

OUR CORE VALUES

和顺 HARMONY

We adopt a balanced approach in everything we do

诚信 TRUST

We uphold integrity in everything we do

卓越 EXCELLENCE

We go the extra mile to achieve breakthrough in innovation

共赢 WIN-WIN

MI

III

We work together with all stakeholders to achieve mutually beneficial goals

CONTENTS

- **02** ABOUT ENGRO
- **03** BOARD STATEMENT
- **04** ABOUT THE REPORT
- **04** SUSTAINABILITY GOVERNANCE
- **05** STAKEHOLDER ENGAGEMENT
- **06 MATERIALITY ASSESSMENT**
- **08** SUSTAINABILITY FOCUS AREAS
 - **08** Our Business
 - 11 Our People
 - **14** Our Environment
- **16** OUR SOCIAL CONTRIBUTION
- 16 OUR RESPONSE DURING COVID-19



ABOUT ENGRO

OUR VISION

To be the preferred integral partner of innovation and sustainable material solutions.

OUR MISSION

To provide integrated material solutions that are value-adding, sustainable and cost-effective.

EnGro was incorporated on 27 November 1973 under the name SsangYong Cement (S) Pte. Ltd., and later converted into a public limited company on 31 May 1983 and assumed the name SsangYong Cement (S) Ltd.

In 1976, the Company started off with manufacturing OPC but from 2003 onwards, it ceased production of OPC and offered high performance blended cement, Ready-Mix Concrete (RMC), low carbon Ground Granulated Blast-furnace Slag (GGBS), microfine cement and other innovative construction materials.

In 2002, the Company marked the beginning of a new chapter as it witnessed the end of the Singapore-Korea partnership over the Company's 30-year history.

In 2005, the Company changed its name to EnGro Corporation Limited with a new logo that reflects its vision of growth in North Asia and growth through strategic partnerships. The striking blue and orange curves symbolise EnGro and its partners. The curve design of the logo simulates the hemisphere of a globe reflecting EnGro's determination to expand globally.

Over the years, EnGro diversified its business by investing in specialty polymer, venture capital activity focusing on info-com, property developments as well as food and beverage.

The "Building Sustainability" corporate tagline reflects EnGro's commitment towards promoting green and achieving the triple bottom-line equilibrium of PEOPLE - PLANET - PROFIT.

BOARD STATEMENT



The Board of EnGro Corporation Limited ("EnGro", or "the Company" and together with its subsidiaries "the Group") is pleased to present its fourth Sustainability Report (the "Report"), which discusses the developments and progress of our sustainability journey in FY2020. The company affirms that it provides strategic direction to the Group and specifically considers sustainability issues as part of its strategic formulation.

The Board acknowledges its responsibility for the Group's sustainability reporting and believes that the following report provides a reasonable and transparent presentation of the Group's strategy and Environmental, Social and Governance (ESG) performance. The Board has assigned the responsibility for monitoring and overseeing the Company's sustainability efforts to the Sustainability Committee (the "Committee"). The Committee comprises senior executives from major functions who provide the direction for reporting. It reviews, assesses and determines the sustainability

context, material topics, scope, boundary, and prioritisation of issues included in the Report. It considers formal and informal feedback from both internal and external stakeholders throughout the year to determine the material issues in the report. The Committee is supported by a cross-functional team that gathers and verifies the data.

In preparing the Report, we continue to focus on communicating value creation through our ESG strategies. The Report covers the ESG performance of business divisions and subsidiaries of EnGro in Singapore and Malaysia over the reporting period. Information has been extracted from primary internal records to ensure accuracy and presented using internationally accepted measurement units.

With Green embedded deep in the Group's culture, the Group strives to achieve a Win-Win-Win outcome to benefit all stakeholders.

