



HGH HOLDINGS LTD.

SUSTAINABILITY REPORT 2022



TABLE OF CONTENTS

BOARD'S STATEMENT	1
ABOUT THE REPORT	2
ABOUT THE GROUP	4
GROUP'S PROFILE	
MEMBERSHIPS AND CERTIFICATIONS	
STAKEHOLDER ENGAGEMENT	6
MATERIALITY ASSESSMENT	8
REPORTING FRAMEWORK AND LIST OF MATERIAL TOPICS	
GOVERNANCE	10
CORPORATE GOVERNANCE	
COMPLIANCE	
WHITSTLEBLOWING	
SOCIAL	13
EMPLOYMENT PRACTICES	
TRAINING AND DEVELOPMENT	
WORKFORCE DIVERSITY	
OCCUPATIONAL HEALTH AND SAFETY	
CUSTOMER SATISFACTION	
ENVIRONMENTAL	19
ENERGY CONSUMPTION	
EFFLUENTS AND WASTE	
CLIMATED-RELATED RISKS	
SUPPLY CHAIN	
PRODUCT AND SERVICE QUALITY	
GRI CONTENT INDEX	25

This sustainability report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this sustainability report including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr David Yeong (Telephone number: +65 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

BOARD'S STATEMENT

The Board of Directors (the “**Board**” or “**Directors**”) of HGH Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) reaffirm our commitment to sustainability with the publication of our sustainability report for the financial year ended 31 December 2022 (“**Report**”), highlighting the Group’s environmental, social and governance (“**ESG**”) factors.

With the recovery of the global economy, we remain vigilant about operating safely in this new business environment. This goes beyond restarting business to include seizing opportunities that may arise in this new environment to catalyse change internally and holistically.

The Group is committed to upholding good corporate governance practices, enhancing operational safety and promoting environmental sustainability. We have and will consider these sustainability issues as part of our strategic formulation for the Group, and will continue to oversee the management and monitoring of our ESG performance and initiatives. The Board has considered sustainability issues in the Group’s business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. In terms of governance of sustainability issues, the Board oversees the Sustainability Committee and ensures that the Group remains compliant with all reporting requirements under the Catalist Rules as well as other applicable rules and regulations in Singapore, while the Sustainability Committee ensures all strategies, policies and practices have been incorporated to strengthen its sustainability performance and reports to the Board on all sustainability matters. We look forward to progressively enhance our sustainability performance to strengthen the growth of our business in the long-term.

For and on behalf of
the Board of Directors of
HGH Holdings Ltd.

Tan Poh Guan
Executive Director and Chief Executive Officer

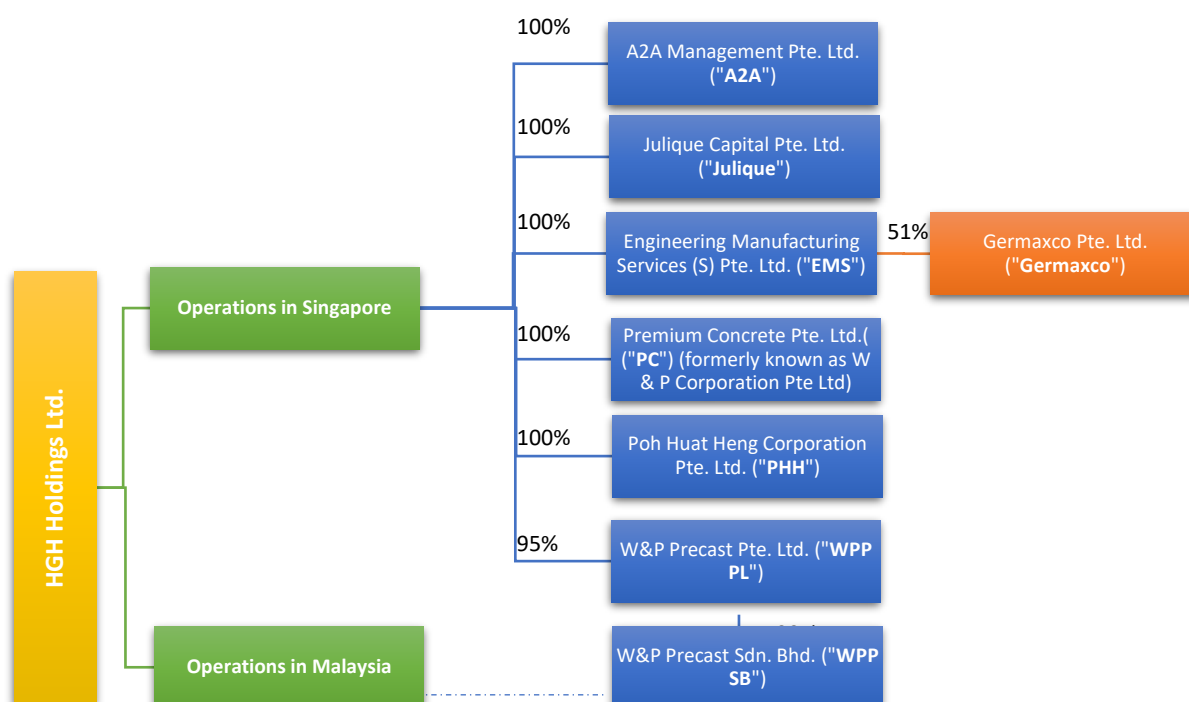


ABOUT THE REPORT

This has been the Group's sixth year of reporting and it is prepared with reference to Rule 711B of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Sustainability Reporting Guide of the SGX-ST, and with reference to the Global Reporting Initiative (GRI) Standards 2021. The Group has chosen the GRI Standards as it is internationally recognised and represents the global best practice for reporting. The GRI Content Index presented at the end of this Report indicates the extent of the application of the GRI Standards.

In December 2021, the Singapore Exchange ("**SGX-ST**") enhanced the sustainability reporting regime by requiring issuers to provide climate-related reporting in the sustainability report from the financial year commencing in 2022 based on the recommendations from the Task Force on Climate-related Financial Disclosures ("**TCFD**"). This is our first report with reference to the TCFD recommendations and we aim to progress further each year in adopting the TCFD recommendations into our report.

This Report is applicable to the Group and covers the following operating entities. It covers our ESG performance and initiatives for the Group's operations in Singapore and Malaysia for the period from 1 January 2022 to 31 December 2022 ("**FY2022**"). The Group's operations in Malaysia began only in FY2018, when W&P Precast Pte. Ltd. shifted part of its operations from Singapore to Malaysia under its subsidiary, W&P Precast Sdn. Bhd..



