



TIONG WOON CORPORATION HOLDING LTD

# SUSTAINABILITY WITHIN

SUSTAINABILITY  
REPORT 2018



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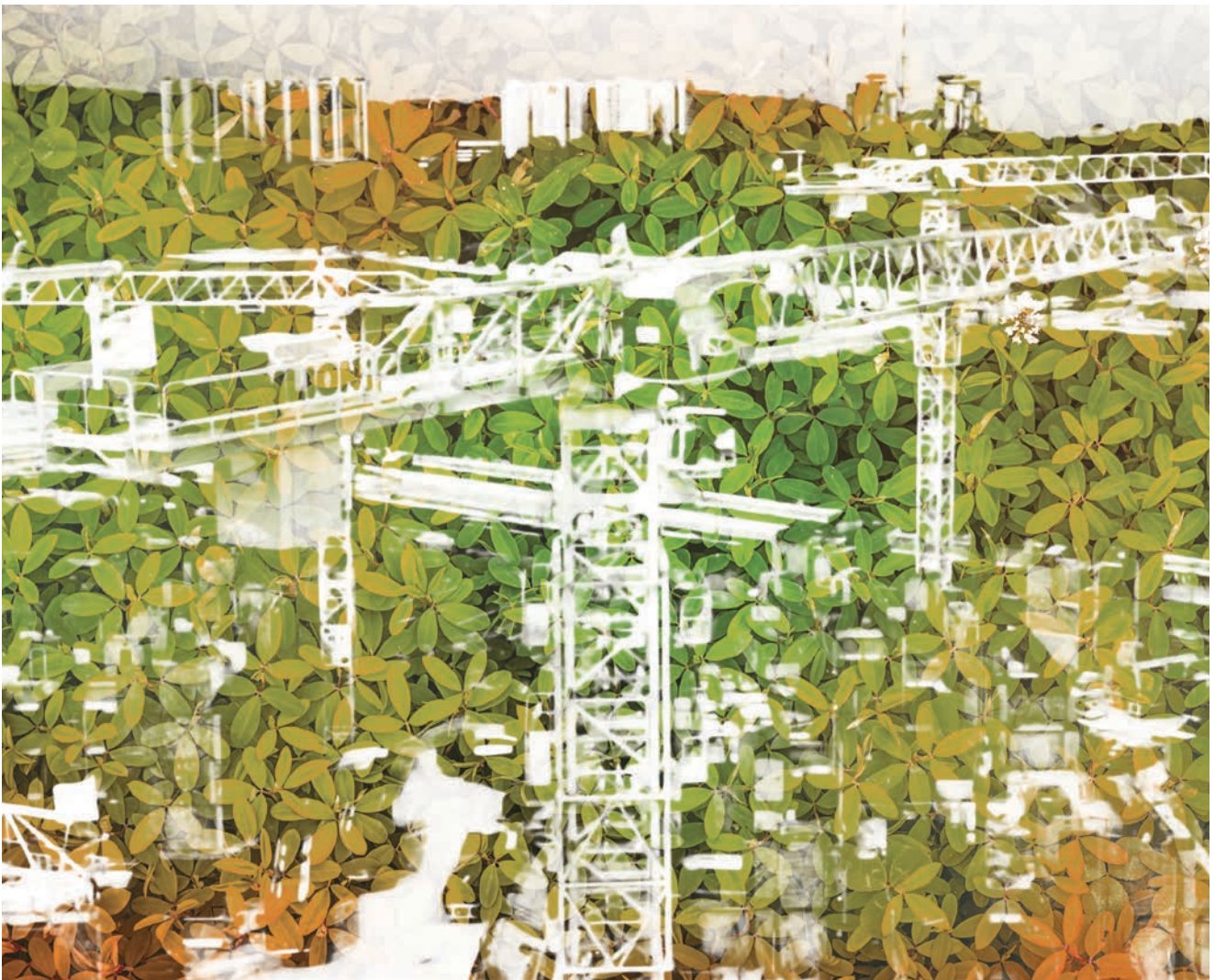


# BOARD STATEMENT

The Board of Directors (the “Board”) is pleased to present the inaugural Sustainability Report of Tiong Woon Corporation Holding Ltd (“Tiong Woon” or together with its subsidiaries, the “Group”) for the financial year ended 30 June 2018. The report sets out the Group’s commitment towards sustainability and lays the foundation for transparent reporting on our economic, environmental, social and governance (“EESG”) performances.

The Board recognises the importance of managing EESG matters and considers these matters as part of the Group’s strategic formulation. Under the guidance and oversight of the Board, the management identifies, manages and monitors the matters that are relevant and material to the Group’s operations.

As we embark on our sustainability journey, we will continuously seek opportunities to improve our sustainability performance and promote sustainable growth across our operations.



# COMPANY PROFILE

## OUR VISION

To be a world-class organisation in providing high quality and safe services to our clients anywhere in the world.

## OUR MISSION

To maximise shareholders' value and exceed customers' expectations as an integrated services specialist and provider of infrastructure businesses in heavy lift and haulage and marine transportation through our focus on high safety standards and reliable services.

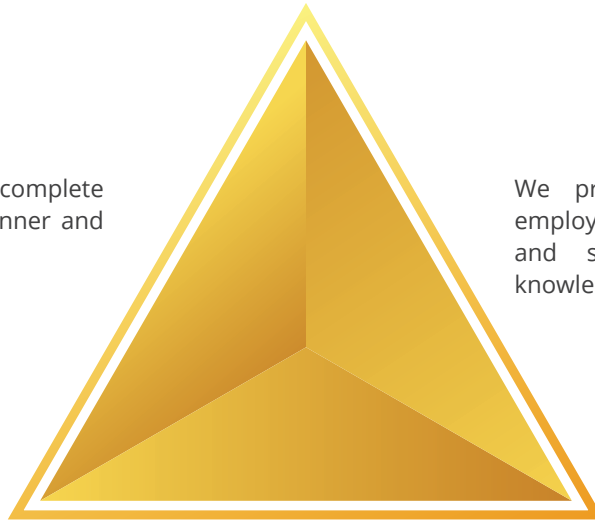
## OUR CORE VALUES

### TIMELINESS

We will invest our resources to complete any given task in a timely manner and with utmost safety.

