



聯明集團有限公司

LIAN BENG GROUP LTD



**SUSTAINABILITY REPORT
2019**

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BOARD STATEMENT

We are pleased to present Lian Beng Group Ltd (“**Lian Beng**”, together with its subsidiaries, the “**Group**”) annual Sustainability Report for our Financial Year ended 31 May 2019 (“**FY2019**”).

The Board of Directors (“**Board**”) and the key management team are directly involved in identifying the Group’s Economic, Environmental, Social and Governance (“**EESG**”) factors, planning and strategising the sustainability initiatives to minimise EESG risks. The Sustainability Reporting Task Force, which was established in 2017, comprising senior management executives from key functions and business units. The Sustainability Reporting Task Force plan, implement and review the sustainability initiatives and assists the Board to:

- i) Establish the framework for data collection, monitoring and reporting;
- ii) Identify the stakeholder concerns and expectation through consultation and cooperation between management, employees and stakeholders;
- iii) Identify potential EESG risks and opportunities arising from the business activities.

Presently, the availability of EESG data enables sustainability reporting to gain a greater significance to investors. Apart from being an image building exercise, it is widely recognised that good EESG practices do contribute to the overall long-term success of the company, and play an important part in the competition for talent and investment.

In defining our reporting content, we applied the Global Reporting Initiative (“**GRI**”)’s principles by considering the Group’s activities, impact and substantive expectations and interests of its stakeholders. We observed a total of four principles, namely materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

As GRI does not require external assurance, the EESG data and information provided in this report have been derived from internal data monitoring and verification to ensure accuracy.

REPORTING PERIOD AND SCOPE

This report is set out on a “comply or explain” basis in accordance with Practice Note 7.6 of the Singapore Exchange Securities Trading Ltd. (“**SGX-ST**”) Listing Manual on Continuing Listing Obligations. Corresponding to GRI’s emphasis on materiality, this report highlights the key EESG related initiatives that were carried out during a 12-month period, from 1 June 2018 to 31 May 2019.

In this report, we will be covering all business segments with the exception of our property development segment. For property development segment, please refer to SLB Development Ltd (“**SLB**”)’s Sustainability Report FY2019.

REPORTING FRAMEWORK

The GRI Framework that Lian Beng has adopted is the most established international sustainability reporting standard, and in respect of the extent to which such framework is applied, this report has been prepared in accordance to the GRI Standards reporting guidelines, at its Core level.

This report supplements the Group’s Annual Report FY2019 and both are available for download at our website at <http://www.lianbeng.com.sg>.

FEEDBACK AND ACCESS

We welcome all feedback from our stakeholders with regards to our sustainability efforts as this will enable us to improve our policies, systems and performance. Please send your comments and suggestions to lbg@lianbeng.sg.

No hard copies of this Sustainability Report have been printed as part of our efforts to promote environmental conservation. You may visit SGX website or our company website www.lianbeng.com.sg for our Sustainability Report FY2019.

CORPORATE PROFILE

Established in 1973, Lian Beng Group Ltd is one of Singapore's major home-grown construction groups with integrated civil engineering and construction support service capabilities. The Group was listed on the mainboard of the SGX-ST in 1999.

The Group is principally involved in 3 business segments:

A) CONSTRUCTION

The Group is principally involved in the construction of residential, industrial and commercial projects, and civil engineering projects as a main contractor. As a Building and Construction Authority ("BCA") Grade A1 contractor in General Building, Lian Beng is able to tender for public sector building projects of unlimited contract value, while its A2 grading in Civil Engineering allows it to tender for engineering projects of up to \$85 million in contract value.

In FY2019, the Group has reorganised its business segments to merge and report the construction segment and the construction-related business segment as one. The construction-related business involves the manufacturing of ready-mix concrete, engineering and leasing of construction machinery, which supports the Group's own construction projects. The Group has also incorporated United Plus Steel Resources Private Limited in February 2019 for the processing of fabricated reinforcement bars, which will support construction projects of the Group and other third parties.

B) INVESTMENT HOLDINGS AND DORMITORY BUSINESS

i) Investment Holdings

The Group owns a diverse property portfolio comprising residential, commercial and light industrial properties. Sembawang Shopping Centre was newly acquired in FY2019 by the Group, via joint ventures. The Group also has investments in securities and bonds.

ii) Dormitory Business

The Group currently owns 55% of a dormitory, Westlite Mandai.

C) PROPERTY DEVELOPMENT

The property development of Lian Beng Group is undertaken by its subsidiary company, SLB, which was listed on Catalyst Board of SGX-ST in April 2018. SLB is a diversified property developer with extensive experience and track record across the residential, mixed-use as well as industrial and commercial sectors and property development projects ranging from small to large scale.

AWARDS AND ACHIEVEMENTS

The Group has won a number of awards and accolades for our excellence in general construction practices. In FY2019, we have also been presented with a ROSPA SILVER Award 2018 for Occupational Health and Safety (an award that we have been receiving for many years) as well as the bizSAFE Star and bizSAFE Partner certifications awarded by the Workplace Safety and Health ("WSH") Council in Singapore. Other notable awards include:

- BCA Green Mark Award for Buildings (Platinum), 2018
- BCA Construction Excellence Award (Merit), 2018
- BCA Quality Excellence Award Quality Champion (Platinum), 2017
- BCA Building Information Modelling (BIM) Award Organisation (Gold), 2017
- BCA Quality Excellence Award Quality Champion (GoldPlus), 2016
- BCA Quality Excellence Award (Gold), 2015
- International Construction Award by the Global Trade Leaders' Club, headquartered in Madrid, Spain.

The construction segment has also received ISO 9001, ISO 14001 and OHSAS 18001 certifications for our environmental and quality practices.

SUSTAINABILITY APPROACH



STAKEHOLDER ENGAGEMENT

Stakeholders are groups of people who have a material impact on our business or may be materially impacted by our business. These may include internal stakeholders such as employees and external stakeholders such as suppliers, customers and regulators. We engage our stakeholders through various channels to understand their concerns and expectations.