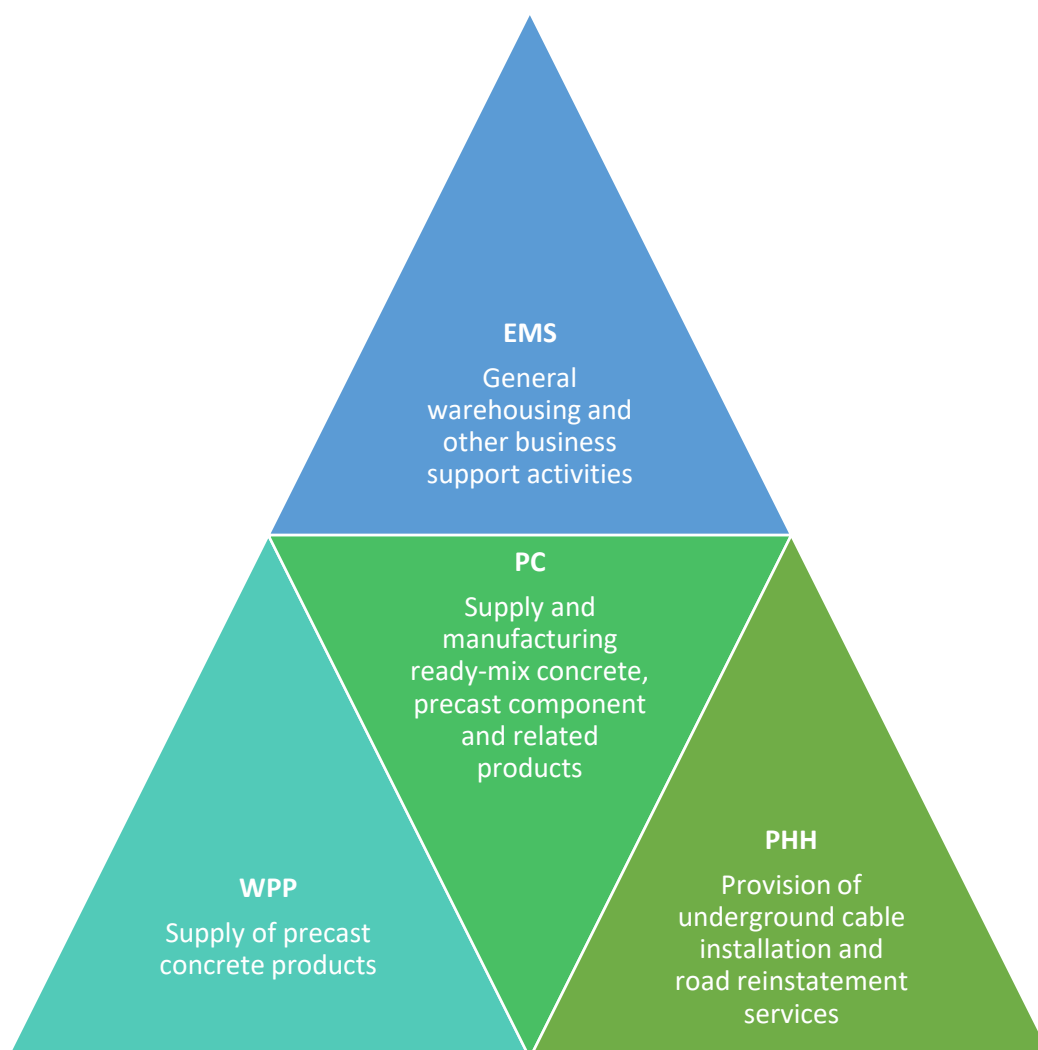
Through this Report, the Company would like to share its sustainability progress and we welcome stakeholders to submit their feedback to our office address as stated on the last page of this Report or through the Company's website. As part of our environmental conservation efforts, no hard copies of this Report will be printed. A copy of this Report can be found on SGXNet or on our website. The ESG performance data is provided by the relevant departments of the Group and is internally reviewed by its internal auditor and in accordance with International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, but not externally assured.

ABOUT THE GROUP

Our Business

The Group was listed on the Catalist Board of the Singapore Exchange Securities in 2005. In 2017, the Group underwent a transformation as it ventured into new businesses namely leasing of property and provision of property related services, supply and manufacturing of ready-mix concrete, precast component and related products and supply of precast concrete products. In 2018, the Group completed its divestment of its initial business in manufacturing and supplying of high-precision cold forged loudspeaker parts and had successfully acquired PHH, whose main business is in the provision of underground cable installation and road reinstatement services.

Currently, the primary business activities of the Group are as follows:



Memberships and Certifications

- The Company's subsidiaries, EMS, PC and PHH are members of the Singapore Business Federation.
- Other certifications held by our subsidiaries are as shown below:

Name & Address of Site	Certification
Premium Concrete Pte. Ltd. 91 Bencoolen Street, #04-02 Sunshine Plaza, Singapore 189652	SS EN 206: 2014 ISO 9001:2015 BizSAFE Level 3
W&P Precast Pte. Ltd. 60 Benoi Road #03-01, Singapore 629906	ISO 9001:2015 BizSAFE Level 3
Poh Huat Heng Corporation Pte. Ltd. 60 Benoi Road #03-01, Singapore 629906	General Builder Class 2 NEA General Waste Collector (Class A) license BizSAFE Star ISO45001:2018

Name of Company	BCA Certification
Premium Concrete Pte. Ltd.	SYO1B Ready-mixed concrete - L1
W&P Precast Pte. Ltd.	CW02 Civil Engineering - C3
	General Builder Class 2
	SY01C Other Basic Construction Material – L1
Poh Huat Heng Corporation Pte. Ltd.	GB 2 General Builder Class 2
	CW02 Civil Engineering – C1
	CR07 Cable/ Pipe Laying & Road Reinstatement – L5

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of our stakeholders' interests and expectations in driving the success of our business as well as our sustainability performance. Thus, the Group is committed to engage our stakeholders as part of our continued sustainability efforts. Engagement with stakeholders is carried out through face-to-face meetings, tele-communications, electronic mails and annual general meeting.

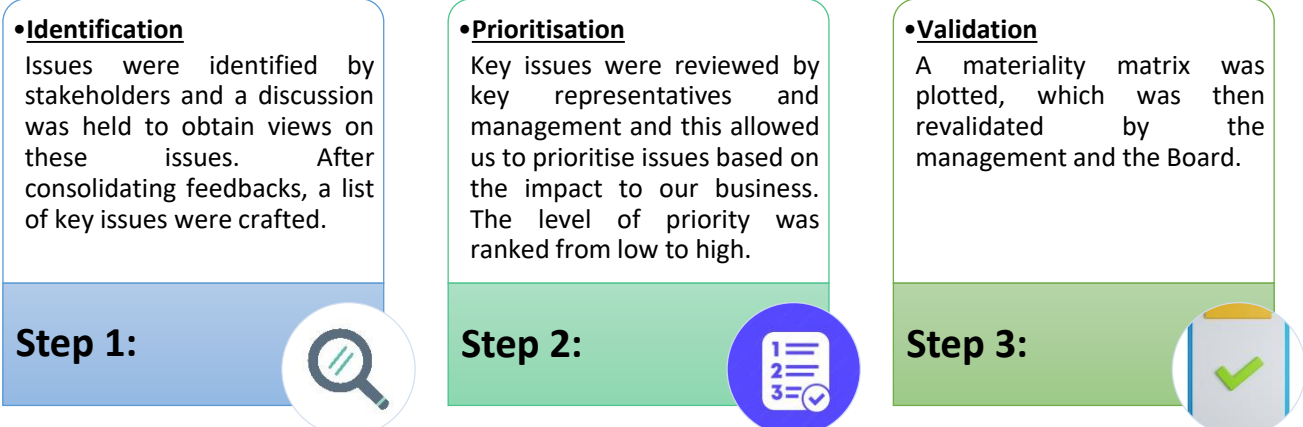
From the engagement with our stakeholders, we understand their feedbacks and concerns, and incorporate these feedbacks into our corporate strategies to achieve a mutually beneficial relationship.