### WISDOM

We provide platforms for all our employees to showcase their abilities and sound judgement based on knowledge and experience sharing.



### COMMITMENT

We will train and upgrade our employees and monitor our process to ensure consistent excellence and maximum efforts in meeting our clients' needs.

## OUR BUSINESS

Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard since 1999, Tiong Woon is a leading integrated heavy lift specialist and service provider, supporting mainly the oil and gas, petrochemical, infrastructure and construction sectors.

Focusing its business in the heavy lifting and haulage segment, the Group possesses its own heavy lifting and haulage equipment, tugboats and barges to broaden its integrated services to its clients. Headquartered in Singapore, the Group has a strong regional presence with establishments in ten other countries. It is ranked the 18th largest crane-owning company worldwide by the reputable magazine International Cranes and Specialised Transport in its IC50 2018 survey.

Under the strong leadership and far-sighted vision of the Group's management team, Tiong Woon is committed to providing timely, high quality, and safe services to its clients anywhere in the world while operating within clients' budgets.

# COMPANY PROFILE

Figure 1. Tiong Woon's International Presence



## BUSINESS OVERVIEW

### Heavy Lift and Haulage

Tiong Woon provides one-stop solutions in the oil and gas, petrochemical, infrastructure and construction sectors. Specialising in Heavy Lift and Haulage; and Inland Transportation, it offers a wide range of services ranging from the planning and design of heavy lifting and haulage requirements to supporting the execution stage for engineering, procurement and construction ("EPC") contractors as well as project owners.

### Marine Transportation

Tiong Woon provides its tug and barge services for a wide variety of sea transportation projects. Fleets of tugs and barges are available for external charters and to support the Group's projects in other business segments.

### Trading

Tiong Woon is a distributor for KATO crawler cranes in ASEAN countries (except Indonesia) and the exclusive distributor for Zoomlion tower cranes in Singapore.

Besides the sale of new and used equipment, the Group also sells its own Data Logger Brands: model TWDL/6800 for crawler cranes and model Hirschmann DLG/02-01 for mobile cranes. These approved data loggers are able to record key operational parameters and allow crane owners to retrieve and monitor lifting operations.

It also extends its services to undertake storage, parts distribution and after sales services of the equipment.

# ABOUT THE REPORT


## REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiatives (“GRI”) 2016 standards – ‘Core’ option. The standard has been selected as a framework for reporting because it offers a standardised approach in disclosing material sustainability matters. We have applied the GRI Reporting Principles for Defining Report Content and Quality throughout the report. Reference has also been drawn from the SGX-ST Practice Note 7.6 in meeting the primary components as set out in the SGX-ST Mainboard Listing Rule 711(B).

## REPORTING PERIOD AND SCOPE

Tiong Woon has adopted a phased approach in our sustainability reporting journey. For our inaugural report, we have considered the Group and the subsidiaries listed in Figure 2 in our scope of reporting, unless otherwise stated. The report encompasses the Group’s business segments in Singapore, which include our heavy lift, haulage, trading and marine transportation segments. As Tiong Woon continues our reporting practices, we will consider expanding our scope to include our overseas operations.

**Figure 2. List of Companies Within the Reporting Scope**

Country	Subsidiaries
Singapore 	Tiong Woon Corporation Holding Ltd
	Tiong Woon Crane & Transport (Pte) Ltd
	Tiong Woon Crane Pte Ltd
	Tiong Woon Project & Contracting Pte. Ltd.
	Tiong Woon Enterprise Pte Ltd
	Tiong Woon International Pte. Ltd.
	Tiong Woon Tower Crane Pte. Ltd.
	Tiong Woon Marine Pte. Ltd.
	Tiong Woon Offshore Pte. Ltd.
	TW (Sabah) Pte Ltd
	Tiong Woon Logistics Pte. Ltd.
	Tiong Woon China Consortium Pte. Ltd.
	Tower Crane Services Pte. Ltd.
	Tiong Woon Crane & Equipment Pte. Ltd.

Unless otherwise stated, the report covers Tiong Woon’s sustainability performance for the period from 1 July 2017 to 30 June 2018 (“FY2018”), with prior year performance (“FY2017”) included for comparative purposes where applicable.

## INDEPENDENT ASSURANCE

External assurance has not been sought for this report. We will consider seeking independent assurance as our reporting matures over time.

## FEEDBACK

Tiong Woon welcomes feedbacks from all our stakeholders as they are integral to Tiong Woon’s sustainability reporting process. Please address your queries to [enquiry@tiongwoon.com](mailto:enquiry@tiongwoon.com) as we strive to continually improve our sustainability measures and performances.

