



Hor Kew Corporation Limited

Building a Brand New Future



SUSTAINABILITY REPORT 2022

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ABOUT THIS REPORT

Reporting Standard

This Sustainability Report (“**Report**”) of Hor Kew Corporation Limited and our subsidiaries (“**Hor Kew**” or the “**Group**”) covers the sustainability performance of the Group for the reporting period and also financial year 1 January 2022 to 31 December 2022 (“**FY2022**”). The Group publishes its sustainability report on SGXNET yearly, and the previous report was that for the reporting period and financial year 1 January 2021 to 31 December 2021 (“**FY2021**”), which was published on SGXNET on 31 May 2022.

This Report has been prepared in reference to the Global Reporting Initiative (“**GRI**”) Standards. The GRI is an independent, international organisation that has over 25 years, developed and delivered global best practice for how organizations communicate and demonstrate accountability for their impacts on the environment, economy and people. The Group adopts the GRI Standards for sustainability reporting as they are the world’s most widely used standards for sustainability reporting.

The board of directors of Hor Kew (the “**Board**”) is responsible for ensuring that the Group is keeping to its sustainability efforts and continuously improve over time. Our yearly sustainability reporting enables us to communicate with key stakeholders on the Group’s efforts and performance in our material Economic, Environmental, Social and Governance (“**EESG**”) topics, as well as update them on our progress. We recognise that we have a duty to our stakeholders in carrying out our business activities in sustainable ways, and endeavour to work closely with them in enhancing and integrating sustainability across our value chain.