ABOUT THE REPORT

EnGro's Sustainability Report 2020 has been prepared with reference to the Global Reporting Initiative ("GRI") Standard and is guided by the SGX-ST Sustainability Reporting Guidelines (Practice Note 7.6). Unless specified otherwise, this Report covers our ESG performance and initiatives for the period of 1 January 2020 to 31 December 2020. This Report covers EnGro's operations in Singapore and Malaysia as well as our three primary building materials and specialty polymer brands:

- EnGro and Top-Mix for our integral cement and Ready-Mix Concrete (RMC) business and products;
- VCEM¹ for our Specialty Cement business and product, and;
- R&P for our Specialty Polymer business and products.

EnGro has not sought external independent assurance for the information disclosed in this Report. However, we will where necessary consider seeking external assurance for future reports.

We publish our Sustainability Report annually and our previous reports are available on EnGro Corporation Limited's website (https://engro-global.com/sustainability-report/). Should you have any comments or suggestions relating to this Report, please contact us at ir@engro-global.com

EnGro's Ground Granulated Blastfurnace Slag (GGBS) product is sold under the VCEM brand name. VCEM is an abbreviation of the following traits of the product: Value-Add, Cost-Effective, Eco-Friendly, Material for the 21st Century

SUSTAINABILITY GOVERNANCE

EnGro upholds the highest standard in governance and ethical conduct. We comply with the Code of Corporate Governance 2018 as required by the listing rules of the Singapore Exchange. Please refer to Page 29 of our Annual Report 2020 for the details of EnGro's Corporate Governance. EnGro's Sustainability Committee consists of representatives from various departments of the corporate headquarters. Under the guidance of the Board, the Committee is responsible for integrating sustainability principles and policies throughout the business.



STAKEHOLDER ENGAGEMENT

EnGro engages its key stakeholders regularly through various means effective for each stakeholder group. The Company believes this process is important for the company to identify new opportunities and to manage risk associated with each stakeholder group. Below is a summary of EnGro's approach to each stakeholder group, as well as the key areas of concern identified.

Key stakeholders	Mode of Engagement	Areas of concern
Shareholders	 Annual General Meeting (AGM) Annual Reports, Sustainability Reports Corporate website 	Information disclosureRedistribution of profits
Suppliers	EmailsMeetings	Timeliness of paymentsEqual and fair business relationshipsSafe working environment
Customers	EmailsMeetings	 Stable supply of products High value-added products Environmentally friendly products Product safety and quality Response to complaints
Employees	Management-Employee meetingsPerformance appraisals	Training and developmentSafe working environmentWelfare and benefits
Regulators / Industry Association	MeetingsIndustry events and seminars	 Compliance with rules and regulations Understand industry developments
Community	Corporate websiteCharitable contributions	Environmental impact of the businessJob creation for the local community

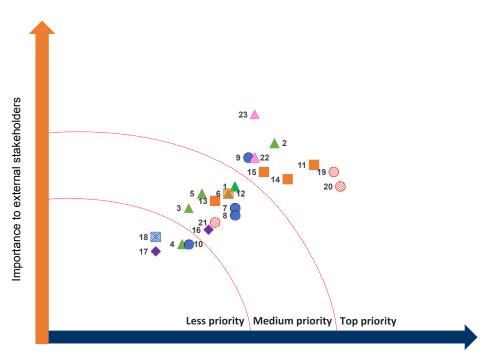
MATERIALITY ASSESSMENT

In FY2020, EnGro's Sustainability Committee reviewed the material topics and assessed its relevance to the Group's operations and business. The top material topics identified from our previous materiality workshop in 2019 remain relevant and we have continued to report on our performance of these material topics through the use of applicable GRI Standards. To help us in charting our sustainability action plan, our top priority material topics have been grouped under three main Sustainability Focus Areas. We have also expanded on our reporting this year to include additional information on employee management, as well as on our energy use and emissions. These additional material topics are identified by the * in the table below.