Stakeholders	Topics	Engagement Methods	Our Commitment
Customers	<ul style="list-style-type: none"> ▶ Product quality and assurance ▶ Customer's satisfaction 	<ul style="list-style-type: none"> ▶ Meetings ▶ Feedback via phone calls/emails 	We review feedback from customers, and aim to form long-standing and positive relationships with them.
Employees	<ul style="list-style-type: none"> ▶ Feedback and concerns ▶ Productivity and performance ▶ Workplace health and safety ▶ Fair employment practices ▶ Training opportunities 	<ul style="list-style-type: none"> ▶ Regular staff meetings to address any feedbacks and concerns ▶ Training and education ▶ Annual performance and appraisal 	We have a robust employee handbook and various workplace health and safety procedures in place to promote a fair workplace and safe working environment for all our employees.
Government and Regulators	<ul style="list-style-type: none"> ▶ Corporate governance ▶ Regulatory compliance 	<ul style="list-style-type: none"> ▶ Regulatory guidelines and requirements ▶ Annual reports 	We are committed to adhere to all regulatory requirements.
Industry Associations	<ul style="list-style-type: none"> ▶ Memberships 	<ul style="list-style-type: none"> ▶ Singapore Business Federation 	We aim to contribute positively to industry association.
Shareholders and Investors	<ul style="list-style-type: none"> ▶ Annual report ▶ Sustainability report ▶ Financial results and business performances 	<ul style="list-style-type: none"> ▶ Annual General Meeting and Extraordinary General Meeting ▶ SGX announcements ▶ Company's website 	We aim to provide timely updates on key developments and action plans via our various engagement methods.

Stakeholders	Topics	Engagement Methods	Our Commitment
	<ul style="list-style-type: none"> ▶ Company's announcements and press releases 	<ul style="list-style-type: none"> ▶ Media release and interviews 	
Suppliers	<ul style="list-style-type: none"> ▶ Procurement practices ▶ Quality assurance inspection ▶ Ongoing certification and specification ▶ Fair and transparent business conduct 	<ul style="list-style-type: none"> ▶ Meetings ▶ Feedback via phone/emails ▶ Feedback on product quality 	We work with reliable and credible suppliers, and aim to form long-standing and trusting relationships with them.

MATERIALITY ASSESSMENT

The Group conducted our first materiality assessment in 2017 to identify and prioritise relevant sustainability topics. Facilitated by an independent sustainability consultant, this assessment involves the management, key representatives from the Company’s various business units as well as internal and external stakeholders. Material topics have been identified based on both risks and opportunities arising from our business activities, the environmental, social and governance impacts that are most significant to our stakeholders, as well as with reference to our current risk management framework.



This year, we reviewed and revalidated the existing material ESG topics, and determined that they remain relevant in 2022.

The matrix below depicts the material topics that are of importance to our stakeholders in 2022:



The materiality assessment took into account the GRI guidelines, and the material topics that are significant to the Group's operations in Singapore and Malaysia are presented below. We have gathered feedback from various stakeholders across our entire value chain who are influenced by, and can significantly influence, the Group's businesses and operations. By identifying material topics that have both positive and negative impact on stakeholders, we ensure that both risks and opportunities are taken into account in our strategic and business planning.

Reporting Framework and List of Material Topics

For each material topic, we report on its relevance to our business and stakeholders.

Key Aspects	Stakeholders	Material Sustainability Topics
Governance	Investors Government / Regulator Employees / Suppliers	Corporate Governance Compliance Whistleblowing
Social	Employees Employees Employees Customers	Employment Practices Workforce Diversity Occupational Health and Safety Customer Satisfaction
Environmental	Employees Employees Customers / Suppliers Suppliers	Energy Consumption Effluents and Waste Product and Service Quality Supply Chain

The following sections in this Report evaluate these material topics taking into consideration the changing business landscape and our business direction. We will strengthen our existing sustainability framework, set targets for improvement and aim to reach these targets in the subsequent years.

We look forward to further engage with our stakeholders. The perspectives of our stakeholders will help us evaluate and fine-tune our approach to better manage our business in a sustainable way.

GOVERNANCE

We believe that having the right business values – good corporate governance and ethical conduct is crucial to the Group's growth and provides a robust foundation to the Group. The Group is committed to conduct our business in an ethical and responsible manner, and we do not tolerate any corruption or bribery within any of our businesses.

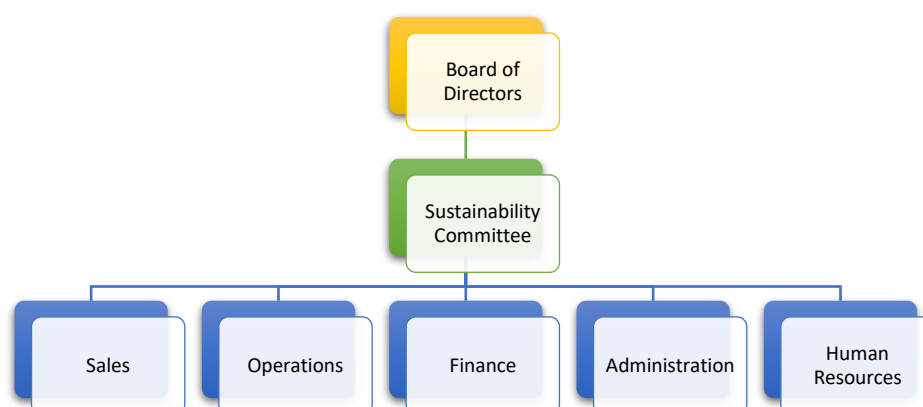
Corporate Governance

The Group understands the importance of good corporate governance, accountability and transparency and is committed to uphold high standards of governance and regulatory compliance. In FY2022, the Group ensured compliance with the Code of Corporate Governance 2018 as required under the Catalyst Rules.

