



聯明集團有限公司

LIAN BENG GROUP LTD

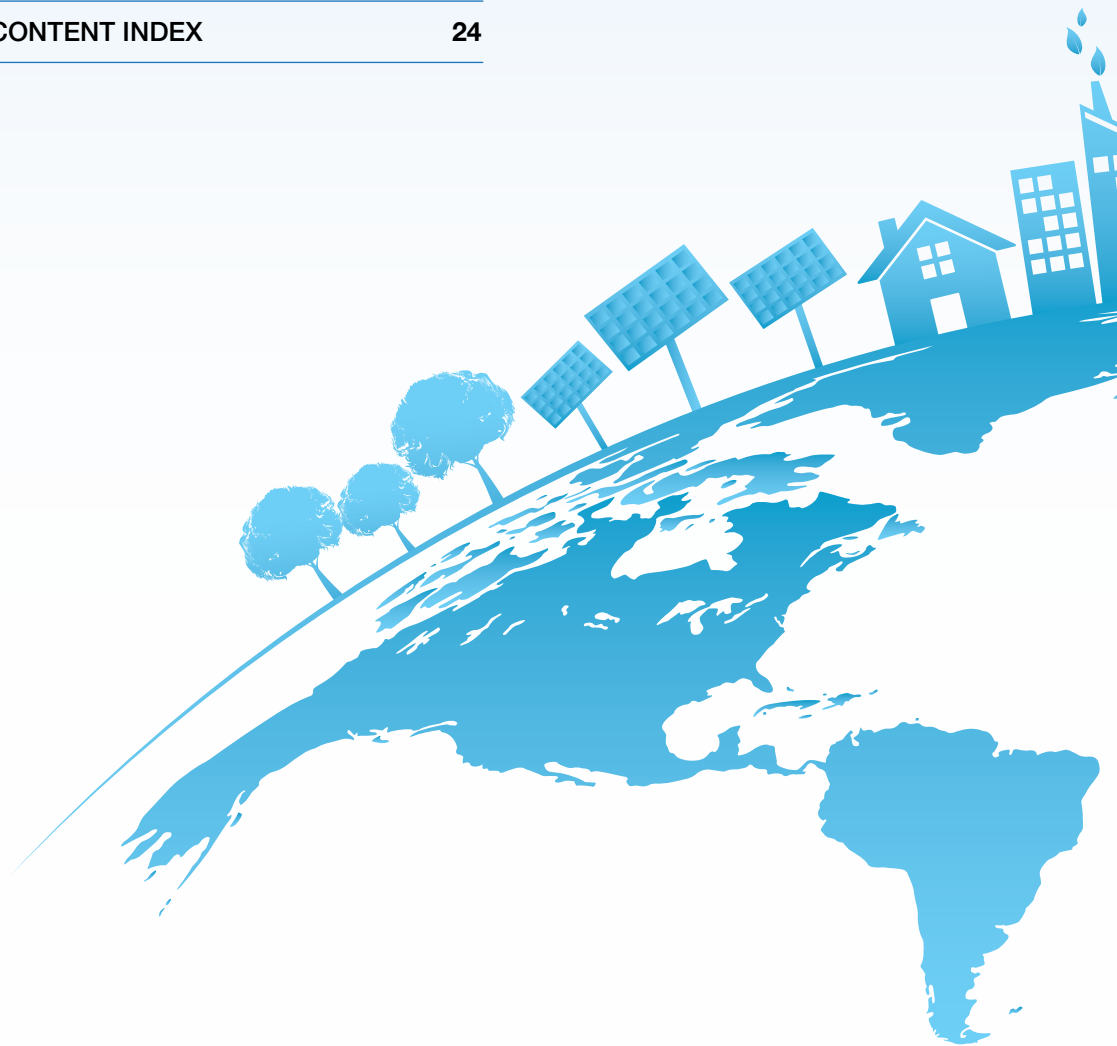


SUSTAINABILITY REPORT

2018

# CONTENTS

▲ CHAIRMAN'S MESSAGE	03
▲ ORGANISATION PROFILE	04
▲ SUSTAINABILITY STORY	05
▲ ETHICS AND INTEGRITY	06
▲ GOVERNANCE AND STATEMENT OF THE BOARD	06
▲ STAKEHOLDER ENGAGEMENT	07
▲ REPORTING PRACTICE	09
▲ ECONOMIC TOPICS	10
▲ ENVIRONMENTAL TOPICS	11
▲ SOCIAL TOPICS	16
▲ SGX FIVE PRIMARY COMPONENTS INDEX	23
▲ GRI STANDARDS CONTENT INDEX	24



**“ Lian Beng’s commitment to sustainability is driven by the Group’s values and governance to uphold ethical standards and business practices. ”**



**MR ONG PANG AIK** BBM  
Chairman and Managing Director





# CHAIRMAN'S MESSAGE

## DEAR STAKEHOLDERS,

I am pleased to present the inaugural Sustainability Report of Lian Beng Group Ltd (“Lian Beng” or “the Group”).

Lian Beng’s commitment to sustainability is driven by the Group’s values and governance to uphold ethical standards and business practices.

We operate in a very challenging construction and property sector environment. Competition is stiff, but we continue to work hard to achieve business growth.

Over the years, we have diversified our revenue streams so that we are less dependent on any single business segment. We have also built up enough resources to explore more local and overseas growth opportunities to expand our business, and we have been distributing dividends to our shareholders consistently since we became a listed company. In doing so, we have developed a sustainable revenue stream for the Group that will benefit all our stakeholders.

Our property development business SLB Development Ltd (“SLB”), which has a portfolio of residential, industrial, commercial and mixed-use developments, was successfully spun off and listed on the Singapore Exchange Catalist Board in April 2018. SLB will publish its Sustainability Report separately to cover sustainability topics related to the property development sector.

We have always believed that continuous stakeholder engagement and collaboration is key to sustainable and successful business, and we will continue to do so.

Our commitment to sustainability is unwavering, and we will continue to introduce and implement sustainable innovations into our business operations.

We believe in long-term business viability, which is the way towards driving sustainable growth.

I would like to extend my appreciation to all stakeholders, past and present, for your contribution towards Lian Beng’s success all these years.

