



CHUAN HUP
HOLDINGS
LIMITED

SOLID
FOUNDATIONS

**RESILIENT
GROWTH**

SUSTAINABILITY REPORT 2019



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STATEMENT FROM OUR BOARD

Dear stakeholders,

The Board and Management are pleased to present Chuan Hup Holdings Limited (“Chuan Hup”, the “Company” or the “Group”)’s second Sustainability Report for the financial year ended 30 June 2019 (“FY2019”). This report reaffirms Chuan Hup’s commitment towards incorporating Environmental, Social and Governance (ESG) considerations in our business activities and discloses the management approach towards our material ESG matters, as well as its performance for the reporting year.

In FY2019, the Board and Management have reviewed the ESG factors identified in Chuan Hup’s inaugural sustainability report and determined them to still be relevant to achieving the sustainability goals of our business. Moving forward, the Board will continue to closely monitor for new developments that may affect the long-term sustainability of Chuan Hup. We are grateful to all stakeholders who have supported us over the years. This sustainability journey we are on takes unremitting effort and we look forward to your continued support.

ABOUT THE REPORT

This is Chuan Hup's second Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) 2016 Standards – "Core" reporting requirements. To be in line with the latest GRI standards, we transitioned from GRI 2016 to GRI 2018 on the applicable ESG topic. This report details our approach in managing material sustainability matters identified as part of the Group's operations for the period of 1 July 2018 to 30 June 2019 ("FY2019") on an annual reporting cycle. Where applicable, one year of historical performance data has been included for comparative purposes.

The scope of this report covers the sustainability performance of Chuan Hup's investment holding business, and performance relating to issues from Chuan Hup's operations. As Chuan Hup itself is not an operating company, the report does not consider issues which may be relevant for investee companies at their local operations or subsidiaries.

While we have not sought external assurance for this report, we will work towards doing so as our reporting matures over time. We welcome feedback from all stakeholders on our Sustainability Report. For any queries or comments on this report, please contact corpsec_legal@chuanhup.com.sg.

ABOUT CHUAN HUP

Founded in 1970, Chuan Hup Holdings Limited ("Chuan Hup") has grown into an investment company with a diversified portfolio of strategic investments, including property sectors. The Company also engages in quality equity investments aimed at generating long-term returns. Chuan Hup began as a tug and barge service provider to PSA Corporation in Singapore, establishing a reputation as one of the leading owners and operators of marine transportation equipment to the resource industry. Following its listing on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1983, the Company diversified its business footprint to include property development and electronics manufacturing services under PCI Limited ("PCI").

There were significant changes to Chuan Hup's portfolio in 2019 as Chuan Hup has disposed of all of its shares in PCI by way of a scheme of arrangement, which became effective and binding in accordance with its terms on 29 April 2019. In the same period, Chuan Hup also acquired the entire 24th floor of The Central, Singapore which houses several office units. More details about our portfolio can be found in our Annual Report 2019. This change in portfolio does not affect the reporting scope as this report covers the sustainability performance of Chuan Hup's investment holding business, and performance relating to issues from Chuan Hup operations.

With a focus on delivering long-term sustainable growth, Chuan Hup continues to explore investment opportunities with prudence to further augment its portfolios and generate sustainable value for its stakeholders.

SUSTAINABILITY APPROACH AT CHUAN HUP

Chuan Hup understands the importance of expanding our business responsibly and sustainably. At Chuan Hup, the Board of Directors is directly responsible for reviewing and overseeing the management and monitoring of ESG issues. The Board and Management work together with our stakeholders to ensure that all relevant ESG matters are considered during the formulation of our business strategy.