Please refer to pages 12 to 42 of our Annual Report 2022 for further details of our Corporate Governance practices and compliance with the Code of Corporate Governance 2018.

The Group has a dynamic team in place to implement and execute sustainable strategies across the organisation. The Sustainability Committee ensures all strategies, policies and practices have been incorporated to strengthen its sustainability performance and reports to the Board on all sustainability matters.

The Board oversees the Sustainability Committee¹ and ensures that all material factors identified are well-managed and monitored to ensure transparency and accountability towards the Group.



¹: The Sustainability Committee comprises of Lai Choong Hon (Group FC), Eric Sean Koo Kong Chew (WPP, Director), Aloysius Seng Book Kim (PC, Director), Francis Ng (PHH, Operation Manager), and Sharon Mak (EMS, executive).

Compliance

The Group conducts its businesses in an honest and ethical manner and is committed to act professionally and fairly in all business dealings.

The Board meets on a regular basis to ensure that the Group meets all regulatory requirements and ensures compliance with all relevant laws and regulations in countries we operate in. Similarly, the Board will also manage the Sustainability Committee to ensure that the Group is in compliance with the relevant rules and regulations and adheres to the policies and procedures that have been set out by the management and the Board.

We have been actively engaging our continuing sponsor and we remain compliant with all reporting requirements under the Catalist Rules as well as other applicable rules and regulations in Singapore. There were no non-compliance cases recorded during the reporting year of 2022. Since there was no record of non-compliance, the Board believes that the Group's compliance controls remain appropriate and we strive to work closely with our continuing sponsor to maintain zero incident of non-compliance record in the subsequent years.

Whistleblowing

The Group has had a robust whistle-blowing policy in place since 2008 and it has been updated from time to time. The policies and procedures for raising any concerns about possible improprieties in matters of financial reporting or management were updated on 1 October 2021. This year, we reviewed and determined that they remain relevant in 2022. The policy was communicated to all employees of the Group via email 3 January 2023. This will also be communicated to all new employees of the Group during the orientation for new employees.

The policy applies to all employees within the Group and any third parties dealing with the Group, and provides a mechanism for employees and external parties to report concerns over alleged wrongful acts. Employees or external parties with complaints, concerns or issues relating to potential corrupt activities, are able to raise their concerns, in confidence, to the Chairman of the Audit Committee, Ms Amelia Vincent, or the Independent Director, Mr Andrew Bek or Mr Ng Ser Chiang. This is also addressed on page 34 of our Annual Report 2022.

In FY2022, there have been no reported incidents of corruption in the Group and we will continue to monitor and prevent its occurrence. We will also continue to ensure that all employees are fully aware of our policies and sign our anti-corruption declaration form in FY2023.

SOCIAL

Employment Practices

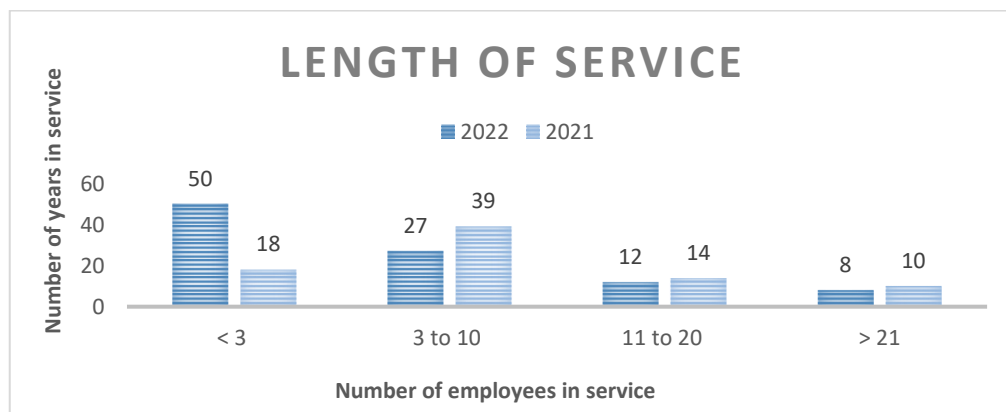
We practice fair employment and provide equal opportunities to all employees, regardless of their race, religion, age, gender or background. The Group's recruitment of employees and their subsequent annual appraisal are based on merit, work attitude, cooperation with other staff and their efficiency and effectiveness of work. We believe that promoting a fair workplace environment will build the employees' respect and loyalty towards the Company.

We are fully compliant with the Singapore Government's Employment Practices listed under the Ministry of Manpower to ensure that we remain competitive against similar industry players. Furthermore, the Group does not discriminate according to race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality.

The Human Resource Policies and Procedures ("HRPP") formulated by the Human Resource team have been updated from time to time and applied across all business units to ensure consistency of internal practices among all business units. The HRPP documents the employee's benefits and governs our non-discriminatory hiring policies and merit-based promotion policies. Fair and non-discriminatory employment policies are put in place to attract and retain talent.

➤ Valuing our employees

The Group prioritises job satisfaction and welfare as one of its top priorities. We recognise long-serving employees with cash awards and the contributions made by our employees with various incentives to show our appreciation. Our employees are entitled to a range of benefits including healthcare, insurance and parental leave. Further, the Group offers competitive pay packages that are benchmarked to the market and rewards each employee based on their competency and performance. Our retention rates, as per the chart below:



As part of our continued efforts toward providing transparent and merit-based compensation package, the remuneration breakdown of our Directors and our key management personnel can be found on page 26 and 28 of our Annual Report 2022.

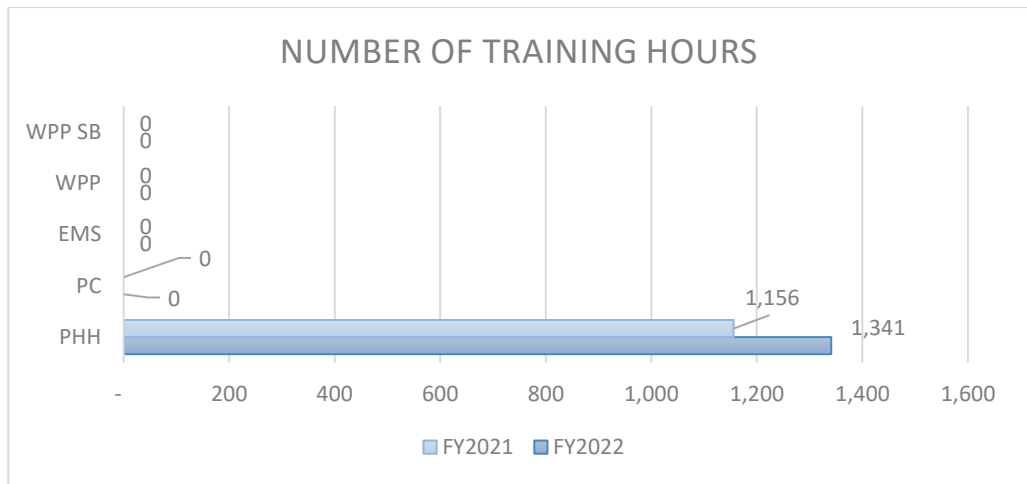
The Company and its subsidiaries will continue to abide to the local labour laws in Singapore to promote fair employment practices. In FY2022, the Group has adhered to all relevant labour laws and there were no records of complaints from staff or of non-compliance from the authorities as targeted in the previous sustainability report (FY2021: Nil). We target to maintain the current status of adherence to all relevant labour laws and zero records of complaints from staff or of non-compliance from the authorities, in FY2023.

