



HIAP TONG CORPORATION LTD.

SUSTAINABILITY REPORT 2019

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This sustainability report has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. This sustainability report has not been examined or approved by 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 persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist, Investment Banking and Mr Ken Lee, Associate Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115

ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers operations and all subsidiaries for which the Group has management control, unless otherwise stated. It seeks to provide an overview of our approach, practices, commitment, and performance of the Group's material Environmental, Social and Governance ("ESG") topics.

Reporting Period & Standard

The reporting period is the same as that of the financial year of the Group (1 April 2018 to 31 March 2019). This report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards – "Core" reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but have relied on internal verification to ensure the accuracy of data.

FEEDBACK

We are fully committed to our stakeholders and we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to sr@hiaptong.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.



HIAP TONG CORPORATION LTD.

BOARD STATEMENT ON SUSTAINABILITY

Hiap Tong Corporation Ltd. and its subsidiaries (“Hiap Tong” or the “Group”) is pleased to issue its second sustainability report prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Group endeavour and is committed to continually consider material environmental, social and governance topics as part of our core business strategy. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board of Directors (“Board”) and senior management (“Management”) remains committed to establish and maintain an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives and performance measurements.

The Sustainability Reporting (“SR”) Committee supports the Management in identifying the type of relevant ESG topics caused by its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, and influence on stakeholder values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

The ESG topics in this report reviewed by the Board and Management is assessed to be material and relevant. The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continual improvement.

ABOUT THE GROUP

Corporate Profile

Established since 1978, Hiap Tong is a leading provider of hydraulic lifting and haulage services to the marine, petrochemical and construction industries in Singapore. From a single 10 tonne mobile crane in 1980, the Group has expanded its combining lifting and haulage fleet size to an aggregate of 308 vehicles as at 31 March 2019, consisting of 124 cranes (with lifting capacities ranging from 10 to 1200 tonnes) and 184 units of haulage equipment. Since 2009, Hiap Tong remains listed on the Catalist Board of the SGX-ST.

Today, Hiap Tong offers the largest range of lifting capabilities in the hydraulic mobile crane category and we believe is the only Singapore company with the ability to provide mobile lifting services with lifting capacities of up to 1200 tonnes. Our current lifting capabilities of up to 1200 tonnes allow us to undertake specialised lifting jobs.

We pride ourselves as an integrated one-stop service provider, offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes, to transportation services, with our haulage fleet.



With an established customer base of more than 300 customers, some of our notable customers include business units and affiliates of SembCorp Industries Ltd and Keppel Corporation Limited in the marine industry; ExxonMobil Asia Pacific Pte Ltd, and Sankyu (S) Pte Ltd. in the petrochemical industry; as well as Yong Nam Energy and Construction Pte Ltd and Shanghai Tunnel Engineering Co (Singapore) Pte Ltd in the construction industry. With our strong track record, business reputation and superior quality services, many of our major customers are repeat customers who have been doing business with us for more than 10 years.