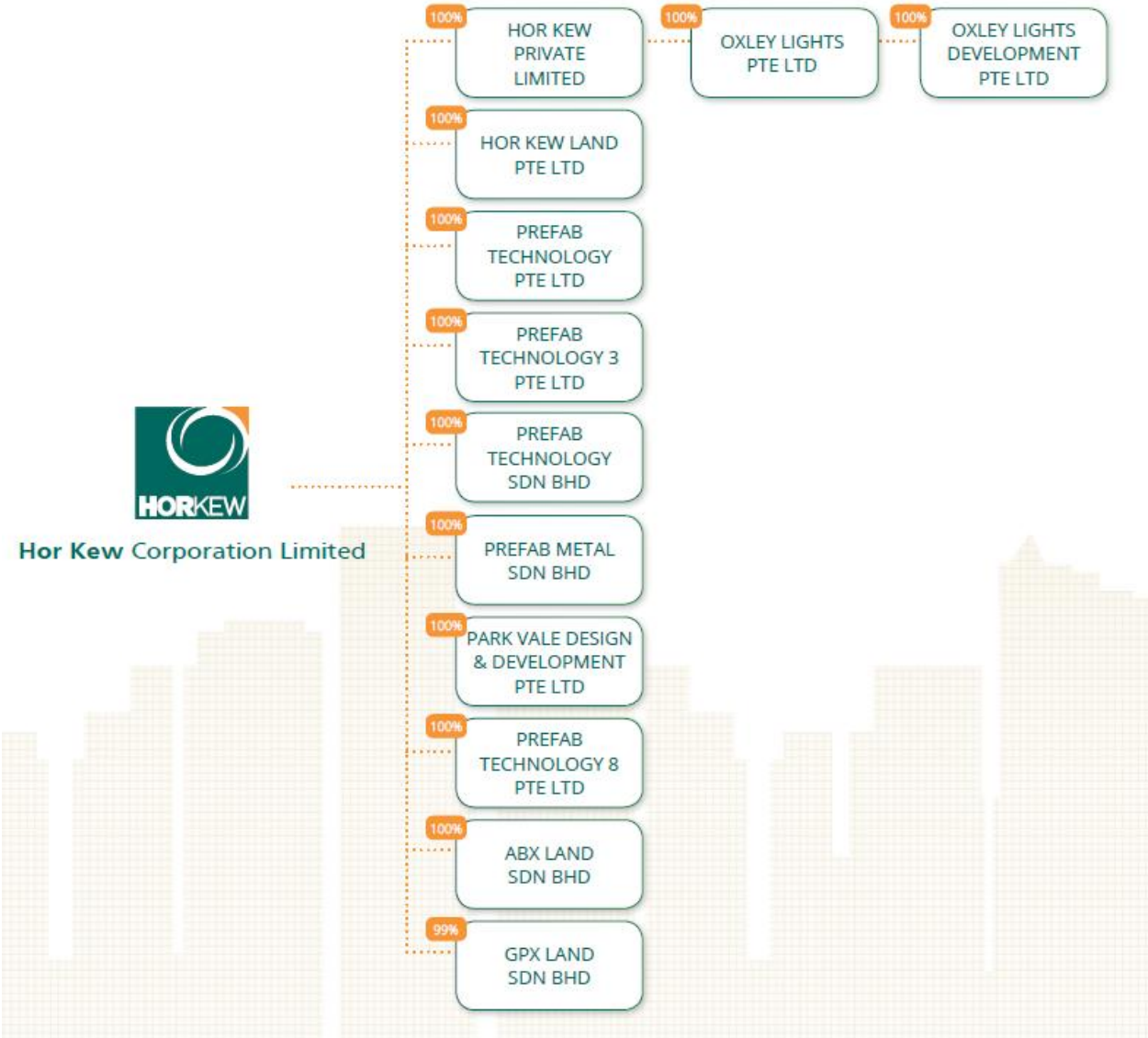


Feedback and Contact Person

We welcome all feedback and queries from stakeholders as we recognise that they are important for our continuous improvement in sustainability practices and reporting. Please send your feedback or queries to “michael_soh@horkew.com.sg” with attention to Mr Michael Soh.

Reporting scope

Please find below our Group structure:



This report focuses on the Group’s sustainability performance across its precast and prefabrication activities for FY2022, which are the Group’s core business activities.

For the purposes of this report, the Group has included Hor Kew Corporation Limited and its active subsidiaries in Singapore and Malaysia as follows:

- Hor Kew Corporation Limited
- Oxley Lights Pte Ltd
- Prefab Technology Pte Ltd
- Prefab Technology Sdn Bhd
- Prefab Technology 3 Pte Ltd
- Prefab Metal Sdn Bhd

Other entities in the Group that are not included in the scope of this Report are either inactive or dormant companies.



Stakeholder Engagement

We value the inputs of our stakeholders, which allow the Board and the Management to continuously identify areas for improvement in our sustainability efforts. We understand that stakeholders are important for the long-term viability of our Group, and have identified our key stakeholders as groups or individuals who impact our strategy the most or are directly impacted by it. Key stakeholders include our customers, investor, employees, business partners and suppliers. We are constantly trying to understand their needs and expectations of us, and strive to respond to their concerns in a timely manner. We make it our priority to maintain open lines of communication with our key stakeholders on a regular basis, as detailed below:

Stakeholder	Engagement methods	Topics of Concern	Frequency
Customers	<ul style="list-style-type: none"> Customer meetings on site progress or issues 	<ul style="list-style-type: none"> Project progress Safety issues Financial issues 	<ul style="list-style-type: none"> Regularly
Investors and the Public	<ul style="list-style-type: none"> Half yearly and full year financial results and Annual Report SGX announcements Annual General Meeting 	<ul style="list-style-type: none"> Economic business performance 	<ul style="list-style-type: none"> Half yearly Throughout the year Annually
Employees	<ul style="list-style-type: none"> Regular staff meetings 	<ul style="list-style-type: none"> Productivity Training and Development Safety 	<ul style="list-style-type: none"> Regularly
Consultants, Subcontractors, Suppliers	<ul style="list-style-type: none"> Site meetings Correspondences 	<ul style="list-style-type: none"> Project progress Safety issues 	<ul style="list-style-type: none"> Regularly
Government agencies	<ul style="list-style-type: none"> Correspondences Meetings 	<ul style="list-style-type: none"> Compliance with statutory rules and regulations 	<ul style="list-style-type: none"> When required

Materiality Assessment

The Group dedicates resources to manage the governance of sustainability in an efficient manner to attain optimal results. We followed the GRI materiality approach to gather inputs from stakeholders whilst looking at trends and developments in the precast and prefabrication industry. With these inputs we were able to identify and prioritise the sustainability issues most relevant to us. In doing so, we took into consideration the material topics and future challenges of our industry as identified by our employees and competitors, and also the relevant laws and regulations of the various government agencies in Singapore and Malaysia.