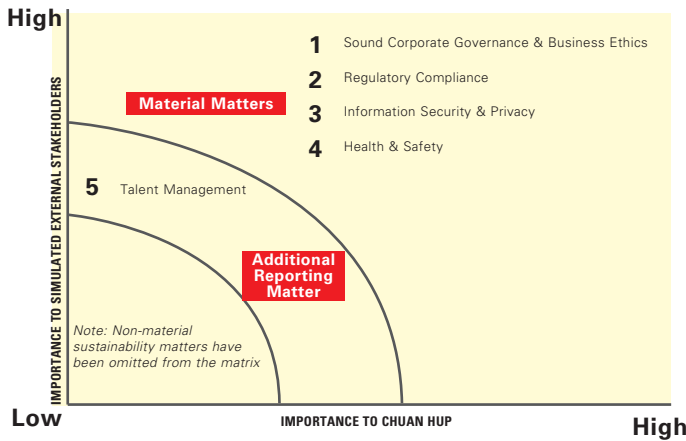
MATERIALITY ASSESSMENT

To identify issues that impact our mission and external stakeholders the most, we conducted our first materiality assessment in May 2018 as summarised in Figure 1. In FY2019, the management has reviewed the material matters identified in our inaugural report and determined that they are still relevant to Chuan Hup. These four material matters and one additional reporting matter are summarised in Figure 2. Moving forward, Chuan Hup will continue to monitor these material matters to ensure that they remain relevant and material.

Figure 1. Steps in our Materiality Assessment



Figure 2. Chuan Hup's Materiality Matrix



Material Matters	Mapped GRI Standards Topics	Topic-specific Disclosures
Sound Corporate Governance and Business Ethics	GRI 102: Ethics and Integrity, Governance GRI 205: Anti-corruption	205-3 – Confirmed incidents of corruption and actions taken
Regulatory Compliance	GRI 307: Environmental compliance GRI 419: Socioeconomic compliance	307-1 – Non-compliance with environmental laws and regulations 419-1 – Non-compliance with laws and regulations in the social and economic area
Information Security & Privacy	Non-GRI¹	Non-GRI – Substantiated complaints concerning breaches of privacy and loss of organisation’s data
Health & Safety	GRI 403 (2018)²: Occupational Health & Safety	403-9 – Work-related injuries 403-10 – Work-related ill health
Additional reporting matter	Mapped GRI Standards Topics	Topic-specific Disclosures
Talent Management³	GRI 404: Training and Education	404-1 – Average hours of training per year per employee 404-2 – Programmes for upgrading employee skills and transition assistance programmes 404-3 – Percentage of employees receiving regular performance and career development reviews

¹ GRI 418: Customer Privacy is not applicable to Chuan Hup as we do not have any business relationships with customers.

² For this report, Chuan Hup will adopt GRI403 with the updated requirements from GRI 403 (2018) Standards.

³ For FY2019, this matter has been streamlined from ‘Talent Management & Succession Planning’ to ‘Talent Management’.

SUSTAINABILITY APPROACH AT CHUAN HUP

STAKEHOLDER ENGAGEMENT

To better understand the concerns of our stakeholders, Chuan Hup has a formalised approach to gathering feedback from and communicating to key stakeholders on issues related to Chuan Hup’s sustainability. Figure 3 provides a summary of Chuan Hup’s key stakeholder groups and the way that we manage these stakeholder groups.

Figure 3. Summary of Chuan Hup’s Stakeholder Groups and how their concerns are managed

Community

Concerns

Good and responsible business that contributes back to society

Our Approach

Giving back to society through programmes and activities focused on youth and education and supporting charitable causes

Engagement platform and frequency

Regularly provide support of programmes both financially and through participating in fund-raising events

Government

Concerns

Compliance with laws and regulations

Our Approach

Complying with all applicable laws and regulations, conducting regular internal and external audits

Engagement platform and frequency

Engagement through annual reports, audit reports and consultations with regulatory bodies as required



Shareholders

Concerns

Stable, long term growth and sustainable returns of our business

Our Approach

Ensuring strong oversight and accountability by an experienced and competent Board and Management team

Engagement platform and frequency

Through release of financial results and other relevant disclosures quarterly

Employees

Concerns

A fulfilling career with career development, competitive wages and a safe working environment

Our Approach

A fair and transparent human resource policy which focuses on developing our talent and rewarding good performance

Engagement platform and frequency

Regular training programmes and performance reviews

CORPORATE GOVERNANCE, BUSINESS ETHICS AND COMPLIANCE TO LAWS

Chuan Hup is committed to maintaining high standards of corporate governance and business conduct to safeguard the interests of its stakeholders. We firmly believe that sound corporate governance and business ethics are essential to the sustainability of the Company's business and performance. Chuan Hup's Board of Directors is directly responsible for the implementation and management of policies and practices on corporate governance.