Sustainability Focus Areas	Material Topics	Relevant GRI Disclosures Covered in our Sustainability Report			
Our Business	 Ethical Business Conduct and Compliance Enterprise risk management Regulatory compliance Ethical business conduct 	GRI 205-3 Anti-Corruption GRI 307-1 Environmental Compliance GRI 419-1 Socio-economic Compliance			
Doing our business with integrity	 Business Excellence Economic Performance Product/Service Quality Customer Health & Safety Customer Satisfaction 	GRI 201-1 Economic Performance			
Our People	Employment Practices*	GRI 401-1, 401-2 Employment GRI 404-1 Training & Education			
Caring for the people we work with	Health and Safety of Employees	GRI 403-9 Occupational Health & Safety			
Our Environment Protecting the Environment	Energy and Emissions*	GRI 302-1 Energy GRI 305-1, 305-2 Emissions			

MATERIALITY ASSESSMENT

MATERIALITY MATRIX



Importance to internal stakeholders

Our material topics as identified from a materiality workshop in 2019, sorted according to level of importance

Top Priority		Medium Priority			Less Priority		
S/N	Sustainability Issue	S/N	Sustainability Issue	S/N	Sustainability Issue		
19	Economic performance	1	Waste management and recycling	4	Other atmospheric emissions		
23	Regulatory compliance	6	Water management	10	Career advancement		
2	Environmental compliance	7	Employment practices	18	Stakeholder engagement		
11	Product/Service quality	12	Security of information	17	Driving economic development (Indirect economic impact)		
20	Enterprise risk management	5	Use of sustainable materials				
9	Occupational health and safety	8	Human rights				
14	Customer health and safety	13	Clear product labelling				
22	Ethical business conduct	21	Responsible supply chain management				
15	Customer satisfaction	3	Energy and carbon footprint				
		16	Community Investment				

OUR BUSINESS

Doing our business with integrity

ETHICAL BUSINESS CONDUCT & COMPLIANCE

EnGro upholds our commitment towards corporate governance which is in accordance with our continuing obligation as a company listed on the SGX. We go beyond the basics in regulatory compliance and have established a robust internal system, governed by the board and senior management, that diligently cross-checks our compliance to regulations in various countries that we operate in. EnGro's goal is to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. We have set up a risk assessment structure in the form of an Enterprise Risk Management (ERM) Committee comprising the key Heads of Departments. The ERM Committee regularly reviews the key risk areas that affect the Group's business. The ERM committee submits its findings to the Audit Committee (AC) Chairman and the Board of Directors for review and comments on a quarterly basis.

All of our employees also have access to an anonymous whistleblowing channel in the event that they would like to report on any unethical practices or misconduct. EnGro's whistleblowing policy is designed for employees raising concerns without fear of reprisal, to an internal authority (Chairman of Audit Committee, Chairman & CEO and the Internal Auditor). Employees can choose to voice their grievance to their supervisors or anonymously through an electronic mail box of the Company. The whistleblowing policy is reviewed annually to ensure its effectiveness and relevance to the dynamic environment.

Anti-Corruption (GRI 205-3)

By adhering to laws, regulations, guidelines and specifications relevant to EnGro's businesses, it ensures that the Group's long-standing reputation is intact and continues to be preserved. In our view, a strong and ethical reputation forms an integral element of our core values of "Harmony, Trust, Excellence, and Win-Win", which enhance our ability to attract strong partners

to expand our various businesses and attract relevant personnel to join our ever-growing capable workforce. When new employees join the Company, they undergo education and training that includes the Group's policies relating to anti-corruption, bribery, explanations of rights and interests as well as labour standards. In FY2020, we have no confirmed cases of corruption, and no cases where employees or business partners were dismissed or terminated due to violations related to corruption.

Environmental Compliance, Socioeconomic Compliance (GRI 307-1, GRI 419-1)

We closely follow legal and regulatory changes while operating in strict compliance with local laws and regulations, with the goal of achieving zero violations. The Group requires each department and subsidiary to report on all lawsuits and claims as well as the status of any legal disputes. The corporate office then follows up on each of these issues and takes action when necessary. In FY2020, there were neither significant fines nor nonmonetary sanctions for non-compliance with laws and regulations in the environmental or social and economic area.



