



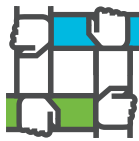
**SUSTAINABILITY REPORT**  
2021

## OUR CORE VALUES



### 和顺 HARMONY

We adopt a balanced approach in everything



### 诚信 TRUST

We uphold integrity in everything we do



### 卓越 EXCELLENCE

We go the extra mile to achieve breakthrough in innovation



### 共赢 WIN-WIN

We work together with all stakeholders to achieve mutually beneficial goals

# TABLE OF CONTENTS

<b>About Us</b>	02
<b>Board Statement</b>	03
<b>About The Report</b>	04
<b>Sustainability Governance</b>	05
<b>Stakeholder Engagement</b>	06
<b>Policy, Practice and Performance Reporting</b>	07
<b>Material Sustainability Factors</b>	08
<b>Sustainability Focus Areas</b>	10
<b>Target Setting</b>	20
<b>Supporting The United Nations Sustainable Development Goals</b>	21
<b>GRI Content Index</b>	23

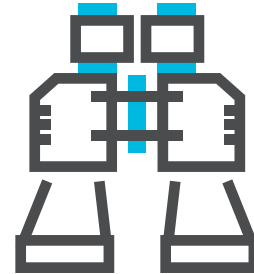


## ABOUT US



### OUR VISION

To be the preferred partner to offer innovative and sustainable solutions for construction industry embraced by circular economy.



### OUR MISSION

To provide integrated material solutions that are value-adding, sustainable and cost-effective.

EnGro Corporation Limited (“EnGro”, or “the Company”) was incorporated on 27 November 1973 under the name SsangYong Cement (S) Pte. Ltd., and later turned into a public limited company on 31 May 1983 and assumed the name SsangYong Cement (S) Ltd. In 1976, the Company started off with manufacturing Ordinary Portland Cement (“OPC”). From 2003 onwards, it ceased production of OPC and offered high performance blended cement, Ready-Mix Concrete (“RMC”), low carbon Ground Granulated Blastfurnace Slag (“GGBS”), microfine cement and other innovative construction materials. In 2002, the Company marked the beginning of a new chapter as it witnessed the end of the Singapore-Korea partnership over the Company’s 30-year history. Since 2005, the Company has changed its name to EnGro Corporation Limited with a new logo that reflects its vision of growth in North Asia and growth through strategic partnership building. The striking blue and orange curves symbolise EnGro and its partners. The curve design of the logo simulates the hemisphere of a globe reflecting EnGro’s determination to expand globally.

## BOARD STATEMENT

The Board of Directors ("Board") of EnGro Corporation Limited and together with its subsidiaries (collectively as the "Group") is pleased to present its Sustainability Report ("Report"), which discusses the developments and progress of our sustainability journey. In line with our commitment to sustainability, the Board having considered sustainability issues as part of its strategic formulation, determined the material Environmental, Social and Governance ("ESG") factors, economic performance and customer experience (collectively as "Sustainability Factors") and overseen the management and monitoring of the material Sustainability Factors.

The Board acknowledges its responsibility for the Group's sustainability reporting and believes that this Report provides a reasonable and transparent presentation of the Group's strategy and Sustainability Factors.

The Board has assigned the responsibility for monitoring and overseeing the Company's sustainability efforts to the Sustainability Committee ("Committee"). The Committee comprises senior executives from major functions who provide the direction for reporting. It reviews, assesses and determines the sustainability context, material factors, scope, boundary, and prioritisation of issues included in the Report. It considers formal and informal feedback from both internal and external stakeholders throughout the year to determine the material issues in the Report. The Committee is supported by a cross-functional team that gathers and verifies the data.

In preparing the Report, we continue to focus on communicating value creation through our ESG strategies. The Report covers the ESG performance of business divisions and subsidiaries of EnGro in Singapore and Malaysia over the Reporting Period. Information has been extracted from primary internal records to ensure accuracy and presented using internationally accepted measurement units.

With Green embedded deep in the Group's culture, the Group strives to achieve a Win-Win-Win outcome to benefit all stakeholders.

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments. Please refer to Policy, Practice and Performance Reporting for further details.



## ABOUT THE REPORT

EnGro's Sustainability Report 2021 ("Report") has been prepared in accordance with the GRI Standards: Core option and the Singapore Exchange Securities Trading Limited ("SGX-ST") listing rules 711A and 711B. We have chosen to report using GRI Standards: Core option as it is an internationally recognised reporting framework. Please refer to GRI content index for further details.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("United Nations Sustainability Agenda"). The United Nations Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals ("SDGs"), which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Unless specified otherwise, this Report covers our ESG performance and initiatives for the period of 1 January 2021 to 31 December 2021 ("FY2021" or "Reporting Period"). This Report covers EnGro's operations in Singapore and Malaysia as well as our three primary building materials and specialty polymer brands:

- EnGro and Top-Mix for our Integral Cement and Ready-Mix Concrete ("RMC") business and products;
- VCEM<sup>1</sup> for our Specialty Cement business and product, and;
- R&P for our Specialty Polymer business and products.

While we have not sought for external assurance for this Report, we have relied on internal data monitoring and verification to ensure accuracy. We will work towards external assurance for our future sustainability reports.

We publish our sustainability report annually and our previous reports are available on EnGro's website (<https://engro-global.com/sustainability/>). Should you have any comments or suggestions relating to this Report, please contact us at [ir@engro-global.com](mailto:ir@engro-global.com).

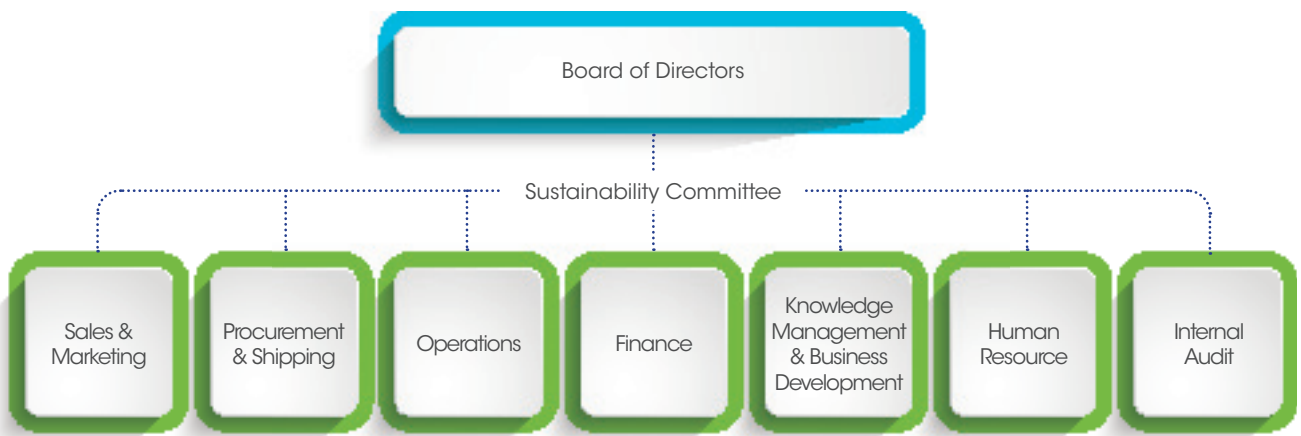
---

<sup>1</sup> EnGro's GGBS product is sold under the VCEM brand name. VCEM is an abbreviation of the following traits of the product: Value-Add, Cost-Effective, Eco-Friendly, Material for the 21<sup>st</sup> Century

## SUSTAINABILITY GOVERNANCE

EnGro complies with the Code of Corporate Governance and provided explanations where there are deviations to the Code of Corporate Governance 2018. Please refer to Pages 28 - 55 of our Annual Report 2021 for the details of our corporate governance compliance.

