

Kori Holdings Limited

Sustainability Report

FY2017

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CEO's Message

Dear Stakeholders,

We are very pleased to present Kori's inaugural Sustainability Report.

The Group has a broad view on sustainability that looks beyond simply our environmental impact but also encompasses creating a positive impact to the society and industry we are in.

While our economic performance may be affected by many external factors, our commitment to make positive changes to the community is unaltered and will be the driving force for long term commercial success.

The Report details our sustainability progress and targets in three key areas, namely Reuse of Materials, Health and Safety and our People, which we have assessed to be most material to our stakeholders. The Sustainability Report is prepared in accordance to the Global Reporting Initiative (GRI) Standards "Core" option. Adopting GRI Standards makes our reporting more comprehensive, increases the relevance to stakeholders and affirms our commitment to corporate transparency.

We would like to take this opportunity to thank our employees and business partners for their support, expertise and engagement in helping Kori to establish its role as a trusted partner in building a more sustainable economy.

Sincerely,

Mr. Hooi Yu Koh
Chairman and CEO

Kori's Sustainability Story

At Kori, we recognise that embracing sustainable practices is a business priority that is important for the long-term development and success of our business. The Group strongly advocates sustainable practices that can create positive impacts to the environment and society.

Leading the Way

The CEO and key management team are directly involved in sustainability strategising, planning and execution. To deliver our sustainability mission, a dedicated sustainability task force has been established to oversee sustainability initiatives at Kori. The task force comprises key management personnel from Project Management, Human Resource, Health and Safety and Finance. The team meets regularly to plan and review the progress of Kori's sustainability initiatives with the objective to implement appropriate sustainability policies and programmes when opportunities arise.

Our Achievements

We are rigorously assessed by Building and Construction Authority (BCA) and have obtained our license in structural steel from specializing in the design, supply and erection of Earth Retaining and Stabilising Structures (ERSS), such as steel struts and steel retaining walls, as well as steel decking systems.

We have achieved 100% reuse of steel inventory for all our projects, leading to direct cost and resource savings. Furthermore, minimal waste is produced through steel reusing, hence reducing the carbon footprint of the entire lifecycle of our projects.

We have successfully introduced Kori Large Panelling Traffic Decking System, a reusable steel platform for public traffic diversion with premix surface designed specifically for Singapore, in one of our projects in 2010. This sustainable design permits more efficient and stable decking works and is now widely adopted throughout infrastructure projects in Singapore.

Noteworthy Awards

The Group has won numerous accolades and awards in recognition of our excellence in construction practices such as Land Transport Authority (LTA) Sub-contractor's Safety Recognition Awards as well as Safety Recognition Awards from our clients.

Sustainability Targets

The Group will continue to maintain and uphold our material saving initiatives and environmentally friendly construction practices. We will continue to monitor the environmental impacts of our operations and explore new ways to minimise the impacts.

We will continue to emphasise on creating a safe working environment for our employees and endeavour for zero-incident rates.

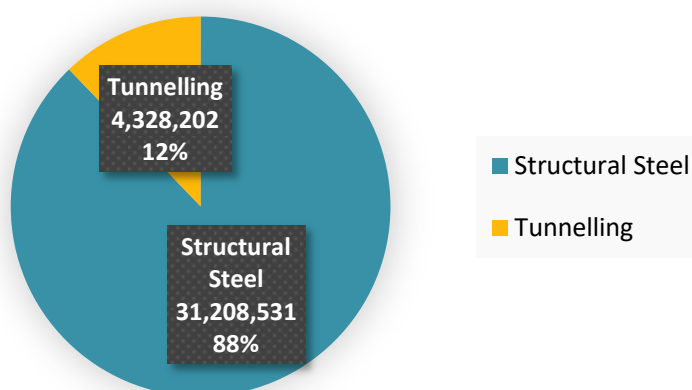
Organisation Profile

Company Name: Kori Holdings Limited
Founded: 1982
Listed: SGX Catalyst Listed in 2012
Company Headquarter: Singapore
Location of Operations: Singapore and Malaysia

FY2017 Financial Review

Revenue: S\$35,536,733	Dividend payout: 0.1 cents
Gross Profit: S\$6,038,813	Earnings per share: 0.01 cents
Total Comprehensive Income: S\$711,901	Total comprehensive income attributable to shareholders: S\$ 711,901

Revenue by Segment (FY2017)



Our Operating Segments

Structural Steel Services

We are a licensed structural steel contractor specialising in the design, supply and erection of ERSS. In general, we design, purchase and fabricate reusable steel struts and steel beams for temporary or permanent strutting works in earth retaining or stabilising structures for excavation works.