BUSINESS EXCELLENCE

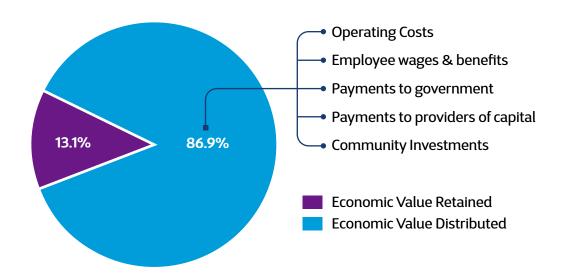
The Group's revenue fell 26.2 per cent from S\$131.3 million in FY2019 to S\$96.9 million in FY2020. However the Group recorded a profit after tax (PAT) of S\$22.0 million in year ended 31 December 2020. This was achieved largely through venture capital investment gains and profits of the joint venture property development project in Tangshan, China. An overview of EnGro's performance in FY2020 can be found on page 7 of the Annual Report.

The impact of the COVID-19 pandemic has brought unprecedented challenges to the construction industry amidst a global health and economic crisis. Even as the construction industry undergoes recovery, the disruption of materials supply will inevitably result in price escalation. The additional safety management measures that EnGro has to put in place, complying with social distancing and other regulations (e.g. reduced workforce etc.) to ensure a safe working environment would also impact on the overall cost of operations. Under such difficult circumstances we will strive to maximise profits while reducing costs through strong relationships with our suppliers.

Economic Performance (GRI 201-1)

Our Performance

	S\$
Economic Value Generated	96,934,000
Economic Value Distributed	84,157,250
Economic Value Retained	12,776,750



PRODUCT & SERVICE QUALITY, CUSTOMER SATISFACTION

EnGro is a leading player with more than 45 years of experience providing innovative, eco-friendly, and high performance building materials to key projects in the region. Mindful of a dynamic and competitive business landscape, EnGro aims to be a trusted, knowledgeable and reliable supplier of eco-friendly high performance building materials. In order to achieve this goal, EnGro has a stringent quality assurance system in place. All our products are manufactured according to industry standards and regular compliance review is conducted to ensure proper certification of compliance for the Group's wide range of products. In FY2020, we received 9 customer complaints relating to shortage of materials at our plants in Malaysia, but were all resolved amicably with our customers and closed in a timely manner.

CUSTOMER HEALTH AND SAFETY

Amid rising customer expectations in relation to safety and environmental concerns, we are committed to provide products that customers can use safely, with confidence and satisfaction. EnGro adopts a transparent approach to its product labelling and discloses the following information in its product labelling:

- 1. Content, particularly on substances that produce environmental or social impact.
- 2. Safe use of product.
- 3. Disposal of product packaging and its environmental or social impact.

In FY2020, we did not receive any cases of product non-compliance with regulations concerning the health and safety impacts of our products.



OUR PEOPLE

Caring for the people we work with

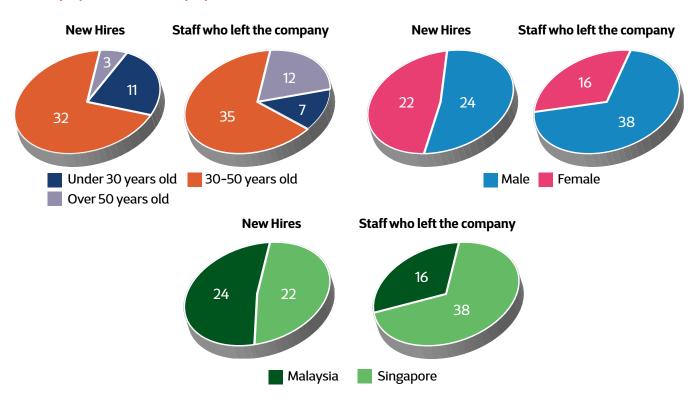
Employment Practices

The majority of EnGro's workforce are full-time employees under our payroll. We rely on a group of logistics support team to transport our products to and from our facilities, which comprise approximately 22 per cent of our total workforce in Singapore. In promoting welfare and talent retention, EnGro ensures that each employee and worker are treated fairly. EnGro is fully compliant with the employment practices listed under the Ministry of Manpower Employment Act. Our Group's Human Resources (HR) team has developed a set of HR Policies and Procedures which are applicable to all employees in EnGro's business units in Singapore and Malaysia. This ensures consistency of internal practices among business units so that EnGro can remain competitive by being aligned with industry norms. The various policies and procedures cover grievance procedures, employee benefits, freedom to collective bargaining, and governs our hiring and merit-based promotion policies.