EnGro's Committee consists of representatives from various departments of the corporate headquarters. Under the guidance of the Board, the Committee is responsible for integrating sustainability principles and policies throughout the business.









## STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. These include individuals or groups that have an interest that is affected or could be affected by our activities.

EnGro engages its key stakeholders regularly through various means effective for each stakeholder group. We believe this process is important for the company to identify new opportunities and to manage risk associated with each stakeholder group. Please refer to the summary of EnGro's approach to each stakeholder group, as well as the key areas of concern identified.

# STAKEHOLDER ENGAGEMENT

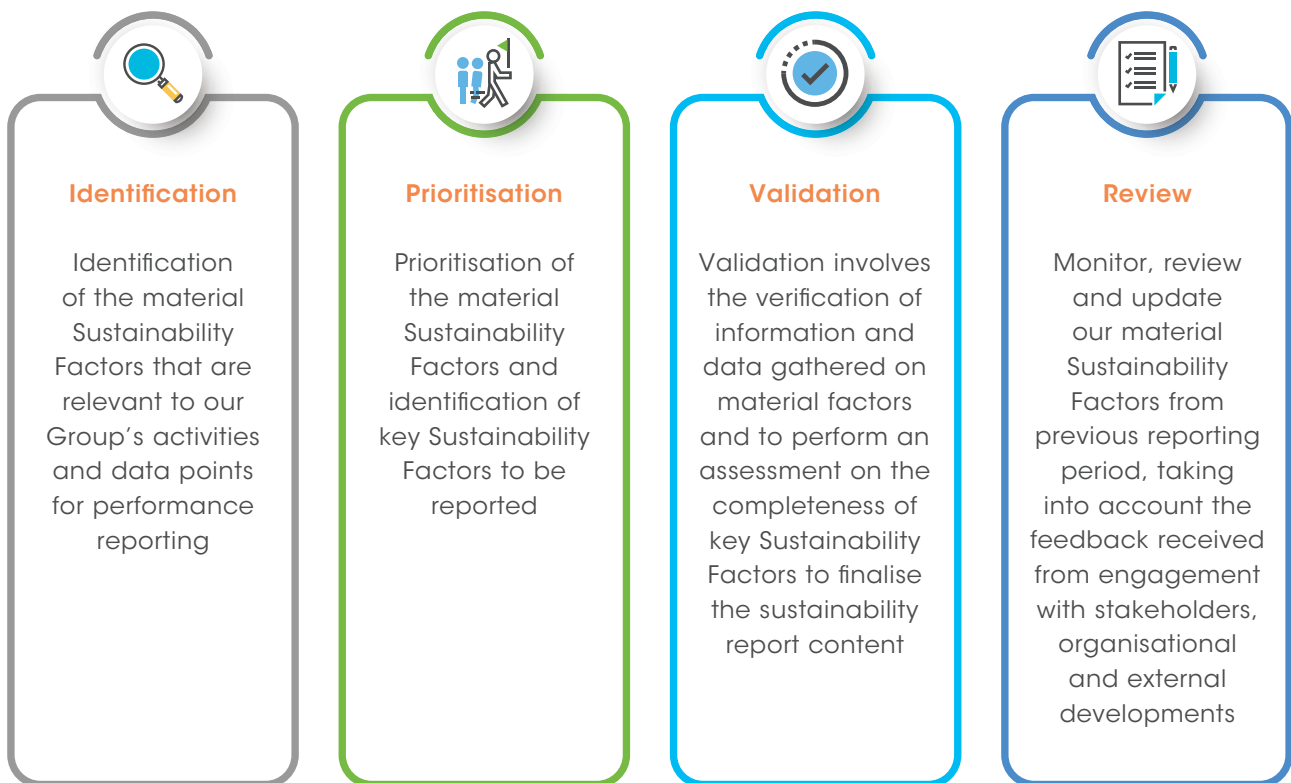
Key stakeholder	Mode of engagement	Frequency of engagement	Areas of concern
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual General Meeting ("AGM")</li> <li>Annual Reports, Sustainability Reports</li> </ul>	Annually	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Redistribution of profits</li> </ul>
	<ul style="list-style-type: none"> <li>Corporate website</li> </ul>	Ongoing	
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> </ul>	As and when required	<ul style="list-style-type: none"> <li>Timeliness of payments</li> <li>Equal and fair business relationships</li> <li>Safe working environment</li> </ul>
 <b>Customers (mostly building contractors)</b>	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> </ul>	As and when required	<ul style="list-style-type: none"> <li>Stable supply of products</li> <li>High value-added products</li> <li>Environmentally friendly products</li> <li>Product safety and quality</li> <li>Response to complaints</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Management-Employee meetings</li> </ul>	As and when required	<ul style="list-style-type: none"> <li>Training and development</li> <li>Safe working environment</li> <li>Welfare and benefits</li> </ul>
	<ul style="list-style-type: none"> <li>Performance appraisals</li> </ul>	Annually	
 <b>Regulators/ Industry Association ("Regulators")</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Industry events and seminars</li> </ul>	As and when required	<ul style="list-style-type: none"> <li>Compliance with rules and regulations</li> <li>Understand industry developments</li> </ul>
 <b>Communities</b>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Charitable contributions</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Environmental impact of the business</li> <li>Job creation for the local community</li> </ul>



## POLICY, PRACTICE AND PERFORMANCE REPORTING

### Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material Sustainability Factors which are then validated. The end result of this process is a list of material Sustainability Factors disclosed in this Report. Inter-relationships between the processes are shown in the chart below:



### Materiality assessment

The materiality assessment is supported by a materiality matrix which considers the likelihood of the occurrence of potential negative and positive impacts ("Likelihood of Impact") and significance of impacts on the economy, environment, people and their human rights, which in turn can indicate its contribution to sustainable development ("Significance of Impact").

### Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, monitoring and measuring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems. We believe that there is always room for improvement and we seek to continuously review our sustainability metrics as we embark on this journey of improving global sustainability, better corporate governance and greater economic contribution to society.

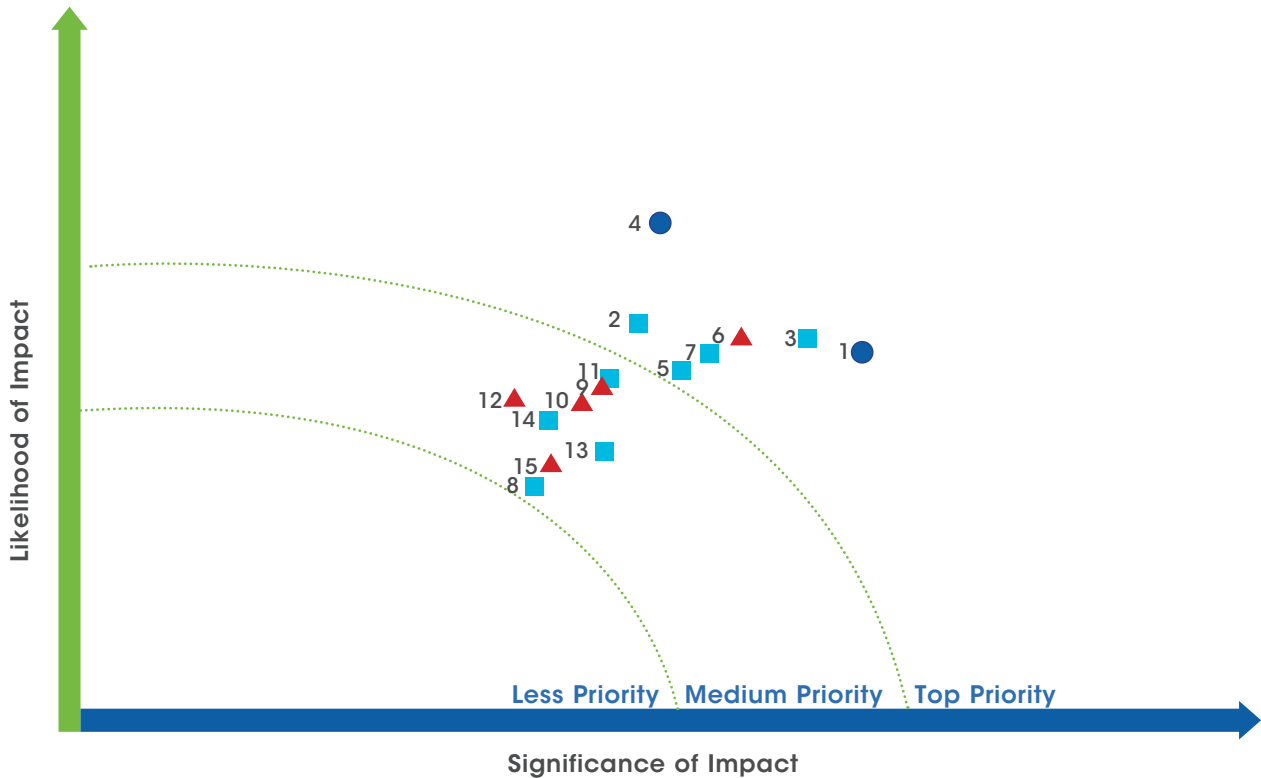
# MATERIAL SUSTAINABILITY FACTORS

In FY2021, EnGro's Committee reviewed the material Sustainability Factors and assessed its relevance to the Group's operations and business. Through this review, we streamlined material Sustainability Factors from 23 to 15. From these 15 material Sustainability Factors, we selected the top 7 for disclosure in this Report. We have also expanded on our reporting to include additional factor on community investment. Our material Sustainability Factors are grouped under three main sustainability focus areas of our business, people and environment as follows:

Sustainability focus area	Material Sustainability Factors	Key stakeholder
<b>Our business</b> <i>Doing our business with integrity</i>	Ethical business conduct and compliance	<ul style="list-style-type: none"> <li>• Regulators</li> <li>• Shareholders</li> </ul>
	Economic performance	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Employees</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>
<b>Our people</b> <i>Caring for the people we work with</i>	Product quality, service quality and customer satisfaction	<ul style="list-style-type: none"> <li>• Customers</li> </ul>
	Employment practices	<ul style="list-style-type: none"> <li>• Employees</li> </ul>
	Occupational health and safety	<ul style="list-style-type: none"> <li>• Employees</li> </ul>
	Employee development	<ul style="list-style-type: none"> <li>• Employees</li> </ul>
	Community investment	<ul style="list-style-type: none"> <li>• Communities</li> </ul>
<b>Our environment</b> <i>Protecting the environment</i>	Energy conservation and emissions reduction	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Regulators</li> <li>• Shareholders</li> </ul>

# MATERIAL SUSTAINABILITY FACTORS

Materiality matrix



Legend:

- Our Business
- Our People
- ▲ Our Environment

Presented below is the list of 15 material Sustainability Factors and material factor matrix applicable to the Group:

Top priority		Medium priority	
S/N	Sustainability issue	S/N	Sustainability issue
1	Economic performance*	8	Community investment*
2	Occupational health and safety*	9	Waste management and recycling
3	Product quality, service quality and customer satisfaction*	10	Water management
4	Ethical business conduct and compliance*	11	Security of information
5	Employment practices*	12	Use of sustainable materials
6	Energy conservation and emission reduction*	13	Human rights
7	Employee development*	14	Clear product labelling
		15	Responsible supply chain management

\* Material Sustainability Factors disclosed in the Report

# SUSTAINABILITY FOCUS AREAS

## OUR BUSINESS

*Doing our business with integrity*

### ETHICAL BUSINESS CONDUCT AND COMPLIANCE

EnGro upholds our commitment towards corporate governance which is in accordance with our continuing obligation as a company listed on the SGX. We go beyond the basics in regulatory compliance and have established a robust internal system, governed by the Board and Senior Management, that diligently cross-checks our compliance to regulations in various countries that we operate in. EnGro's goal is to ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. We have set up a risk assessment structure in the form of an Enterprise Risk Management ("ERM") Committee comprising the key Heads of Departments. The ERM Committee regularly reviews the key risk areas that affect the Group's business. The ERM committee submits its findings to the Audit Committee ("AC") Chairman and the Board for review and comments on a quarterly basis.

All of our employees also have access to an anonymous whistleblowing channel in the event that they would like to report on any unethical practices or misconduct. EnGro's whistleblowing policy is designed for employees raising concerns without fear of reprisal, to an internal authority (Chairman of AC, Chairman & CEO and the Internal Auditor). Employees can choose to voice their grievance to their supervisors or anonymously through an electronic mailbox of the Company. The whistleblowing policy is reviewed annually to ensure its effectiveness and relevance to the dynamic environment.