Vision

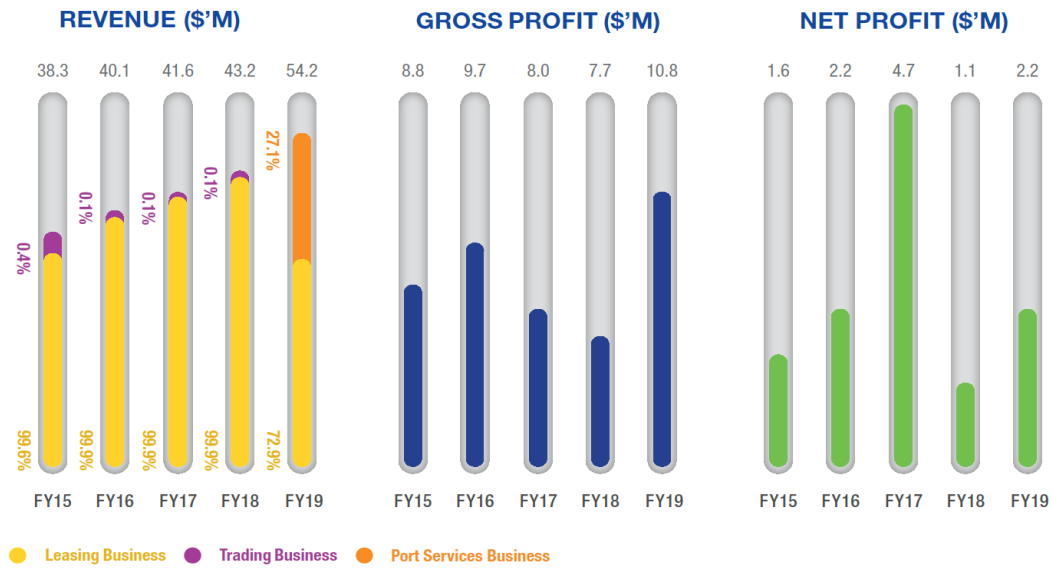
To be the preferred choice in offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes to transportation services with our haulage fleet.

Mission

Enhance the strength and trust in our brand name through:

- Commanding diversified range of products and customers;
- Ensure continuity of businesses and preserve shareholder investment; and
- Explore opportunities and growth prospects.

Financial Highlights



For the financial year ended 31 Mar 2019 (“FY2019”), the Group’s revenue increased by S\$10.9 million or 25.5% from S\$43.2 million for the financial year ended 31 Mar 2018 (“FY2018”) to S\$54.2 million. The increase was mainly attributed to an increase in the Group’s port services revenue by S\$7.1 million as well as the leasing business revenue of S\$3.8 million during the year. Cost of sales increased by S\$7.8 million or 22.0% from S\$35.6 million for FY2018 to S\$43.4 million for FY2019, mainly due to higher salary related costs of S\$7.3 million and higher upkeep and maintenance expenses of S\$0.5 million.

Gross profit increased by S\$3.1 million or 41.3% from S\$7.7 million (representing a gross margin of 17.7%) for FY2018 to S\$10.8 million (representing a gross margin of 20.0%) for FY2019. The increase in gross profit was mainly due to the increase in revenue which was partially offset by an increase in cost of sales as explained above.

Overall, the net profit for the year increased by S\$1.1 million or 94.6% from S\$1.1 million for FY2018 to S\$2.2 million for FY2019.

Please refer to the Group’s annual report of FY2019 for detailed information on financial performance.

Awards & Certification

- Certification for ISO 9001 Quality Management System
- BizSAFE Star Certification
- Certification for OHSAS 18001 Occupational Health & Safety Management System