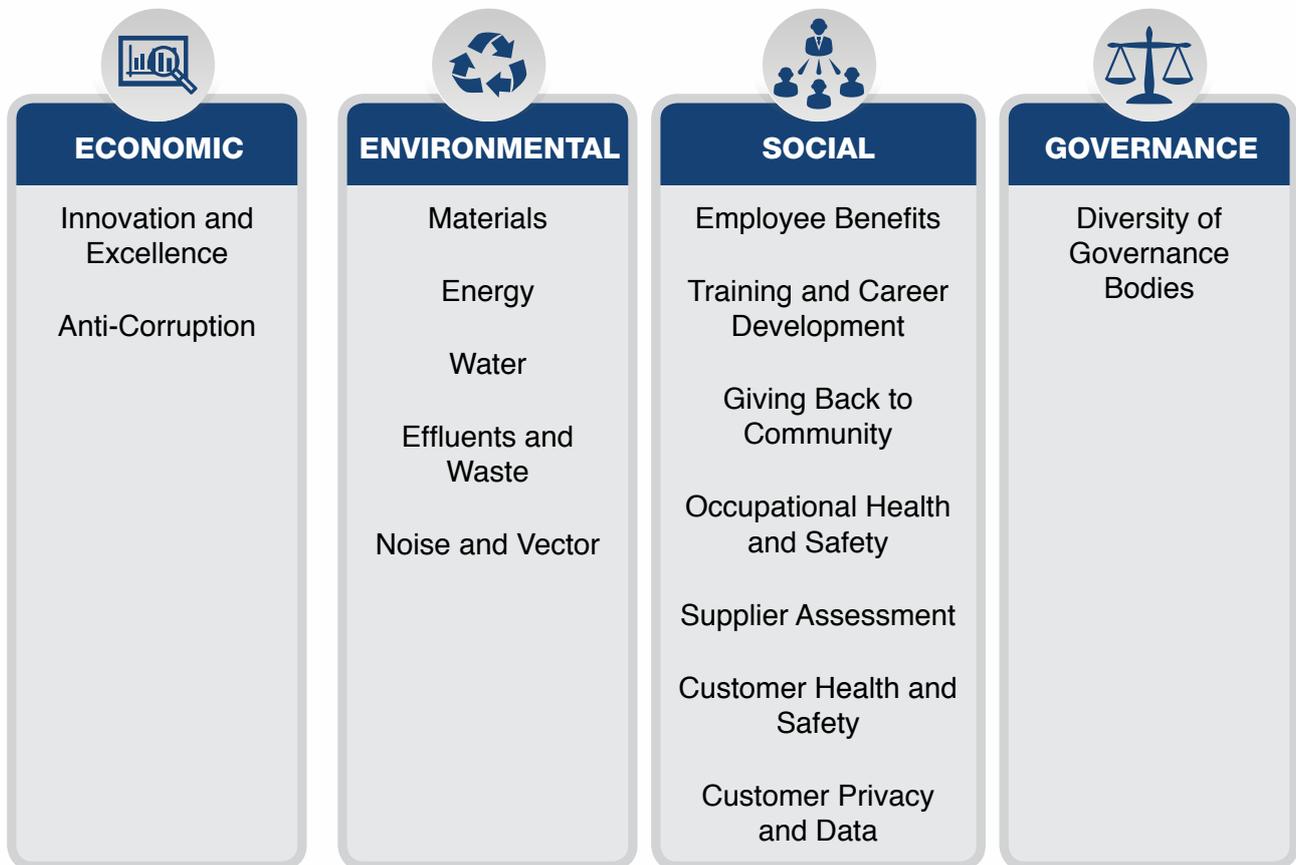
Stakeholders	Engagement Platforms	Issues of Concern	Read more in the following Sections
 Community	<ul style="list-style-type: none"> • Community Services Engagement 	<ul style="list-style-type: none"> • Environmental Impact • Social Development 	<ul style="list-style-type: none"> • Environmental Topics • Giving back to our community
 Employees	<ul style="list-style-type: none"> • Structured and open annual performance appraisal system to link performance with remuneration • Training and Education 	<ul style="list-style-type: none"> • Remuneration and Benefits • Training and Development • Ethics and Conduct 	<ul style="list-style-type: none"> • Training and Career Development
 Suppliers and Subcontractors	<ul style="list-style-type: none"> • Weekly update from contractors • Mass toolbox meetings 	<ul style="list-style-type: none"> • Health and Safety • Environmental Compliance 	<ul style="list-style-type: none"> • Managing our Suppliers • Vision Towards an Accident-Free Work Culture
 Customers	<ul style="list-style-type: none"> • Regular dialogues 	<ul style="list-style-type: none"> • Data Privacy • Quality of tenants' living conditions 	<ul style="list-style-type: none"> • Protecting Customer Privacy and Data • Customer Health and Safety
 Governments and Regulators	<ul style="list-style-type: none"> • SGX announcements • Annual Reports • Sustainability Reports • Ongoing dialogues 	<ul style="list-style-type: none"> • Environmental compliance with National Environmental Agency (“NEA”) • Regulatory and Industrial requirements under Building and Construction Authority (“BCA”) and Ministry of Manpower (“MOM”) 	<ul style="list-style-type: none"> • Fines or Penalties • Injuries and Incidents
 Shareholders and investors	<ul style="list-style-type: none"> • Annual Reports • Investor Relations Management • Annual General Meetings 	<ul style="list-style-type: none"> • Economic Performance • Anti-corruption 	<ul style="list-style-type: none"> • Innovative and Excellence • Anti-corruption

SUSTAINABILITY APPROACH

MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant aspects. Relevant aspects are then prioritised to identify material factors which are subjected to validation. The result of this process is a list of material factors which will be disclosed in the Sustainability Report.

The Group has conducted a materiality assessment during the year. We engaged our employees from different departments, seeking our internal stakeholders' feedback for prioritisation of these topics. Going forward, a materiality review will be conducted every year, incorporating inputs gathered from stakeholders' engagements. In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI and stakeholders' input, we have identified the following as our material aspects.



GOVERNANCE TOPICS

Lian Beng's Board and Management are committed to comply to the practices in Corporate Governance to ensure sustainability of the Group's operations and to justify investor confidence. We believe that our constant drive for corporate excellence will allow us to establish a more transparent and accountable system, thereby increasing the value of the Group and its value to our shareholders. Please refer to page 25 of 2019 Annual Report for details of the Group's Corporate Governance Report.