By adhering to laws, regulations, guidelines and specifications relevant to EnGro's businesses, it ensures that the Group's long-standing reputation is intact and continues to be preserved. In our view, a strong and ethical reputation forms an integral element of our core values of "Harmony, Trust, Excellence, and Win-Win", which enhance our ability to attract strong partners to expand our various businesses and attract relevant personnel to join our ever-growing capable workforce. When new employees join the Company, they undergo education and training that includes the Group's policies relating to anti-corruption, bribery, explanations of rights and interests as well as labour standards. In FY2021, we have no confirmed cases of corruption, and no cases where employees or business partners were dismissed or terminated due to violations related to corruption (FY2020: zero incident).

We closely follow legal and regulatory changes while operating in strict compliance with local laws and regulations, with the goal of achieving zero violations. The Group requires each department and subsidiary to report on all lawsuits and claims as well as the status of any legal disputes. The corporate office then follows up on each of these issues and acts when necessary. In FY2021, there were neither significant fines nor non-monetary sanctions for non-compliance with laws and regulations in the environmental or social and economic area (FY2020: zero incident).



## SUSTAINABILITY FOCUS AREAS

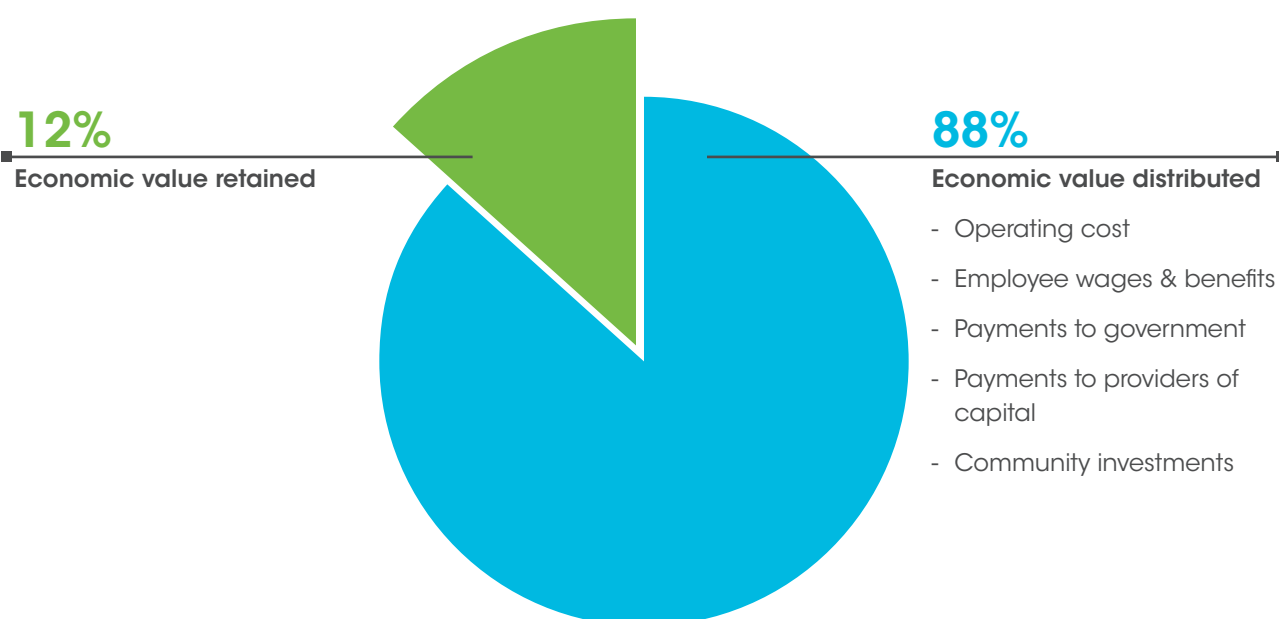
### ECONOMIC PERFORMANCE

The Group's revenue increases 33.7% from S\$96.9 million in FY2020 to S\$129.6 million in FY2021 and recorded a profit after tax ("PAT") of S\$50.7 million in year ended 31 December 2021. This was achieved largely through venture capital investment gains and profits of the joint venture property development project in Tangshan, China and sales of units in Turquoise, Sentosa. An overview of EnGro's performance in FY2021 can be found on Pg. 7 of the Annual Report.

Amidst a global health and economic crisis, the impact of the COVID-19 pandemic has brought unprecedented challenges to the construction industry. Even as the construction industry undergoes recovery, the disruption of materials supply will inevitably result in price escalation. The safety management measures that EnGro has put in place to comply with social distancing and other regulations (e.g. reduced workforce etc.) to ensure a safe working environment would also impact on the overall cost of operations. Under such difficult circumstances we will strive to maximise profits while reducing costs through strong relationships with our suppliers.

We are committed to provide value to various stakeholders through relevant and meaningful ways. In line with this commitment, economic value created in FY2021 is distributed as follows to enable a more sustainable future:

Description	FY2021	FY2020
Economic Value Generated	S\$129.6 million	S\$96.9 million
Economic Value Distributed	S\$113.7 million	S\$84.2 million
Economic Value Retained	S\$15.9 million	S\$12.7 million



# SUSTAINABILITY FOCUS AREAS

## OUR PEOPLE

*Caring for the people we work with*

### PRODUCT QUALITY, SERVICE QUALITY AND CUSTOMER SATISFACTION

EnGro is a leading player with more than 45 years of experience providing innovative, eco-friendly, and high-performance building materials to key projects in the region. Mindful of a dynamic and competitive business landscape, EnGro aims to be a trusted, knowledgeable and reliable supplier of eco-friendly high-performance building materials. In order to achieve this goal, EnGro has a stringent quality assurance system in place. All our products are manufactured according to industry standards and regular compliance review is conducted to ensure proper certification of compliance for the Group's wide range of products. In FY2021, we received 13 customer complaints (FY2020: 9 customer complaints) mainly relating to product quality issues but were all resolved amicably with our customers and closed in a timely manner.

Amid rising customer expectations in relation to safety and environmental concerns, we are committed to provide products that customers can use safely, and with confidence and satisfaction. EnGro adopts a transparent approach to its product labelling and discloses the following information in its product labelling:

- Content, particularly on substances that produce environmental or social impact;
- Safe use of product; and
- Disposal of product packaging and its environmental or social impact.

In FY2021, we did not receive any cases of product non-compliance with regulations concerning the health and safety impacts of our products (FY2020: zero incident).