**MR ONG PANG AIK** BBM  
Chairman and Managing Director

# ORGANISATION PROFILE

<b>Company Name:</b> Lian Beng Group Ltd	<b>Business Segments</b>
<b>Founded:</b> 1973	1. Construction
<b>Listed on SGX:</b> 1999	2. Other Construction-Related Business
<b>Company Headquarters:</b> Singapore	3. Investment Holdings and Dormitory Business

## CONSTRUCTION

Lian Beng has grown through the years and is now categorised as a Grade A1 builder by the Building and Construction Authority (“BCA”). The construction arm of Lian Beng Group engages in the construction of residential, industrial and commercial buildings, as well as civil engineering projects, as a main contractor. We continue to grow and record high numbers in terms of order book, revenue and profit. To date, we have completed more than 150 projects, including 20,000 units of homes with a total contract value of more than S\$3.5 billion.

Our construction subsidiaries are graded A1 to B2 in General Building by BCA, with Grade A1 companies being able to tender for public sector projects of unlimited contract value. Our civil engineering subsidiary is categorised Grade A2 in Civil Engineering by BCA, which allows it to tender for engineering projects of up to \$85 million in contract value. Our design-and-build subsidiary has also expanded our construction business.

Sensing the need to ensure that we have enough skilled workers for our deployment, we took the bold step of opening an overseas testing and training centre in Bangladesh through joint venture.

## OTHER CONSTRUCTION-RELATED BUSINESS

We continue our expansion in the construction-related businesses by setting up the following divisions:

### a. Engineering Services and Reinforcement Bar Fabrication

- Engineering services such as metal works, structural works and strutting works
- Fabrication of reinforcement bar

### b. Manufacturing of Ready-mixed Concrete and Asphalt Premix

- Production of ready-mixed concrete to supply to the construction business
- Production of asphalt premix to supply to the runway and public road projects

## INVESTMENT HOLDINGS AND DORMITORY BUSINESS

### a. Investment Holdings

Lian Beng Group owns a diverse property portfolio locally and overseas comprising residential, commercial and industrial properties. The Group also has investments in securities and bonds.

### b. Dormitory

The Group currently owns and manages 2 dormitories (Westlite Papan and Westlite Mandai) via joint ventures.

# SUSTAINABILITY STORY

## SUSTAINABILITY PHILOSOPHY

To achieve long-term business sustainability and viability as a responsible, global corporate citizen.



To provide the **BEST QUALITY** services and products to all our customers at the most competitive cost



To achieve long-term business growth and to become a respectable and reputable construction and property development conglomerate

The Board of Directors and the key management team are directly involved in the planning and strategising of sustainability initiatives. To deliver on our sustainability mission, a Sustainability Reporting Task Force comprising key management personnel was established to oversee the implementation and execution of these sustainability initiatives at Lian Beng. The Task Force meets regularly to plan and review the progress of Lian Beng’s sustainability initiatives.

As we prioritise the sustainability development of our business, we devoted much time and effort to produce our inaugural Sustainability Report. In May 2017, we established our Sustainability Task Force, as well as the framework for regular reporting of sustainability matters and the data collection process.

The Group encourages consultation and cooperation between management, employees and stakeholders in matters that may materially impact them. The first materiality assessment survey was conducted to understand the concerns of over 80 stakeholders ranging from our customers and subcontractors to suppliers and staff.

## NOTEWORTHY AWARDS

The Group has won a number of awards and accolades for our excellence in general construction practices. These include:

- BCA Awards 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.

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

We are equally committed to the safety and well-being of our staff. We regularly engage staff and workers in safety training and education, which emphasises strict adherence to workplace safety procedures. In this area, we have been awarded the Royal Society for the Prevention of Accidents (“RoSPA”) Occupational Health and Safety Award for many years, as well as the BizSafe Star certification by the Workplace Safety and Health (“WSH”) Council in Singapore.

# ETHICS AND INTEGRITY

## ETHICS AND COMPLIANCE

Lian Beng works diligently to ensure our employees adhere to the highest standards of ethics and integrity, as well as comply with applicable regulations and professional codes of conduct.

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

Lian Beng takes a strong stance against any form of misconduct, corruption and malpractice in the Group. The Group's policy and code of conduct state that all employees should not be involved in offering, paying, requesting or receiving bribes or participate in any fraudulent activities.

We have a whistle-blowing policy in place to provide an avenue for employees of the Group and third parties to raise matters pertaining to wrongdoing or malpractice within the Group, which they may become aware of, and to provide reassurance that they will be protected from reprisals, victimisation or any form of retaliatory action for whistle-blowing made in good faith and without malice.

Employees or external parties can raise issues in confidence pertaining to wrongdoing or improper financial accounting to the Chairman of Audit Committee. 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.

There were no incidents of corruption in FY2018.

Please refer to our Annual Report FY2018 for more information on our whistle-blowing policy, interested person transactions and dealings in securities.

## GOVERNANCE AND STATEMENT OF THE BOARD

Lian Beng's Board and senior management have assessed sustainability issues as part of the strategic formulation of the company. The Sustainability Reporting Committee is chaired by the Construction Director, and reports to the Board of Directors. It is supported by the management's Sustainability Reporting Task Force comprising heads of different business units and helps to spearhead sustainability efforts in the organisation.

The Committee reviews the Group's sustainability objectives and supervises the Task Force in tracking sustainability data and progress. The Board oversees the process of engaging stakeholders and identification of material topics. It approves the material environmental, social and economic topics identified by the Sustainability Reporting Committee.

Please refer to our Annual Report FY2018 for more information on corporate governance practices.