POLICIES AND PRACTICES

At Chuan Hup, all employees are required to adhere to our Corporate Governance policies and practices, summarised in Table 1 below. In addition to these policies, we require all employees to comply with all relevant laws and regulations in Singapore. To maintain compliance, all employees are required to submit an annual declaration of non-conflict interest with the Company's business.

Table 1. Summary of Chuan Hup's Corporate Governance Policies

Policies/Practices	Description
Policy on Work Ethics	All employees are expected to adhere to a high standard of personal conduct at all times and not to engage in any activities or interests that conflict with any of the Group's business.
Whistleblowing Policy	The policy serves to encourage and provide a channel to employees of the Company and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing, or breach of applicable laws, regulations, policies or other matters.
Internal Code on Dealing in Securities	Chuan Hup's internal code on securities trading sets out the implications of insider trading and provides guidance and internal regulation on dealings in the Company's securities by its Directors and employees.

In addition to these policies and practices, internal and external audits are conducted regularly to review company policies and practices. The Management also obtains feedback from all stakeholders during Annual General Meetings and Extraordinary General Meetings to enhance and improve the Company's business operations. Also, to ensure alignment with all regulatory requirements, the Directors and Senior Management have attended seminars on changes to the Code of Corporate Governance and SGX Listing Rules.

More detailed corporate governance practices are set out in our Corporate Governance Report, found from pages 25 to 37 of Chuan Hup's 2019 Annual Report, with specific reference to the principles of the Code of Corporate Governance 2012.

TARGETS AND PERFORMANCE

We are pleased to report that in FY2019, there were no reported cases of corruption and non-compliance with environmental and socioeconomic laws and regulations.

Perpetual Targets	FY2019
Zero reported incidents of corruption and fraud yearly	Achieved
Zero non-compliance with laws and/or regulations resulting in significant fines, yearly	Achieved

OUR GOVERNANCE

INFORMATION SECURITY AND PRIVACY

With the shift towards a digital economy, it has become increasingly important for us to protect the data and privacy of the organisation and our stakeholders. Having a robust information security system performs four vital functions for our organisation – protect the organisation’s ability to function, enable the safe operation of applications implemented on the organisation’s IT systems, protect the data the organisation collects and uses, and safeguards the technology assets in use at the organisation. We recognise that any breaches to our security systems can harm the accuracy, integrity and completeness of data and information provided to our business partners and stakeholders.