GOVERNANCE STRUCTURE

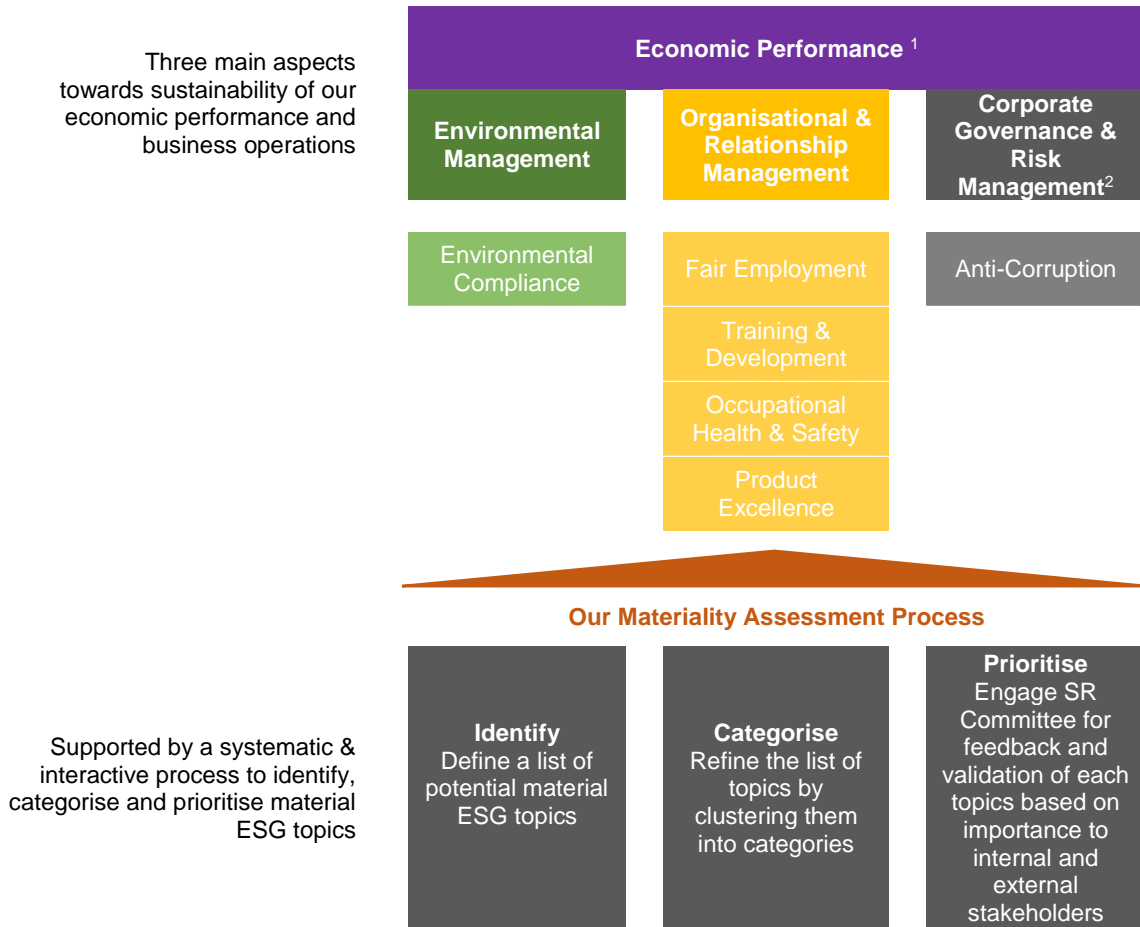
Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee comprising of specific working groups with senior management and board level representatives from across our different businesses executes and reports on the material ESG aspects. The Board and the Audit Committee review and oversee the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

STRATEGIC APPROACH FOR SUSTAINABILITY

Hiap Tong firmly believes that while our businesses are driven by earnings, what we do must also have a positive impact on environment, employees and all other stakeholders in our value chain.

In FY2019, the Group have with the help of an independent external consultant reviewed and defined our approach to sustainability management. We have identified four main aspects and non-financial topics that are material to the sustainability of our economic performance and business operations (See Exhibit 1).

Exhibit 1. An Overview Our Approach To Sustainability Management



1. Please refer to Financial Statement of the annual report.

2. Please refer to the Corporate Governance section of the annual report.

STAKEHOLDER ENGAGEMENT

Hiap Tong recognises that knowing and understanding the demands and concerns of stakeholders is key to sustainable growth and that regular engagement with stakeholders helps us to better determine material areas of focus. The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions.

Our stakeholders are those who have a considerable influence on our business, and whom our business has a significant impact on. In FY2019, the SR Committee with the support of independent external consultant have reviewed and ascertained that employees, customers, shareholder and investors, business partners remained as our key stakeholder groups (See Exhibit 2).

Exhibit 2. Our Key Stakeholder Groups



Employees

We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.



Customers

We strive to maximise our customer satisfaction, which reflects sales and revenue. We ensure that we understand our customer needs and expectations and we aim to build long lasting relationships with our customers so that they are likely to engage our services again.



Shareholders and Investors

We aim to maintain profitability in our Group and maximise shareholders' return. We also strive to maintain corporate governance and improve level of transparency through reporting and communication.