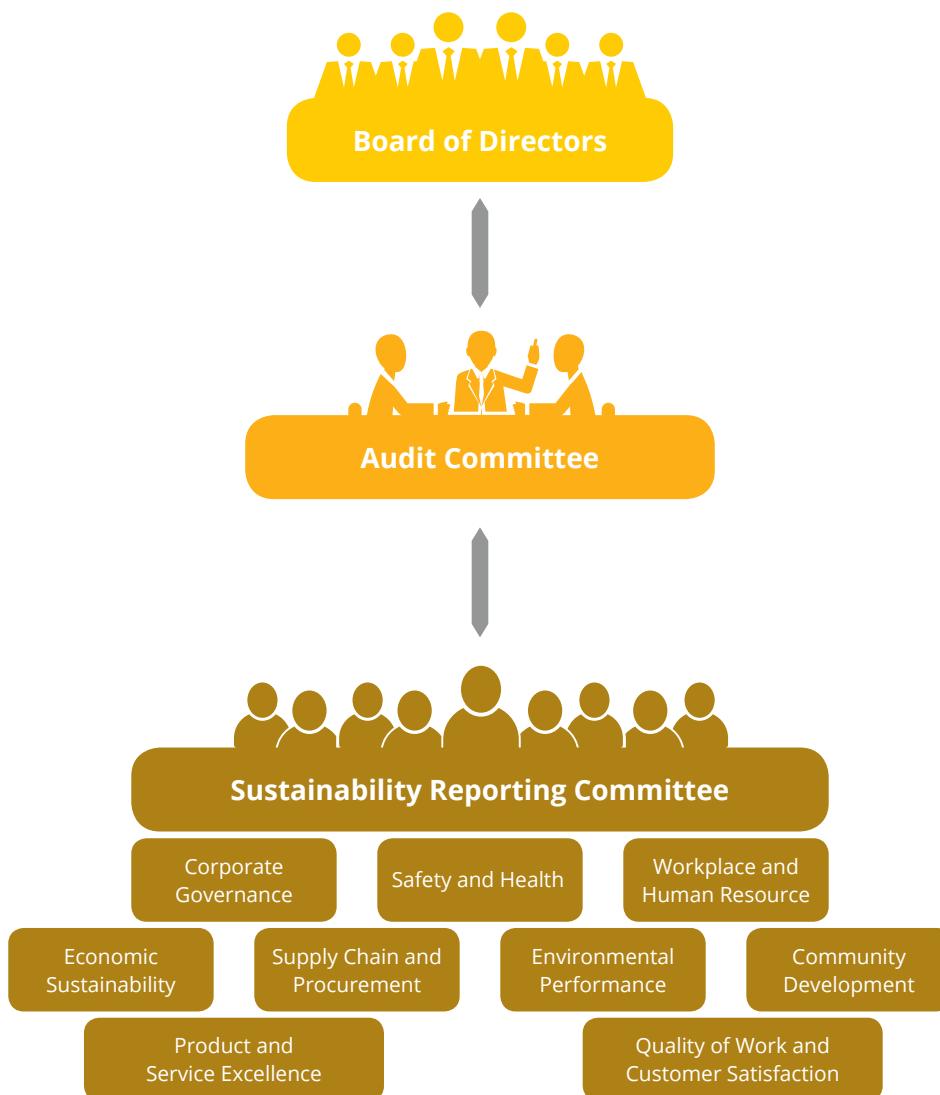
# SUSTAINABILITY APPROACH

Tiong Woon believes in expanding our businesses in a sustainable manner. We are committed to conducting business with integrity and to respond effectively to the ever-changing economic, environmental, social and governance ("EESG") conditions.

## SUSTAINABILITY GOVERNANCE

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

**Figure 3. Tiong Woon's Sustainability Governance Structure**











# SUSTAINABILITY APPROACH

## STAKEHOLDER ENGAGEMENT

At Tiong Woon, we value all our stakeholders and believe that establishing strong and lasting relationships with them is critical for the long-term viability of the Group. Through regular engagements, we are able to identify their key concerns and respond timely to their evolving needs. Our approach towards stakeholder engagements is presented in Figure 4 below:

Figure 4. Stakeholder Engagement

Key Stakeholder Groups	Key Interests	Our Response	Key Engagement Methods	Frequency of Engagement
Investors 	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Good corporate governance</li> <li>Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Provide reliable and relevant information to our investors.</li> <li>Cultivate a culture of transparent and timely communication with our investors</li> </ul>	Annual report	Annual
			Annual stakeholders meeting	Annual
			Announcement and circulars	Regular
			Quarterly reports	Quarterly
Employees 	<ul style="list-style-type: none"> <li>Equal opportunities in Tiong Woon</li> <li>Employment benefits</li> <li>Training and development activities</li> <li>Remuneration</li> </ul>	<ul style="list-style-type: none"> <li>Establish a fair and diverse working environment, where all our employees have the same opportunity to grow and achieve their career aspirations.</li> <li>Provide competitive remuneration and employment benefits.</li> </ul>	Performance appraisal	Annual
			Employee engagement survey	Annual
			Volunteering activities	Bi-annual
			Training and development programs	Regular
Customers 	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Business ethics</li> <li>Good corporate governance</li> <li>Product and service innovation</li> </ul>	<ul style="list-style-type: none"> <li>Sustain our reputation as a reliable partner for our customers.</li> <li>Deliver quality service and meet their expectations.</li> </ul>	Customer satisfaction survey	Annual
			Regular meeting and direct communications	Regular
			Company marketing events	Ad-hoc
Suppliers 	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Long term relationship with Tiong Woon</li> <li>Financial and operational performance</li> </ul>	<ul style="list-style-type: none"> <li>Close collaboration with our suppliers to achieve a long, sustainable relationship.</li> </ul>	Direct communication and meetings	Regular
			Supplier audit	Annual
Communities 	<ul style="list-style-type: none"> <li>Contribution to local communities</li> <li>Local employment</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to local communities through corporate sustainability programmes.</li> </ul>	Corporate sustainability programmes	Ad-hoc
Regulators 	<ul style="list-style-type: none"> <li>Compliance to relevant laws and regulations</li> <li>Environmental impacts of the operations</li> <li>Tiong Woon's economic contribution</li> </ul>	<ul style="list-style-type: none"> <li>Fully compliant with all applicable environmental and socio-economic regulation.</li> <li>Contribute to the local economy through local employment and tax payments to the government.</li> </ul>	Site visit and audit checks	As and when required
			Direct communication and meetings	As and when required