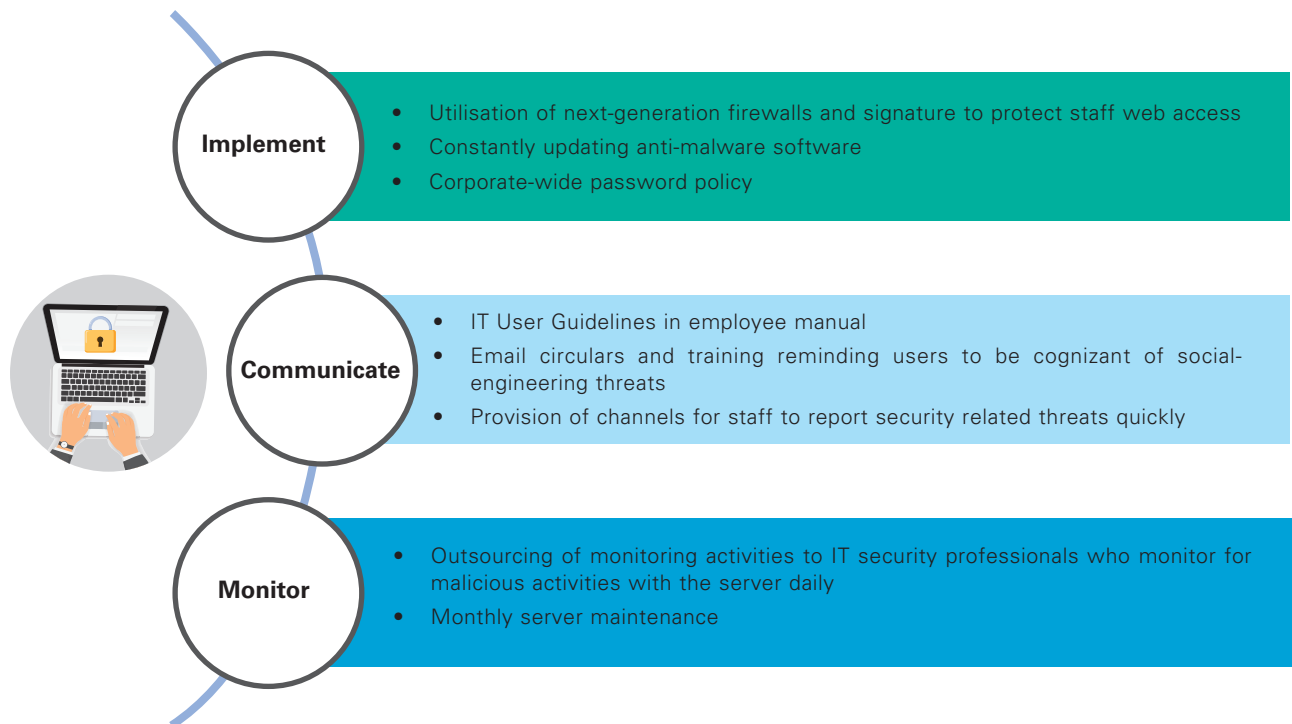
POLICIES AND PRACTICES

At Chuan Hup, we have implemented a three-pronged approach to address the issue of information security as summarised in Figure 4. First, we are focused on the implementation of the latest technology and best practices to ensure that our data remains safe. We have implemented next-generation firewalls and signatures to protect our staff’s web access, further ensuring that our systems are always installed with up-to-date anti-malware software. Also, we have implemented a corporate-wide password policy which will prompt employees to change their passwords every 3 months.

In addition to implementing IT security systems, we also communicate with our staff to ensure that they comply with all the necessary best practices to ensure that there is no weak link to our security system. This communication is done through the employee manual, Chuan Hup’s House Rules Policy, and email circulars.

Finally, we constantly monitor for malicious activities within our server and conduct monthly server maintenance to ensure that the system is kept up to date against any new threats that may compromise our systems.

Figure 4. Summary of Chuan Hup’s IT Security Policies and Practices



TARGETS AND PERFORMANCE

In FY2019, Chuan Hup is pleased to report that there were no substantiated complaints with respect to breaches to our data system. Moving forward, we will continue to be vigilant to new IT threats and apply the appropriate measures to prevent breaches of data from our organisation.

Perpetual Targets	FY2019
Zero substantiated complaints concerning breaches of privacy and losses of organisation's data	Achieved

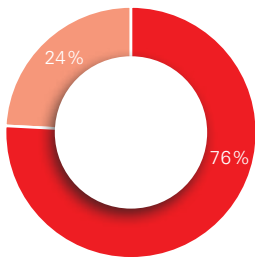
OUR PEOPLE

EMPLOYEE PROFILE

Every employee is a member of the Chuan Hup family. We recognise that it is through their continued commitment that we can successfully grow our business. As an organisation, we are committed to providing an inclusive environment that takes care of our employees and allows them to flourish. In FY2019, our workforce grew slightly to 21 employees from 18 employees in FY2018. Most of our employees (52.3%) have served the company for more than 10 years. This is testament to the ability of our organisation to attract and retain talent.