Material Topics	GRI Standards Disclosures	Impact Boundaries
Economic		
Economic performance	Financial results	Group-wide
Anti-corruption	Corruption cases	All employees
Environmental		
Legal and regulatory compliance	Environmental compliance	Precast and prefabrication activities
Water Effluents	Water consumption	Precast and prefabrication activities
Waste disposal and management	Waste disposal and management	Precast and prefabrication activities
Energy and fuel consumption	Energy	Precast and prefabrication activities
Social		
Diversity and equal opportunity	Diversity and equal opportunity	All employees
Talent attraction and retention	Employment	All employees
Training and education	Training and education	All employees
Occupational health and safety	Occupational health and safety	All employees
Governance		
Dealings in securities	Trading of Company's shares within black-out window period	All employees who have access to price-sensitive financial information



BOARD STATEMENT

HOR KEW CORPORATION LIMITED and its subsidiaries (the “**Group**”) are pleased to present this Sustainability Report for FY2022. This report is prepared in accordance with the GRI Standards. We have chosen GRI as the sustainability reporting framework as it is internationally recognized and the mostly widely adopted worldwide for sustainability reporting, and it complies with the requirements of the Singapore Exchange (“**SGX**”) Listing Rules 711A and 711B.

Board of Directors



MR BENJAMIN AW CHI-KEN
Executive Chairman and CEO



MS ELICIA AW YING YING
Executive Director



DR LOW SEOW CHAY
Non-Executive and Independent Director



MR WILLIAM CHEW YEW MENG
Non-Executive and Independent Director



MR LEE SEN CHOON
Non-Executive and Independent Director

Being in the construction sector, we understand the impact that our operations may have on the environment and recognise that it is our responsibility to incorporate sustainable practices into our business strategy and daily operations.

The Board has considered sustainability issues in the Group's business and strategy, and identified the Group's material EESG factors which employees will follow in their day-to-day operations and business practices. The Board oversees the management and monitoring of the material EESG factors discussed in this report and is supported by management in integrating sustainability considerations into business decisions. As discharged by the Board, management from all entities in the Group is responsible for determining EESG issues that are material to the Group, as well as managing and reporting the Group's EESG performance.

The Group is committed to providing a safe and healthy environment for the employees and aim at all times to be a socially responsible corporate citizen in its business operations.

The Board would like to thank all stakeholders for their continued support and participation in our sustainability journey. We look forward to continuing this partnership to improve on our sustainability efforts in all aspects of our business.

REVIEW BY INTERNAL AUDIT FUNCTION

We engaged our Internal Audit Function, In.Corp Business Advisory Pte. Ltd., to review the current sustainability reporting processes. The internal review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The scope included a risk-based review of the processes including but not limited to the sustainability governance and management; the identification, prioritisation and assessment of EESG-related risks and opportunities; reporting relevant sustainability information; climate-related disclosures; and compliance against local regulatory reporting requirements. We have not sought external assurance for this reporting year.

ABOUT US

The Group's origin can be traced back to 1979 when Hor Kew Private Limited became the main business vehicle.

In 1983, the Group was awarded the first main building contract. This contract, with a value of \$28.5 million, was for the building of eight blocks of residential apartments.

In 1986, the Group embarked on the first property development project. Since then, the Group has completed several property development projects.

In 1990, the Group diversified its operations vertically and started the business of manufacturing and supply of prestressed and precast reinforced concrete building components as well as prefinished architectural precast components.

In 1994, the Group further enhanced its vertical integration by venturing into the manufacturing and supply of prefabricated architectural metal component business.

The Group also has precast and prefabrication operations in Malaysia.

The vertical integration of the Group's operations continues till today, as this enhances better control over the quality and progress of building projects undertaken, thus providing high value-added services to its customers.