We will continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.

DIVERSITY OF GOVERNANCE BODIES (GRI 405-1)

The Board believes in diversity and values the benefits diversity can bring to the Board in its deliberations. With the female-to-male ratio remaining at 1:2 on the Board, we believe our Board's gender diversity will further enhance the Board's decision-making capability and ensure that the Group has the opportunity to benefit from all available talent and perspectives.

Moving forward, the Board intends to maintain its current diversity of female-to-male ratio.

ECONOMICS TOPICS

INNOVATION AND EXCELLENCE (GRI 203-2)

The Group has made investments in technologies such as telescopic handler, automatic wheel washer and biometric systems to increase our productivity on site and save manpower on menial tasks. We also incorporated the use of Prefabricated Prefinished Volumetric Construction (“PPVC”) and Prefabricated Bathroom Units (“PBU”), as part of the Design for Manufacturing & Assembly (“DfMA”) process to reduce reliance on manpower and ensure on-site productivity and quality control.

The use of PPVC and PBU help to reduce water usage, noise, dust, waste generated at the project sites, at the same time improve worksite safety. We have also automated the rebar cutting processes to increase efficiency and accuracy for use in construction projects. This has helped reduce the level of wastage in the rebar cutting process.

The Group will continue to invest in innovation and productivity improvements in relation to our operational processes. We will constantly be on a lookout for new innovative technologies and methods to increase productivity.

ANTI-CORRUPTION (GRI 205-1, 205-2, 205-3)

Lian Beng has a zero-tolerance stance on any form of corruption. The Group’s Code of Conduct prohibits all employees from being involved in offering, paying, requesting or receiving bribes or participating in any fraudulent activities.

The Group has also established a whistleblowing policy which provides an avenue for all employees and external parties to raise issues in confidence pertaining to wrongdoing or improper financial accounting to the Chairman of Audit Committee via email at whistleblowing@lianbenggroup.com.sg. Relevant actions will be taken to correct the weaknesses in internal controls and policies that may allow the perpetration of fraud or misconduct or both, and to prevent a similar incident from repeating itself. Administrative, disciplinary, civil or criminal actions or any combinations of these will be taken following the completion of independent investigations.

Similar to FY2018, there were no incidents of corruption in FY2019 and we will continue to aim for a corruption-free organisation in FY2020.

ENVIRONMENTAL TOPICS

Lian Beng is a committed and environmentally responsible partner in the communities we operate in to ensure a safe, efficient and environmentally conscious operating environment. The Group believes in building a practical 'green' future by minimising the adverse impact on the environment associated with our building construction works.

Lian Beng's risk and sustainability-based strategies are geared to assess, avoid, reduce and mitigate environmental risks and negative impacts. Our Environmental Policy and Guideline ("EPG") provides the overall framework to ensure that natural resources are efficiently used throughout the conservation of energy and water, and minimise the waste by reducing, reusing and recycling where possible. The EPG applies to all the Group's business segments.

The Group has also embarked on the Green and Gracious Builder Scheme ("GGBS") initiated by BCA. The implementation of the GGBS by BCA has enhanced and complemented the current ISO 14001 Environmental Management System ("EMS"), which promotes environment protection and gracious practices during the construction phase of projects. The adoption of the GGBS has not only raised the level of environmental consciousness among the project team, but helps to align all entities within the Group in managing its environmental responsibilities.

In the construction industry, energy, water, material consumption and waste disposal are dependent on the volume and different stages of the construction activities. In FY2019, there were eight on-going construction projects as compared to five in FY2018. Due to the increase in number of construction projects, the energy, water and material consumption and waste disposal in FY2019 were higher than in FY2018.

CONSTRUCTION

Lian Beng works closely with its staff and subcontractors to ensure comprehensive management of environmental impact at all its construction sites.

Compliance Assessments:

- Corporate and project-based internal safety audits
- Compliance audits
- Gaps assessment
- Compliance to WSH regulations

Waste / Vector Management:

- Compliance to NEA regulations
- Source reduction

Air Quality / Noise Management:

- Engagement of Acoustic Consultant to study on residual noise prior to project commencement
- Air quality / Noise permits
- Record keeping in source reduction
- Programme development
- Training / WSH regulations

Hazardous Materials Management:

- Hazardous materials usage and storage reporting
- Hazardous materials business plan
- Hazardous materials inventory
- Asbestos, lead and mould management
- Subsurface investigations
- Site characterisation and remediation
- Underground storage tank management

Health and Safety Awareness:

- Training of staff and subcontractors
- Emergency escalation framework

ENVIRONMENTAL TOPICS

INPUT MATERIALS (GRI 301-2)

READY-MIX CONCRETE

In FY2019, green materials make up an average of 7% and 11% of the ready-mix concrete produced at our Punggol Plant and Tuas Plant respectively [FY2018: 5% (Punggol Plant), 13% (Tuas Plant)]. We aim to continue increasing the percentage to 10% for the Punggol Plant and maintain at least 10% for the Tuas Plant for the following financial year to develop a concrete mix with lower carbon footprint.

ENERGY AND EMISSIONS MANAGEMENT (GRI 302-1, 302-4, 302-5, 305-1, 305-2, 305-5)

We are committed to working closely with our stakeholders to manage our carbon footprint. Improving energy efficiency by managing carbon emissions is one of the crucial elements in addressing climate change. Therefore, we will continue to minimize the energy consumption by constructing well-designed projects that will aid in reducing gas emissions. Energy and emissions intensity ratios are calculated for the Group to better assess the emissions efficiency. For all the relevant business units, we aim to maintain the current energy consumption for the next financial year.

CONSTRUCTION PROJECTS

Lian Beng is certified as a Green and Gracious Builder (Excellent). Environmentally friendly initiatives are incorporated in building designs and implemented during the construction period. All projects undertaken by Lian Beng have been Green Mark Certified. Martin Modern was certified "Gold Plus" and Defu Industrial City was certified "Platinum" for efforts in environmental protection.