### DIVERSITY OF GOVERNANCE BODIES (GRI 405-1)

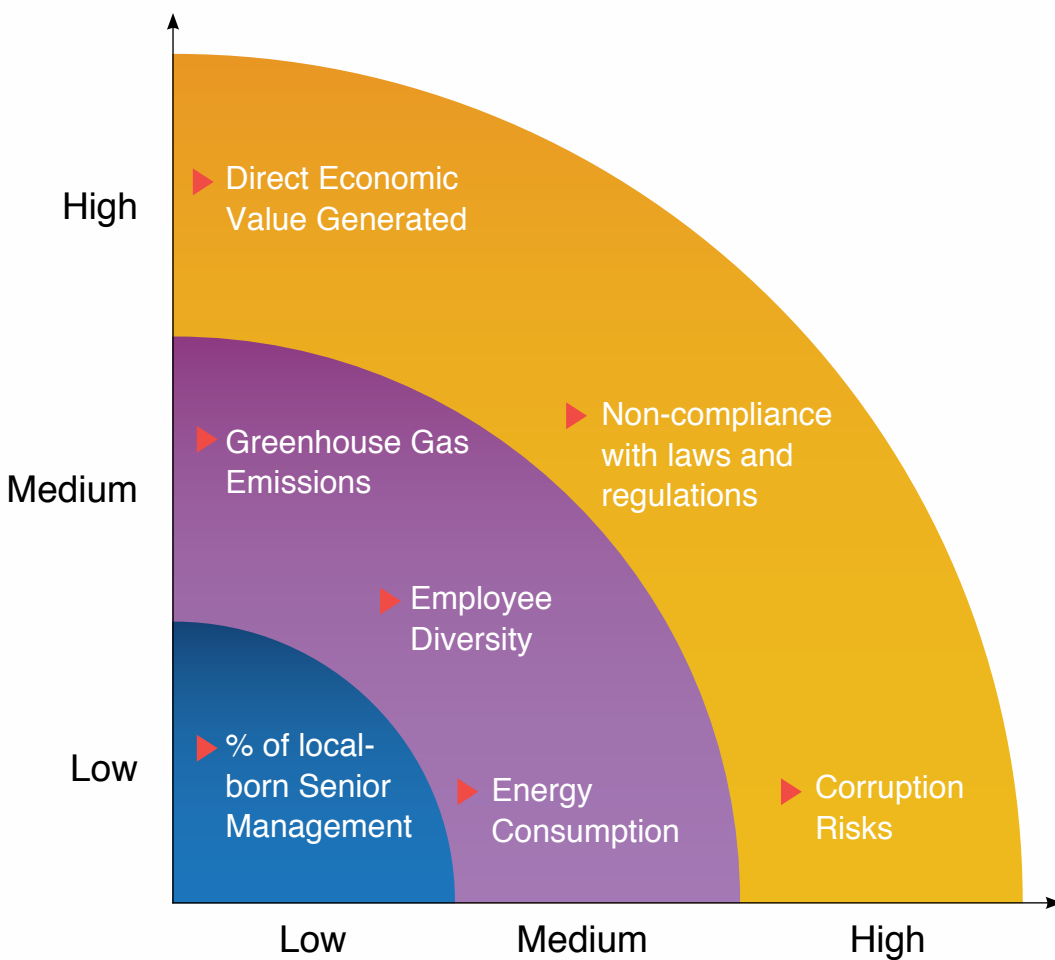
Lian Beng values diversity in our Board and we ensure that the Group is fairly represented. We prioritise equal opportunities for everyone in the Company and firmly believe that everyone plays an integral role in the growth of our business. With the female-to-male ratio being 1:2 on the Board, we believe our Board's gender diversity will set us apart from our peers and further boost our performance in this male-dominated industry.

# STAKEHOLDER ENGAGEMENT

We value input from our stakeholders and we engage our stakeholder groups actively through various channels. 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.

The Group sought the opinions of our stakeholders to understand the material issues that are relevant to them. Over 80 stakeholders, ranging from our customers and subcontractors to suppliers and employees, provided us with their feedback. We appreciate their input and have incorporated these into the materiality matrix below. It contains some of the key sustainability issues highlighted and their relative importance to both external shareholders and internal management.

## LEVEL OF RELATIVE IMPORTANCE TO EXTERNAL STAKEHOLDERS



## LEVEL OF RELATIVE IMPORTANCE TO INTERNAL MANAGEMENT

# STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Engagement platforms	Issues of concern	Read more in the following sections
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>Community Services Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Impact</li> <li>Social Development</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Topics</li> <li>Giving Back to our Community</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>Structured and open annual performance appraisal system to link performance with remuneration</li> <li>Training and Education</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration and Benefits</li> <li>Training and Development</li> <li>Ethics and Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Training and Career Development</li> </ul>
 <p><b>Suppliers and Subcontractors</b></p>	<ul style="list-style-type: none"> <li>Weekly updates from contractors</li> <li>Mass toolbox meetings</li> </ul>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Environmental Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Managing our Suppliers</li> <li>Vision Towards an Accident-Free Work Culture</li> </ul>
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>Regular dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Data Privacy</li> <li>Quality of tenants' living conditions</li> </ul>	<ul style="list-style-type: none"> <li>Protecting Customer Privacy and Data</li> <li>Customer Health and Safety</li> </ul>
 <p><b>Governments and Regulators</b></p>	<ul style="list-style-type: none"> <li>SGX quarterly announcements</li> <li>Annual Reports</li> <li>Sustainability Reporting</li> <li>Ongoing dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Environmental compliance with National Environmental Agency ("NEA")</li> <li>Regulatory and industrial requirements under BCA and Ministry of Manpower ("MOM")</li> </ul>	<ul style="list-style-type: none"> <li>Fines or Penalty</li> <li>Injuries and Incidents</li> </ul>
 <p><b>Shareholders and investors</b></p>	<ul style="list-style-type: none"> <li>Annual Reports</li> <li>Investor Relations Management</li> <li>Annual General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Direct Economic Value Generated and Distributed</li> <li>Anti-corruption</li> </ul>



# REPORTING PRACTICE

Lian Beng’s first sustainability report has been produced in accordance with the GRI Standards “Core” option covering our Group’s performance in FY2018, i.e. from 1 June 2017 to 31 May 2018.

The GRI Standards represent the global best practices for reporting on economic, environmental and social topics.

The report also incorporates the primary components of report content as set out by the SGX’s “Comply or Explain” requirements on sustainability reporting under Listing Rule 711B.

GRI does not require external assurance and the Group’s Sustainability Reporting Committee has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year.

This report supplements the Group’s Annual Report FY2018 and is available online at: <http://www.lianbeng.com.sg>. Detailed section references with GRI Standards can be found on the GRI Standards Content Index Page.

Lian Beng’s material topics are identified based on their impact on our internal and external stakeholders, as outlined in the Stakeholders Engagement Section.

Please refer to SLB’s sustainability report for FY2018 for more information on the sustainability efforts related to property development.

Material Topics	Boundaries (i.e. which business segment or geography)
<b>ECONOMIC</b>	
GRI 201: Economic Performance	Applicable to the Group
GRI 203: Indirect Economic Impacts	Lian Beng’s local and international business operations.
GRI 205: Anti-corruption	Compliance with legislations and recognised standards are applicable to Lian Beng’s local and international businesses.
<b>ENVIRONMENTAL</b>	
GRI 301: Materials	Applicable to construction, other construction-related businesses, investment holding and dormitory segments.
GRI 302: Energy	
GRI 303: Water	
GRI 305: Emission	
GRI 306: Effluent and Waste	
GRI 307: Environmental Compliance	Compliance with environmental regulations is applicable to Lian Beng’s construction, other construction-related businesses, investment holding and dormitory segments.
GRI 308: Supplier Environment Assessment	Supplier environment assessment is applicable to construction and other construction-related business segments.
<b>SOCIAL</b>	
GRI 401: Employment	Applicable to the Group’s employees and workers in construction, other construction-related services segments
GRI 403: Occupational Health and Safety	
GRI 404: Training and Education	
GRI 405: Diversity and Equal Opportunity	
GRI 413: Local Community	Applicable to local communities impacted by construction segments.
GRI 414: Supplier Social Assessment	Applicable to suppliers for construction segment.
GRI 416: Customer Health and Safety	Applicable to investment holding and dormitory segments.
GRI 418: Customer Privacy	Applicable to construction, other construction-related businesses, investment holding and dormitory segments.
GRI 419: Socio-economic compliance	Applicable across construction, other construction-related businesses, investment holding and dormitory segments.