Business Partners

We work closely with our business partners / subcontractors to ensure that all our operations that were carried out are in line with our sustainability efforts and industry practices.

List of Memberships of Association




In addition to engaging our stakeholders, we participate as members of organisations that include:

- Singapore Crane Association
- Association of Process Industry
- Singapore Transport Association

MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation’s significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Guided by an external independent consultant and having considered the topics of concerns and expectation of identified key stakeholders. The SR Committee together with the Management have assessed and prioritised the material topics to focus on for the Group.

Material ESG Topics		2020 Targets and Commitments
ENVIRONMENTAL MANAGEMENT		
Environmental Compliance	<ul style="list-style-type: none"> ❖ Zero incidents of non-compliance ❖ No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations 	
ORGANISATIONAL & RELATIONSHIP MANAGEMENT		
Fair Employment	<ul style="list-style-type: none"> ❖ Continue to promote diversity and equal opportunity in the workplace. ❖ Comply with local labour regulations across our operations. 	
Training and Education	<ul style="list-style-type: none"> ❖ Achieve an average of 2 hours of training per employee annually. ❖ Ensure learning and development roadmap account for future skills required to improve the efficiency of the business. 	
Occupational Health and Safety	<ul style="list-style-type: none"> ❖ Zero fatalities and/or workplace injuries. 	
Product Excellence	<ul style="list-style-type: none"> ❖ Maintain existing quality and safety accreditation. 	
CORPORATE GOVERNANCE		
Anti-Corruption	<ul style="list-style-type: none"> ❖ Zero incidents of bribery and corruption, including facilitation payment. ❖ Zero tolerance towards all forms of bribery and corruption. 	

The material ESG topics were also reviewed by the Board and determined as being relevant. Moving forward, to keep abreast of critical issues, the SR Committee, supporting the Board in its oversight, will continue to review annually material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends.

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL COMPLIANCE

Environmental compliance forms an integral part of the Group's sustainability philosophy. With increased pressure on corporations to be accountable for their environmental footprint and rising cost of natural resources, we endeavour to not just comply but also integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem.

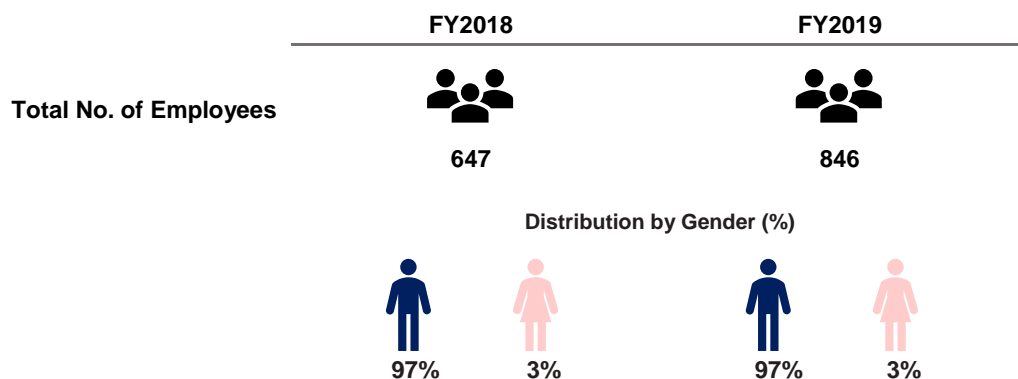
Over the years, the Group's operations continue to conform to local environmental laws and regulations. All employees of Hiap Tong are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

In FY2019, there were no incidents of non-compliance and penalties pertaining to environmental-related issues. The Board and Management continues to review and improve current environmental management system and practices and ensure that all our activities and operations comply with regulatory and customers' requirements.

ORGANISATIONAL & RELATIONSHIP MANAGEMENT

FAIR EMPLOYMENT

Our employees are one of our most valuable assets and the Group believes in and is committed to fair employment practices, upholding human rights principles and investing in developing and training our people. In FY2019, 270 people were hired, which translates to a 42% increase in the total number of employees as compared to FY2018. The overall turnover has also edged higher to 8% in FY2019, as compared to 1% in FY2018.