There were seven ongoing projects in FY2019, where energy consumption totalled 6,776,700 kWh and CO₂ emissions were 4,792,200 kg. With construction projects having a combined GFA of 623,340 m², the total energy and emission intensity ratios were 10.87 kWh/m² and 7.69 kg/m² respectively. There was an increase of 3,019,700 kWh in FY2019 total energy consumption as compared to FY2018 of 3,757,000 kWh and an energy and emission intensity ratios of 7.38 kWh/m² and 5.22 kg/m² respectively. The increase in energy consumption was attributed to having some of the projects entering the next construction phase, which required more energy as compared to the initial phase, as well as new projects commenced in FY2019.

The Group has also acquired 60% of United Tec Construction Pte Ltd in FY2019. There was only one ongoing project, which consumed a total energy consumption of 102,600 kWh and CO₂ emissions of 72,600 kg. With a GFA of 92,667 m², the energy and emission intensity ratio were 1.11 kWh/m² and 0.78 kg/m² respectively.

We strive to reduce total energy use on site by introducing energy-saving equipment, including solar panels, to power several equipment such as noise meters, and earth control measures. Energy-saving air conditioning units and motion sensors were also installed in less frequently used areas to further conserve energy. In FY2019, we have successfully conserved a total of 149,300 kWh of energy, which is equivalent to 105,600 kg in CO₂ emissions as compared to 26,500 kWh of energy and 18,700 kg in CO₂ emissions in FY2018.

READY-MIX CONCRETE

For the manufacturing of ready-mix plants, we are committed to reduce energy consumption through process improvement by using resources and equipment to optimise energy usage. Our energy consumption for ready-mix concrete was 2,672,300 kWh and an average of energy consumption per cubic meter of concrete of 4 kWh/m³ in FY2019. There was an increase in energy consumption as compared to FY2018 where our energy consumption was 1,961,600 kWh and an average of energy consumption per cubic meter of concrete of 3 kWh/m³. The increase in energy consumption was attributed to the increase in manufacturing volume.

ENVIRONMENTAL TOPICS

INVESTMENT HOLDINGS

The total energy consumption for the investment holdings amounted to 13,915,800 kWh and the corresponding CO₂ emissions was 9,840,600 kg in FY2019. There was a significant increase as compared to the energy consumption and CO₂ emissions in FY2018 at 5,009,700 kWh and 3,542,600 kg in CO₂ emissions. The increase was attributed to the acquisition of Sembawang Shopping Centre in FY2019 and also the full year energy consumption at Wilkie Edge as Wilkie Edge was acquired during FY2018.

DORMITORY BUSINESS

For our dormitory Westlite Mandai, we have implemented several energy-saving initiatives to reduce energy consumption. In FY2019, total energy consumption for the dormitory was 3,512,300 kWh and the corresponding CO₂ emissions was 2,483,700 kg. The total energy consumption and CO₂ emissions remained relatively constant as compared to FY2018 at 3,334,500 kWh and 2,358,000 kg respectively.

Common areas of workers' accommodation are designed to maximise the use of natural light

Lifts operate on a variable voltage and variable frequency ("VVVF") motor drive with sleep mode features to help reduce electricity usage

Worker dormitories are separated by walls, with an opening at the top that allows for air ventilation

WATER MANAGEMENT (GRI 303-1, 303-3)

Water remains a scarce resource in Singapore and it is an important resource that we have to conserve. Our water conservation measures include collecting rainwater to reduce the demand for fresh water, as well as reusing and recycling water across our businesses. The Group will remain committed in continuing our water conservation efforts and make improvements on our water-reclaiming processes. For all the relevant business units, we aim to maintain the current water consumption for the next financial year.

CONSTRUCTION PROJECTS

Earth Control Measures ("ECM") are implemented across all of our construction sites. In FY2019, approximately 15% (43,311 m³) of ECM-collected treated water are reused as a secondary source by construction projects for general purposes such as vehicle washing, watering of access pathways as well as washing of workers' toilets. This practice has allowed us to maximise the use of rainwater collected. In addition, the use of pre-cast concrete has significantly reduced the need of using the on-site water.

The targets for water usage are set and water meters are also installed to track water usage at all project sites. In FY2019, the seven construction projects have utilised a total of 56,100 m³ of water against the GFA of 623,340 m². There was a significant increase of 28,600 m³ in FY2019 water consumption as compared to FY2018 at 27,500 m³. The increase in water consumption was attributed to having some of the projects entering the next construction phase, which required more water as compared to the initial phase, as well as new projects commenced in FY2019.

The Group's newly acquired 60% entity – United Tec Construction Pte Ltd had consumed a total of 5,300 m³ of water against the GFA of 92,667 m².

ENVIRONMENTAL TOPICS

READY-MIX CONCRETE

In FY2019, 121,800 m³ of water was consumed in the manufacturing of ready-mix concrete. There was a slight increase in the water consumption as compared to FY2018 at 102,800 m³. The increase was due to the increase in manufacturing volume.

INVESTMENT HOLDINGS

In FY2019, the water consumption for the investment holdings amounted to a total of 84,400 m³. There was a significant increase as compared to the water consumption in FY2018 at 29,400 m³. The increase was attributed to the acquisition of Sembawang Shopping Centre in FY2019 and also the full year water consumption at Wilkie Edge as Wilkie Edge was acquired during FY2018.

DORMITORY BUSINESS

There are several ongoing initiatives in place for water conservation, such as education on water-saving habits at the dormitory. Our dormitory Westlite Mandai has incurred a total water consumption of 381,100 m³ in FY2019. The water consumption remained relatively constant as compared to FY2018 at 363,500 m³.

EFFLUENTS AND WASTE MANAGEMENT

CONSTRUCTION PROJECTS

The ECM that are currently present at all of our construction project sites are designed by Qualified Earth Control Professional (“QECP”) as part of the requirements to prevent earth and silt from being discharged into public drains that could lead to water catchment areas. The ECM takes into consideration factors such as erosion control, sediment control and treatment. The QECP will monitor the capacity of the treatment equipment, storage tanks and implementation measures during the construction period. We will continue to ensure that the ECM are properly implemented at all constructions project sites.