Tunneling Services

We supply skilled personnel with the required technical expertise to provide macro-tunnelling works. Macro-tunnelling is used in the construction of underground railways, road tunnels, sewer tunnels water mains and various utilities tunnels where they will cause minimum disturbance to the environment and traffic flows. Our tunnel engineers and well experienced and trained staff coordinate with tunnelling managers from main contractors to undertake the full range of macro-tunnelling construction works. Our Group is one of the few players in the market that are able to carry out such macro-tunnelling operations in Singapore and Malaysia as a sub-contractor.

Ethics and Integrity

Ethics and Compliance (GRI 205-1, 205-2, 205-3)

The Group is strongly committed to a high legal and moral standard in all of our business activities. We have adopted a Personnel Policy to place emphasis on high standards of professionalism and ethics. All employees are required to read, understand and agree to comply with the purposes and provisions of the Personnel Policy. Employees are held liable for their failure to comply which may result in disciplinary actions. The severity of these disciplinary actions depends on circumstances and the gravity of the misconduct.

Whistle-blowing Policy (GRI 205-2)

The Audit Committee of Kori had developed and approved whistleblowing procedures outlining their responsibilities and the procedures to receive certain complaints and allegations. Employees of the Group and any other persons may, in confidence, raise concerns about possible improper financial reporting or other matters to Chairman of Audit Committee, CEO or Administration Manager. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. The Company did not receive any whistle-blowing reports in FY2017.

Anti-corruption

The Group takes a strong stance against corruption and malpractice and does not tolerate any impropriety, statutory non-compliance or wrongdoing by employees in their work. The Code of Conduct strictly prohibits any acts by employees to use their position to obtain advantages for themselves.

Interested-Party/Person Transactions

The Company is required to comply with the requisite rules under Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of the Catalist (“Catalist Rules”) for interested person transactions. All interested person transactions will be properly documented and submitted to the Audit Committee for half yearly review to ensure that they are carried out on an arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

Dealing in Securities

In line with Rule 1204 (19) of the SGX Catalist Rules on Dealings in Securities, the Group issues a half yearly letter to its Directors, officers and employees prohibiting dealings in listed securities of the Group from one month before the announcement of the semi-annual and annual financial results, and ending on the date of the announcement of the relevant results. The Directors and employees are expected to observe insider trading laws at all times even when dealing with the Group’s securities within the permitted trading period.

Sustainability Governance and Statement of the Board

The Board of Directors recognises their importance in driving the sustainability agenda and has considered sustainability issues as part of overall strategic formulation. The Board approved the material environmental, social and governance topics identified and overseen that the factors identified are managed and monitored. The Sustainability Task Force, which is led by the CEO and consists of key management members, implements and formalises sustainability policies and procedures with regards to sustainability development. The team give regular updates to the Board for them to effectively monitor sustainability developments. The Group also adopts a precautionary approach in strategic decision and day-to-day operations by implementing a comprehensive risk management framework.