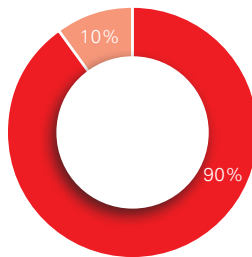
Figure 5. Employee profile by employment contract, employment type, employee category, gender and length of service in FY2019

Total Employees by Employment Contract



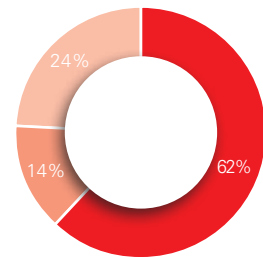
■ Permanent ■ Temporary

Total Employees by Employment Type



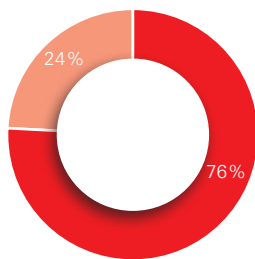
■ Full Time ■ Part time

Total Employees by Employee Category



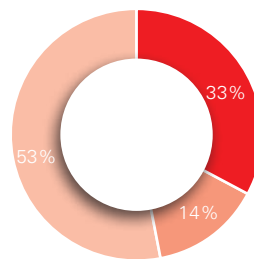
■ Staff ■ Managers ■ Senior Management

Total Employees by Gender



■ Male ■ Female

Total Employees by Length of Employment



■ <5 Years ■ 5-10 Years ■ >10 Years

HEALTH AND SAFETY

At Chuan Hup, we are committed to providing a safe and healthy environment for all our employees. As our activities are centred around our people, we understand the importance of managing employee health and safety to our bottom-line. This involves the maintenance of good working conditions and ensuring workers are protected from risks.

POLICIES AND PRACTICES

Our policies and practices concerning health and safety are focused on three different aspects – workplace safety, employee health, and employee well-being – as seen in Figure 6.

Managing occupational health and safety

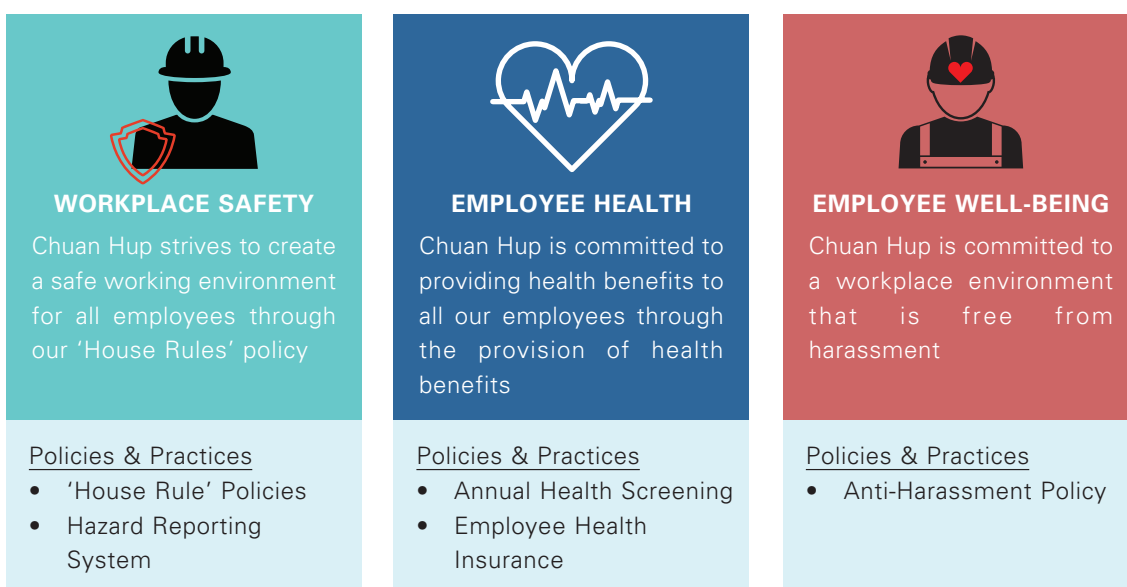
In the aspect of workplace safety, Chuan Hup has several policies to account for all possible types of hazards that an employee might face at the workplace. Overall, the primary policy for safety is listed in our ‘House Rules’ policy. This policy mandates that all employees adhere to all safety regulations and practices that have been put in place by the ‘Building Management Office’ of the building in which we operate.