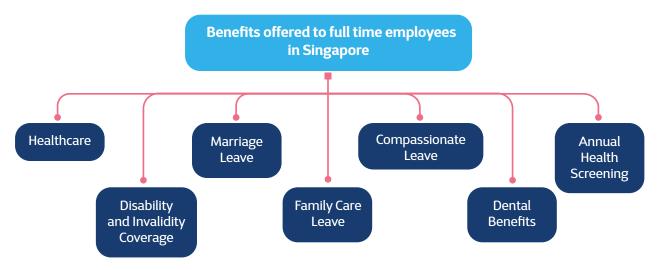
Employment (GRI 401-1, GRI 401-2)

In line with our HR policies, EnGro builds a corporate culture that encourages an enterprising spirit by guaranteeing respect for the values of ambition, responsibility and mission, as well as fair and impartial assignments, evaluations, and treatment based on merit. Our total headcount in Singapore and Malaysia as of 31 December 2020 was 182 employees, this included 30 females and 152 males.

New employees hired and employee turnover

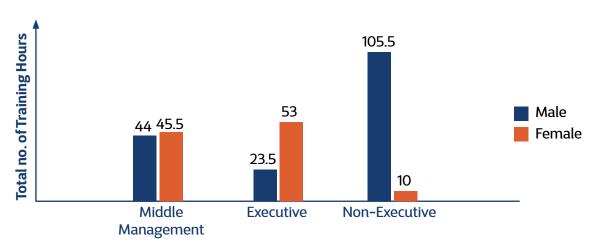


EnGro offers various employee benefit programs, covering each stage of life from hiring to retirement. EnGro funds or subsidises programs and clubs that bring together people with shared interests to foster better workplace communication. Employee benefit programs have also been developed in line with each site's needs. In addition to providing employee benefits which are required by the local regulations, EnGro also provides certain non-statutory leaves and benefits to our employees, such as the following:



Employee Development (GRI 404-1)

EnGro seeks to hire and retain talent that can drive globalisation and innovation in its businesses with the ultimate goal of sustainable growth. With this in mind, we follow a uniform policy for hiring, job placement and human resource development. The Group has established various programs and systems, such as a career matching system to support the continued employment of each and every employee so that they remain motivated and can maximise their skills and abilities over the long term. Specialised training is provided for employees engaged in different types of work to enhance their knowledge and skillsets. In FY2020, our employees attended an average of 1.5 training hours per person.



Training Hours based on Employee Category and Gender

Health and Safety of Employees

At EnGro, the various functions and departments work hand in hand to support safety and health. We have established detailed rules and regulations regarding occupational safety and health, which are also reflected in agreements with labor unions. Respective division General Managers who are part of the management team will report directly to the CEO on health and safety matters for each site. Each site establishes their own policies and plans regarding health and safety while also promoting the elimination of occupational accidents and improvement of health.

Occupational Health & Safety (GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-9)

EnGro places significant emphasis on the health and safety of its employees. Management ensures that the Company complies with legal requirements for all safety and health matters and educate our employees to observe safety requirements at all times. Since 2012, EnGro's operations in Singapore have obtained OHSAS 18001 certification for Occupational Health and Safety Management Systems and these sites have now transitioned and certified to ISO 45001. At EnGro's production facilities, employees attend toolbox meeting on a daily basis, where safety advisories and reminders are communicated to employees.

Before commencing any work, supervisors or project managers must complete a hazard analysis or risk assessment of the work activities and submit to the appropriate EnGro management for approval. This requirement is applicable to both EnGro's employees as well as its contractors. All accident cases have to be reported to the supervisors and plant managers and investigations are carried out to ensure corrective actions have been identified and implemented.