	FY2018		FY2019	
	Total No.	%	Total No.	%
New Hires	21	3	270	32

All new hires were male due to the nature of industry which is providing lifting capabilities services with hydraulic mobile cranes.

	FY2018			FY2019		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Total No. of New Hire by Age Group	4	10	7	89	162	19
Rate of Turnover by Age Group	19%	48%	33%	33%	60%	7%

	FY2018			FY2019		
	Total No.	%	Total No.	%	Total No.	%
	6	1	71	8		
Total No. of Turnover by Age Group	< 30	30 - 50	> 50	< 30	30 - 50	> 50
	4	2	Nil	40	21	10
Rate of Turnover by Age Group	67%	33%	Nil	56%	30%	14%

We strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group has instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability or gender. Employees are required to observe and adhere to all relevant policies and practices.

Due to the inherent nature of labour-intensive work and physically challenging working conditions, the majority of our employees are male. Our female employees are mostly working in the Finance, Human Resource and Project Management departments. Hiap Tong makes a conscious effort to

maintain diversity in the middle management, to generate creativity and innovation and improve the organization's culture. There were no reported incidences of discrimination raised by our employees in FY2019.

The Group also has an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This is to reinforce our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no workplace grievance cases reported in FY2019.

Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and sets packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2019, in addition to the competitive remuneration offered, we extended our employees a set of benefits including but not limited to:

Item	Employment Benefits	Descriptions
1	Foreign worker medical	Covering foreign worker medical claims.
2	Work Injury Compensation Insurance	Covering worker work injury.
3	Flexible Work Arrangement	Creating work-life harmony at the workplace.
4	Various Allowances benefits	Company has various allowances for entitled staffs such as housing allowance, attendance incentive, Sunday allowance, performance allowances, safety allowances and etc.
5	Annual Variable Bonus	Annual variable bonus will be issued before each Chinese New Year. This bonus will be based on current market conditions, Group's overall performance, as well as employee's performance.
6	Salary increment	Salary increment amount determined based on annual appraisals after year end.
7	Annual festival celebrations	Embracing diversity and culture, we also celebrate important festivals as a company.

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. The Group endorses Singapore's Tripartite Guidelines on Fair Employment Practices and the Employers' Pledge of Fair Employment Practices and makes contributions to the Central Provident Fund scheme in Singapore, a defined pension scheme. For employees below 55 years old, Hiap Tong makes an additional contribution of 17% as an employer on top of the employee's 20% contribution.

In support of the Singapore government's pro-family legislation, eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen are entitled to 16 weeks of maternity leave and 2 weeks of paternity leave respectively. Eligible working parents of at least one Singapore citizen child who is less than seven years old; or between ages of 7 to 12 (by extension); and employed by Hiap Tong at least for 3 continuous months are entitled to 6 days of paid childcare leave annually.

Being in an industry that is largely labour-intensive, we are dedicated to constantly reviewing our employment policies, benefits and remuneration practices to ensure compliance with the updated employment laws, to keep up with the best industry practices to provide the optimal working conditions for our people.

The Group continually cultivates a transparent and inclusive environment for all employees, as well as ensures a top-down approach to promote fair and ethical business dealings. Hiap Tong maintains zero tolerance towards unethical labour practices such as child labour, forced labour, slavery and human trafficking across all our operations.

TRAINING & DEVELOPMENT

The Group recognises that employees need to stay informed and be updated in their skill sets in the ever-changing work environment. To encourage and support our employees to develop their fullest potential and have a fulfilling career, both on-the-job and ad-hoc trainings are made available to our employees. Employees are encouraged to attend courses which are relevant to their work nature.

	FY2018	FY2019
Average Hours of Training Per Employee	 2 hours	 32

It is understandable that all training provided were to male employees due to the nature of industry which is providing lifting capabilities services with hydraulic mobile cranes. On-job training hours were not included in this record.