Training and development

We ensure that our employees have access to a fair, collaborative and engaging workplace which allows them to provide their perspectives and concerns on the issues. To ensure that our staff stay abreast of the updated skills or information, we provide regular training opportunities for staff to equip themselves with the required skill sets. In the upcoming years, we target to increase the frequency in which our workers attend courses and trainings, in particular for courses and trainings in relation to safety work practices.

Some of the courses attended by the employees are workplace safety and health, plumbing and pipefitting tradesman continual education training, construction safety orientation, ISO 9001:2017 Awareness and Quality Audit, WSQ – operate forklift/ lorry crane/ excavator, supervisor safe lifting operations, perform rigger & signalman tasks, first aid, traffic control course and basic concept in construction.

In FY2022, employees attended courses and trainings amounting to 1,341 training hours as compared to 1,156 training hours in FY2021. The training covers the necessary technical and soft skill sets, as well as on-the-job training. The substantial increase of training hours in FY2022 is due to the provision of basic trainings (i.e. concept in construction) to new hires.



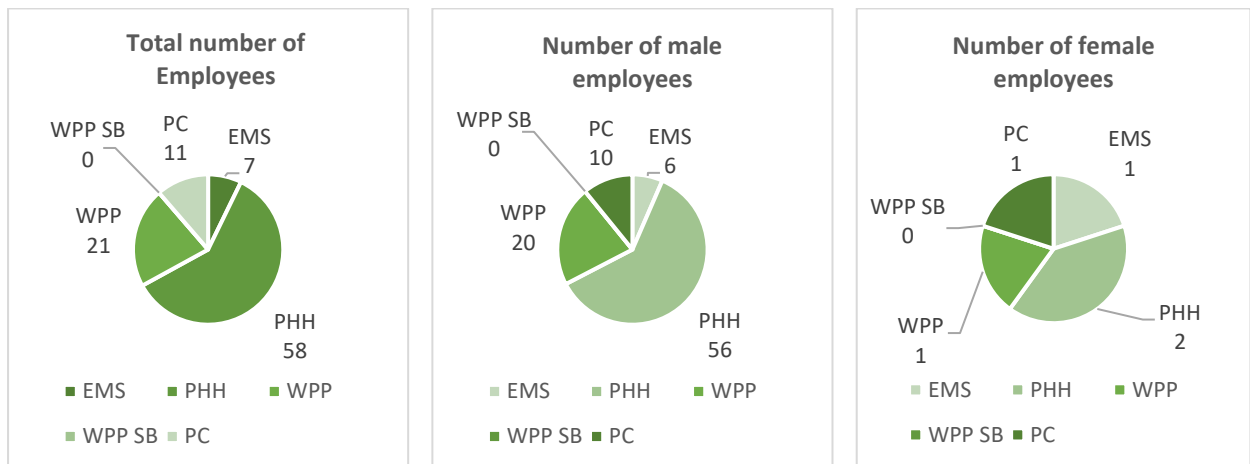
In FY2023, we will continue to deploy our resources and offer training courses to our employees to enhance their professional competence.

Workforce Diversity

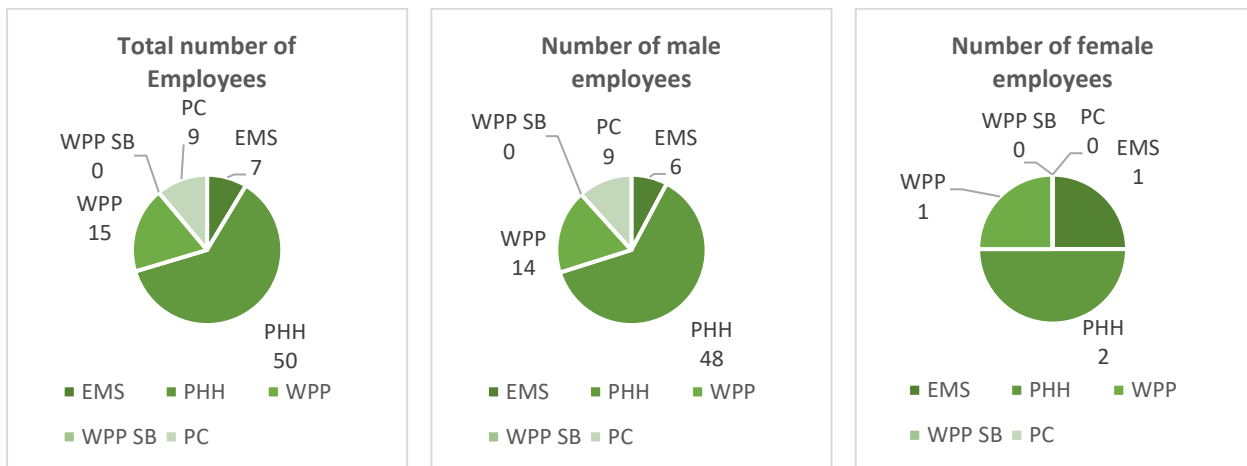
The Group believes in the importance of diversity that it drives innovation and increases competitive advantage in our organization. Our employees come from all walks of life.

In FY2022, our workforce consisted of 97 employees, including 92 male employees and 5 female employees, as shown in the charts below. The increase in the number of total employees was due to new hires as the foreign workers permits and contract expired. Our workforce has a higher number of male employees due to the nature of our business operations.