There were no cases of reportable accidents or injuries in FY2020.

We aim to maintain a "Zero Accident" record for all our sites. In order to achieve this target, EnGro has taken the following initiatives:

SUSTAINABILITY FOCUS AREAS

- Safety officers are deployed at our sites to educate and identify safety gaps and work towards closing all occupational health and safety gaps.
- Standard Operating Procedures (SOPs) are made available at all sites with safety rules embedded in all the work processes to ensure that safety rules are strictly and consistently observed.
- 3. Regular in-house safety trainings are conducted and safety instruction diagrams in are clearly visible near various equipment for easy reference.
- Supervisors are sent for safety training to upgrade their skills and to keep abreast of latest safety regulations.



OUR ENVIRONMENT

Protecting the Environment

More than three decades ago, when the Company was still under the auspices of SsangYong Cement (S) Limited, the Company took its first steps to go green with the intent to promote Ground Granulated Blastfurnace Slag (GGBS), a low carbon yet high performance material that could partially displace Ordinary Portland Cement (OPC), which had a high carbon footprint of almost 20 times that of GGBS. From 2002 onwards, our Go Green program began to intensify after we expanded into North Asia, particular in China, where we have established 18 green cement (i.e. GGBS) plants with a total GGBS production capacity of 10.8 million tons p.a. In 2008, we were the first among our peers to adopt independent carbon footprint assessment for our products, and provide third party assessed carbon footprint certificates to our customers for the products they procure from us. In 2007, various EnGro's green products were the first in the industry to receive the Singapore Green Labelling Scheme accreditation for its sustainability qualities and similarly also achieved the "4 ticks" or "Leader" rating from the Singapore Green Building Council (SGBC).

EnGro and its subsidiary companies have invariably sought to obtain international certifications, such as the ISO, to demonstrate our environmental commitment. Our Singapore operations were certified ISO 14001 since 2012 and we have also obtained ISO certification for our Malaysia concrete operations. To closely communicate the results of our green initiatives, EnGro chose to implement independent carbon footprint assessments at product and company level to communicate the Greenhouse Gas (GHG) footprint of our operations and products to our stakeholders. A product Life Cycle Assessment (LCA) has also been done for selected products in accordance to international standards ISO14040/44 and PAS2050. In 2012, we were early adopters of the ISO14064 to assess the GHG emissions relating to organisational emission. These assessments have enabled EnGro to better quantify and understand the opportunities for GHG reduction, which have in turn guided us in more efficient management of our resources.

We strive to be at the forefront of product innovations through intensive research and development to develop our expertise and in-house capability. We rely on our knowledge-based culture of continuous learning and spirit of innovation to develop environmentally-friendly products. Together with our research team and external partners, EnGro constantly develops new environmentally-friendly solutions to address new applications that generate long-term benefits to our stakeholders. We believe in a collective effort with the community in adopting green and going the extra mile, and upholding corporate governance practices to achieve a balance between **People**, **Planet**, **and Profit**, that is, the Triple Bottomline.

Energy & Emissions (GRI 302-1, GRI 305-1, GRI 305-2)

Recognising the link between our business activities, energy consumption, and GHG emissions, EnGro strives to lower our GHG emissions at every stage of the product lifecycle. EnGro's green cement products utilise recycled materials (such as GGBS) as ingredient materials and Top-Mix Concrete uses EnGro's low-carbon VCEM product in green concrete products. This results in products of lower carbon-content, while maintaining and even improving the performance and functionality of the products.

Our overall energy consumption from our offices and manufacturing sites in Singapore and Malaysia for FY2020 was approximately 49,546 GJ while the overall Scope 1 and Scope 2 GHG emission was 2,910 tCO₂e and 1,328 tCO₂e respectively. For a better comparison and understanding of our GHG emissions, we have also, in this year's report, included the performance data from FY2019 emissions. There has been a 28 per cent reduction in the total energy consumption for FY2020 as compared to FY2019, largely in part due to the shutdown of operations during the COVID-19 pandemic. Similarly, we have also seen a 25 per cent reduction in the overall GHG emissions for FY2020 as compared to FY2019.