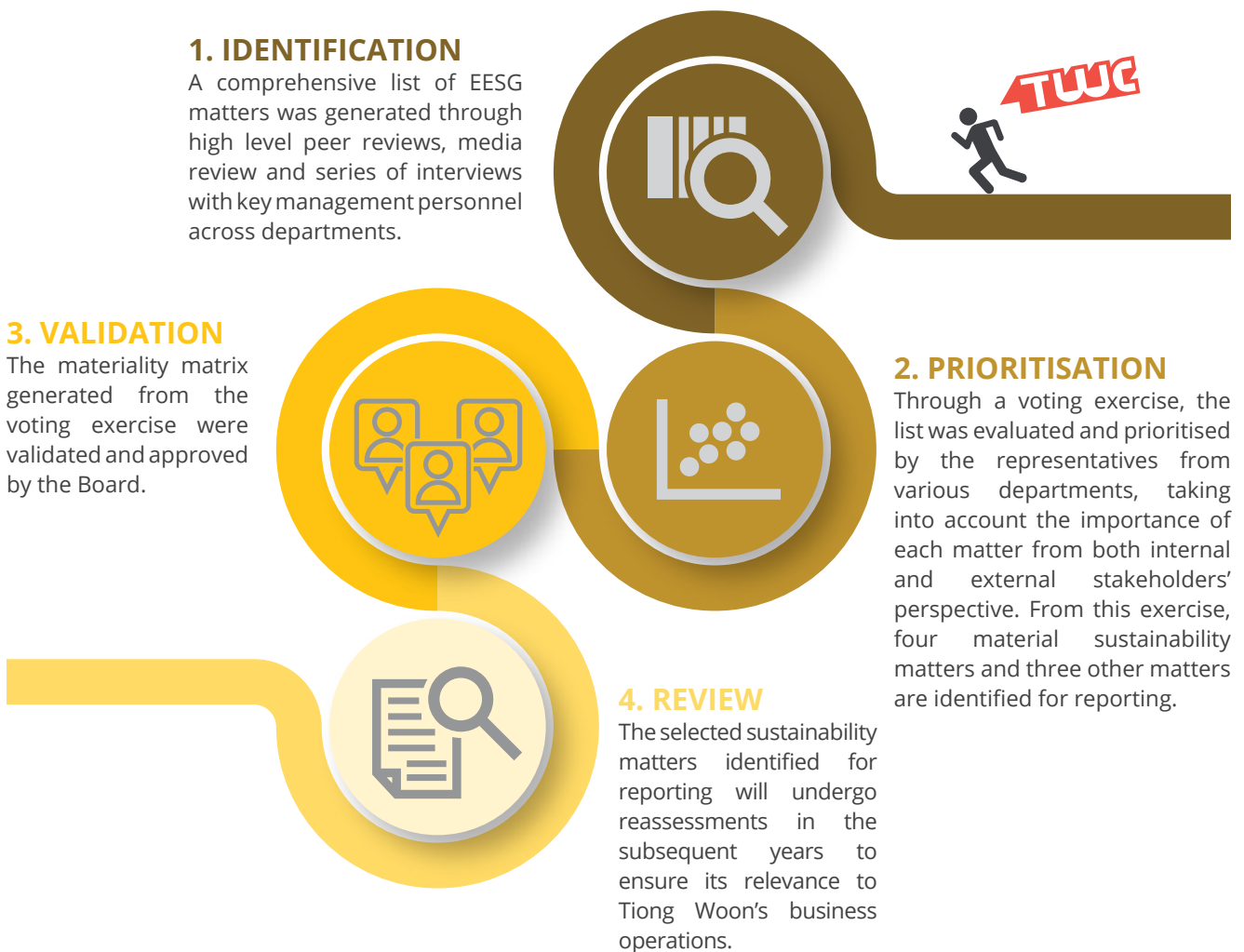


# SUSTAINABILITY APPROACH

## MATERIALITY ASSESSMENT

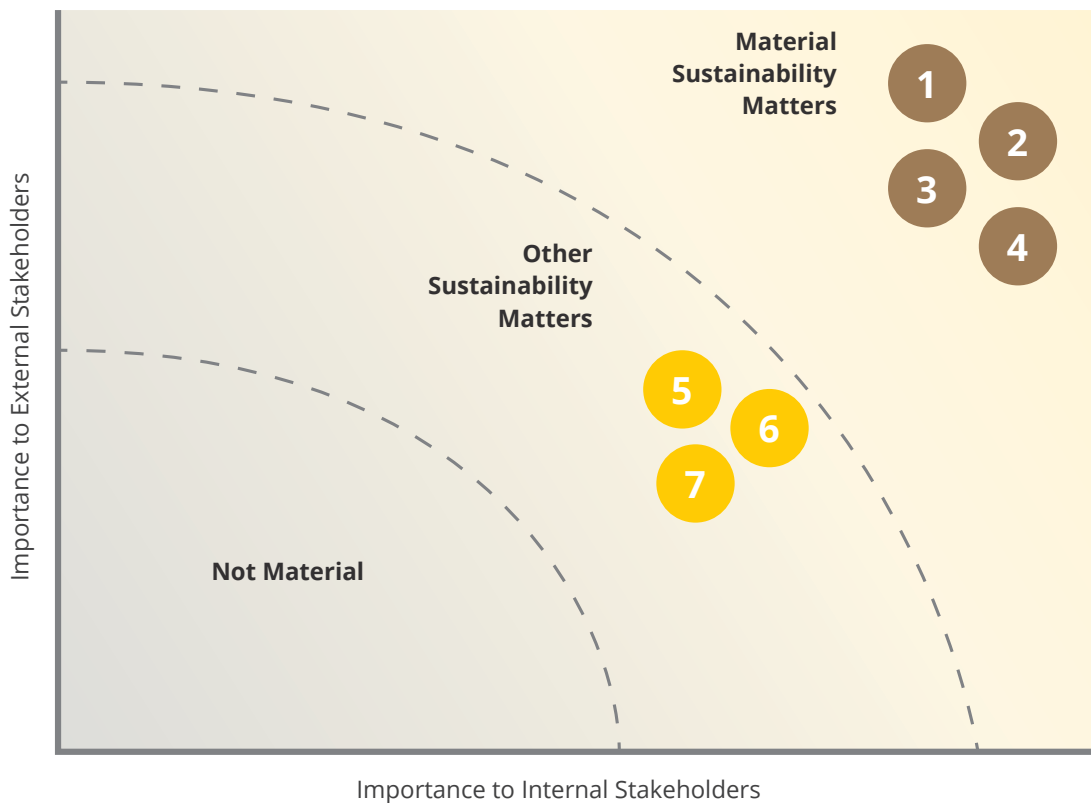
Tiong Woon identifies material sustainability matters as matters that have significant impacts on the Group and our key stakeholders. In prioritising the sustainability matters, we conducted a formal materiality assessment workshop in December 2018. With the assistance of an independent sustainability consultant, we adopt a four-step materiality assessment process, as presented in Figure 5 below. A total of four material sustainability matters and three other sustainability matters are identified through this assessment. We will continue to review the material sustainability matters on an annual basis to ensure its relevance to our business.