Total number of employees and the workforce diversity for FY2022 is as follows:

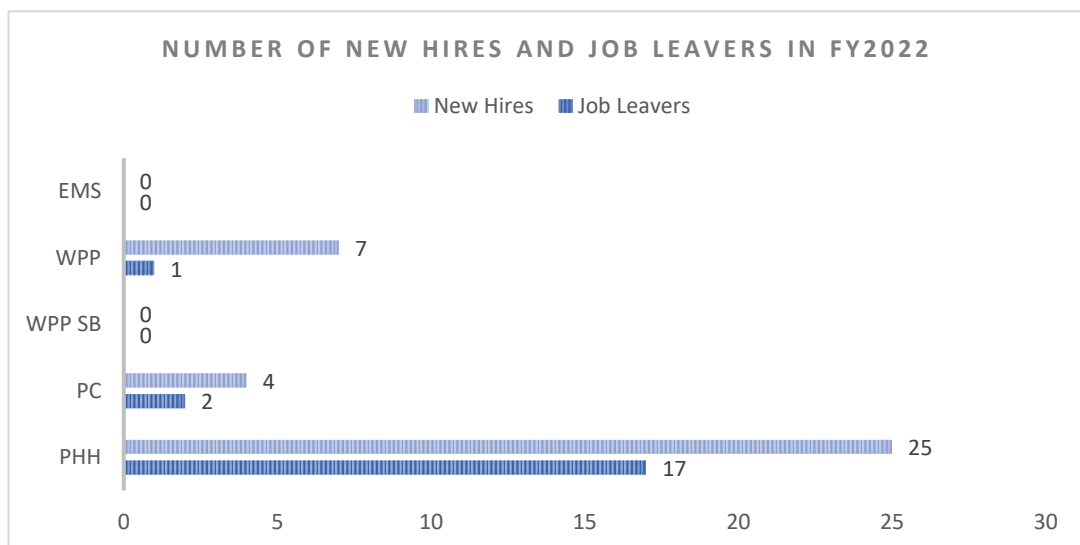


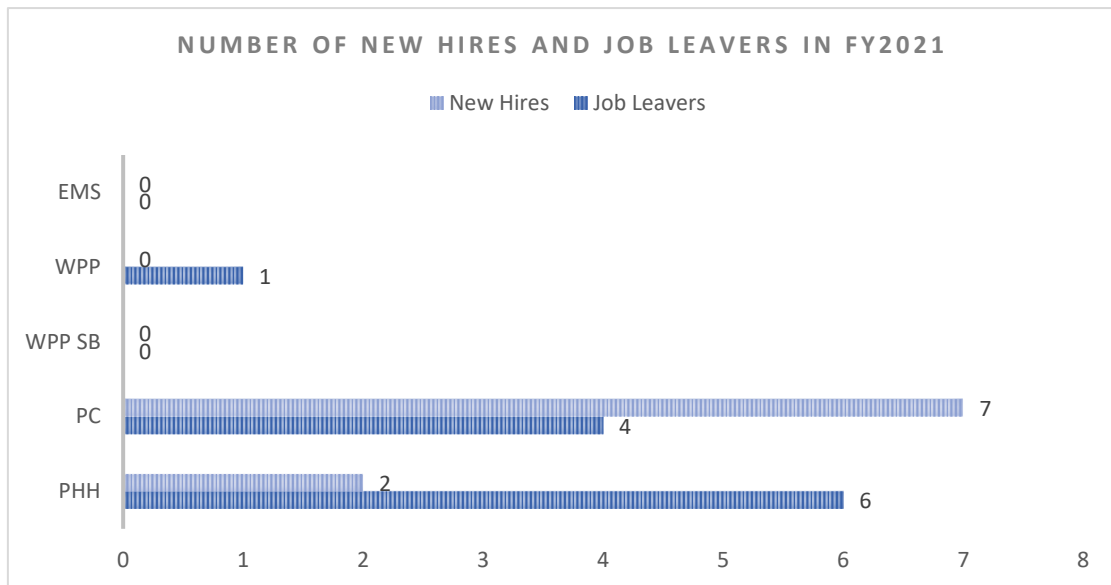
Total number of employees and the workforce diversity for FY2021 is as follows:



As at 31 December 2022, we have 5 directors on the Board; 4 male Directors and 1 female Director and they are individuals who have diverse qualifications and work experience. For more details on the qualification and work experience of each Director, please refer to Board of Directors on pages 8 and 9 of our Annual Report 2022.

In FY2022, there were a total of 35 new male hires and 20 male job leavers across all business units, as shown in the chart below. Our turnover rate for the year averages at 6% due to the expiry of work permits for foreign workers. To address this issue, employees are encouraged to provide feedback to their reporting manager. There are also cohesive activities (such as team lunches, special occasion celebrations) in place for team bonding.





Occupational Health and Safety

The well-being and safety of our employees and relevant stakeholders are of utmost importance to us. To ensure a safe working environment, our employees and relevant stakeholders are expected to observe and follow safety procedures at all times.

Safety briefing by the project lead will be held before the commencement of each project. All safe work practices manual will be reviewed regularly by the top management, taking into account the feedback we received from the ground staff, to ensure effectiveness in work processes.

The management sends the employees for safety training courses conducted by the Singapore Workforce Skills and Qualifications, to keep them updated on the safety procedures. The management also sends the employees to attend occupational first aid courses, as well as refresher courses as and when needed to maintain the validity of their first aid certificates.

In FY2022, the Group has adhered to all the laws and regulations in place which can be supported by zero accidents and incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services. We target to maintain the same performance for FY2023.

Customer Satisfaction

Our businesses thrive on mutually beneficial and strong relationships formed with our customers. We always emphasise the importance of providing good customer service to all our employees. Feedback from customers is reviewed and relevant follow-up actions are performed in a timely manner. Good

relationships with our customers and positive feedback from our customers motivate us as a Group to continue delivering a high standard of service quality and work across all our operations.

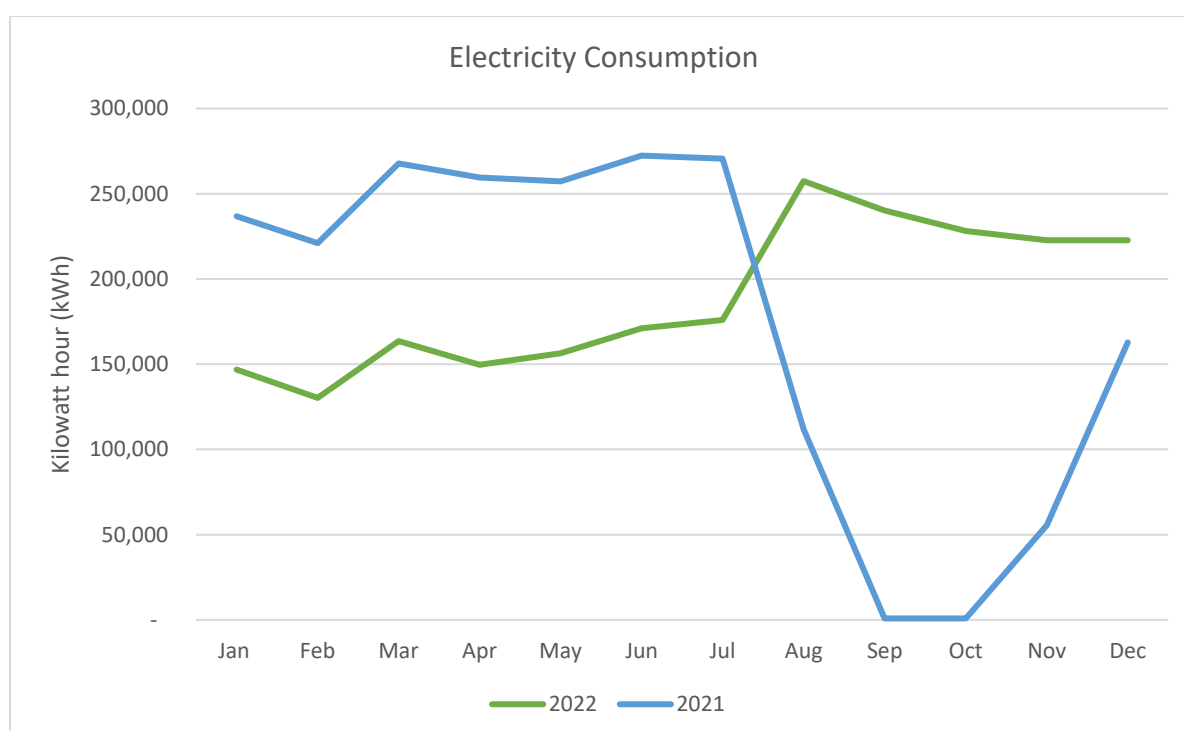
For FY2022 (FY2021: Nil complaints), the Group did not receive any official complaints from our customers. We target to maintain this good track record of zero customer complaints for FY2023.