# ECONOMIC TOPICS

## **DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (GRI 201-1)**

The Group prioritises the interests of our shareholders and key stakeholders. We endeavour to maximise shareholder value and will continue to improve and drive future growth.

Please refer to the Annual Report FY2018 for the financial performance of Lian Beng.

## **INNOVATION AND EXCELLENCE (GRI 203-2)**

Lian Beng is devoted to the betterment of the local economy through the practices we implement in our operations.

The Group has continuously invested substantially in innovation and productivity improvements in relation to our operational processes. We are constantly on a lookout for new innovative technologies and methods to increase labour productivity. Our in-house construction support service capabilities also allow us to further our cause.

We invested 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.

We have automated the rebar cutting processes to increase efficiency and accuracy for use in construction projects. This has reduced the level of wastage in the rebar cutting process.

# 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 encourages consultation and cooperation between management, employees and stakeholders in matters that may affect or impact the environment.

Lian Beng’s risk and sustainability-based strategies are geared to assess, avoid, reduce and mitigate environmental risks and impact. Our Environmental Policy provides the overall framework to ensure that natural resources are efficiently used through the conservation of energy and water and the minimisation of waste generated by reducing, reusing and recycling where possible.

The Group has embarked on the Green and Gracious Builder Scheme initiated by BCA. The implementation of the Green and Gracious Builder Scheme has enhanced and complemented the current ISO 14001 Environmental Management System (“EMS”), which aligns all entities in the Group in managing its environmental responsibilities. The implementation of the Green and Gracious Builder Scheme has raised the level of environmental consciousness of the project team.

The Group is committed to being an environmentally sustainable real estate developer and builder that genuinely believes in building a practical ‘green’ future by minimising its impact on the environment and helping to protect it for future generations.

## CONSTRUCTION AND OTHER CONSTRUCTION-RELATED BUSINESSES

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)

### MANUFACTURING OF READY-MIXED CONCRETE

As of FY2018, green materials make up, on average, 5% of the ready-mix concrete produced at our Punggol plant and 13% of that produced at our Tuas plant. We target to increase the percentage to 10% for the Punggol plant for the following financial year to develop a concrete mix with lower carbon footprint. We commit to reduce consumption of virgin materials by replacing them with recycled materials.

## 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. Energy efficiency is an important element in addressing climate change and reducing the carbon footprint. To do our part in countering climate change, we have put our focus on constructing well-designed projects that reduce gas emissions. Environmental policies and guidelines relating to energy apply in all geographical locations where the company operates.

Energy and emissions intensity ratios are calculated to allow us to compare our recurring emissions moving forward.

### CONSTRUCTION

Lian Beng complies with BCA regulations and we are proud to share that we have been 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 and reducing gas emissions.

There were 5 ongoing projects in FY2018, where energy consumption totaled to 3,757,038 kWh and CO<sub>2</sub> emissions were 2,656,793 kg. With construction projects having a combined gross floor area of 5,181,933 m<sup>2</sup>, the total energy and emissions intensity ratios were 0.73 kWh/m<sup>2</sup> and 0.51kg/m<sup>2</sup> respectively. Our energy intensity ratio was significantly below BCA's average industry benchmark of 7 kWh/m<sup>2</sup>.

We endeavoured to reduce energy use on site during construction by introducing energy-saving equipment, including solar panels, to power certain equipment such as noise meters, and earth control measures. Energy-saving air conditioning units and motion sensors were installed in places less frequently used to further conserve energy, and we have successfully conserved 26,484 kWh of energy, which translates to a reduction of 18,728 kg in CO<sub>2</sub> emissions. We will persevere with our energy conservation efforts at our project sites.

### OTHER CONSTRUCTION-RELATED BUSINESSES

Electricity and diesel consumption (for heating and drying of granite material) are major cost components in the manufacture of asphalt premix. In an effort to remain cost competitive and reduce our environmental footprint, careful consideration had been given during the design and construction of the asphalt premix plant. The Company invested in a state-of-the-art plant that is designed with advanced high efficiency thermal insulation to reduce heating requirements. In addition, the Group's asphalt premix plant is the only one in Singapore with a fully enclosed silo for the storage of granite material, which will prevent it from getting wet during rainy weather and hence reduce the need for prolonged drying through heating. Our actual consumption of energy for the asphalt premix business being much lower than target consumption is testimony to our conservation efforts.

We commit to reduce energy consumption at the ready-mix plants through enforcing energy efficiency and process improvement by using resources and equipment to optimise energy usage. We target to reduce the energy consumption per cubic meter of concrete produced from 3 kWh/m<sup>3</sup> to below 2 kWh/m<sup>3</sup> in the following financial year.

Our energy consumption was 14,168,796 kWh in FY2018, significantly lower than the target consumption of 16,500,412 kWh.

# ENVIRONMENTAL TOPICS

## INVESTMENT HOLDING AND DORMITORY BUSINESS

For our dormitories, we have implemented several energy-saving initiatives to reduce energy consumption.

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 cross ventilation and movement of air

In FY2018, total energy consumption at the dormitories was 7,522,758 kwh and the corresponding CO<sub>2</sub> emissions were 5,319,726 kg. As for Broadway Plaza and our corporate office, total energy consumption was 809,204 kwh and the corresponding CO<sub>2</sub> emissions were 572,229 kg. As Wilkie Edge was incorporated into our portfolio in 2017, the energy and emissions data collected for reporting dates from 15 November 2017 to 31 May 2018. During this period, 4,200,462 kWh of energy was consumed and corresponding CO<sub>2</sub> emissions were 2,970,361 kg.

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

Water remains scarce in Singapore and is an important resource that we have to conserve.

### CONSTRUCTION

All projects are equipped with earth control measures ("ECM"). Approximately 15% (23,327m<sup>3</sup>) of ECM-collected treated water are reused as a secondary source by construction projects for general purposes such as vehicle washing, watering of the access pathways to minimise dust and washing of toilets at workers' quarters. This has allowed us to maximise the use of rainwater collected.