WATER DISCHARGE TREATMENT (GRI 306-1)

CONSTRUCTION PROJECTS

One of the ECM's functions is to filter collected rainwater within the project site. The collected water containing mud and silt will be treated by the equipment through chemical filtering or membrane system filtering before being discharged into the common public drainage outside the development. We have installed Total Suspended Solids (“TSS”) web-based monitoring system at the water discharge points to ensure the TSS reading of treated water will not exceed 50 mg/l. The discharged water will be monitored by the TSS web-based monitoring system and the user will be alerted if the reading exceeds the requirement. Following which, corrective measures will have to be taken to address the issue. The treated water will then flow through the public drainage system into our catchment areas.

READY-MIX CONCRETE

For manufacturing of ready-mix concrete, the Group commits to continue to control and maintain the effluent discharge at 0 m³.

ENVIRONMENTAL TOPICS

WASTE DISPOSAL (GRI 306-2)

CONSTRUCTION PROJECTS

Construction wastes from each project are collected by NEA-licensed waste collectors. Construction wastes collected by these operators are categorised and segregated accordingly at their respective yards before being transported to government landfills or incinerators. Materials such as wood and rubber are sent to recycling yards. In FY2019, construction waste collected for disposal totalled 2,700 tonnes, while the total amount of concrete waste collected was 3,600 tonnes. There was a significant improvement as compared to FY2018 as construction waste collected for disposal totalled 900 tonnes, while the total amount of concrete waste collected was 3,000 tonnes.

We currently recycle rebar waste by sending it to authorised scrap dealers who will in turn segregate and dispose it through the authorised agency. We only engaged certified and authorised contractors who will utilize proper channels of waste disposal. All rebar waste would be required to go through the sorting process to segregate items between those that can be recovered and those that can be recycled. In FY2019, we used a total of 63,400 tonnes of rebar, out of which 900 tonnes of waste were recycled. There is a slight improvement as compared to FY2018 where only 200 tonnes of waste out of 52,300 tonnes were recycled.

For United Tec Construction Pte Ltd, the construction waste collected for disposal totalled 80 tonnes. In addition, a total of 13,600 tonnes of rebar were used. Among the 13,600 tonnes, 800 tonnes of waste were recycled in FY2019.

We aim to increase our waste recycling efforts in the next financial year.

READY-MIX CONCRETE

For the manufacturing of ready-mix concrete segment, production waste collected for disposal totalled 51,800 tonnes in FY2019. There was a slight increase as compared to FY2018 at 48,200 tonnes. The Group will continue working towards maintaining the production waste disposal at its current 0.08 tonnes/m³ of concrete by continuously reviewing and reevaluating our current processes and procedures to further enhance our sustainability effort.

ENVIRONMENTAL TOPICS

ENVIRONMENTAL COMPLIANCE (GRI 307-1)

We are committed to reduce the environmental impacts of our activities. Similar to FY2018, we have complied accordingly to the laws and regulations in FY2019. Moving forward, we aim to ensure continual compliance with the relevant laws and regulations.

NOISE MANAGEMENT

CONSTRUCTION PROJECTS

During the planning and design stage of the construction projects, Lian Beng will engage acoustic consultants to evaluate whether the expected noise to be generated during the construction site will exceed the noise limits stipulated by NEA. The acoustic consultants will conduct a Noise Impact Assessment (“**NIA**”), which incorporates the input gathered from Lian Beng on machineries and construction sequence, to calculate and forecast the noise that will be generated at the construction sites.

Based on the results of the NIA, the acoustic consultants will recommend a Noise Management Plan (“**NMP**”) that will cover the entire period of the construction project. Our Project Manager will oversee and monitor noise control throughout the construction based on the NMP.

The NMP caters for different phases of the construction project and provides appropriate noise mitigation/control measures for each construction activity. It also recommends noise mitigation measures for the machineries and equipment that will be utilised during the different phases of construction activities. To effectively control noise level of our construction activities, a continuous noise monitoring on-site is adopted and this can be accessed by both the contractor and NEA online.

To further enhance our noise management effectiveness, Lian Beng appoints designated staff for each project to manage complaints and establish feedback channels with surrounding residents via flyers and letters to inform them of our construction works. We have also raised project signboards for similar purposes, with contact numbers included for convenient access by residents nearby.

VECTOR MANAGEMENT

CONSTRUCTION PROJECTS

Vector control plans are currently implemented at every project site to prevent mosquito breeding so as to protect the construction site personnel and members of the public from mosquito-borne diseases. We will continue to make assurance that all of our construction site workers are well-educated and well-aware of the harmful effects of mosquito breeding. Lian Beng will also continue to cultivate good practices, conduct routine checks and engage pest control companies to carry out regular insecticide spraying to prevent any possible breeding of vectors.