Figure 5. Materiality Assessment



# SUSTAINABILITY APPROACH

Figure 6: Tiong Woon’s Materiality Matrix



No.	Matter	Category	GRI Topic Disclosures
<b>Material Sustainability Matters</b>			
1	Economic performance	Economic	GRI 201-1: Direct economic value generated and distributed
2	Customer satisfaction	Social	GRI 102-43: Approach to stakeholder engagement (customer) GRI 102-44: Key concerns of topics raised (customer)
3	Corporate governance	Governance	GRI 205-3: Confirmed incidents of corruption and actions taken GRI 307-1: Environmental compliance GRI 419-1: Socioeconomic compliance
4	Workplace health and safety	Social	GRI 403-2: Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities
<b>Other Sustainability Matters</b>			
5	Talent development	Social	GRI 401-1: New employee hires and employee turnover GRI 404-1: Average hours of training per year per employee
6	Employee well-being	Social	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
7	Energy consumption and GHG emissions	Environment	GRI 302-1: Energy consumption within the organization GRI 302-3: Energy intensity GRI 305-1: Direct (Scope 1) GHG emission GRI 305-2: Direct (Scope 2) GHG emission GRI 305-4: GHG emissions intensity

# CREATING SUSTAINABLE GROWTH

## CORPORATE GOVERNANCE

### Expressing our Emphasis on Corporate Governance

Apart from being a mandatory requirement for SGX-listed companies, upholding high standards of corporate governance, ensuring the sustainability of our business, and maximising the value of our stakeholders are of great importance to Tiong Woon. We understand that any breaches of business ethics and non-compliance to the laws and regulations can affect the Group's reputation, revocation of our licenses and imposition of penalties. The steadfast commitment towards corporate governance is reflected across Tiong Woon's operations and in our interactions with suppliers and customers.

### Corporate Governance Policies and Initiatives

Tiong Woon strives to sustain a business that strictly adheres to the most efficient and compliant of corporate governance practices. Hence, over the years, our Group established specific policies and procedures that help align its business activities.


**Figure 7. Corporate Governance Policies and Procedures**

Policies/Procedures	Description
Whistleblowing Policy	Outlines the procedures to raise any identified cases of fraud, corruption, or other dishonest practices in the workplace.
Employee Code of Ethics	Provides guidelines for employees to be rightfully committed to the Group's various business dealings, such as safeguarding confidential information, appropriate workplace mannerisms, avoiding or handling conflicts of interests, ethical use of company property and responsible social networking.
Employee Code of Conduct	Sets out the standard of conduct and performance for all employees as well as the appropriate corrective actions for any breaches of the standard.

To facilitate the effective management of the aforementioned policies, the Audit Committee is actively engaged and plays a vital role in ensuring good corporate governance within the Group. Regular compliance related trainings are conducted to ensure that employees keep abreast of these policies. In addition, all employees are briefed on the business code of conduct upon joining the company during the orientation programme.

### Our Target and Performance

In FY2018, we have met our target of zero confirmed incidents of corruptions and zero confirmed incidents of non-compliance with applicable environmental and socioeconomic laws and regulations.

Perpetual Target	Performance for FY2018
Zero confirmed incidents of corruption	 Achieved
Zero confirmed incidents of non-compliance with applicable environmental and socioeconomic laws and regulations	 Achieved

# CREATING SUSTAINABLE GROWTH

## ECONOMIC PERFORMANCE

### Expressing our Emphasis on Economic Performance

Economic performance<sup>1</sup> is imperative for our Group. It reflects the Group's performance and its ability to grow. In Tiong Woon, we place emphasis on the importance of sustaining positive financial returns to achieve sustainable growth for the Group. The Group also recognises its role in developing the local economy. We understand that our economic footprint has direct and indirect impacts to the countries where we operate in.

### Economic Performance Policies and Initiatives

We recognise the importance to stay ahead of the competition by responding effectively to the challenging business environment. By focusing more on its core business, the Group is able to consolidate its resources and streamline its businesses to stay competitive in the industry.

To explore new business opportunities, the Group strives to venture its business into new markets. This provides avenues to gain market share and increase revenues. With the Group's global network and business presence, Tiong Woon remains focused to drive growth, improve profitability and enhance stakeholders' value.

### Our Target and Performance

In FY2018, the Group's economic value generated amounted to \$97.7 million as compared to \$114.8 million in the previous year. The decline was primarily due to lower contributions from the Heavy Lift and Haulage; and Engineering Services segments. In FY2018, we have wound down our business in the Engineering Services segments substantially. Despite the challenging business environment, Tiong Woon is committed to create and distribute economic value across our operations. A total of \$98.5 million in economic value was distributed through various forms, including taxes to the government, purchases from suppliers, compensations to employees and investments to communities.

Full details of the Group's financial information can be found in Annual Report FY2018.

### Case Study:

#### Tiong Woon Corporate Social Responsibility

Tiong Woon believes that through our actions, we can raise the overall awareness of social responsibility and good corporate citizenship.

Through our corporate social responsibility programs, Tiong Woon has consistently contributed to the community over the years. In FY2018, we reached out to The UOB Heartbeat, organised a lunch treat to the elderly from the Blue Cross Thong Kheng Home, distributed food for the elderly and donated books to the needy. We strive to continue playing our part to work with local communities on various welfare programs.



<sup>1</sup> The economic performance presented in this section covers the Group's operations in Singapore and overseas subsidiaries. The full list of our operations can be found on page 3 of Annual Report FY2018.