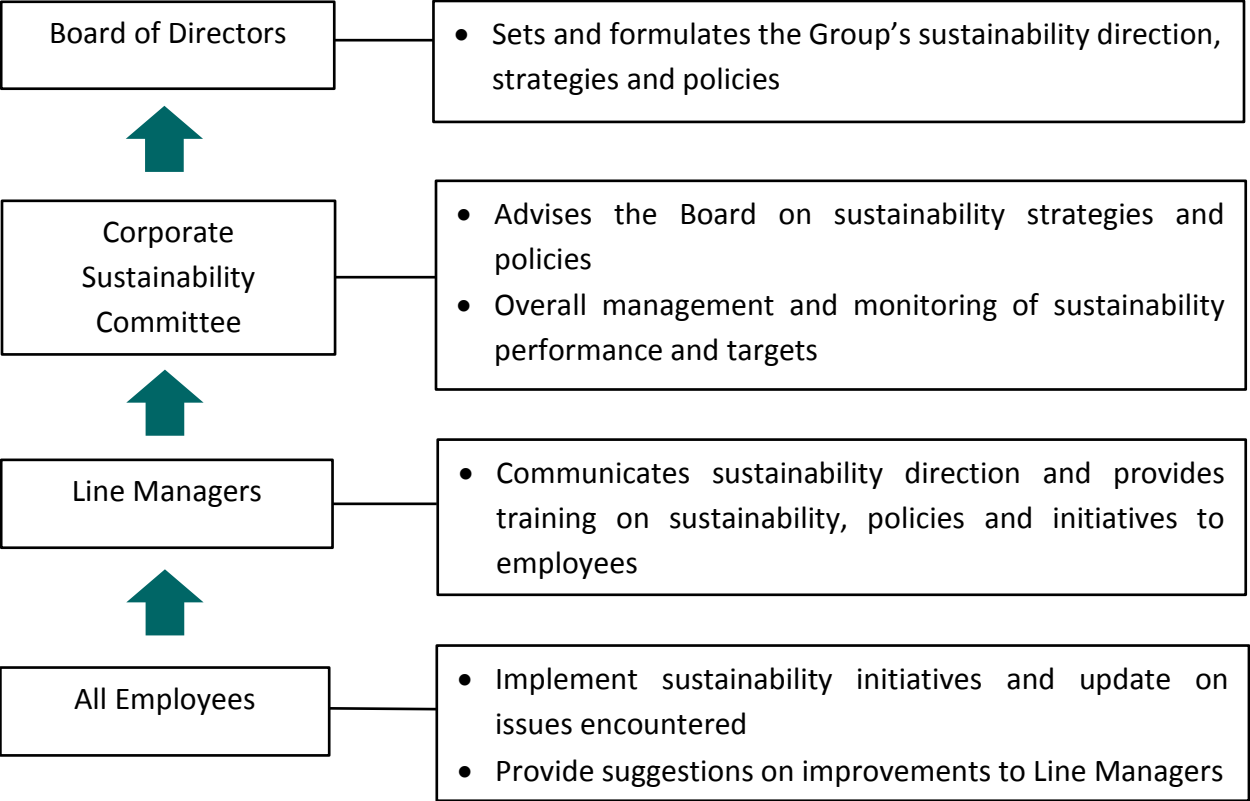


Over the years, the Group has successfully completed many projects, and has achieved and received numerous awards.

By leveraging on its steady track record and expertise in the construction industry, the Group has grown to become a mainboard public listed construction group in Singapore.

GOVERNANCE STRUCTURE

Sustainability Governance is led by the Board of Directors and supported by all levels of the Group, as shown in this Governance Structure:



The Board, with the support of the Corporate Sustainability Committee, will formulate the direction as well as the strategies and policies for the Group. The Line Managers will then disseminate the policies to all employees to ensure that sustainable practices are in place and enforced in the Group’s daily operations. Appropriate targets and measurements are developed along the way, and monitored on a regular basis. We will ensure continuous monitoring of the effectiveness of the sustainability governance structure and improve over time.

