corruption policies and procedures	<i>SR Section 3.3</i>
	205-3	Confirmed incidents of corruption and actions taken	<i>No incidents of corruption and actions taken during the reporting period</i>
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<i>No legal actions for anti-competitive behaviour, anti-trust, and monopoly practices for the reporting period</i>
Environment			
Energy	302-1	Energy consumption within the organization	<i>SR Section 5.1.2</i>
	302-4	Reduction of energy consumption	<i>SR Section 5.1.2, 6.1</i>
Emissions	305-1	Direct (Scope 1) GHG emissions	<i>SR Section 5.1.2, 6.1</i>
	305-2	Energy indirect (Scope 2) GHG emissions	<i>SR Section 5.1.2, 6.1</i>
	305-3	Other indirect (Scope 3) GHG emissions	<i>SR Section 5.1.2, 6.1</i>
	305-5	Reduction of GHG emissions	<i>SR Section 5.1.2, 6.1</i>
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	<i>No non-compliance with environmental laws and regulations for the reporting period</i>
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<i>SR Section 5.4.3</i>
Social			

Sustainability Report

GRI Reference		Disclosure	Response
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<i>SR Section 5.2.4</i>
	401-3	Parental leave	<i>SR Section 5.2.1, 5.2.4</i>
Labour/Management Relations	402-1	Minimum notice periods regarding operational changes	<i>SR Section 5.2.2</i>
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	<i>SR Section 5.2.5</i>
Training and Education	404-1	Average hours of training per year per employee	<i>SR Section 5.2.2.3</i>
	404-2	Programs for upgrading employee skills and transition assistance programs	<i>SR Section 5.2.2.3</i>
	404-3	Percentage of employees receiving regular performance and career development reviews	<i>SR Section 5.2.2.3</i>
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>SR Section 5.2.3</i>
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	<i>No incidents of discrimination and corrective actions taken during the reporting period</i>
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	<i>No incidents of violations involving rights of indigenous peoples during the reporting period</i>
	412-2	Employee training on human rights policies or procedures	<i>SR Section 5.2.6</i>
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<i>SR Section 5.4.1, 5.4.2, 5.4.3</i>
Public Policy	415-1	Political contributions	<i>No political contributions being made by the group during reporting period</i>
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>SR Section 5.3.1, 5.3.3</i>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<i>No incidents of non-compliance concerning the health and safety impacts of products and services during the reporting period</i>
	417-2	Incidents of non-compliance concerning product and service information and labelling	<i>No incidents of non-compliance concerning product and service information and labelling during the reporting period</i>
	417-3	Incidents of non-compliance concerning marketing communications	<i>No incidents of non-compliance marketing communications during the reporting period</i>
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>No substantiated complaints concerning breaches of customers privacy and losses of customer data during the reporting period</i>

Sustainability Report

GRI Reference		Disclosure	Response
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	<i>No non-compliance with laws and regulations in the social and economic area during the reporting period</i>