### EMPLOYMENT PRACTICES

The majority of EnGro's workforce are full-time employees under our payroll. We rely on a group of logistics support team to transport our products to and from our facilities, which comprise approximately 17% (FY2020: 22%) of our total workforce in Singapore. In promoting welfare and talent retention, EnGro ensures that each employee and worker is treated fairly. EnGro is fully compliant with the employment practices listed under the Ministry of Manpower Employment Act. Our Group's Human Resources ("HR") team has developed a set of HR Policies and Procedures which are applicable to all employees in EnGro's business units in Singapore and Malaysia. This ensures consistency of internal practices among business units so that EnGro can remain competitive by being aligned with industry norms. The various policies and procedures cover grievance procedures, employee benefits, freedom to collective bargaining, and governs our hiring and merit-based promotion policies.

In line with our HR policies, EnGro builds a corporate culture that encourages an enterprising spirit by guaranteeing respect for the values of ambition, responsibility and mission, as well as fair and impartial assignments, evaluations, and treatment based on merit. Our total headcount in Singapore and Malaysia as of 31 December 2021 was 205 (FY2020: 182) employees under permanent and temporary contracts and 87% (FY2020: 89%) of our employees are permanent employees. Due to the nature of our business, our workforce consists predominantly of male employees and 19% (FY2020: 16%) of our employees is made up of female employees. Matured workers are valued in the Group for their experience, knowledge and skills. As at 31 December 2021, 24% (FY2020: 26%) of our full-time employees are over 50 years old.

## SUSTAINABILITY FOCUS AREAS

### New employees hired and employee turnover

		New hire rate		Turnover rate	
		FY2021	FY2020	FY2021	FY2020
Overall		33%	25%	42%	30%
		Number of new hires		New hire rate	
		FY2021	FY2020	FY2021	FY2020
Gender	Male	51	24	31%	16%
	Female	16	22	42%	73%
		Number of new hires		New hire rate	
		FY2021	FY2020	FY2021	FY2020
Age Group	Under 30 years old	23	11	68%	31%
	30-50 years old	39	32	32%	32%
	Over 50 years old	5	3	10%	6%
		Number of new hires		New hire rate	
		FY2021	FY2020	FY2021	FY2020
Region	Singapore	28	24	24%	21%
	Malaysia	39	22	44%	34%
		Number of leavers		Turnover rate	
		FY2021	FY2020	FY2021	FY2020
Gender	Male	67	38	40%	25%
	Female	19	16	50%	53%
		Number of leavers		Turnover rate	
		FY2021	FY2020	FY2021	FY2020
Age Group	Under 30 years old	24	7	71%	20%
	30-50 years old	47	35	39%	35%
	Over 50 years old	15	12	30%	25%
		Number of leavers		Turnover rate	
		FY2021	FY2020	FY2021	FY2020
Region	Singapore	28	38	24%	32%
	Malaysia	58	16	66%	25%

## SUSTAINABILITY FOCUS AREAS

The increase in new hire rate is mainly due to the replacement of employees who left the Company and recruitment of site workers to support the production line in light of an increase in revenue. The increase in turnover rate is mainly due to site workers based in Malaysia who resigned for a career change in light of the movement control order ("MCO") and further lockdown in Malaysia.

During the Reporting Period, we have no (FY2021: zero incident) reported incident of unlawful discrimination against employees.

EnGro offers various employee benefit programs, covering each stage of life from hiring to retirement. EnGro funds or subsidises programs and clubs that bring together people with shared interests to foster better workplace communication. Employee benefit programs have also been developed in line with each site's needs. In addition to providing employee benefits which are required by the local regulations, EnGro also provides certain non-statutory leaves and benefits to our employees, such as the following:

Benefits offered to full-time employees in Singapore	
Healthcare	General medical insurance covering inpatient and outpatient treatment.
Disability and invalidity coverage	Personal accident injury coverage.
Marriage leave	Employees are entitled to 3 days of marriage leave.
Family care leave	Employees are entitled to 2 days of family care leave per year.
Compassionate leave	Employees are entitled to compassionate leave of up to 6 days a year.
Dental benefits	Employees are provided with an allowance of \$120 per year dental allowance.
Annual health screening	Employees who have worked for 3 years or more in the company and aged 40 years old and above are provided with a \$250 annual health screening allowance once every 2 years.

### EMPLOYEE DEVELOPMENT

EnGro seeks to hire and retain talent that can drive globalisation and innovation in its businesses with the ultimate goal of sustainable growth. With this in mind, we follow a uniform policy for hiring, job placement and human resource development. The Group has established various programs and systems, such as a career matching system to support the continued employment of each and every employee so that they remain motivated and can maximise their skills and abilities over the long term. Specialised training is provided for employees engaged in different types of work to enhance their knowledge and skillsets. In FY2021, our employees attended an average of 2.1 training hours per employee (FY2020: 1.5 training hours per employee).



## SUSTAINABILITY FOCUS AREAS

Employee Category	Gender	Number of Training Hours	
		FY2021	FY2020
Senior Management	Male	37	-
	Female	-	-
Middle Management	Male	61	44
	Female	-	45.5
Executive	Male	35	23.5
	Female	19	53
Non-Executive	Male	285.5	105.5
	Female	-	10
<b>Total</b>		<b>437.5</b>	<b>281.5</b>

The increase in training hours is mainly due to the easing of COVID-19 restrictions which allowed the Company to send employees for in-person training courses.

### OCCUPATIONAL HEALTH AND SAFETY

At EnGro, the various functions and departments work hand in hand to support safety and health. We have established detailed rules and regulations regarding occupational safety and health, which are also reflected in agreements with labour unions. Respective division General Managers who are part of the management team will report directly to the CEO on health and safety matters for each site. Each site establishes their own policies and plans regarding health and safety while also promoting the elimination of occupational accidents and improvement of health.

EnGro places significant emphasis on the health and safety of its employees. Management ensures that the Company complies with legal requirements for all safety and health matters and educate our employees to observe safety requirements at all times. Since 2012, EnGro's operations in Singapore have obtained OHSAS 18001 certification for Occupational Health and Safety Management Systems and these sites have now transitioned and certified to ISO 45001. At EnGro's production facilities, employees attend toolbox meeting on a daily basis, where safety advisories and reminders are communicated to employees.

Before commencing any work, supervisors or project managers must complete a hazard analysis or risk assessment of the work activities and submit to the appropriate EnGro management for approval. This requirement is applicable to both EnGro's employees as well as its contractors. All accident cases have to be reported to the supervisors and plant managers and investigations are carried out to ensure corrective actions have been identified and implemented.

We recorded zero fatalities, zero high-consequence work-related injuries, 2 recordable work-related injuries and zero recordable work-related ill health cases in FY2021 (FY2020: zero fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero recordable work-related ill health cases). The recordable work-related injuries are associated with trips and falls. Lessons from the non-fatal workplace accidents are shared across business units to prevent recurrence and we will continuously work towards reducing both the occurrence and severity of workplace accidents.