# CREATING SUSTAINABLE GROWTH

## CUSTOMER SATISFACTION

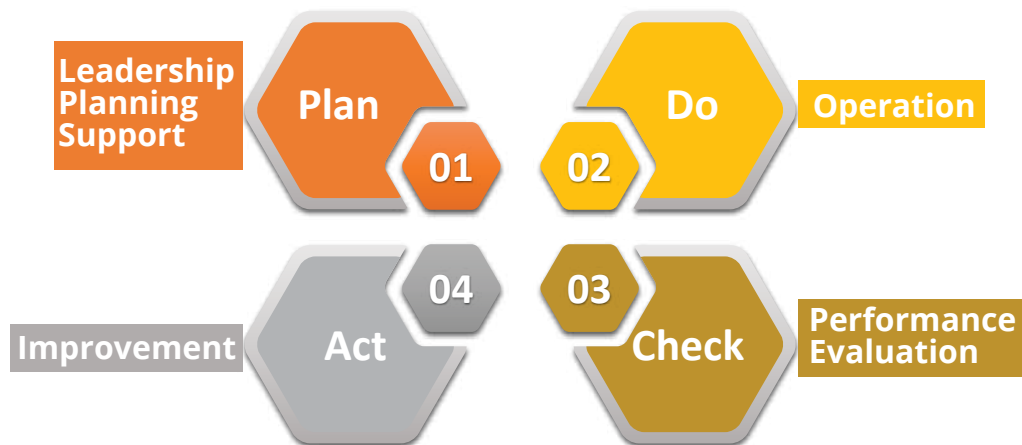
### Expressing our Emphasis on Customer Satisfaction

As a service provider, the Group's financial performance is highly reliant on demand from customers. The revenue generated by the Group is primarily driven by our customers' level of satisfaction. Tiong Woon seeks to maintain a track record of service quality excellence and create pleasant experiences for our customers.

### Customer Satisfaction Policies and Initiatives

The Group has put in place a Quality Policy, which encompasses a thorough Quality Manual to manage and support our operations in meeting the needs and expectations of our customers. This policy covers all operations in Singapore and is overseen by the Management, including the Chief Executive Officer. As a reflection of our commitment to deliver quality service for our customer, the Group's Quality Management System ("QMS") is ISO 9001:2015 certified. The key elements of our QMS are presented in Figure 8 below.

Figure 8. Key Elements of QMS



During this year, Tiong Woon organised a marketing event to introduce new products from suppliers. This event aimed to introduce new portfolios to our customers, giving them a greater variety of options and improved knowledge on the Group's service offerings. Tiong Woon has also collaborated with the Ministry of Manpower to conduct crane inspections. In this occasion, we invited our customers to witness the inspection process.

Regularly, our Sales Department engages with customers to keep abreast of their needs and requirements. Any complaints received are addressed in a timely manner.

# CREATING SUSTAINABLE GROWTH

## Our Target and Performance

To monitor service excellence, we conducted a customer satisfaction survey which was sent out to 36 randomly selected clients. The survey covered five services offered by the Group and several assessment criteria such as equipment reliability, response time and punctuality. The feedback was consolidated and reviewed, with appropriate actions taken to further improve our service. The survey results pertaining to the Group's business services are presented in Figure 9.

**Figure 9. Tiong Woon's Customer Survey Analysis**

Services	Average Satisfaction Level - Scale from 1 (poor) to 5 (excellent)
Crane Services	3.5
Transport Services	3.3
Support Services (Marking and Technical)	3.8
Support Services (Field Operation)	3.5
Customer Service	3.7

For any equipment breakdowns, we target to solve the issue within a 48-hour window of incident report.

Perpetual Target	Performance for FY2018
48-hour response time for equipment breakdown	 Achieved



# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

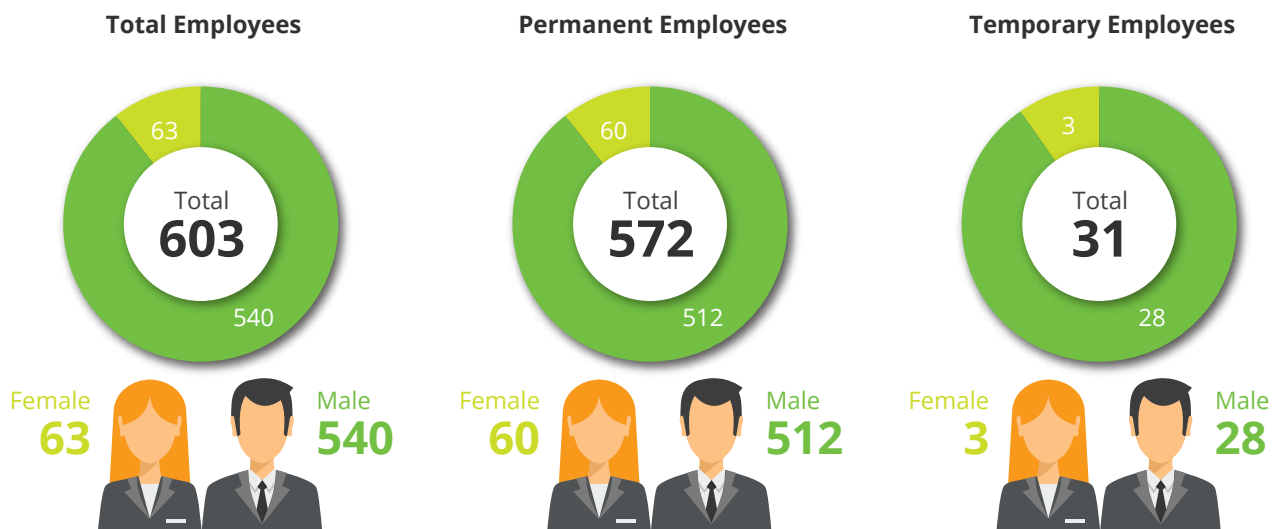
Tiong Woon is reliant on people to drive our business forward. We respect and uphold human rights principles, adhere to fair employment practices and invest in developing and training our workforce.