Stakeholder Engagement

We aim to create value not only for our shareholders, but also for our stakeholders who are impacted by our interactions with them. We have identified stakeholders who have a material impact on our business or may be materially impacted by our business as our key stakeholders. Various channels of engagement are adopted to understand and address issues of concern. The key stakeholders are listed below:

Stakeholders	Area of Concern	Means of Engagement	Section Reference
Employees	<ul style="list-style-type: none"> • Remuneration and benefits • Training and development • Ethics and conduct • Diversity and fair employment • Health and Safety 	<ul style="list-style-type: none"> • Performance appraisal • Training and education 	<ul style="list-style-type: none"> • Ethics and Integrity • Health and Safety • Our People
Suppliers and Subcontractors	<ul style="list-style-type: none"> • Health and Safety • Environmental compliance • Social compliance 	<ul style="list-style-type: none"> • Site inspections and site meetings • Supplier and subcontractor evaluation 	<ul style="list-style-type: none"> • Environment Protection • Health and Safety
Governments and Regulators	<ul style="list-style-type: none"> • Anti-corruption • Employment practices • Health and Safety 	<ul style="list-style-type: none"> • Licensing • Site inspection 	<ul style="list-style-type: none"> • Environment Protection • Health and Safety • Our People
Community	<ul style="list-style-type: none"> • Environmental and social compliance • Regulatory and industrial requirements 	<ul style="list-style-type: none"> • SGX announcements • Annual reports • Sustainability reports 	<ul style="list-style-type: none"> • Our People • Environmental Topics • Contribution to our Industry and Caring of Our Community
Shareholders and Investors	<ul style="list-style-type: none"> • Economic performance • Anti-corruption 	<ul style="list-style-type: none"> • SGX announcements • Annual reports • Investor relations management • Sustainability reports 	<ul style="list-style-type: none"> • Ethics and Integrity • Contribution to our Industry and Caring of Our Community

Reporting Practice

This inaugural Sustainability Report (the “Report”) covers the Group’s performance from 1 January 2017 to 31 December 2017 (the “reporting period”).

The Report summarises Kori’s key sustainability issues, our management approach as well as our related performance across the Group’s operations. The Group has chosen the Global Reporting Initiative (“GRI”) Standards as it is the most established international sustainability reporting standard. This Report is prepared in accordance with the GRI standards “**Core**” option. The Report incorporates the primary components of report content set out by the SGX’s “Comply or Explain” requirements on sustainability reporting under Catalist Rule 711B.

Kori’s material topics are identified based on the impacts to our internal and external stakeholders, as outlined in the Stakeholders Engagement section. This report supplements the Group’s FY2017 Annual Report which is available online at <https://www.kori.com.sg/>. A detailed section reference with GRI Standards is found on the GRI Index Page. The Sustainability Task Force has assessed that external assurance is not required as the Group wishes to focus on strengthening the sustainability reporting framework for this year.

The Group has applied the GRI Principles for Defining Report Content to identify material topics that are relevant to the business and to its stakeholders. We have conducted a materiality assessment session following the guidelines of GRI Standards. The following table summarises the topics which were deemed to be of greatest significance to the Group.

Material Topics	Boundaries (where the impacts occur)
ECONOMIC	
Economic Performance	The Group
Indirect Economic Impacts	The Group
Anti-corruption	The Group
ENVIRONMENTAL	
Materials	The Group
Environmental Compliance	The Group
Supplier Environment Assessment	The Group
SOCIAL	
Employment	The Group
Occupational Health and Safety	The Group
Training and Education	The Group
Diversity and Equal Opportunity	The Group
Non-discrimination	The Group
Local Community	The Group
Supplier Social Assessment	The Group
Socioeconomic compliance	The Group

Health and Safety

Health and Safety at our Sites (GRI 403-1, 403-2, 403-3, 404-2)

Kori is committed to providing a safe working environment to our employees, suppliers and contractors. We have in place environment, health and safety policies, standards and practices and have a Safety Committee that actively reviews, monitors, improves and implements all work and environment safety related issues. Kori has been awarded internationally recognised certificates for meeting Health and Safety Management requirements such as BS OHSAS 18001:2007 and has obtained bizSAFE Level Star certificate from Workplace Safety and Health Council of Singapore.

Kori performs risk assessments on strutting and decking works regularly. Potential hazards are identified and evaluated, following which control measures are then implemented to minimise the risks identified.