## SUSTAINABILITY FOCUS AREAS

Key measures adopted to manage health and safety in the workplace environment are as follows:

- Safety officers are deployed at our sites to educate and identify safety gaps and work towards closing all occupational health and safety gaps;
- Standard Operating Procedures (“SOPs”) are made available at all sites with safety rules embedded in all the work processes to ensure that these safety rules are strictly and consistently observed;
- Regular in-house safety trainings are conducted and safety instruction diagrams are clearly visible near various equipment for easy reference; and
- Supervisors are sent for safety training to upgrade their skills and to keep abreast of latest safety regulations.

During COVID-19, our offices and plants in Singapore and Malaysia adopted the local regulations relating to Safe Management Measures (“SMM”). In addition to ensuring an adequate supply of appropriate Personal Protection Equipment (“PPE”), surgical masks and hand sanitisers in our offices, all our employees have also been trained and briefed on the correct use of the PPE. At our operations in Singapore, employees had to undergo a fortnightly swab test and attend a COVID-19 training arranged by the Ministry of Manpower. All our plant managers attended the safe management officer course and conducted additional COVID-19 checks during the routine SMM inspections.



## SUSTAINABILITY FOCUS AREAS

### COMMUNITY INVESTMENT

We strive to set a good example and encourage individuals and other corporations to embrace the spirit of giving as we recognise that the long-term success of our business is closely related with the health and prosperity of the community which we operate in.

During the Reporting Period, we engaged in various initiatives to help the communities, such as the following:

#### Nurturing tomorrow's talents

EnGro has been providing five bond-free scholarships annually to the Singapore Institute of Technology ("SIT") since 2016. Each scholarship is applicable for one academic year and can be used for the recipient's annual tuition fees for specified undergraduate programmes at SIT.

#### EnGro support to Ren Ci Hospital

In the spirit of helping the less fortunate, EnGro donated to the Ren Ci Charity Golf Tournament 2021 in its fundraising drive to cater to the long-term healthcare needs of disadvantaged residents. Ren Ci also provides rehabilitative care to post-acute patients in a community hospital setting.

#### Contribution to "Chinese Singaporean Culture Online Video Series"

EnGro also donated to support the Chinese Singaporean Culture Online Video Series, which provide accessible and high-quality programmes to the public. We are glad to be supporting the Singapore Chinese Cultural Centre's magnanimous efforts to promote and transmit Chinese Singaporean culture to future generations.

#### Donation to Singapore Perspectives

EnGro's donation also went to Institute of Policy Studies ("IPS") for its Singapore Perspectives flagship conference, which was first launched in 2000 to engage thinking Singaporeans in a lively debate about the public policy challenges.



# SUSTAINABILITY FOCUS AREAS

## OUR ENVIRONMENT




### Protecting the Environment

#### ENERGY CONSERVATION AND EMISSION REDUCTION

More than three decades ago, when the Company was still under the auspices of SsangYong Cement (S) Limited, the Company took its first steps to go green with the intent to promote GGBS, a low carbon yet high performance material that could partially displace OPC, which had a high carbon footprint of almost 20 times that of GGBS. From 2002 onwards, our Go Green program began to intensify after we expanded into North Asia, particular in China, where we have established 18 green cement (i.e. GGBS) plants with a total GGBS production capacity of 10.8 million tons p.a.. In 2008, we were the first among our peers to adopt independent carbon footprint assessment for our products and provide third party assessed carbon footprint certificates to our customers for the products they procure from us. In 2007, various EnGro's green products were the first in the industry to receive the Singapore Green Labelling Scheme accreditation for its sustainability qualities and similarly also achieved the "4 ticks" or "Leader" rating from the Singapore Green Building Council ("SGBC").

EnGro and its subsidiary companies have invariably sought to obtain international certifications, such as the ISO, to demonstrate our environmental commitment. Our Singapore operations were certified ISO 14001 since 2012. In regards to our Malaysia concrete operations, we have also obtained ISO 9001 certification. To closely communicate the results of our green initiatives, EnGro chose to implement independent carbon footprint assessments at product and company level to communicate the Greenhouse Gas ("GHG") footprint of our operations and products to our stakeholders. A Product Life Cycle Assessment ("LCA") has also been done for selected products in accordance with international standards ISO14040/44 and PAS2050.

We strive to be at the forefront of product innovations through intensive research and development to develop our expertise and in-house capability. We rely on our knowledge-based culture of continuous learning and spirit of innovation to develop environmentally friendly products. Together with our research team and external

GREEN LABEL PRODUCTS	SINGAPORE GREEN BUILDING PRODUCTS	
		
<p>P197A P197B P4246 P4246S VCEM DureCrete</p>	<p>P197-4S P4246 P4246S DureCrete</p>	<p>P197A P197B DureCrete</p>

## SUSTAINABILITY FOCUS AREAS

partners, EnGro constantly develops new environmentally friendly solutions to address new applications that generate long-term benefits to our stakeholders. We believe in a collective effort with the community in adopting green and going the extra mile and upholding corporate governance practices to achieve a balance between People, Planet, and Profit, that is, the Triple Bottomline.

Recognising the link between our business activities, energy consumption, and GHG emissions, EnGro strives to lower our GHG emissions at every stage of the product lifecycle. EnGro's green cement products utilise recycled materials (such as GGBS) as ingredient materials and Top-Mix Concrete uses EnGro's low-carbon VCEM product in green concrete products. This results in products of lower carbon-content, while maintaining and even improving the performance and functionality of the products.

Our overall energy consumption from our offices and manufacturing sites in Singapore and Malaysia for FY2021 was approximately 51,470 GJ (FY2020: 49,562 GJ) while the overall Scope 1 and Scope 2 GHG emission was 2,927 tCO<sub>2</sub>e (FY2020: 2,910 tCO<sub>2</sub>e) and 1,463 tCO<sub>2</sub>e (FY2020: 1,329 tCO<sub>2</sub>e) respectively. For a better comparison and understanding of our GHG emissions, we have also, in this year's Report, included the performance data from FY2020 emissions. There has been a slight increase in the total GHG emissions for FY2021 as compared to FY2020 due to the resumption of operations post-pandemic.