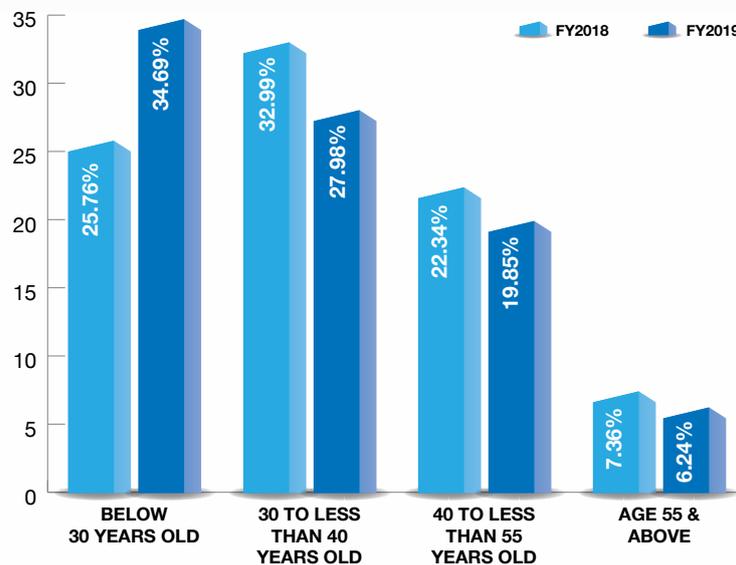
SOCIAL TOPICS

OUR PEOPLE, OUR ASSETS

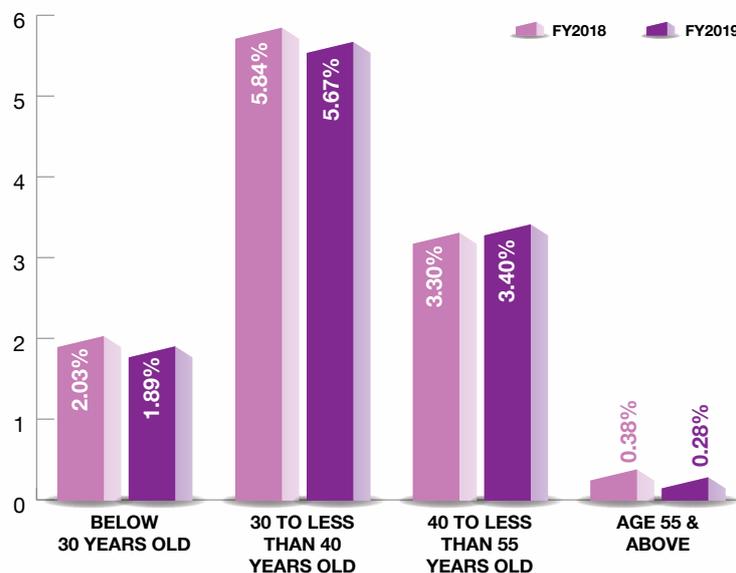
At Lian Beng, human capital remains an important asset as we continue our pursuit of excellence. We work towards creating an inclusive workplace environment, committed to mutual respect, fairness and equality for all our staff and workers. We provide opportunities for continuous learning and skills improvement for staff development. Our total staff count increased from around 800 employees in FY2018 to around 1,100 employees in FY2019. The increase in total staff count was due to the manpower requirement needed for the new projects.

OUR EMPLOYEES BY GENDER AND AGE GROUP (GRI 401-1, 405-1)

STAFF HEADCOUNT – MALES



STAFF HEADCOUNT – FEMALES



SOCIAL TOPICS

In FY2019, the average monthly recruitment rate was approximately 4.8% and the average monthly resignation rate was about 1.9%. With the increasing number of new hires, there is a gender diversity gap in the company. The majority of our employees are predominantly males and this is mainly due to the nature of the business. We will continue to work towards minimizing the gender diversity gap between male and female employees.

EMPLOYEE BENEFITS (GRI 401-2)

Lian Beng recognises the invaluable contribution and efforts by all of our employees. Apart from the statutory benefits outlined in the Employment Act, we have collaborated with various service providers to offer each of our employee a unique Lian Beng lifestyle card. With the lifestyle card, employees can enjoy discounts and/or extended benefits for their purchases. We aim to continue benchmarking our employee benefits against market practices to ensure that the benefits we offer our employees remains competitive.



HEALTHCARE

Staff enjoy outpatient medical care at General Practitioner clinics with low co-payment amounts and medical insurance coverage



DISABILITY AND INVALIDITY COVERAGE

Staff are covered under Personal Accident Insurance and Work Injury Insurance



RECREATIONAL ACTIVITIES

Dinner and Dance Festive Celebrations

SOCIAL TOPICS

TRAINING AND CAREER DEVELOPMENT (GRI 404-1, 404-2, 404-3)

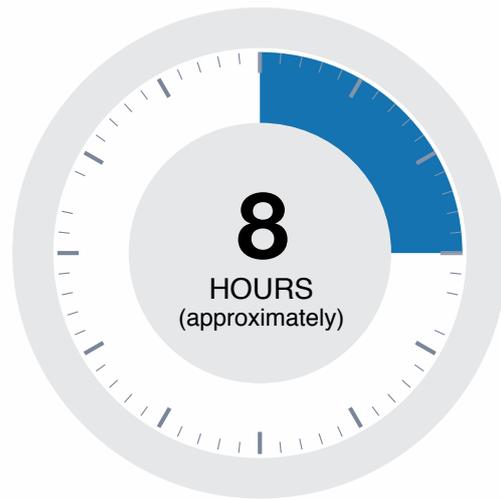
As of 31 May 2019, Lian Beng has a total staff headcount of 1,100 employees. Attracting and retaining talent is key to our continued success. Therefore, we aim to develop all our employees to their fullest potential to drive business excellence, by conducting various in-house and external trainings for our employees, as well as career development opportunities to raise overall skillset and productivity.

We provide our employees with competitive and fair remuneration to reward them for their good performance. Annual performance appraisals are conducted for our employees and the compensation packages are benchmarked against the market rate. We will continue to make the appropriate investment in our employees to keep them abreast with the current technology and knowledge to improve overall productivity and efficiency.

In FY2019, we have also managed to achieve the target we set in FY2018, by providing an average of 8 hours training per employee. The achievement of meeting our target also signifies that we have successfully increased the average training hours from 7 hours in FY2018 to 8 hours in FY2019.



Total hours of staff training in FY2019



Average hours of training per employee in FY2019

Moving forward, we aim to maintain the average training hours of 8 hours per employee.

SOCIAL TOPICS

GIVING BACK TO OUR COMMUNITY (GRI 413-1)

Lian Beng strongly believes in being a good responsible corporate citizen. Continuing on to last year's successful corporate social responsibility efforts, Lian Beng aims to contribute to a charitable cause at least once every quarter. We have been working with non-profit organisations to give back to the community and will continue to do so in the next financial year.

In FY2019, we sponsored dinners for the elderly, participated in SGX Bull Charge Charity Run 2018 and made donations to several charity organisations.

Similar to FY2018, we organised the "I-Shop-You-Pay" event in collaboration with TOUCH Community Services. During the half-day event, we brought elderly in wheelchairs for a morning stroll, breakfast and grocery shopping. In addition, we have also made donations to several charity organisations.

Beyond Singapore, we have set aside annual funds to support other international non-profit organisations. Since 2014, we have been sponsoring and helping to build homes in remote parts of Cambodia. Through the house-building project in Cambodia, we hope to improve the well-being of the community and help those in need.