Targets for water usage are set and water meters are installed to track water usage at all project sites. The construction projects used a total of 27,492 m<sup>3</sup> of water against the GFA of 5,181,933m<sup>2</sup>. Our water usage of 0.05 litre/m<sup>2</sup> is well within the BCA industry KPI average of 938 litre/m<sup>2</sup>.

### MANUFACTURING OF READY-MIXED CONCRETE

In FY2018, 102,757 m<sup>3</sup> of water was consumed in manufacturing of ready-mixed concrete.

## INVESTMENT HOLDING AND DORMITORY BUSINESS

The Group actively engages various parties, such as Nanyang Technological University, to consult on solutions to use water and energy more efficiently. There are ongoing initiatives in place to conserve water, such as education on water-saving habits at the dormitories. We commit to continue our management of water consumption and improve on our water-reclaiming processes.

In FY2018, total water consumption was 774,247 m<sup>3</sup> at dormitories and 7,291 m<sup>3</sup> at Broadway Plaza and our corporate office.

From 15 November 2017 to 31 May 2018, total water consumption at Wilkie Edge was 22,067 m<sup>3</sup>.

Moving forward, we will implement water conservation targets for our corporate office, investment properties and other construction-related businesses.

# ENVIRONMENTAL TOPICS

## EFFLUENTS AND WASTE MANAGEMENT

All our construction projects are equipped with ECM. Our system equipment is designed by a Qualified Earth Control Professional ("QECP") as part of the requirement to prevent earth and silt from being discharged into public drains that lead to water catchment areas. The ECM takes into consideration factors such as construction sequences for erosion control, sediment control and treatment. The QECP will monitor the capacity of the treatment equipment, storage tanks and implementation measures for the duration of the construction period.

## WATER DISCHARGE TREATMENT (GRI 306-1)

The function of the ECM is to filter collected rainwater within a project. 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. The system is set to ensure that the Total Suspended Solids ("TSS") reading of treated water will not exceed 50 mg/l. The water being discharged is monitored by the TSS web-based monitoring system and the user will be alerted if the reading exceeds the requirement, in which case corrective measures will have to be taken to address the issue.

The treated water will flow through the public drainage system into our national catchment areas.

### MANUFACTURING OF READY-MIXED CONCRETE

The Group will continue our steadfast efforts to monitor, review and reduce water discharge, and we endeavour to control and maintain our effluent discharge at 0 m<sup>3</sup>.

## WASTE DISPOSAL (GRI 306-2)

### CONSTRUCTION

Construction wastes from projects are collected by Authorised Licensed waste collectors. Construction wastes collected by these operators will be 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 FY2018, construction waste collected for disposal totalled 876 tonnes, while the total amount of concrete waste collected was 2,955 tonnes. Currently, we recycle rebar by sending it to authorised scrap dealers who will in turn segregate and dispose it through the authorised agency. We ensure that proper channels of disposal are used by only employed contractors that are certified and authorised by government agencies. All rebar waste would need to go through the sorting process to segregate items that can be recovered and items that can be recycled. For FY2018, we used a total of 52,260 tonnes of rebar, out of which 203 tonnes of waste was recycled.

### MANUFACTURING OF READY-MIXED CONCRETE

Production waste collected for disposal totalled 35,479 tonnes at the Punggol plant and 12,699 tonnes at the Tuas plant. For the ready-mixed segment, the Group working towards reducing waste disposal from 0.07 tonnes/m<sup>3</sup> of concrete produced to 0.05 tonnes/m<sup>3</sup> by reviewing and reevaluating our current processes and procedures to further enhance our sustainability efforts.



# ENVIRONMENTAL TOPICS

## NOISE AND VECTOR MANAGEMENT

The Group engages acoustic consultants to determine if the noise that is expected to be generated during the construction will exceed noise limits stipulated by NEA. Using a computer program, Cadna-A, the acoustic consultant will conduct a Noise Impact Assessment (“NIA”), under which the consultant incorporates input from the Group on machineries and construction sequence, and use the information to calculate and forecast the noise generated by the construction site.

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

The NMP caters for different phases of the construction and provides appropriate noise mitigation/control measures for each construction activity. It also recommends noise mitigation measures for the machineries and equipment that we will be using during the different phases of our construction activities.

For effective noise control of our construction activities, a continuous noise monitoring on-site is adopted, and this can be accessed by the contractor & NEA online.

To further enhance our noise management effectiveness, we appoint 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.

In addition, vector control plans are implemented at every project site to prevent mosquito breeding so as to protect site personnel and members of the public from mosquito-borne diseases. We educate all site workers to ensure that they are all trained and well aware of the harmful effects of mosquito breeding. In an effort to prevent breeding of vectors, we cultivate good practices, conduct routine checks and engage pest control companies to carry out regular insecticide spraying.

# SOCIAL TOPICS

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

The Group has implemented steps to ensure that 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.

All suppliers and subcontractors are reviewed and selected based on environmental and social criteria. They are required to complete a self-assessment questionnaire where they must respond on existing health, safety and environmental policies and procedures in place for their employees. This questionnaire will be provided during the quotation and tendering process.

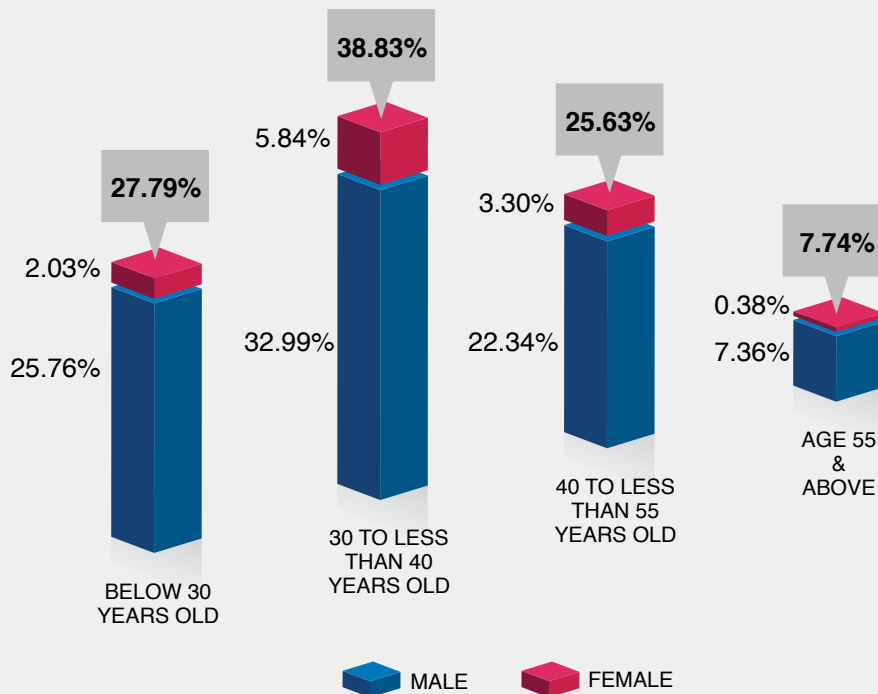
During FY2018, we assessed 100% of our construction suppliers and 90% of our engineering service suppliers. There was no major breach of regulations including health and safety and labour laws.