POLICIES AND PRACTICES IN RELATION TO THE MATERIAL ESG TOPICS

ECONOMIC

Economic performance

For detailed financial results, business review and performance, please refer to the following sections in our FY2022 Annual Report:

- Operations review, pages 8 to 9
- Summarised financial highlights, pages 14 to 15
- Financial Statements, pages 60 to 65



Anti-Corruption

The Group is fully committed to fair business practices with all stakeholders. We recognise that corruption is an issue that may affect our business, and we have a zero-tolerance policy towards any forms of corruption or bribery. To achieve that, we have in place tight measures to help prevent and detect very such wrongdoings. Our whistle blowing policy also serves to aid in the deterrence and reporting of corporate malpractice and misconducts.

Details of the Whistle Blowing and Anti-Corruption Policy are disseminated to all employees of the Group (including full-time, part-time and contract employees). Employees may report any genuine concerns about possible wrongdoings in business activities, financial reporting or other matters they encounter directly to the chairman of the Audit Committee (“AC”). The AC chairman shall appoint the appropriate personnel to review and carry out investigations into all such complaints, at same time ensuring the anonymity of the whistle-blower, and protecting him against detrimental or unfair treatment.

We strive for all our employees to conduct their activities in ethical. We have also adopted a strict policy against receiving favours or gifts which are intended to affect business judgement and decisions and undermine honest business ethics.

We also require that our business partners adhere to the same high standards of integrity and ethics as us. To do that, we are selective in choosing business partners and will not tolerate any acts of bribery or corruption from them. We believe that we are making positive contributions towards creating an environment where we and our business partners shall mutually benefit from fair and ethical business practices.

In FY2022, we have not received reports of any incident of corruption.

Summary of Governance Performance and Targets

Material Topics		Performance	Target
GRI Index	Anti-Corruption		
205-2	Communication and training about anti-corruption policies and procedures	To educate on anti-corruption policies and procedures	Part of new employees orientation
205-3	Confirmed incidents of corruption and actions taken	No incidents reported	Maintain zero case of corruption

ENVIRONMENTAL

Climate Reporting

In the current reporting period, the Group has yet to align to the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). We recognise the importance and are committed to adopt them in a phased approach in the coming years. We acknowledge the significance of TCFD disclosures for investors, stakeholders, and the broader global community, and we are dedicated to providing transparent and comprehensive information on our climate-related risks and opportunities in the future.

Legal and Regulatory Compliance

The Group is fully committed to carrying out environmentally-friendly practices in its business operations. We comply with all relevant rules and regulations on environmental issues, and we take steps at all our work sites to ensure the requirements are met throughout the lives of the projects. We work to a higher standard beyond basic compliance, and adopt “green practices” in our precast and prefabrication activities.

Good green practices include but are not limited to the following:

- Dispose of waste products in a responsible manner
- Reduce carbon footprint
- Minimise water wastage
- Minimize noise and air pollution on our plants and at the project sites
- Provide a safe environment for all the Group’s employees and the public
- Comply with all relevant regulatory and client requirements
- Educate and train all employees to abide by environmentally friendly business practices
- Monitor any impact on the environment

Water Consumption

Our Group appreciates that water is a valuable resource. We constantly monitor the water usage in our production plants and offices to ensure that water is not wasted excessively.

We also try to create awareness amongst our employees the importance of using water wisely.



Waste Disposal and Management

The Group tries to encourage employees to maximise use of paper by using double-sided printing wherever possible. For waste paper printed on single side, our employees will use them for printing on the blank side. We also place recycling bins at various locations to collect and recycle paper.

At all our plants, we also have bins for collecting scrap metal that will then be sold to scrap metal collectors to be recycled. Other construction wastes are properly destroyed and disposed in special designated areas according to the local regulations.

Energy and Fuel Consumption

The Group encourages its employees to reduce electricity consumption by turning off lights where not in use. On various premises, we have installed motion-sensor lights that are automatically switched on only when the rooms are occupied.

Employees are also reminded to reduce carbon footprint by shutting off machineries and equipment when they are not in use.