VISION TOWARDS AN ACCIDENT-FREE WORK CULTURE (GRI 403-1)

At Lian Beng, we have implemented comprehensive Workplace Health and Safety Policy to ensure workplace safety. The Workplace Health and Safety Committee, led by the Project Director, provides oversight of all workplace health and safety practices within the organisation.

The Group makes use of technologies that are readily available to ensure work safety is monitored on a real-time basis. For example, workers are encouraged to report any deviations from best practices at the construction sites for such lapses to be rectified immediately.

INJURY AND INCIDENTS (GRI 403-2)

In FY2019, the Group has one fatality which has resulted in sixty stop-work days as compared to nil fatality and zero stop-work day in FY2018. Accident frequency rate was 3.5% in FY2019 as compared to 3.1% in FY2018.

The Group has conducted internal investigation, revised the project health and safety risk assessment and enhanced the safety work procedures following the one fatality in FY2019. The Group will continue to work towards making improvements in our efforts and initiatives to aim for zero fatality and reduce the number of reported injuries in the following years.

SOCIAL TOPICS

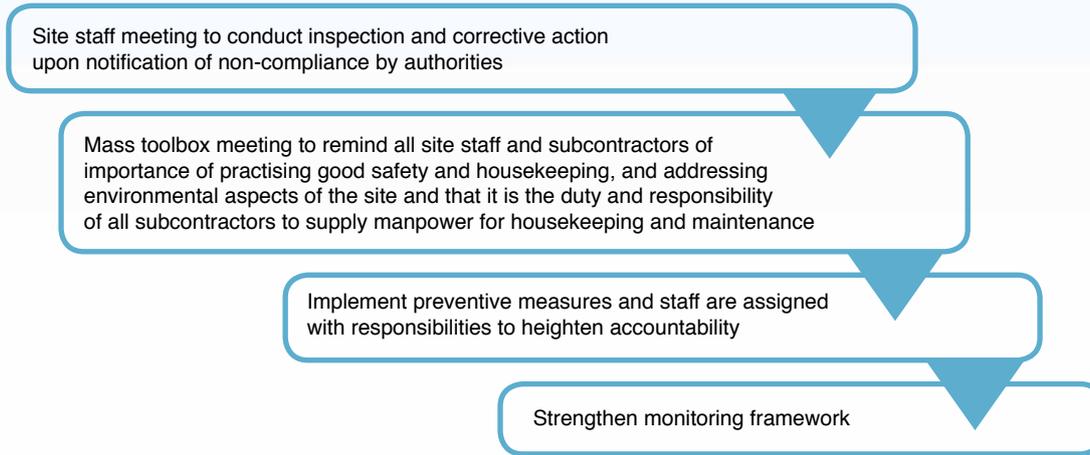
EXTERNAL INITIATIVES ADOPTED (GRI 102-12)

TYPE OF INITIATIVES	DESCRIPTION
Workplace Safety & Health Environment (“WSHE”) Promotion Day	<p>Conducted WSHE Quiz and talks by in-house trainers and external WSHE trainers who are MOM Approved Training Practitioners</p> <p>Conducted video sessions using materials from Singapore Police Force and NEA for all sites related security and WSHE’s matters especially existing regulations, guidelines and governance under existing authorities</p>
Workplace Safety & Health Management System (“WSHMS”)	Routinely audited by external independent consultants and internal audit teams
SS506 Singapore Standard for Occupational Safety and Health Management System, OHSAS 18001 and ISO 14001	Lian Beng is certified to be compliant with the SS506 Singapore Standard for Occupational Safety and Health Management System, OHSAS 18001 and ISO 14001
Project Internal Safety Audit (“PISA”) and Corporate Internal Safety Audit (“CISA”)	Conduct regular site safety audit. The desired outcome of PISA and CISA is to provide a safer workplace that complies with WSH regulations and standards
bizSAFE	As a bizSAFE Partner, Lian Beng proactively encourages our contractors to progress through the bizSAFE programme’s levels. We are currently working to assist all subcontractors in achieving bizSAFE Star (level 5) requirements
Daily toolbox meetings, weekly WSH coordination meetings, WSH committee meetings and corporate WSH meetings	Objectives of the meetings are to provide oversight on WSH procedures to ensure that instances of non-compliance are identified immediately and preventive actions are formulated to prevent recurrence

SOCIAL TOPICS

FINES OR PENALTIES (GRI 416-2, 419-1)

No significant fine was incurred in FY2019. Moving forward, we aim to not incur any significant fines or non-monetary sanctions for non-compliance with the laws and regulations.



MANAGING OUR SUPPLIERS (GRI 308-1, 308-2, 414-1, 414-2)

The Group has implemented steps to ensure the suppliers and subcontractors are informed of their environmental responsibilities and able to meet the standards expected by the Group. This is in addition to the steps they are required to take to comply with ISO certifications.

The review and selection of suppliers and subcontractors process including environmental and social criteria. They are required to complete a self-assessment questionnaire where they are required to provide their health, safety and environmental policies and procedures in place for their employees. This questionnaire will be provided during the quotation and tendering process.

During FY2019, we assessed 100% of our construction suppliers and 95% of our engineering service suppliers. Moving forward, we will work towards ensuring that 100% of our suppliers are assessed.

SOCIAL TOPICS

CUSTOMER HEALTH AND SAFETY (GRI 416-1)

INVESTMENT HOLDINGS

The Group assesses all buildings structure for health and safety impacts. We monitor our working environment to minimise risk and, when necessary, the Group would implement improvement measures to address any potential risks to our residents and tenants.

We aim to have zero incident of non-compliance with regulations and voluntary codes relating to the health and safety impacts of products and services in the next financial year.

DORMITORY BUSINESS

Lian Beng's dormitory Westlite Mandai houses myriad facilities and amenities such as supermarkets, food courts, basketball and street soccer courts, cricket training pitches and sick bays.

The dormitory partners with HealthServe, a non-governmental organisation committed to helping foreign workers by making healthcare accessible to them. HealthServe's community medical and dental clinics at the dormitory operates every Saturday/Sunday evening and offer general practitioner and dental services, as well as provide free annual medical screenings to our residents.