### Our Performance

#### Energy Consumption and GHG Emissions for Singapore and Malaysia operations

Business Entity	Energy Consumption from Fuel Use (MJ)		Energy Consumption from Electricity Use (MJ)		Scope 1 GHG Emissions (kgCO <sub>2</sub> e)		Scope 2 GHG Emissions (kgCO <sub>2</sub> e)	
	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021
<b>Singapore Operations</b>								
Corporate Office	0	0	145,152	145,249	0	0	16,471	16,462
Top-Mix Concrete Plants <sup>3</sup>	15,237,655	22,069,248	223,128 <sup>4</sup>	379,364	1,135,799	1,635,230	25,319	42,995
EnGro Corporation Limited (PDL Plant)	2,309,477	2,624,876	8,278,196	9,996,037	172,147	194,491	939,345	1,132,884
<i>Subtotal</i>	<i>17,547,132</i>	<i>24,694,124</i>	<i>8,646,476</i>	<i>10,520,650</i>	<i>1,307,946</i>	<i>1,829,721</i>	<i>981,135</i>	<i>1,192,341</i>
<b>Malaysia Operations</b>								
Corporate Office	0	0	109,123	102,899	0	0	20,309	19,151
Top-Mix Concrete Plants <sup>5</sup>	21,496,998	14,803,746	1,762,121	1,349,057	1,602,365	1,096,890	327,950	251,074
<i>Subtotal</i>	<i>21,496,998</i>	<i>14,803,746</i>	<i>1,871,244</i>	<i>1,451,956</i>	<i>1,602,365</i>	<i>1,096,890</i>	<i>348,259</i>	<i>270,225</i>
<b>TOTAL</b>	<b>39,044,130</b>	<b>39,497,870</b>	<b>10,517,720</b>	<b>11,972,606</b>	<b>2,910,311</b>	<b>2,926,611</b>	<b>1,329,394</b>	<b>1,462,566</b>
<b>Intensity ratio (consumption/revenue)</b>	<b>0.47</b>	<b>0.35</b>	<b>0.13</b>	<b>0.11</b>	<b>0.03</b>	<b>0.03</b>	<b>0.02</b>	<b>0.01</b>

Source of fuel emission factors: IPCC 2006 Guidelines for National Greenhouse Gas Inventories

Grid emission factors for Singapore were sourced from Energy Market Authority, Singapore. Grid emission factors for Malaysia were sourced from Institute for Global Environmental Strategies (2022). List of Grid Emission Factors, version 10.12

<sup>2</sup> Figure has been restated as a correction.

<sup>3</sup> Top-Mix Concrete plants for Singapore operations include Changi and Tuas plants.

<sup>4</sup> Figure has been restated as a correction.

<sup>5</sup> Top-Mix Concrete plants for Malaysia operations include Tampoi, Tanjong Kupang and Melaka plants.




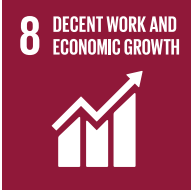
## TARGET SETTING

For the Sustainability Factors identified, we have set targets for FY2022 as follows:




S/N	Sustainability Factor	Target for FY2022
<b>Our business</b>		
1	Ethical business conduct and compliance	Maintain zero case of corruption
2	Economic performance	Maintain or improve economic value generated subject to market conditions
<b>Our people</b>		
3	Product quality, service quality and customer satisfaction	Maintain zero case of product non-compliance with regulations concerning health and safety impacts of our products
4	Employment practices	Maintain zero incident of unlawful discrimination against employees
5	Occupational health and safety	Maintain zero workplace accident
6	Employee development	Maintain or improve training hours per employee
7	Community investment	Initiate various campaigns to help the communities
<b>Our environment</b>		
8	Energy and emissions	Maintain or reduce GHG emissions intensity

## SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important part in advancing sustainable development and to align our business objectives with the SDG, we have identified the relevant SDG which we can contribute to through our business practices, products and services. The SDG that we focus on and the related Sustainability Factors are as follows:

SDG	Our effort (Sustainability Factor)
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><u>Occupational health and safety</u></p> <p>We implement measures such as deploying safety officers at sites, putting in place safety rules and providing safety training to provide a hazard-free workplace for our employees and ensure the well-being of both our employees and the working environment.</p>
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><u>Employee development</u></p> <p>We offer our employees specialised training to enhance their knowledge and skillsets as we believe in creating a rewarding working environment for our employees.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p><u>Energy conservation and emission reduction</u></p> <p>We constantly monitor and implement measures to reduce our energy consumption as not only does it help to improve our energy efficiency, it also helps us to reduce our emissions and save costs incurred to support our business operations.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Economic performance</u></p> <p>We contribute to economic growth through creating long-term value for our stakeholders.</p>

## SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

SDG	Our effort (Sustainability Factor)
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	<p><u>Employment practices</u></p> <p>We ensure equal opportunity for all regardless of gender, age and educational background.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p><u>Community investment</u></p> <p>While we strive to achieve our business goals, we also believe in giving back to the society and serving our local communities to promote social inclusion and sustainable communities.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels</p>	<p><u>Product quality, service quality and customer satisfaction</u></p> <p>We recognise that product quality and customer health and safety are key to ensuring customer satisfaction. We adhere to industry standards, adopt a transparent approach in product labelling and comply with laws and regulations concerning the health and safety impacts of our products to maintain the continued success of our business and promote effective, accountable and transparent institutions.</p> <p><u>Ethical business conduct and compliance</u></p> <p>We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder's value.</p>



# GRI CONTENT INDEX

GRI standard & disclosure title	Section reference	Page
<b>Organisational profile</b>		
102-1	Name of the organisation	Sustainability Report 2021 ("SR 21") > About Us
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> <li>• SR 21 &gt; About Us</li> <li>• SR 21 &gt; About the Report</li> <li>• Annual Report 2021 ("AR 21") &gt; Notes to the Financial Statements &gt; Operating Segments</li> </ul>
102-3	Location of headquarters	AR 21 > Financial Contents > Notes to the Financial Statements > Domicile and Activities
102-4	Location of operations	<ul style="list-style-type: none"> <li>• AR 21 &gt; Regional Presence</li> <li>• AR 21 &gt; Notes to the Financial Statements &gt; Operating Segments</li> </ul>
102-5	Ownership and legal form	<ul style="list-style-type: none"> <li>• AR 21 &gt; Financial Contents &gt; Notes to the Financial Statements &gt; Subsidiaries</li> <li>• AR 21 &gt; Statistics of Shareholdings</li> </ul>
102-6	Markets served	<ul style="list-style-type: none"> <li>• AR 21 &gt; Regional Presence</li> <li>• AR 21 &gt; Notes to the Financial Statements &gt; Operating Segments</li> </ul>
102-7	Scale of the organisation	<ul style="list-style-type: none"> <li>• SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our Business &gt; Economic Performance</li> <li>• SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our People &gt; Employment Practices</li> <li>• AR 21 &gt; Financial Highlights</li> <li>• AR 21 &gt; Regional Presence</li> <li>• AR 21 &gt; Financial Contents &gt; Statements of Financial Position</li> <li>• AR 21 &gt; Financial Contents &gt; Consolidated Statement of Profit or Loss</li> <li>• AR 21 &gt; Financial Contents &gt; Consolidated Statement of Comprehensive Income</li> <li>• AR 21 &gt; Notes to the Financial Statements &gt; Operating Segments</li> </ul>
102-8	Information on employees and other workers	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Employment Practices
102-9	Supply chain	<ul style="list-style-type: none"> <li>• SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our Environment &gt; Energy Conservation and Emission Reduction</li> <li>• AR 21 &gt; Notes to the Financial Statements &gt; Operating Segments</li> </ul>