We provide opportunities and support to equip our staff with the knowledge and certifications on workplace health and safety. Our management and supervisory staff are encouraged to attend certification courses such as the Building Construction Supervisor Safety (BCSS) Course for all of our supervisory staff and the Lifting Supervisor Safety Course for our lifting supervisors. The list of relevant courses are identified and listed in the Resource, Competence, Training and Awareness section of our Procedure Manual as a clear written guidance for all relevant departments.

In addition, we educate and train our employees through an incorporation of health and safety work practices into work instructions and work closely with external qualified safety consultants for advice and guidance on programs and initiatives to prevent work related accident and injury.

There were no major breach of regulations regarding health and safety, environmental and labour laws in FY2017. There were also no major work-related injury and incidents in FY2017.

Managing Our Sub-Contractors (GRI 308-1, 308-2, 414-1, 414-2)

The Group has gone the extra mile to ensure that all contractors and subcontractors are informed of their worksite health and safety, environmental and social responsibilities, and are able to meet the standards expected by the Group.

All contractors and subcontractors are reviewed and selected based on safety, environmental and social compliance. We assess new contractors and subcontractors based on their track record and worksite health and safety practices during the quotation and tendering process before awarding the contract.

The Group aims to enhance our evaluation criteria of new and existing contractors and subcontractors to also evaluate contractors on their labour practices, safety and environmental policies.

Environment Protection

Reusing and Recycling Materials (GRI 301-2, 307-1)

Kori is a committed environmentally responsible partner in the communities we operate in to ensure a safe, efficient and environmentally conscious operating environment. Kori's risk and sustainability-based strategies are geared to assess, avoid, reduce and mitigate environmental risks and impact.

Steel is the main material that is heavily used in our structural steelworks. The steel struts we use are designed to meet the requirements and specifications different projects and hence are varied in size and length. To minimize negative impact created on the environment and save natural resources, the Group has adopted practices to reuse 100% of our steel materials in new projects after dismantling. The steel beams we use are also mostly pre-fabricated off-site to reduce material wastage.

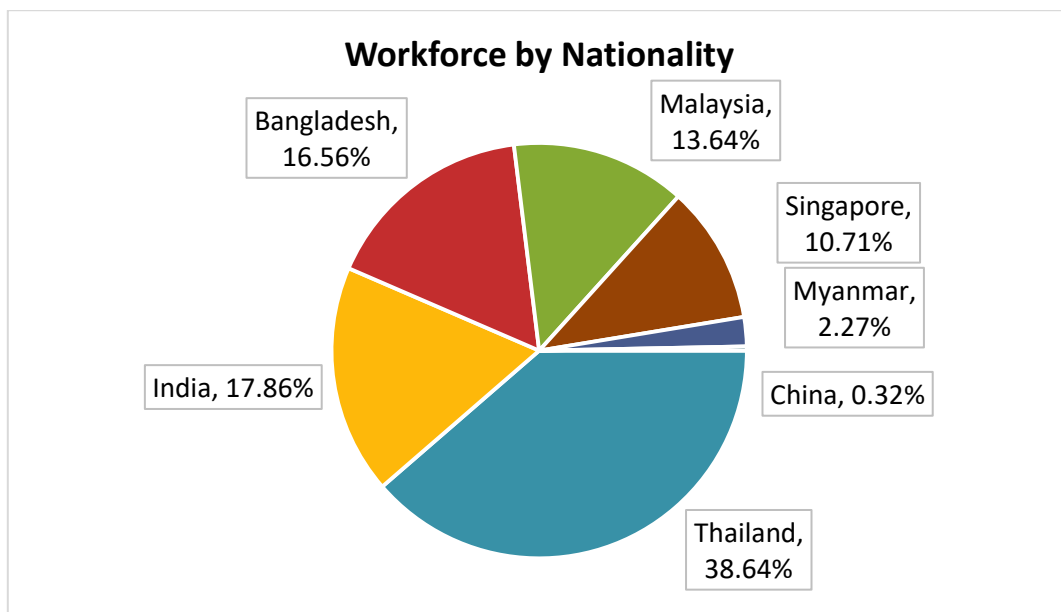
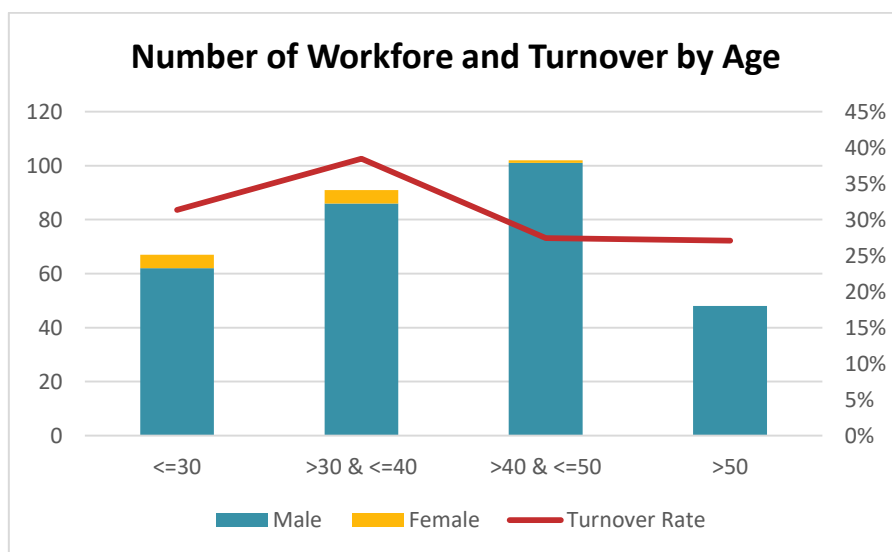
Kori is consciously monitoring the different stages of its service to ensure the compliance with relevant laws and regulation such as complying with maximum permissible noise levels set by National Environmental Agency. There was no incidence of environmental non-compliance of the Group in FY2017.