ENVIRONMENTAL

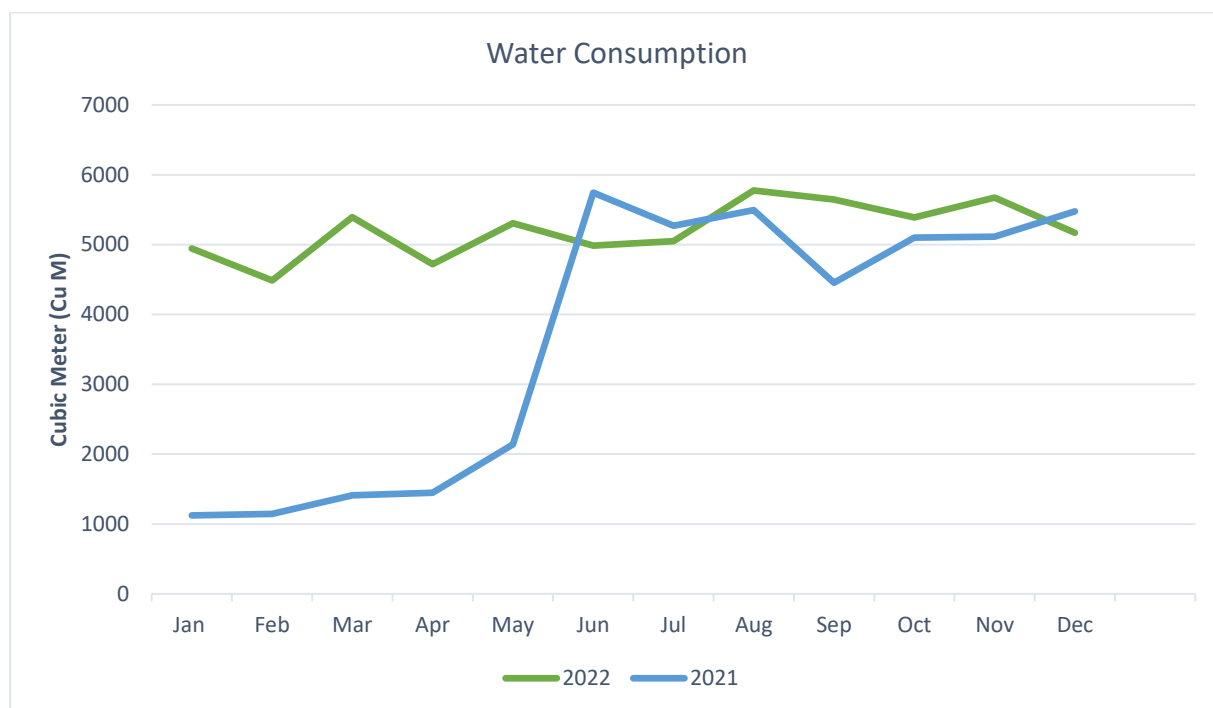
There is an increasing awareness to environmental issues such as climate change. The Group believes that environmentally friendly practices complement business efficiency and advocates corporate social responsibility towards the environment by incorporating these processes in its daily operations. As a socially responsible corporation, the Group strictly complies with related environmental regulations and all employees share responsibilities in monitoring the Group's environmental performances. In FY2022, there were zero incidents of non-compliance with relevant material environmental laws and regulations. We aim to maintain this trend in FY2023.

Energy Consumption

We are committed to take measures to minimise our overall energy consumption and improve energy efficiency to reduce the environmental impact of our operations. The Group's consumption for FY2022 is presented below. The electricity consumption reduced drastically in FY 2021 due to the broke down of the transformer. While waiting for the replacement, the Group has switched to a back-up generator for generating the electricity. Upon the installation of parts, the transformers gradually operated to supply electricity since November 2021. Thereafter, the electricity consumption increased steadily during the year.



In FY2021, the water consumption increased significantly due to recovery from COVID-19 whereby business activities and dormitories operations were picking up. Thereafter, the water consumption was consistent throughout the year.



➤ **Energy and water efficiency**

As part of our continuing initiative, we do have stringent controls such as prompt reporting of faulty equipment that may result in excess waste, water or electricity consumption. Employees and relevant stakeholders are also reminded of the importance to save water in their daily activities and to reduce water usage.

We monitor energy usage at the construction sites for all our projects to ensure that they are maintained at consistent levels, and any abnormality is immediately investigated and rectified. In September 2021, the transformer broke down and thus we switched to generator while waiting for the new replacement. In addition to reducing energy consumption in relation to construction activities, we also implement various measures to minimise energy consumption in our head office building. Employees and relevant stakeholders are reminded regularly to switch off all lights, air conditioners and equipment when they leave the office or when equipment is not in use. Air conditioners within the head office buildings are serviced regularly, and rundown Fan Coil Units (FCUs) are replaced to maintain high efficiency.

As part of our initiatives, energy saving LED lights were installed around our premises. For any subsequent replacement, we will continue to install energy saving LED lights for all office units on our premises. We may also consider energy efficient equipment when purchasing new office equipment in the future.

Effluents and Waste

We continuously strive to reduce waste from operations by encouraging employees and relevant stakeholders to re-use and recycle usable material. In addition, we have been enforcing stringent controls on the management of waste generated from our operations. These controls include proper segregation and disposal of waste. Our waste includes general waste and wood waste. There is no hazardous waste produced. Recycling bins and multiple waste segregation bins are available within our premises and are placed at common areas for employees and relevant stakeholders to segregate waste.