## OUR PEOPLE, OUR ASSETS

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

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

#### OUR CURRENT WORKFORCE BY AGE AND GENDER



For FY2018, the average monthly recruitment rate was approximately 1.2% and the average monthly resignation rate was about 2.1%.

# SOCIAL TOPICS

## EMPLOYEE BENEFITS (GRI 401-2, 401-3)

We recognise the valuable contribution by our employees. Lian Beng works with various service providers to offer each employee a unique Lian Beng lifestyle card. With the lifestyle card, employees can enjoy discounts and / or extended benefits for their purchases.

A total of 72 employees were entitled to Parental Leave.



### HEALTHCARE

- Staff are given a medical card that allows them to enjoy subsidised outpatient medical care at General Practitioner clinics and medical insurance coverage.



### DISABILITY AND INVALIDITY COVERAGE

- Staff are covered under Personal Accident Insurance and Work Injury Insurance.



### LEAVE ENTITLEMENT

- Eligible staff are entitled to Maternity Leave, Paternity Leave, Shared Parental Leave, Childcare Leave, Extended Childcare Leave, Unpaid Infant Care Leave and Adoption Leave, and Training and Exam Leave where applicable.



### OTHERS

- Staff are entitled to receive the following benefits:
  - ▶ Lifestyle card - staff entitled to discounts and / or extended benefits at selected service providers
  - ▶ Dinner and Dance
  - ▶ Festive celebrations

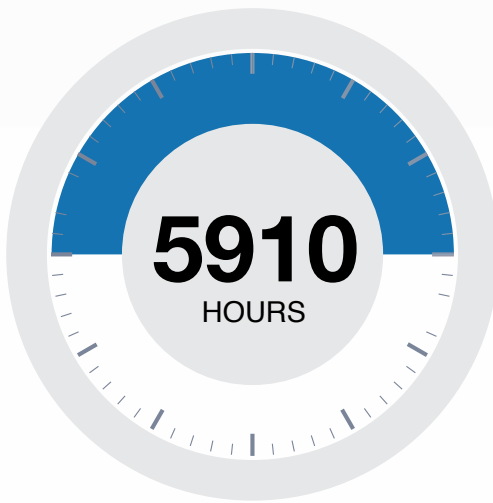
# SOCIAL TOPICS

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

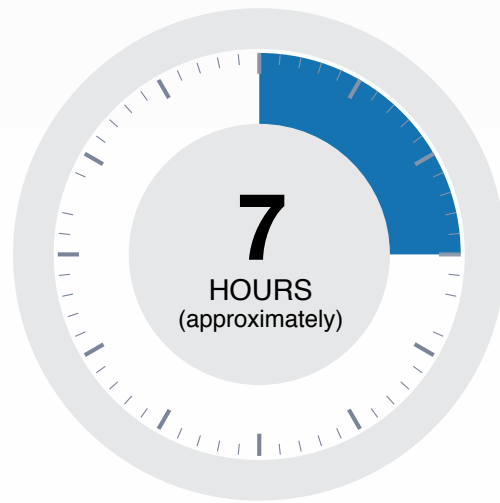
Lian Beng’s aim is to recruit and develop employees to their fullest potential to drive business excellence.

We provide our employees with competitive and fair remuneration to reward them for their good performance. Annual performance appraisals are conducted for all employees and our compensation packages are benchmarked against the market rate. Attracting and retaining talent is key to our continued success. There are career development opportunities for all our staff, and we provide internal and external training for all staff.

We invest in our employees to keep them abreast of the current technology and knowledge to improve productivity.



Total hours of staff training in FY2018



Average hours of training per employee in FY2018

## GIVING BACK TO OUR COMMUNITY (GRI 413-1)

Lian Beng believes sustainability is an integral part of our business philosophy. This issue has always been close to our hearts. We are committed to being a responsible corporate citizen and we work with many non-profit groups to give back to the community.

In FY2018, we organised the “I-Shop-You-Pay” event in collaboration with TOUCH Community Services. As part of the event, we brought elderly in wheelchairs for a morning stroll, breakfast and grocery shopping. We also made several donations to charity organisations in FY2018.

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

During FY2018, we held a one-week long HDB safety promotion campaign at Defu Industrial City to engage our stakeholders and educate them about the safety policies and procedures that we have in place for our construction projects. Activities included signing of the Safety Pledge, safety briefings and demonstration sessions for hot work, working at heights, lifting operations and safe behaviours at construction sites.