Our People

At Kori, we strive to create an inclusive workplace environment, committed to mutual respect, fairness and equality for all our staff and workers. We provide opportunities for continuous learning and skills improvement for staff development.

Diversity in Our Workforce (GRI 405-1, 405-2, 406-1)

As at 31 December 2017, the Group had a total of 308 employees, of which 4% are female due to the nature of the construction industry. Our employees are distributed across all age groups with different experiences and skill sets that build the Group's capabilities for holistic growth. The Group also has a workforce of diverse cultural backgrounds. We have employees from seven different countries, contributing to a diversified dynamic and inclusive working environment.



Kori practices non-discrimination and equal opportunities. All employees are remunerated fairly based on merit and experiences regardless of gender, race or nationality.

Employee Benefits and Retention (GRI 401-1,401-3)

We recognise the valuable contribution by our employees. On top of competitive salaries and performance-based bonuses, employees of Kori are entitled to a range of benefits including, workmen compensation insurance, group personal accident insurance, medical and healthcare benefits as well as hospitalization leave. We also support the government's pro-family policies and follows regulations by the Ministry of Manpower with regards to parental and childcare leave.

Training and Career Development (GRI 404-2, 404-3)

Kori is dedicated to nurturing our employees to grow, 100% of staff received annual performance and career development reviews in FY2017. The performance evaluation system also provides a channel of communication for employees to provide their feedback to the management.

As part of our effort to enhance skills for our employees, appropriate trainings are identified and conducted through various forms of knowledge acquisition such as on site trainings, seminars, conferences, workshops and classroom trainings.

Contribution to Our Industry and Caring of Our Community

Contribution to Industry Practice (GRI 203-2)

We have successfully developed the Kori Large Panelling Traffic Decking System with our unique and advanced expertise in steel decking works built through years of practice in various projects. For the Kori Large Panelling Traffic Decking System, we use steel panels which consist of a special type of rugged grid-pattern beams sections as a temporary platform which permits more efficient and stable decking works. This method is now widely adopted throughout infrastructure projects in Singapore.

Noise Management (GRI 413-1)

Kori has implemented programmes to assess noise levels and minimise the impact of our operation to the community. Kori's movable noise enclosure concept was recognised by LTA and was awarded the Innovative Noise Management Award at the 19th Annual Safety Award Convention in September 2017 for Contract T216.