## EMPLOYEES PROFILE

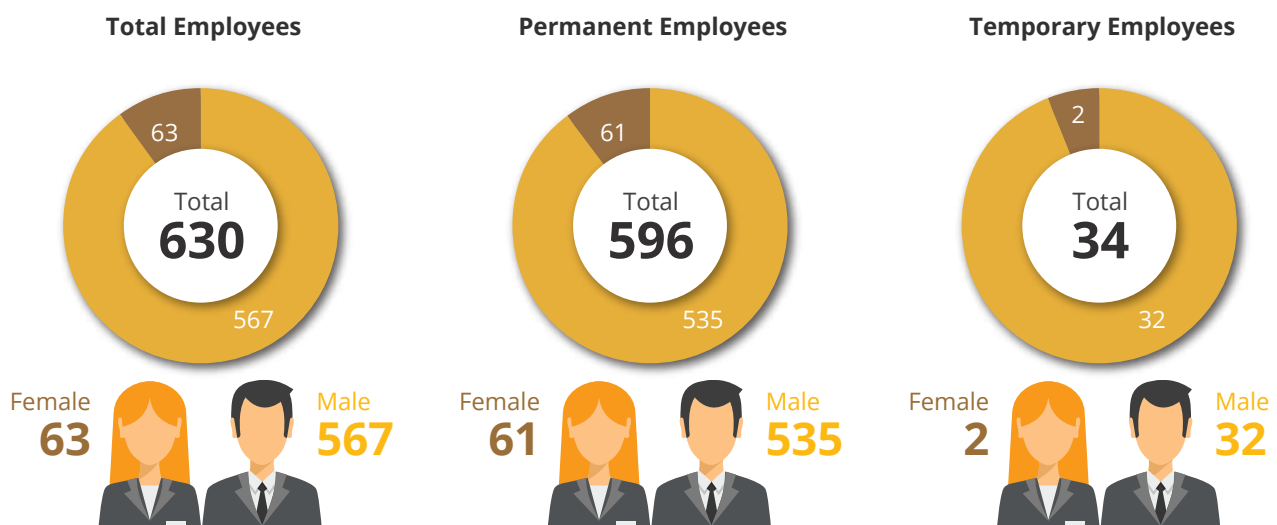
At the end of 2018, we saw an increase in our workforce from 603 in 2017 to 630 in 2018. The majority of our workers were hired on a full-time basis with permanent contract. Tiong Woon has a notably higher proportion of male employees (90%) as compared to the female employees (10%) due to the nature of our business which attracts more male workers over female workers. The detailed profile<sup>2</sup> of our employees is shown in Figure 10 below.

**Figure 10. Tiong Woon's Employee Profile**

### 2017



### 2018

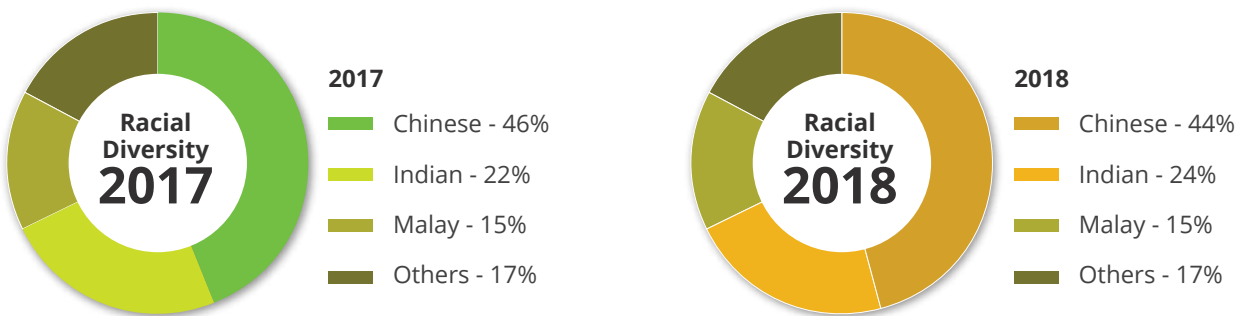


<sup>2</sup> The data presented in this section covers the period from 1 January 2018 to 31 December 2018 with the prior year's data from 1 January 2017 to 31 December 2017 presented for comparison purposes.

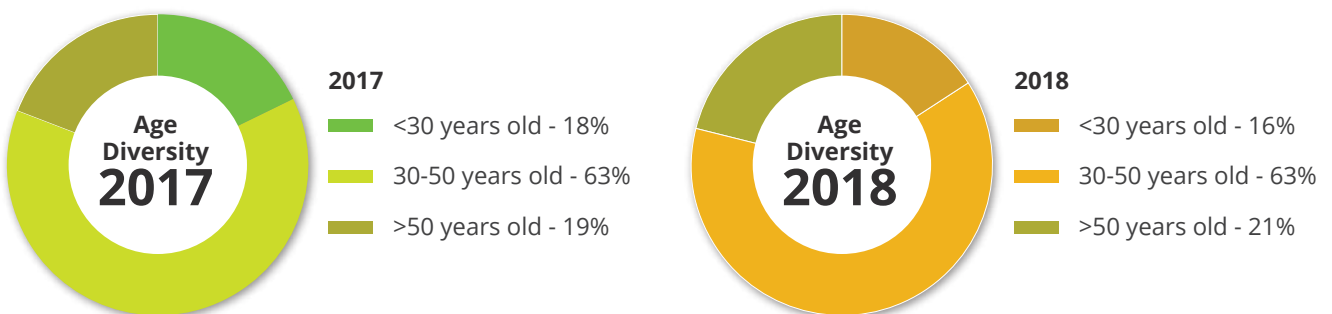
# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

Tiong Woon embraces an inclusive working environment where employees from different age groups, educational backgrounds and ethnicities have equal opportunities to grow. We believe that workforce diversity is vital to foster creative thinking, which will help the Group embrace a challenging business climate. The Group's employees' demographics are presented in Figures 11 and 12 below.

**Figure 11. Racial Diversity**



**Figure 12. Age Diversity**





# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

## WORKPLACE HEALTH AND SAFETY

### Expressing Our Emphasis on Workplace Health and Safety

In Tiong Woon, we firmly believe that all our employees deserve to work in a safe and healthy environment. Promoting strong workplace health and safety culture has always been our highest priority. A conducive working environment will not only boost employees' morale but also increase the overall workforce's productivity and efficiency. We recognise that it is our responsibility to ensure that all our workers get home safe every day.

### Our Workplace Health and Safety Policies & Initiatives

Tiong Woon establishes a group level Health, Safety and Environment ("HSE") Policy which undergoes an annual review. The policy has been updated in FY2017 to include the SGSecure initiative. We have also attained an Occupational Health and Safety Assessment System ("OHSAS") 18001:2007 and bizSAFE Level Star certifications, reflecting our strong commitment in providing a safe working environment for all employees. Figure 13 below presents the key areas in our HSE management system.