# GRI CONTENT INDEX

GRI standard & disclosure title	Section reference	Page	
<b>Organisational profile</b>			
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain during the Reporting Period	-
102-11	Precautionary Principle or approach	None	-
102-12	External initiatives	SR 21 > Supporting the United Nations Sustainable Development Goals	21 - 22 of SR 21
102-13	Membership of associations	None	-
<b>Strategy</b>			
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> <li>SR 21 &gt; Board Statement</li> <li>AR 21 &gt; Chairman's Message</li> </ul>	03 of SR 21 04 - 05 of AR 21
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> <li>SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our Business &gt; Ethical Business Conduct and Compliance</li> <li>AR 21 &gt; Corporate Governance Report</li> </ul>	10 of SR 21 28 - 55 of AR 21
<b>Governance</b>			
102-18	Governance structure	<ul style="list-style-type: none"> <li>SR 21 &gt; Sustainability Governance</li> <li>SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our Business &gt; Ethical Business Conduct and Compliance</li> <li>AR 21 &gt; Corporate Governance Report</li> </ul>	05 of SR 21 10 of SR 21 28 - 55 of AR 21
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	SR 21 > Stakeholder Engagement	05 - 06 of SR 21
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	-
102-42	Identifying and selecting stakeholders	SR 21 > Stakeholder Engagement	05 - 06 of SR 21
102-43	Approach to stakeholder engagement	SR 21 > Stakeholder Engagement	05 - 06 of SR 21
102-44	Key topics and concerns raised	SR 21 > Stakeholder Engagement	05 - 06 of SR 21
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	AR 21 > Financial Contents > Notes to the Financial Statements > Subsidiaries	106 - 109 of AR 21
102-46	Defining report content and topic Boundaries	SR 21 > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	07 of SR 21
102-47	List of material topics	SR 21 > Material Sustainability Factors	08 - 19 of SR 21

# GRI CONTENT INDEX

GRI standard & disclosure title	Section reference	Page	
<b>Reporting Practice</b>			
102-48	Restatements of information	There are some minor restatements of the following: <ul style="list-style-type: none"> <li>SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our Environment &gt; Energy Conservation and Emission Reduction</li> </ul>	18 - 19 of SR 21
102-49	Changes in reporting	Sustainability factor removed: <ul style="list-style-type: none"> <li>Sustainability Report &gt; Stakeholder Engagement</li> </ul> The above-mentioned factor has been removed based on a materiality assessment performed with the senior management. We will continue to monitor the relevance and materiality of these factors based on internal and external developments and disclose on these factors if applicable.	-
102-50	Reporting period	SR 21 > About the Report	04 of SR 21
102-51	Date of most recent report	Sustainability Report 2020	-
102-52	Reporting cycle	SR 21 > About the Report	04 of SR 21
102-53	Contact point for questions regarding the report	SR 21 > About the Report	04 of SR 21
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <li>SR 21 &gt; About the Report</li> <li>SR 21 &gt; GRI Content Index</li> </ul>	04 of SR 21 23 - 27 of SR 21
102-55	GRI content index	SR 21 > GRI Content Index	23 - 27 of SR 21
102-56	External assurance	SR 21 > About the Report	04 of SR 21
<b>Management approach</b>			
103-1	Explanation of the material topic and its Boundary	SR 21 > Material Sustainability Factors	08 - 19 of SR 21
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>SR 21 &gt; Board Statement</li> <li>SR 21 &gt; Sustainability Governance</li> <li>SR 21 &gt; Policy, Practice and Performance Reporting</li> <li>SR 21 &gt; Material Sustainability Factors</li> </ul>	03 of SR 21 05 of SR 21 07 of SR 21 08 - 19 of SR 21
103-3	Evaluation of the management approach	SR 21 > Material Sustainability Factors	08 - 19 of SR 21
<b>Category: Economic</b>			
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our Business &gt; Economic Performance</li> <li>AR 21 &gt; Financial Highlights</li> <li>AR 21 &gt; Financial Contents &gt; Statements of Financial Position</li> <li>AR 21 &gt; Financial Contents &gt; Consolidated Statement of Profit or Loss</li> <li>AR 21 &gt; Financial Contents &gt; Consolidated Statement of Comprehensive Income</li> </ul>	11 of SR 21 07 of AR 21 74 of AR 21 75 of AR 21 76 of AR 21

# GRI CONTENT INDEX

GRI standard & disclosure title	Section reference	Page	
<b>Category: Economic</b>			
205-3	Confirmed incidents of corruption and actions taken	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our Business > Ethical Business Conduct and Compliance	10 of SR 21
<b>Category: Environmental</b>			
302-1	Energy consumption within the organisation	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our Environment > Energy Conservation and Emission Reduction	18 - 19 of SR 21
302-3	Energy intensity	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our Environment > Energy Conservation and Emission Reduction	18 - 19 of SR 21
305-1	Direct (Scope 1) GHG emissions	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our Environment > Energy Conservation and Emission Reduction	18 - 19 of SR 21
305-2	Energy indirect (Scope 2) GHG emissions	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our Environment > Energy Conservation and Emission Reduction	18 - 19 of SR 21
305-4	GHG emissions intensity	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our Environment > Energy Conservation and Emission Reduction	18 - 19 of SR 21
<b>Category: Social</b>			
401-1	New employee hires and employee turnover	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Employment Practices	12 - 14 of SR 21
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Employment Practices	12 - 14 of SR 21
403-9	Work-related injuries	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Occupational Health and Safety	15 - 16 of SR 21
403-10	Work-related ill health	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Occupational Health and Safety	15 - 16 of SR 21
404-1	Average hours of training per year per employee	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Employee Development	14 - 15 of SR 21
405-1	Diversity of governance bodies and employees	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Employment Practices	12 - 14 of SR 21

# GRI CONTENT INDEX

GRI standard & disclosure title	Section reference	Page
<b>Category: Social</b>		
406-1	Incidents of discrimination and corrective actions taken	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Employment Practices
413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> <li>• SR 21 &gt; Material Sustainability Factors &gt; Sustainability Focus Areas &gt; Our People &gt; Community Investment</li> <li>• AR 21 &gt; Corporate Social Responsibility</li> </ul>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Product Quality, Service Quality and Customer Satisfaction
417-1	Requirements for product and service information and labelling	SR 21 > Material Sustainability Factors > Sustainability Focus Areas > Our People > Product Quality, Service Quality and Customer Satisfaction



**ENGRO CORPORATION LIMITED**

29 International Business Park  
#08-05/06 Acer Building Tower B  
Singapore 609923  
Telephone: +65 6561 7978  
Facsimile: +65 6561 9770  
Company no. 197302229H