We also engage environmentally responsible service provider to manage the disposal of our waste. All waste generated are collected from the site by a licensed waste collector. General and food waste are sent to the National Environment Agency (NEA) for waste-to-energy (WTE) incineration and wood waste are sent to our service provider's site for recycling purposes. The Group endeavours to manage waste sustainably by utilising technologies in the future.

In FY2022, there were no incidence of non-compliance with laws and regulations resulting in significant fines. We target to maintain the same performance in FY2023.

Climate-Related Risks

The Group recognises the importance of identifying climate-related issues and mitigating the related risks and is thus committed to managing the potential climate-related risks that may impact the Group's business activities. During FY2022, the Group's management has conducted a climate risk assessment to identify, prioritise and mitigate the potential climate-related risks that may arise from its business operations according to their likelihood and financial impact, as well as the effort required to adapt to and recover from these risks. The Group's climate-related risks mainly stem from the following dimensions:

➤ Physical Risks

Acute

Although Singapore is very well-protected from most natural disasters, the increase in frequency and severity of extreme weather events such as storms and heavy rains leading to floods can disrupt the Group's operations, which may damage the Group's leased properties and/or the surrounding infrastructure, hamper and injure the Group's employees during their work, damage underground cable

installations and roads, disrupt supply chains for concrete production, and delay the Group's projects. To minimise the potential risks and hazards, the Group regularly monitors weather conditions and takes precautionary measures during bad or extreme weather conditions.

Chronic

With the rise of global mean temperature, the Group's employees engaging in outdoor work face an increasing risk of suffering heat strokes while working, as well as a decrease in work efficiency. The deterioration of their working conditions also means that the Group can face challenges in employee retention and recruitment. To ensure the best working conditions for its employees, the Group has scheduled more frequent water breaks when operating outdoors in high temperatures, provided sufficient water and shaded areas on-site and established protocols for treating employees suffering from heat strokes. For employees operating indoors, the Group has installed HVAC systems in all of its facilities and ensures adequate ventilation and cooling.

➤ Transition Risks

Reputation and Market

Since concrete manufacturing and construction work are sectors that emit large amounts of greenhouse gases ("GHGs"), the Group anticipates that there will be a shift in consumer preferences for products and services with lower carbon footprints, and that may impact the Group's revenue due to reduced demand in the long term. To remain competitive over the long run, the Group is committed to exploring more environmentally friendly alternatives when selecting suppliers and diversifying its portfolio of products and services in the future where feasible. To demonstrate the Group's commitment on reducing GHG emissions, the Group has also upgraded its cement truck fleet to Euro VI models, and will continue to upgrade its equipment to be more environmentally friendly where feasible.

Policy and Legal

The Group also anticipates that there will be more stringent climate regulations to support the global vision of carbon neutrality, such as the increasingly stringent requirements on climate-related information disclosures and environmental laws and regulations, which lead to increasing operation and compliance costs. In response, the Group regularly monitors existing and emerging climate-related trends, policies and regulations and is prepared to alert the top management where necessary to avoid cost increments, non-compliance fines or reputational risks arising from delayed responses.

➤ Opportunities

Resource Efficiency

In order to minimise the Group's environmental impacts, existing production processes and equipment need to be streamlined and upgraded to reduce the environmental impact per unit of production. Currently, the Group has upgraded half of the cement trucks to EURO VI, which is more environmentally friendly. It would be an ongoing initiative by the Group as we plan to gradually upgrade the remaining trucks to similar models. Apart from this, the Group is exploring the opportunity to install the solar panel by phases to our premises in the near future. In the long term, as the Group increases its production efficiency and reduces waste, this improved efficiency not only improves the Group's environmental performance but also reduces the cost per unit of production and translates into increased economic value.

Supply Chain

We recognise the importance of sustainable value generation and take into consideration the following factors - economic value of products, business ethics and reputation as a few of the criterion when assessing and selecting new potential suppliers. We believe that a sustainable supply chain can help us conserve resources, optimise processes and increase productivity.

The head of each business unit conducts stringent checks on our current suppliers to ensure they are in compliance with local rules and regulations. Similarly, the checks include ethical practices of these suppliers while sourcing for raw materials and the degree of impact these processes contribute to the environment.

In FY2022, we did not have any reported incident of non-compliance regarding product health and safety, environmental and social performance. In FY2023, we aim to maintain the same performance.

➤ Supply chain diagram



Product and Service Quality

We have a stringent quality assurance system and we have conducted random due diligence checks to ensure all our products receive proper certification of compliance. We are committed to ensuring that our products are manufactured according to industry standards. PC's source of materials for the supply of ready-mix concrete, precast component and related products are from Building and Construction Authority (BCA) registered suppliers in Singapore.

In FY2022, we did not receive any formal complaints about our product or service quality, and we endeavour to maintain this clean record in FY2023.

GRI CONTENT INDEX

Statement of use	HGH Holdings Ltd. has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Section
GRI 2: General Disclosures 2021	2-1 Organizational details	Cover page
	2-2 Entities included in the organization's sustainability reporting	Page 2
	2-3 Reporting period, frequency and contact point	Page 2
	2-4 Restatements of information	None
	2-5 External assurance	Page 3
	2-6 Activities, value chain and other business relationships	Annual Report 2022 Page 1, 83 and 93
	2-7 Employees	Page 13
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	Page 10
	2-10 Nomination and selection of the highest governance body	Annual Report 2022 Page 20
	2-11 Chair of the highest governance body	Annual Report 2022 Page 16
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 10
	2-13 Delegation of responsibility for managing impacts	Page 10
	2-14 Role of the highest governance body in sustainability reporting	Page 10
	2-15 Conflicts of interest	Annual Report 2022 Page 20
	2-16 Communication of critical concerns	Annual Report 2022 Page 31
	2-17 Collective knowledge of the highest governance body	Annual Report 2022 Page 12
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2022 Page 24
	2-19 Remuneration policies	Annual Report 2022 Page 26
	2-20 Process to determine remuneration	Annual Report 2022 Page 26
	2-21 Annual total compensation ratio	Annual Report 2022 Page 29
	2-22 Statement on sustainable development strategy	Page 1
	2-23 Policy commitments	Page 10

GRI standard	Disclosure	Section
	2-24 Embedding policy commitments	Page 10
	2-25 Processes to remediate negative impacts	Page 10
	2-26 Mechanisms for seeking advice and raising concerns	Page 10
	2-27 Compliance with laws and regulations	Page 13
	2-28 Membership associations	Page 5
	2-29 Approach to stakeholder engagement	Page 6
	2-30 Collective bargaining agreements	None
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 8
	3-2 List of material topics	Page 8
	3-3 Management of material topics	Page 8
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 23
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 302: Energy 2016	302-3 Energy intensity	Page 19
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 20
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 22
	305-4 GHG emissions intensity	Page 22
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 17
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Page 17
	403-10 Work-related ill health	Page 17
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 15
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 13

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