To further reinforce a culture of safety, we provide timely updates to all employees on matters on workplace safety information and instructions. In addition, management provides a feedback mechanism to allow employees to report any workplace hazards.

Promotion of employee health and well-being

We also place significant emphasis on promoting employee health. Annually, we engage medical consultants to conduct health screenings for all employees. To further assist our employees’ access to healthcare, all employees at Chuan Hup are also covered by a Group Hospital and Surgical (H&S) Insurance Plan until their employment contract ceases or when the employee reaches 65 years of age. Finally, Chuan Hup provides employees time-off with pay to allow our employees to maintain their health, morale and efficiency at the workplace.

Figure 6. Summary of Chuan Hup’s Health and Safety focus



OUR PEOPLE

Recognising that the mental health and well-being of our employees is just as important as their physical health, we aim to provide a workplace environment free from harassment. In the rare case that harassment does occur, employees are able to escalate the matters to the HR department who would mediate and amicably solve any conflicts within the workplace. In addition, Chuan Hup also engages experts to conduct team-building and bonding activities for our employees. These activities provide an avenue for our employees to improve their ability to communicate and cooperate with fellow employees in a stress-free manner.

TARGETS AND PERFORMANCE

In FY2019, we have upheld our commitment towards providing a safe and healthy working environment for our employees. There were no reports of work-related fatalities, high consequence injuries⁴, injuries⁵, or work-related ill health cases⁶. The increase in the total hours worked was the result of an increase in the number of employees at Chuan Hup between FY2018 and FY2019.

Table 2. Summary of Chuan Hup's Workplace Health and Safety Performance

Performance Indicators	FY2018		FY2019	
	Number	Rate	Number	Rate
Employees	18		21	
Work-related Fatalities	0	0	0	0
Work-related High-consequence Injuries	0	0	0	0
Work-related Recordable Injuries	0	0	0	0
Work-related Ill Health Cases (including fatalities)	0	0	0	0
Total Hours worked (Hours)	36,480		42,824	

In addition, we have managed to achieve a 76% participation rate for our annual health screening. This is in line with our target of a greater than 70% participation rate. Moving forward, we will continue to encourage all our employees to take part in this health screening.

Perpetual Targets	FY2019
Zero incidents of injuries, yearly.	Achieved
Achieve a >70% participation rate for Chuan Hup annual health screening	Achieved

⁴ Under GRI, high consequence injuries refers to injuries where the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months.

⁵ Injury Rate is calculated as the total number of fatal and non-fatal workplace injuries per 200,000 hours worked during the reference period.

⁶ Under GRI, work-related ill health covers, but is not limited to, occupational diseases as defined by the International Labour Organisation.

TALENT MANAGEMENT

Talent management plays an important role in the business strategy since it manages one of the important assets of the Company – its people. Chuan Hup is committed to hire, manage, develop, and retain talented and excellent employees in the Company. We take the effort to effectively manage employees to help them develop their skills and capabilities, helping to improve the Company’s business performance.