Vector Measures

To protect our workers and the surrounding community from dengue, vector control plans are implemented at every construction site including our storage yards to prevent mosquito breeding. Regular control measures are taken and monitored by supervisors.

Giving Back to Society (GRI 413-1)

Kori believes that community engagement is an integral part of our business sustainability. We are committed to being a responsible corporate citizen and we endeavour to give back to the community.

Our management have been actively contributing to the discussion on industry and workforce developments in Singapore through media outlets such as the Straits Times and Channel NewsAsia. The Company's initiatives on foreign worker engagement and workplace safety and health practices are shared to the community through such channels. We also routinely provide donations for community prayer events.

To minimize negative impact created on the environment and save natural resources, the Group will continue to adopt practices to reuse 100% of our steel materials in new projects after dismantling.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> ▪ Economic, Environmental and Social Topics ▪ Stakeholder Engagement
2	Policies, Practices and Performance	<ul style="list-style-type: none"> ▪ CEO's Message ▪ Kori's Sustainability Story ▪ Economic, Environmental and Social Topics
3	Board Statement	Governance & Statement of the Board
4	Targets	Kori's Sustainability Story
5	Framework	Reporting Practice

GRI Standards Content Index and GRI Indicators

GRI Standards	Disclosure Content	Annual/Sustainability Report Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Our People
102-9	Supply chain	Managing Our Sub-Contractors
102-10	Significant changes to the organisation and its supply chain	Letter to Shareholders
102-11	Precautionary principle or approach	Commitment to Sustainability
102-12	External initiatives	N.A.
102-13	Membership of associations	N.A.
102-14	Statement from senior decision-maker	CEO's Message
102-15	Key impacts, risks, and opportunities	Kori's Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Sustainability Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement

GRI Standards	Disclosure Content	Annual/Sustainability Report Section Reference
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-45	Entities included in the consolidated financial Statements	Notes to the Financial Statements
102-46	Defining report content and topic boundaries	Reporting Practice
102-47	List of material topics	Reporting Practice
102-48	Restatements of information	N.A. as this is the first report issued
102-49	Changes in reporting	N.A. as this is the first report issued
102-50	Reporting period	Reporting Practice
102-51	Date of most recent report	N.A. as this is the first report issued
102-52	Reporting cycle	Reporting Practice
102-53	Contact point for questions regarding the report	Administration Manager
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Practice
102-55	GRI content index	GRI Standards Content Index
102-56	External assurance	Reporting Practice
203-2	Significant indirect economic impacts	Contribution to Industry Practice
205-1	Operations assessed for risks related to corruption	Ethics and Integrity
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Integrity
205-3	Confirmed incidents of corruption and actions taken	Ethics and Integrity
301-2	Percentage of materials used that recycled input materials	Materials
307-1	Non-compliance with environmental laws and regulations	Environment Protection
308-1	Percentage of new suppliers that were screened using environmental criteria	Managing Our Sub-Contractors
308-2	Negative environmental impacts in the supply chain & actions taken	Managing Our Sub-Contractors
401-1	New employee hires and employee turnover	Employee Benefits and Retention
401-3	Parental leave	Employee Benefits and Retention
403-1	Workers representation in formal joint management-worker health & safety committee	Health and Safety
403-2	Injury & incidents	Health and Safety
404-2	Programs for upgrading skills & transition assistance	Trainings and Skills Upgrading
404-3	Regular performance and career development review	Health and Safety Training and Career Development
405-1	Diversity of governance bodies and	Diversity in Our Workforce

GRI Standards	Disclosure Content	Annual/Sustainability Report Section Reference
	employees	
405-2	Ratio of basic remuneration of women to men	Diversity in Our Workforce
406-1	Incidents of discrimination and corrective actions taken	Diversity in Our Workforce
413-1	Operations with local community engagement, impact assessments & development programs	Noise Management Giving Back to Society
414-1	New suppliers screened using social criteria	Managing Our Sub-Contractors
414-2	Negative social impacts in the supply chain & actions taken	Managing Our Sub-Contractors