Our Performance

Energy Consumption and GHG Emissions for Singapore and Malaysia operations

	Energy Consumption from Fuel Use (MJ)		Energy Consumption from Electricity Use (MJ)		Scope 1 GHG Emissions (kgCO₂e)		Scope 2 GHG Emissions (kgCO₂e)			
Business Entity	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020		
Singapore Operations										
Corporate Office	-	-	182,650	145,152	-	-	20,726	16,471		
Top-Mix Concrete Plants ²	26,481,197	15,237,655	225,043	206,791	1,973,882	1,135,799	25,536	23,465		
EnGro Corporation Limited (PDL Plant)	2,814,326	2,309,477	10,005,797	8,278,196	209,777	172,147	1,135,380	939,345		
Subtotal	29,295,523	17,547,132	10,413,490	8,630,139	2,183,659	1,307,946	1,181,642	979,281		
Malaysia Operations										
Corporate Office	-	-	120,391	109,123	-	-	22,406	20,309		
Top-Mix Concrete Plants ³	24,906,222	21,496,998	2,361,042	1,762,121	1,856,485	1,602,365	439,416	327,950		
Subtotal	24,906,222	21,496,998	2,481,433	1,871,244	1,856,485	1,602,365	461,462	348,259		
TOTAL	54,201,745	39,044,130	12,894,923	10,501,383	4,040,144	2,910,311	1,643,104	1,327,540		

² Top-Mix Concrete plants for Singapore operations include Changi and Tuas plants.

Source of fuel emission factors: IPCC 2006 Guidelines for National Greenhouse Gas Inventories Grid emission factors for Singapore were sourced from Energy Market Authority, Singapore. Grid emission factors for Malaysia were sourced from Institute for Global Environmental Strategies (2021). List of Grid Emission Factors, version 10.10





³ Top-Mix Concrete plants for Malaysia operations include Tampoi, Tanjong Kupang, Melaka and Medini plants.

OUR SOCIAL CONTRIBUTION

EnGro has been providing five bond-free scholarships annually to the Singapore Institute of Technology (SIT) since 2016. Each scholarship, is applicable for one academic year and can be used for the recipient's annual tuition fees for specified undergraduate programmes at SIT. As the Group strongly emphasises innovation as part of its culture, we provide a great working environment for graduates to display their talent and creativity.

OUR RESPONSE DURING COVID-19

During COVID-19, our offices and plants in Singapore and Malaysia complied fully with local regulations relating to Safe Management Measures (SMM) and social distancing. Respective department representatives were tasked to establish procedures to ensure social distancing of at least 1 metre between persons at all times. Various types of work arrangement including work from home, team rotations and staggered working hours were implemented so that only 30 per cent of our employees were in the office (in Malaysia) at any one time. Employees have also been encouraged to conduct meetings virtually so as to reduce physical contact and office-based staff worked from home unless they needed access to specialised systems at company premises which could not be accessed from home, or they had to be present in office to fulfil certain legal requirements. For job roles or functions where employees were unable to work from home, staggered working times and break times were imposed so as to reduce congregation of employees at common spaces, and also to avoid commingling of staff working in different teams.

In addition to ensuring an adequate supply of appropriate Personal Protection Equipment ("PPE"), surgical masks and hand sanitisers in our offices, all our employees have also been trained and briefed on the correct use of the PPE. At our operations in Singapore, employees had to undergo a fortnightly swab test and attend a COVID-19 training arranged by the Ministry of Manpower. All our plant managers attended the safe management officer course and conducted additional COVID-19 checks during the routine SMM inspections.





ENGRO CORPORATION LIMITED

(COMPANY REGISTRATION NO. 197302229H)

29 International Business Park #08-05/06 Acer Building Tower B Singapore 609923 T: 65 65617978 | F: 65 65619770

https://engro-global.com