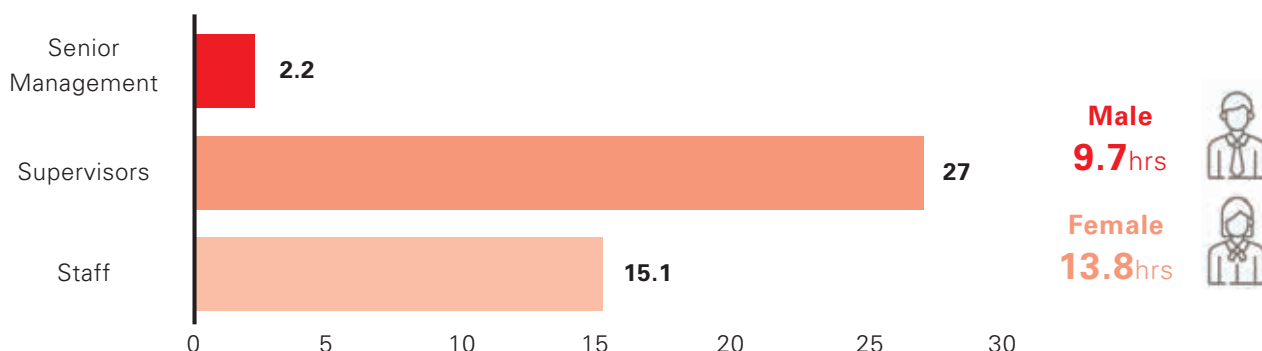
POLICIES AND PRACTICES

Our approach to employee development and management is anchored by our Learning and Development Policy. This policy encourages our employees to take ownership of self-development and learning as a means to continuously upgrade and upskill oneself to remain relevant. Through this policy, Chuan Hup provides for employees who wish to pursue academic and professional development programmes.

TARGETS AND PERFORMANCE

In FY2019, our employees at all levels participated in both internal training conducted by Chuan Hup as well as external training conducted by vendors. In total, Chuan Hup employees underwent around 310 hours of training. The breakdown of these training by gender and employee category is provided in Figure 7.

Figure 7. Breakdown of average training hours by employee category and gender



OUR PEOPLE

For internal training, a great deal of focus was placed on teaching new employees their roles and responsibilities. Through our employee induction programme, more senior staff or outgoing staff are given the opportunity to educate new employees on the details of the work, thus preserving organisational knowledge. For external training, focus is placed on skills related to IT, HR and Finance functions of the Company. Through such training, employees are kept abreast on new regulations and best practices within the industry. A summary of the training programmes that our employees underwent in FY2019 is provided in Table 3 below.

Table 3. Examples of training programmes attended by employees at Chuan Hup

Department/Employee Category	Topics of training courses attended
Human Resource and Admin Department	<ul style="list-style-type: none"> • Personal Data Protection Act (PDPA) • Labour market trends • Regulation relating to Singapore's Labour Act
Finance Department	<ul style="list-style-type: none"> • Corporate Tax update • Financial Reporting Standards update • GST developments
Senior Management	<ul style="list-style-type: none"> • Seminar on Singapore Budget 2019 • Seminar on changes to the Code of Corporate Governance and SGX Listing Rules

To identify training gaps, the HR department regularly conducts performance reviews for all our employees. These reviews may include performance or career development evaluations and are in place to ensure the continued career success of our employees. In FY2019, 100% of our employees were provided with performance reviews.

Moving forward, we intend to increase the average training hours of our employees by 20% in the coming Financial Year.

GRI CONTENT INDEX

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	About Chuan Hup; page 3
102-2	Activities, brands, products, and services	About Chuan Hup; page 3
102-3	Location of headquarters	About Chuan Hup; page 3
102-4	Location of operations	About Chuan Hup; page 3
102-5	Ownership and legal form	About Chuan Hup; page 3
102-6	Markets served	About Chuan Hup; page 3
102-7	Scale of the organisation	About Chuan Hup; page 3
102-8	Information on employees and other workers	Our People; page 10
102-9	Supply chain	NA as Chuan Hup does not engage any suppliers
102-10	Significant changes to the organisation and its supply chain	None
102-11	Precautionary principle or approach	Chuan Hup does not specifically address the Precautionary Principle. However, our approach to sustainability is risk-based.
102-12	External initiatives	None
102-13	Membership of associations	None
Strategy		
102-14	Statement from senior decision-maker	Statement from Our Board; page 2
Ethic and Integrity		
102-16	Values, principles, standards, and norms of behavior	Our Governance; page 7
Governance		
102-18	Governance structure	Chuan Hup's Board and Senior Management maintain oversight for sustainability matters.
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement; page 6
102-41	Collective bargaining agreements	No collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement; page 6
102-43	Approach to stakeholder engagement	Stakeholder Engagement; page 6
102-44	Key topics and concerns raised	Stakeholder Engagement; page 6