# SOCIAL TOPICS

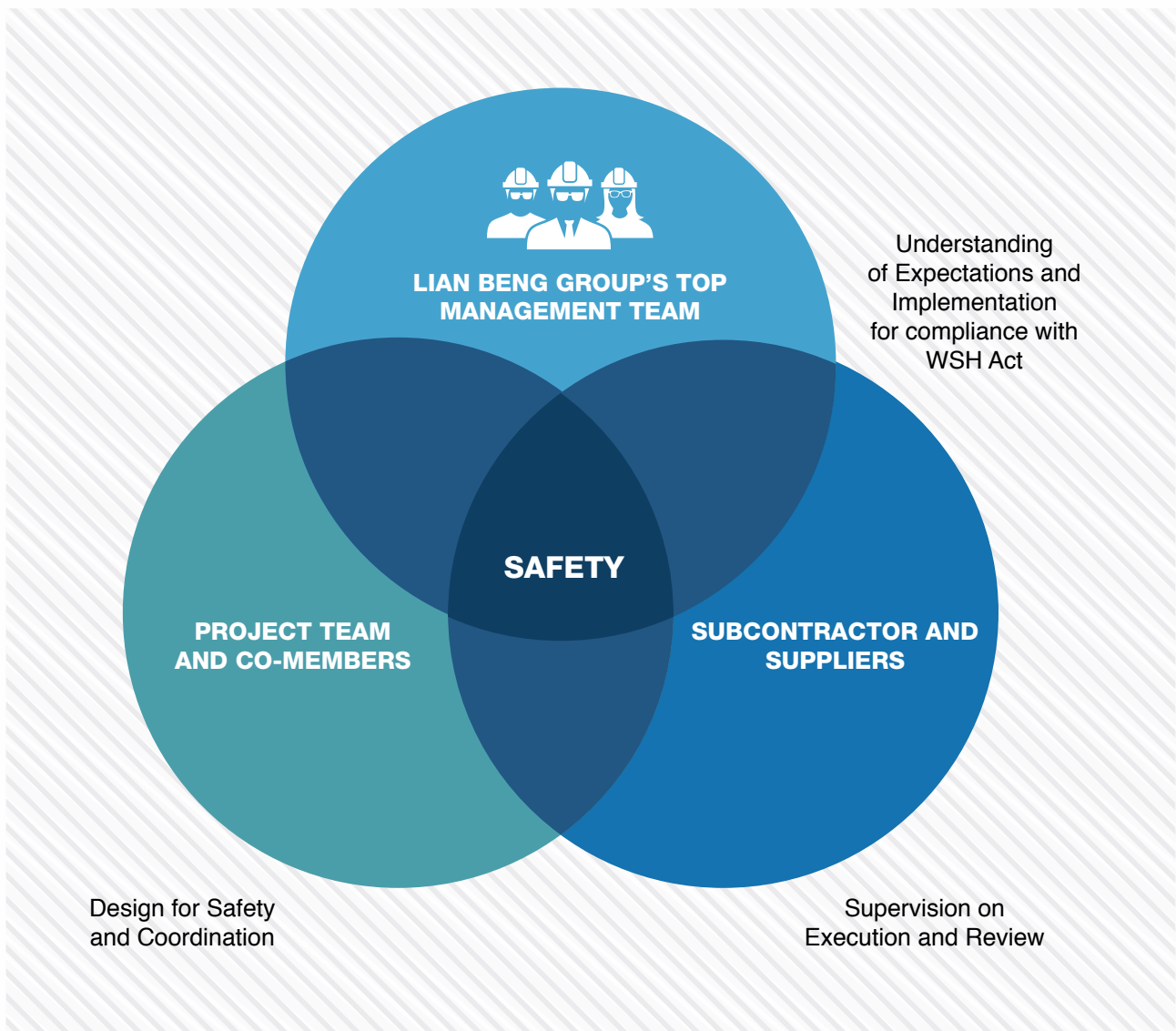
## VISION TOWARDS AN ACCIDENT-FREE WORK CULTURE (GRI 403-1)

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

Lian Beng is committed to providing a safe and healthy workplace for all our stakeholders. It is necessary to embrace every effort to eliminate workplace injuries and fatalities because every incident takes a heavy toll on our workers and their families.

By inviting tripartite contributions, participation, involvement and commitment, ambitious safety targets can be achieved through a three-way partnership involving our subcontractors, Project Team and Top Management Team. The WSH Act, introduced in 2006 by the Ministry of Manpower, plays a part in erecting a regulatory fence around all workplace safety, health and welfare practices.

Lian Beng's mode of operations inculcates in stakeholders the mindset of leveraging affordable technologies that are readily available to help ensure both good performance and work safety on a daily basis. For example, workers are encouraged to report any deviations from best practices at the construction sites for such lapses to be rectified immediately.



# SOCIAL TOPICS

## TAKING A MULTI-PRONGED APPROACH TOWARDS ENSURING WORKPLACE SAFETY

Our Workplace Safety & Health Management System (“WSHMS”) is periodically revised to adhere to the latest WSH legislative amendments and routinely audited by external independent consultants and internal audit teams. Lian Beng is certified to be compliant with the SS506 Singapore Standard for Occupational Safety and Health Management System, OHSAS 18001 and ISO 14001.

At every project site, supervisors are assigned with areas of responsibilities to maintain workplace safety. We work closely with our subcontractors to ensure that the highest standards of workplace safety are maintained. Lian Beng has implemented Project Internal Safety Audit (“PISA”) and Corporate Internal Safety Audit (“CISA”) to conduct regular site audits to engage all site staff and understand the challenges faced on the ground. The desired outcome of PISA and CISA is to provide a safer workplace that complies with WSH regulations and standards.

We recognise and reward our workers for safe behaviour and practices. Lian Beng works closely with our subcontractors to reaffirm our commitment to uphold the Group’s core value of safety.

On a corporate level, we conduct site walks, internal safety audits and subcontractor counselling sessions to establish our safety culture and practices from the top. In addition, machinery and equipment inspections and internal safety audits are held at all projects to ensure strict safety implementation. As a bizSAFE Partner, Lian Beng actively 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.

Regular meetings are also convened to provide oversight on WSH procedures to ensure that instances of non-compliance are identified and preventive actions are formulated to prevent recurrence. In FY2018, we held daily toolbox meetings and weekly WSH coordination meetings. We also held WSH committee meetings and corporate WSH meetings with workers every month to communicate safety performance with them.

Moving forward, we will also implement monthly corporate WSH meetings and site walks by senior management at project sites.

## AWARENESS ON WORKPLACE SAFETY

The Group actively participates in WSH-related seminars and roadshows and conduct WSH Environment Promotion Day for all worksites biannually.

‘Safety Starts with Me’ is a competition and showcase that displays winning entries, including posters, photographs, creative writings and videos/short films. A workplace safety awareness road show was conducted at our Bartley Ridge project with assistance from MOM.

We also took the initiative to invite the Singapore Police Force to educate our foreign workers about security and crime prevention at Defu Industrial City and Martin Modern during FY2018. This was to reinforce the safety awareness of our workers when they are working on-site and pre-empt them from any possible danger.



# SOCIAL TOPICS

## INJURY AND INCIDENTS (GRI 403-2)

Our efforts and initiatives have resulted in a significant improvement in the number of reported incidents between FY2017 and FY2018. There were zero fatalities in FY2018 and the number of reported injuries fell by 4.2 or 57.5%.

Description	FY2018	FY2017
Number of fatalities	0	0
Accident Frequency Rate	3.1	7.3
Number of stop-work days	0	36

## CUSTOMER HEALTH AND SAFETY (GRI 416-1)

The Group assesses all buildings built including dormitory 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.

### DORMITORY BUSINESS

Our foreign workers’ dormitories also enable residents to gain convenient access to training as part of an initiative to increase productivity. The Westlite Papan dormitory incorporates 3,000m<sup>2</sup> of training space, providing workers with a conducive learning environment to upgrade their skills.

At Westlite Mandai, residents enjoy full facilities including free internet access, recreational rooms, a community clinic, as well as a 24-hour mini mart stocked with local food and imported food from the home countries of the residents. We have also installed a security system that incorporates biometric facial scan technology for residents entering and leaving the compound.