Residents' social well-being is a priority at the dormitory. Recreational trips were organised for residents to visit Malaysia and tourist attraction in Singapore. Annual Westlite Days which include variety shows, songs, dance and professional performances, are organised to cater to different cultural profiles of residents. Sports activities are regularly organised, such as inter-dormitory street soccer and volleyball competitions, where Westlite Mandai emerged champion in the street soccer tournament.

PROTECTING CUSTOMER PRIVACY AND DATA (GRI 418-1)

Lian Beng protects the privacy and confidentiality of the personal data of our employees, customers and business partners. We have a Personal Data Protection Act ("PDPA") policy that outlines how we manage the personal data we hold in compliance with the PDPA. The policy applies to all divisions and organisations across the Lian Beng group of companies.

Lian Beng seeks customer consent prior to the data collection, use or disclosure of personal data for the given purpose.

Lian Beng has appointed a Data Protection Officer to oversee our management of personal data in accordance with the PDPA. We have implemented the following measures to secure and protect the information held:

- Training our employees who handle personal data to respect the confidentiality of such personal data;
- Storing personal data in a combination of secured computer storage facilities, paper-based files and other records; and
- Taking steps to protect the personal data we hold from misuse, loss, unauthorised access, modification or disclosure.

Similar to FY2018, there were no non-compliance with PDPA reported in FY2019. We aim to maintain zero incidents of non-compliance in the next financial year.

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
GRI 102: General Disclosures		
102-1	Name of the organisation	Lian Beng Group Ltd
102-2	Activities, brands, products, and services	Sustainability Report (SR) Corporate Profile (Page 4)
102-3	Location of headquarters	SR Corporate Profile (Page 4)
102-4	Location of operations	SR Corporate Profile (Page 4)
102-5	Ownership and legal form	Annual Report (AR) 2019 (Page 51)
102-6	Markets served	AR 2019 Operations Review (Page 17-22)
102-7	Scale of the organisation	AR 2019 Chairman's Statement (Page 2-6) Operations Review (Page 17-22)
102-8	Information on employees and other workers	AR 2019 Our People, Our Assets (Page 23)
102-9	Supply chain	SR Corporate Profile (Page 4)
102-10	Significant changes to the organisation and its supply chain	SR Corporate Profile (Page 4)
102-11	Precautionary Principle or approach	Lian Beng supports the intent of the Precautionary Principle, but has not expressed a specific commitment
102-12	External initiatives	SR External Initiatives Adopted (Page 19)
102-14	Statement from senior decision-maker	AR 2019 Chairman's Statement (Page 2-6)
102-15	Key impacts, risks, and opportunities	AR 2019 Chairman's Statement (Page 2-6)
102-16	Values, principles, standards, and norms of behaviour	AR 2019 Mission Statement (Page 1)
102-17	Mechanisms for advice and concerns about ethics	AR 2019 Mission Statement (Page 1)
102-18	Governance structure	AR 2019 Corporate Governance (Page 25-40)
102-40	List of stakeholder groups	SR Stakeholder Engagement (Page 5)
102-42	Identifying and selecting stakeholders	SR Stakeholder Engagement (Page 5)
102-43	Approach to stakeholder engagement	SR Stakeholder Engagement (Page 5)
102-44	Key topics and concerns raised	SR Stakeholder Engagement (Page 5)
102-46	Defining report content and topic boundaries	SR Stakeholder Engagement (Page 5)

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
GRI 203: Indirect Economic Impacts		
203-2	Significant indirect economic impacts	SR Innovation and Excellence (Page 8)
GRI 205: Anti-Corruption		
205-1	Operations assessed for risks related to corruption	SR Anti-corruption (Page 8)
205-2	Communication and training on anti-corruption policies and procedures	SR Anti-corruption (Page 8)
205-3	Confirmed incidents of corruption and actions taken	SR Anti-corruption (Page 8)
GRI 301: Materials		
301-2	Recycled input materials used	SR Input Materials (Page 10)
GRI 302: Energy		
302-1	Energy consumption within the organisation	SR Energy and Emissions Management (Page 10-11)
302-4	Reduction of energy consumption	SR Energy and Emissions Management (Page 10-11)
302-5	Reductions in energy requirements of products and services	SR Energy and Emissions Management (Page 10-11)
GRI 303: Water and Effluents		
303-1	Water withdrawal by source	SR Water Management (Page 11-12)
303-3	Water recycled and reused	SR Water Management (Page 11-12)
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	SR Energy and Emissions Management (Page 10-11)
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	SR Energy and Emissions Management (Page 10-11)
305-5	Reductions in Greenhouse Gas Emissions	SR Energy and Emissions Management (Page 10-11)
GRI 306: Effluents and Waste		
306-1	Total water discharged by quality and destination	SR Water Discharge Treatment (Page 12)
306-2	Waste by type and disposal method	SR Waste Disposal (Page 13)

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	SR Environmental Compliance (Page 14)
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	SR Managing Our Suppliers (Page 20)
308-2	Negative environmental impacts in the supply chain and actions taken	SR Managing Our Suppliers (Page 20)
GRI 401: Employment		
401-1	New employee hires and employee turnover	SR Our People, Our Assets (Page 15-16)
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	SR Our People, Our Assets (Page 16-17)
GRI 403: Occupational Health and Safety		
403-1	Formal joint management-worker health and safety committee	SR Vision towards an Accident-free Work Culture (Page 18)
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	SR Injury and Incidents (Page 18)
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	SR Training and Career Development (Page 17)
404-2	Programmes for upgrading employee skills and transition assistance programmes	SR Training and Career Development (Page 17)
404-3	Percentage of employees receiving regular performance and career development reviews	SR Training and Career Development (Page 17)
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	i) SR Diversity of Governance Bodies (Page 7) ii) SR Our People, Our Assets (Page 15)
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programmes	SR Giving Back to Our Community (Page 18)
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	SR Managing Our Suppliers (Page 20)
414-2	Negative social impacts in the supply chain and actions taken	SR Managing Our Suppliers (Page 20)

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	SR Customer Health and Safety (Page 21)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR Fines or Penalties (Page 20)
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and customer data loss	SR Protecting Customer Privacy and Data (Page 21)
GRI 419: Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	SR Fines or Penalties (Page 20)



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