GRI CONTENT INDEX

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Refer to Annual Report
102-46	Defining report content and topic Boundaries	About the Report; page 3
102-47	List of material topics	Materiality Assessment; pages 4-5
102-48	Restatement of information	None
102-49	Changes in reporting	None
102-50	Reporting period	About the Report; page 3
102-51	Date of most recent report	About the Report; page 3
102-52	Reporting cycle	About the Report; page 3
102-53	Contact point for questions regarding the report	About the Report; page 3
102-54	Claims of reporting in accordance with the GRI Standards	About the Report; page 3
102-55	GRI content index	GRI Content Index; pages 15-17
102-56	External assurance	About the Report; page 3
Topic-specific Standards and Disclosures		
Sound Corporate Governance and Business Ethics		
103-1	Explanation of the material topic and its boundary	Corporate Governance, Business Ethics and Compliance to Laws; page 7
103-2	The management approach and its components	Corporate Governance, Business Ethics and Compliance to Laws; page 7
103-3	Evaluation of the management approach	Corporate Governance, Business Ethics and Compliance to Laws; page 7
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance, Business Ethics and Compliance to Laws; page 7
Regulatory Compliance		
103-1	Explanation of the material topic and its boundary	Corporate Governance, Business Ethics and Compliance to Laws; page 7
103-2	The management approach and its components	Corporate Governance, Business Ethics and Compliance to Laws; page 7
103-3	Evaluation of the management approach	Corporate Governance, Business Ethics and Compliance to Laws; page 7
307-1	Non-compliance with environmental laws and regulations	Corporate Governance, Business Ethics and Compliance to Laws; page 7

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Governance, Business Ethics and Compliance to Laws; page 7
Information Security and Privacy		
103-1	Explanation of the material topic and its boundary	Information Security and Privacy; pages 8-9
103-2	The management approach and its components	Information Security and Privacy; pages 8-9
103-3	Evaluation of the management approach	Information Security and Privacy; pages 8-9
Non-GRI	Substantiated complaints concerning breaches of privacy and loss of organisation's data	Information Security and Privacy; pages 8-9
Health and Safety		
103-1	Explanation of the material topic and its boundary	Health and Safety; pages 11-12
103-2	The management approach and its components	Health and Safety; pages 11-12
103-3	Evaluation of the management approach	Health and Safety; pages 11-12
403-1	Occupational health and safety management system	Not Applicable
403-2	Hazard identification, risk assessment and incident investigation	Not Applicable
403-3	Occupational Health Services	Not Applicable
403-4	Worker participation, consultation, and communication on occupational health and safety	Not Applicable
403-5	Worker training on Occupational Health and Safety	Not Applicable
403-6	Promotion of worker health	Health and Safety; pages 11-12
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not Applicable
403-9	Work-related injuries	Health and Safety; pages 11-12
403-10	Work-related ill health	Health and Safety; pages 11-12
Talent Management		
103-1	Explanation of the material topic and its boundary	Talent Management; pages 13-14
103-2	The management approach and its components	Talent Management; pages 13-14
103-3	Evaluation of the management approach	Talent Management; pages 13-14
404-1	Average hours of training per employee	Talent Management; pages 13-14
404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Management; pages 13-14
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management; pages 13-14



CHUAN HUP HOLDINGS LIMITED

(Co. Reg. No. 197000572R)

8 Jurong Town Hall Road

#26-01 The JTC Summit

Singapore 609434

Tel: (65) 6559 9700 Fax: (65) 6268 1937

Website: www.chuanhup.com.sg

Email: corpsec_legal@chuanhup.com.sg