Summary of Environmental Performance and Targets

Material Topics		Performance	Targets
GRI Index	Water and Effluents		
303-5	Water consumption	To minimize unnecessary wastage of water	To maintain low water consumption levels in production
GRI Index	Waste Disposal and Management		
306-4	Waste diverted from disposal	To recycle all unwanted metal instead of disposing them as well	Recycle all scrap metal
306-5	Waste directed to disposal	No improper waste disposal reported	To maintain zero case of improper waste disposal

SOCIAL

Our People

We recognise that our employees are the key drivers in helping us operate in a responsible manner. Our employees are employed and work in Singapore and Malaysia. They come from various countries, and are of various age groups and ethnic groups.

Diversity and Equal Opportunity

Our Group gives equal opportunities to all our employees, and we hire on the basis of qualifications, skills and experience to perform the job. We treat all employees fairly, with respect and dignity, regardless of race, nationality or religion.

Whilst the percentage of female employees is relatively low, this is mainly due to the overwhelming number of male applicants for the manual labour positions, and this is usual in our industry. For office work, we employ fairly and without discrimination.



Talent Attraction and Retention

The Group tries to attract and retain talents by offering a competitive remuneration package. Annual staff appraisals are done to monitor performance of all employees within the Group, with equitable salary adjustments and promotions awarded to the deserving employees, at the same time factoring in the financial performance of the Group. We also offer medical benefits to all our employees. By trying to retaining our staff, we achieve a low turnover rate.

Training and Development

We continuously provide on-job and external training to our employees so that they are well-equipped to perform their duties efficiently and effectively.

We also try to groom well-performing employees and develop their leadership skills so that they may progress within the organisation by taking up heavier responsibilities or higher positions. We also encourage holding regular meetings within teams to share best work practices and improve on current work procedures.

All our directors had attended sustainability training.

Performance review

All our employees receive at least an annual performance appraisal performance, or even more often where required for cases which require additional monitoring and feedback. Superiors will provide career development reviews to their staff as part of training and development.

Occupational Health and Safety

Workplace safety is the top priority at our Group. Due to higher risk of work injuries in our business activities, we educate all our employees on work safety preventive measures. Production personnel are all issued personal protective equipment required in their work, such as safety boots, gloves and helmets.

We also will get visitors, customers' personnel, suppliers and subcontractors to abide by relevant laws and regulations, and follow safety regulations when they are in our manufacturing plants. In FY2022, there was no reported work-related fatality in our Group.

Material Topics		Performance	Targets
GRI Index	Employment		
401-1	Employee turnover	Acceptable turnover rate	Maintain an acceptable turnover rate
GRI Index	Occupational Health and Safety		
403-9	Work-related injuries	Zero accident resulting in fatalities	To maintain zero accident resulting in fatalities
GRI Index	Training and Development		
404-2	Programs for upgrading employee skills and transition assistance programs	On-job and/or external training provided to all employees	To maintain training and development of all employees
404-3	Percentage of employees receiving regular performance and career development reviews	All employees attend performance reviews	To have performance reviews for all employees
GRI Index	Diversity and Equal Opportunity		
405-1	Diversity and equal opportunity	All employees	Maintain fair employment practices

Privacy of Customers' Data

The IT environment is constantly changing and new and existing cyber threats pose risks and vulnerabilities to stakeholders' confidential data and information. The Group owes a duty of care to the stakeholders to safeguard their confidential information. Any breakdown in IT controls can cause data breaches and result in significant legal and reputational costs to the Group.

Established IT controls and processes are in place to safeguard the confidential information of stakeholders in accordance with the Personal Data Protection Act ("**PDPA**") in Singapore.

The IT controls prevent, detect and respond to threats concerning data security and confidentiality of the Group's information and database. These controls include firewalls, passwords and restricted access rights. Internal and external parties can lodge any data breach complaints to the Company. Job applicants for positions within the Group are required to sign-off an acknowledgement form for PDPA.

For FY2022, the Group has met the target set in the previous financial year and there were zero complaints of breach of customer privacy. The Group hopes to maintain this performance perpetually.

Material Topics		Performance	Target
GRI Index	Customer Privacy		
418-1	Confirmed complaints of breach of customer privacy	No incidents reported	Maintain zero complaint of breach of customer privacy

GOVERNANCE

The Group tries to uphold good corporate governance practices in its sustainability efforts. We are committed to ensuring a high standard of corporate governance at all times.