We have a partnership with HealthServe, a non-governmental organisation (NGO) committed to helping foreign workers by making healthcare accessible to them. Westlite Mandai and Westlite Papan play host to HealthServe’s community clinic that operates every Saturday and Sunday evenings respectively. Both clinics offer general practitioner and dental services at nominal rates to our residents, as well as foreign workers from the neighbourhood.

Other initiatives taken to improve health and safety for our residents include:

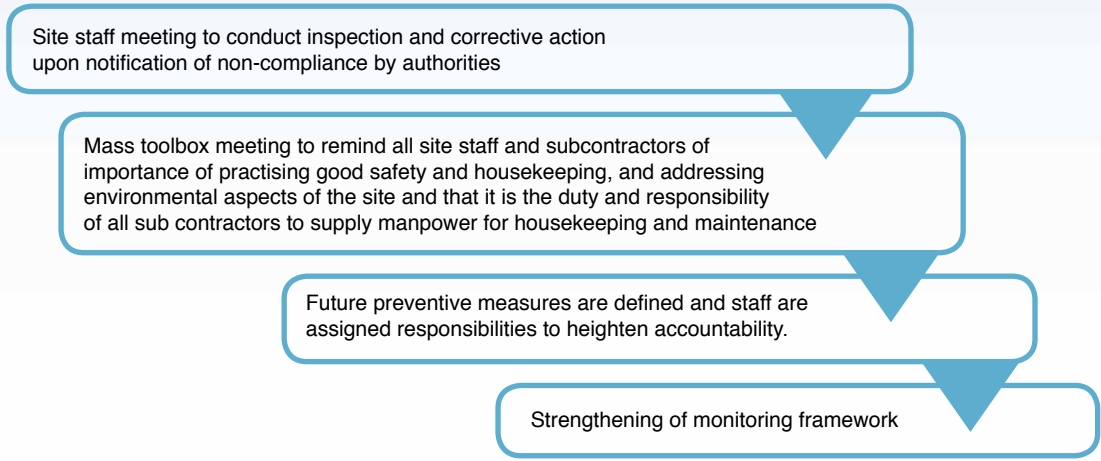
- Reduction of solvent content across cleaning processes
- Elimination of hazardous chemicals from pest controls
- Development/implementation of safe work procedures/safe living environment
- Conducting safety briefings to inform and educate residents on internal work procedures when hazardous materials are being used
- Reduced usage of hazardous chemicals, solvents, volatiles, and reactive components where possible

There have been no incidents of non-compliance with regulations and voluntary codes relating to the health and safety impacts of products and services.

# SOCIAL TOPICS

## FINES OR PENALTY (GRI 307-1, 416-2, 419-1)

A minor fine was incurred for a WSH contravention in FY2018. Both noise levels and vector regulations were fully complied with in FY2018. Beyond the existing WSHMS, Lian Beng takes immediate corrective action to rectify any lapses.



## PROTECTING CUSTOMER PRIVACY AND DATA (GRI 418-1)

Lian Beng protects the privacy and confidentiality of the personal data of our employees, clients, business partners and others who have business dealings with us. 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 collection, use or disclosure of personal data for the given purpose.

Examples of information collected include personal particulars (name, address, phone number, email address) and bank account information.

Lian Beng has appointed a Data Protection Officer to oversee our management of personal data in accordance with the Act.

We have implemented measures to secure and protect customer information:

- Training our employees who handle personal data to respect the confidentiality of such personal data and your privacy,
- Storing personal data in a combination of secure 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.

# SGX FIVE PRIMARY COMPONENTS INDEX

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

# GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Annual Report FY2018
102-2	Activities, brands, products, and services	Annual Report FY2018
102-3	Location of headquarters	Annual Report FY2018
102-4	Location of operations	Annual Report FY2018
102-5	Ownership and legal form	Annual Report FY2018
102-6	Markets served	Annual Report FY2018
102-7	Scale of the organisation	Annual Report FY2018
102-8	Information on employees and other workers	Annual Report FY2018
102-9	Supply chain	Annual Report FY2018
102-10	Significant changes to the organisation and its supply chain	Annual Report FY2018
102-11	Precautionary Principle or approach	Annual Report FY2018
102-12	External initiatives	Annual Report FY2018
102-13	Membership of associations	Annual Report FY2018
102-14	Statement from senior decision-maker	Chairman's Message
102-15	Key impacts, risks, and opportunities	Chairman's Message, Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
201-1	Direct economic value generated and distributed	Direct economic value generated and distributed
203-2	Significant indirect economic impacts	Innovation and Excellence

# GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
205-1	Operations assessed for risks related to corruption	Anti-Corruption
205-2	Communication and training on anti-corruption policies and procedures	Anti-Corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
301-2	Recycled input materials used	Input Materials
302-1	Energy consumption within the organisation	Energy and Emissions Management
302-4	Reduction of energy consumption	Energy and Emissions Management
302-5	Reductions in energy requirements of products and services	Energy and Emissions Management
303-1	Water withdrawal by source	Water Management
303-3	Water recycled and reused	Water Management
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions Management
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	Energy and Emissions Management
305-5	Reductions in Greenhouse Gas Emissions	Energy and Emissions Management
306-1	Total water discharged by quality and destination	Water Discharge Treatment
306-2	Waste by type and disposal method	Waste Disposal
307-1	Non-compliance with environmental laws and regulations	Fines or Penalty
308-1	New suppliers that were screened using environmental criteria	Managing Our Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	Managing Our Suppliers
401-1	New employee hires and employee turnover	Our People, Our Assets
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Benefits
401-3	Parental leave	Employee Benefits
403-1	Formal joint management-worker health and safety committee	Vision towards an Accident-free Work Culture
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Injury and Incidents

# GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
404-1	Average hours of training per year per employee	Training and Career Development
404-2	Programmes for upgrading employee skills and transition assistance programmes	Training and Career Development
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Career Development
405-1	Diversity of governance bodies and employees	i) Diversity of Governance Bodies ii) Our People, Our Assets
413-1	Operations with local community engagement, impact assessments, and development programmes	Giving Back to Our Community
414-1	New suppliers that were screened using social criteria	Managing Our Suppliers
414-2	Negative social impacts in the supply chain and actions taken	Managing Our Suppliers
416-1	Assessment of the health and safety impacts of product and service categories	Customer Health & Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Fines or Penalty
418-1	Substantiated complaints concerning breaches of customer privacy and customer data loss	Protecting Customer Privacy and Data
419-1	Non-compliance with laws and regulations in the social and economic area	Fines or Penalty



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