Programmes for Upgrading Employee Skills and Transition Assistance

Programmes for upgrading employee skills allow Hiap Tong to plan skills upgrading and equip employees to meet strategic targets of the Group. More skilled employees enhance Hiap Tong's human capital and contribute to employees' satisfaction, which will then enhance overall performance.

With this, Hiap Tong adopts various skill upgrading programmes with the objective of assisting to provide the upgrading of employees' skills and to facilitate continued employability. These internal and external programmes include the following:

Item	Name of Programme	Description
1	Tower crane apprenticeship programme	Training programme for tower crane licence with on job training & on-site assessment.
2	Crawler crane apprenticeship programme	Training programme for crawler crane licence with on job training & on-site assessment.
3	Mobile crane apprenticeship programme	Training programme for mobile crane licence with on job training & on-site assessment.
4	Perform signal rigger task	Training to be a certified signal and rigger man.
5	Workplace safety & health in construction sites	Safety regulations in construction sites.

6	Supervise safe lifting operations	Safe lifting procedures.
7	Supervise construction work	Safety regulations in construction sites.
8	Shipyards safety instruction course	Shipyards safety.

Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted on an annual basis whereby there will be two-way communication and engagement between supervisors and subordinates to assess the performance of the employee. Upon completion of the appraisal process, consideration of career advancement such as promotion; quantum of salary increments and annual variable bonus (disbursed yearly before Chinese New Year) will be determined based on the performance appraisal results. In FY2019, all employees are assessed and remunerated fairly based on their experience, qualifications and performance.

The Group shall continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

OCCUPATIONAL HEALTH & SAFETY

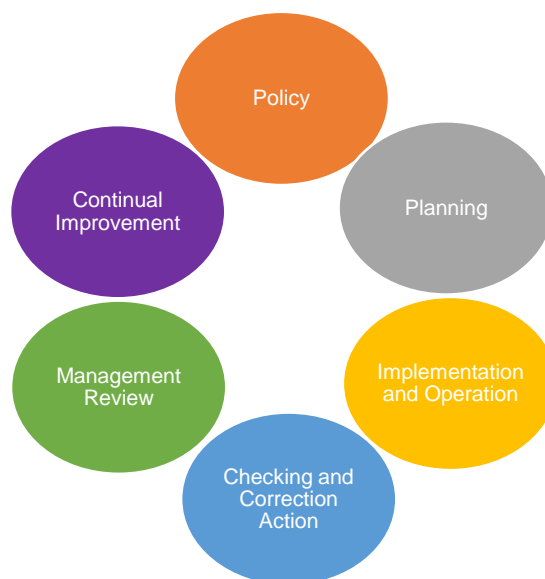
Safety is an integral part of our business, and a key focus area for our board of directors and senior management. Hiap Tong recognises that it is the company’s responsibility to ensure that everyone gets home safe every day. We firmly believe that all our employees deserve to work in a safe and healthy environment and that a conducive working environment will not only boost employees’ morale, but also increase the overall workforce’s productivity and efficiency.

Occupational Health & Safety Management Framework

The Group pledges for zero accidents throughout all work activities to safe guard the environment and safety and health of all employees, subcontractors, supplier and public. Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our employees and stakeholders to ensure that they understand our requirements and expectations.

Hiap Tong strives to continually achieve safety certifications in line with global best practices. The Group continues to maintain its Occupational Health and Safety Assessment System (“OHSAS”) 18001:2007 and bizSAFE Level Star certifications, reflecting our strong commitment in providing a safe working environment for all employees. The Board and Management maintains oversight and monitors the health and safety performance of the Group.

Key Elements of Our Health & Safety System



Safety programmes such as toolbox meetings, campaigns, and emergency fire drills are conducted throughout the year. To maintain and ensure effectiveness of our policies and management system, an external audit conducted by an independent organisation are conducted annually.