Our Governance Structure on sustainability ensures that all our employees are aware of the Group’s direction on carrying out environmentally friendly and ethical business practices, and at the same time allows our employees to provide regular feedback to Management and Directors on how to further improve on these practices.



Dealings in Securities

The Group abides by the SGX ruling to prohibit its officers from trading in the Company’s securities (i) while in possession of material unpublished price-sensitive information, or (ii) during the 30 days before and up to the day of the release of half-yearly and full-year financial results announcements – which is the blackout window period. Prior to the commencement of the blackout window period, an email would be sent out to remind all directors and employees with price-sensitive financial information to remind them to abstain from trading in the Company’s shares.

GRI CONTENT INDEX

Note the following abbreviations used for page reference: AR stands for Annual Report FY2022 and SR stands for Sustainability Report FY2022

GRI Standard	Disclosure	Page reference	Remarks
GRI 2: General Disclosures 2021	2-1 Organizational details	SR 8	
	2-2 Entities included in the organization's sustainability reporting	SR 2 to 3	
	2-3 Reporting period, frequency and contact point	SR 1 to 2	
	2-4 Restatements of information		None
	2-5 External assurance	SR 7	None sought
	2-6 Activities, value chain and other business relationships	SR 8	
	2-7 Employees	SR 14 to 16	
	2-8 Workers who are not employees		None
	2-9 Governance structure and composition	AR 18 to 19	
	2-10 Nomination and selection of the highest governance body	AR 25 to 26	
	2-11 Chair of the highest governance body	AR 24 to 25	
	2-12 Role of the highest governance body in overseeing the management of impacts	SR 9, AR 18 to 19	
	2-13 Delegation of responsibility for managing impacts	SR 9, AR 18 to 19	
	2-14 Role of the highest governance body in sustainability reporting	SR 9	
	2-15 Conflicts of interest	AR 19	
	2-16 Communication of critical concerns	SR 10 to 11	
	2-17 Collective knowledge of the highest governance body	AR 21 to 22	
	2-18 Evaluation of the performance of the highest governance body	AR 27 to 34	

GRI Standard	Disclosures	Page reference	Remarks
GRI 2: General Disclosures 2021	2-19 Remuneration policies	AR 34 to 39	
	2-20 Process to determine remuneration	AR 34 to 39	
	2-21 Annual total compensation ratio	AR 34 to 39	
	2-22 Statement on sustainable development strategy	SR 6 to 7	
	2-23 Policy commitments	SR 10 to 11	
	2-24 Embedding policy commitments	SR 4	
	2-25 Processes to remediate negative impacts	SR 10 to 11	
	2-26 Mechanisms for seeking advice and raising concerns	SR 10 to 11	
	2-27 Compliance with laws and regulations	SR 4 and 15	
	2-28 Membership associations		Hor Kew Corporation Limited and Hor Kew Pte Ltd are members of the Singapore Business Federation
	2-29 Approach to stakeholder engagement	SR 4	
	2-30 Collective bargaining agreements		None
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 4 to 5	
	3-2 List of material topics	SR 5, 11, 14 and 16	
	3-3 Management of material topics	SR 4 to 5	
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	SR 10 to 11	
	205-3 Confirmed incidents of corruption and actions taken	SR 10 to 11	
GRI 303: Water and Effluents 2018	GRI 303-5 Water consumption	SR 12 and 14	

GRI Standard	Disclosures	Page reference	Remarks
GRI 306: Waste 2020	306-4 Waste diverted from disposal	SR 13 to 14	
	306-5 Waste directed to disposal	SR 13 to 14	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 15 to 16	
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	SR 15 to 16	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	SR 15 to 16	
	404-3 Percentage of employees receiving regular performance and career development reviews	SR 15 to 16	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 14	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR 16 to 17	

Hor Kew Corporation Limited

Company Reg No.: 199903415K

66 Kallang Pudding Road #07-01

Hor Kew Business Centre

Singapore 349324

Tel: 65 6365 8322 Fax: +65 6365 8326

www.horkew.com.sg