The Group seeks to learn from past mistakes and strive to prevent similar incidents from reoccurring. As part of our skills-training programme, we consistently schedule workplace health and safety briefings to review our safety practices with workers. For near-miss incidents, we will promptly have a review briefing dedicated to analysing the situation and to remind our workers of the relevant safety measures and precautions, as well as the safety protocols in the event of incidents.

We also ensure each worker is well protected before the start of each assignment, through documenting on the personal protective equipment record to ensure that each worker is sufficiently equipped with protective gears for their related job-scope. We have also developed a list of protocols and precautions for workers, to ensure that their safety is fully covered in all areas of work.

Workplace Health & Safety Performance

Category	FY2019
	Total
Number of Injuries	7
Injury Rate ("IR") ³	1.56
Lost Day Rate ("LDR") ⁴	35.82
Absentee Rate ("AR") ⁵	0.2

In FY2019, there were no incidents of fatalities across Hiap Tong's business operations. The Group strives to continue to maintain its health & safety standards and continuous improvement in its Operational Health and Safety processes and performance.

3. Injury rate refers to the number of work-related incidents per million manhours worked.

4. Lost day rate refers to the number of man-days lost for every million hours worked.

5. Absentee rate refers to number of days lost due to incapacity of any kind, not just as the result of work-related injury or disease, which expressed with the proportion to the total days scheduled to be worked.

PRODUCT EXCELLENCE

The Group is committed to adding value to its clients and delivering product and service excellence. Recognising that the health and safety of our customers in the provision and use of our products and services are of utmost importance to us. Hiap Tong operates Quality, Environmental, Health, Safety Management System to the ISO 9001 and OHSAS 18001 Standard to support a systematic approach to address quality, health and safety-related concerns across lift cycle of our product and services.

Quality & Customer Health and Safety

The Group has established a Quality, Environment, Health, and Safety Management System (“QEHS”) policy which includes the following criteria:

1. Consistently meeting client’s satisfaction through providing quality product and service excellence;
2. Ensuring that all our projects are delivered on time, as specified by our clients;
3. Providing training on QEHS awareness for all employees;
4. Preventing / Eliminating / Minimizing and controlling the risk due to occupational health and safety hazards, including those arising from terror threats;
5. Eliminating / Minimizing and controlling the pollution and environmental impacts associated with our activities;
6. Complying with all applicable legal and other requirements;
7. Continual improvement of Quality, Environmental & Occupational Health and Safety performance through monitoring and review of set objectives and targets;
8. Communicating and making available this policy to all employees, subcontractors and suppliers; and
9. Establishing measurable objective, targets, programmes and procedures for continual improvement in Quality, Environmental & Occupational Health and Safety performance and top management who is accountable for it shall review periodically to ensure its effectiveness & for continual improvement.

The Group actively seeks out customers’ feedback and suggestions to better understand their needs, so that it can translate such feedback to improvements of our products and services. The Management is actively involved in monitoring quality, environmental, health and safety performance and assessing areas for improvement on an on-going basis. The Group’s QEHS policy is reviewed minimally once every year to ensure its continuing suitability.

On-Going Review & Assessment

Our fleets are inspected and maintained regularly to ensure safety load test requirements are met and are always operating at optimal performance. Visual tests are conducted annually by a professional engineer, who will issue a certificate of test and examination for our lifting machinery.

Our crane operators are professionally certified and licensed by the Singapore Building and Construction Authority as well as experienced to operate the lifting equipment safely. Our operations fully comply with the Workplace Safety and Health (WSH) Act and its subsidiary regulations giving our customers an extra peace of mind when it comes to risk management for high risk activities.

The significant product categories for which health and safety impacts are assessed for improvement are as follows:

- Mobile cranes/ crawler cranes;
- Prime Movers; and
- Lifting gears

The criteria used for assessment for the significant products and services stated above are assessed in accordance with lifting machine certificate, lifting gear certificate, and an annual checklist that is prepared internally.

Supply Chain

As a sustainable company offering a complete solution to customers from lifting services with our extensive fleet of mobile cranes and transportation services with our haulage fleet, we source our mobile cranes from mainly Germany, Japan and China.

In selecting the supply of the hydraulic mobile cranes, suppliers are assessed under stringent criteria. These include track records, financial strength as well as commitments towards high quality, health and safety standards.

Compliance

In FY2019, there were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services

CORPORATE GOVERNANCE

ANTI CORRUPTION

Hiap Tong is committed to uphold the highest standards of corporate governance and business integrity across its business activities, which are essential for the long-term viability of the Group's businesses and the enhancement of shareholder value.

The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group, including a direct channel to the Audit Committee, for reporting suspected bribery, corruption, dishonest practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. The policy and its effectiveness will be reviewed by the Audit Committee periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required.

In FY2019, there were no incidents of regulatory non-compliance across Hiap Tong's group of businesses. There were also no reported incidents pertaining to whistle-blowing for this reporting period under review. The Group continues to work towards reinforcing a full compliance culture.

Moving Forward

The Audit Committee continues to support the Board in its oversight of anti-corruption and is responsible for driving Hiap Tong's focus on implementing effective compliance and governance systems. At an operational level, the respective department within the Group continues to be responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, information technology, compliance and reputational related risks.

Please refer to the Corporate Governance section of the annual report for more information.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organization	Cover Page
	102-2 *	Activities, brands, products, and services	Page 4, Refer to AR FY2019 – Page 38 Notes to The Finance Statement – Note 1
	102-3 *	Location of headquarters	Back Cover
	102-4 *	Location of operations	Refer to AR FY2019 – Page 6 Group Structure
	102-5 *	Ownership and legal form	Refer to AR FY2019 Notes to The Finance Statement – Notes 1, 14 to 16
	102-6 *	Markets served	Page 4, Refer to AR FY2019 – Page 5 Chairman's Message
	102-7 *	Scale of the organization	Page 4, Refer to AR FY2019 – Page 5 Chairman's Message
	102-8 *	Information on employees and other workers	Page 10
	102-9 *	Supply chain	Page 16
	102-10 *	Significant changes to the organization and its supply chain	No significant changes
	102-11 *	Precautionary principle or approach	Page 6
	102-12 *	External initiatives	Page 5
	102-13 *	Membership of associations	Page 7
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Refer to AR FY2019 Chairman's Message
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Page 4
GRI 102: Governance	102-18 *	Governance structure	Page 6 Refer to AR FY2019 Corporate Governance

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Page 7
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	Page 7
	102-43 *	Approach to stakeholder engagement	Page 7
	102-44 *	Key topics and concerns raised	Page 8
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Refer to AR FY2019 – Page 40 to 41, 56 to 57 Notes to The Finance Statement – Note 3.1 and Note 6
	102-46 *	Defining report content and topic Boundaries	Page 3
	102-47 *	List of material topics	Page 8
	102-48 *	Restatements of information	No restatement
	102-49 *	Changes in reporting	No significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50 *	Reporting period	Page 3
	102-51 *	Date of most recent report	FY2018 Inaugural Sustainability Report
	102-52 *	Reporting cycle	1 April 2018 to 31 March 2019
	102-53 *	Contact point for questions regarding the report	Page 3
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core option
	102-55 *	GRI content index	Page 18 - 20
	102-56 *	External Assurance	The Group has not sought external assurance for this sustainability report.
GRI 307: Environmental Compliance	DMA	Disclosure of Management Approach	Page 9
	307-1	Non-compliance with environmental laws and regulations	Page 9

Category	Disclosure	Description	Page Reference and Remarks
GRI 401: Fair Employment	DMA	Disclosure of Management Approach	Page 10 - 11
	401-1	New employee hires and employee turnover	Page 10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 11
	401-3	Parental leave	Page 11
GRI 403: Occupational Health and Safety	DMA	Disclosure of Management Approach	Page 13
	403-1	Occupational Health and Safety Management System	Page 13 - 14
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