Figure 13. Key Elements in HSE Management System



To monitor and track HSE performance as well as to oversee the implementation of HSE programmes, a dedicated HSE committee has been set up at the group level. This committee consists of representatives from the Group's subsidiaries and projects.

Regular safety programmes such as regular toolbox meetings, campaigns, and emergency fire drills are conducted throughout the year. A safety training matrix has been maintained to ensure that relevant employees are equipped with essential safety skills and knowledge. Tiong Woon also organises bi-monthly management walkabouts to monitor and assess any safety-related hazards.

To evaluate the effectiveness of our policies and management system, an external audit is conducted by an independent organisation. We have also undertaken several internal audits at our operations in Singapore during this reporting period.

## CULTIVATING RELATIONSHIP WITH OUR PEOPLE

### Workplace Health and Safety Targets and Performance

Despite our efforts in maintaining a safe working environment for our workers, we encountered 15 cases of injuries in FY2018. Depending on the severity of the injuries, incident investigations were rolled out and corrective action were implemented. Figure 14 below summaries the safety measures taken to prevent future injuries.

Figure 14. Safety Measures Taken to Prevent Future Injuries

Cause of Injury	Safety Measures
Mishandling of tools and machinery	<ul style="list-style-type: none"> <li>Wear Personal Protective Equipment ("PPE")</li> <li>Follow Standard Operating Procedures ("SOP") for machinery</li> <li>Team support system to look out for one another during operations</li> <li>Issue self-adjusting guards for machine operators</li> <li>Install anti-slip grips on equipment</li> <li>Install luminous tapes to attract user's attention</li> </ul>

Our overall injury rate decreased from 9.9 in FY2017 to 9.2 in FY2018. Our HSE performance data is presented in Figure 15 below.

Figure 15. Workplace Safety and Health Performance

Category	FY2017			FY2018		
	Male	Female	Total	Male	Female	Total
Number of Injuries	14	1	15	15	0	15
Injury Rate ("IR") <sup>3</sup>	10.3	6.8	9.9	10.2	0.0	9.2
Lost Day Rate ("LDR") <sup>4</sup>	284	205	276	199	0	180
Absentee Rate ("AR") <sup>5</sup>	0.44%	1.32%	0.52%	0.46%	1.09%	0.52%

Perpetual Target	Performance for FY2018
Zero cases of work-related fatalities	 Achieved

<sup>3</sup> Injury rate refers to the number of work related incidents per million manhours worked.

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

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

# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

## Case Study:

Propelling WSH Standards through Our Safety Campaigns

### Safety Campaign in Partnership with the WSH Council: “The Vision Zero Movement”



In light of embracing a strengthened WSH culture at Tiong Woon, we conducted a Safety Campaign at Tiong Woon’s facility in Pandan Crescent. We invited personnel from the Ministry of Manpower’s WSH Council, including the National Crane Safety Taskforce Chairman, as the special guests of this campaign. This comprehensive campaign involved presentations and lessons on multiple essential topics: Securing of Load on the transport vehicle, Safe Driving and Fall Prevention when working at a Height as well as Hand Safety.

The highlight of this campaign was “The Vision Zero Movement”, a National WSH Campaign with the clear message being “I can prevent all injuries and be healthy at work.” Through the movement, we aimed to bring all

stakeholders on board in believing that zero harm is made possible by preventing any injuries at the workplace. This belief could then drive a sharper focus on finding solutions to prevent injuries and ill health. Ultimately, Tiong Woon appreciates how such solutions can improve everyone’s lives at the workplace and beyond.



### Tiong Woon Crane Safety Campaign 2018

In 2018, Tiong Woon conducted a Safety Campaign in collaboration with Shell at our Pulau Bukom facility. The topic of the campaign was “Safe Topping Up of Diesel”. The objective of this campaign was to raise workforce awareness on the safe topping up of diesel as this is one of Tiong Woon’s routine activities in our Pulau Bukom facility. As there were previous observations made with regards to this activity, this campaign aided in reminding employees and workers on the dos and don’ts regarding the safe topping up of diesel.

HSE personnel, responsible for organising this campaign, conducted a quiz session for the workers, who were then encouraged to provide feedback on the demonstration

of the diesel topping up the process. They contributed ideas that could help improve every employee or worker’s handling of the procedures. All employees and workers who answered the quiz questions correctly were awarded cash vouchers. All employees and workers were also informed of past incidents and the impacts of those unfortunate incidents on the affected workers’ personal lives. Conclusively, we wrapped up the campaign by emphasising that employees and workers must remember to fully comply with Tiong Woon and Shell’s safe work procedures.

# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

## EMPLOYEE WELL-BEING

### Expressing Our Emphasis on Employee Well-Being

Happy employees are productive employees. Tiong Woon places emphasis on the importance of the overall health and well-being of our staffs. We believe that ensuring their wellness is critical to support them in reaching their best potentials and driving our business forward. The Group also strives to provide the workforce with competitive employment benefits to motivate and retain employees, which will support the Group's business growth.

### Employee Well-Being Policies and Initiatives

The Group provides essential employment benefits and welfare to our dedicated employees. These benefits are outlined in the Group's Human Resources ("HR") manual. All employees are covered with health care benefits such as hospitalisation and surgical insurance plan, critical illness insurance plan, medical care and dental care. Personal Accident Insurance Policy and Workmen Compensation Policies with disability/invalidity coverage are also provided. All our staffs are entitled to various leaves such as annual, parental, compassionate, marriage and examination leaves.

To promote the overall well-being of our employees and raise awareness on the topic, Tiong Woon has established a sports and wellness club which organises various recreation activities as well as health and wellness seminars. Our building in Singapore is equipped with gym facilities where employees can exercise regularly and participate in classes which are taught by certified instructors. In addition, a recreation lounge with karaoke system is created for employees to relax and promote team bonding.

Figure 16. Wellness and Recreation Facilities in Tiong Woon





# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

## Case Study:

### Employee Get-Together Sessions

To foster stronger employee bonding across organisations, Tiong Woon organised various get-together activities during the reporting year. From special occasion celebrations such as Chinese New Year (“CNY”), Mid-Autumn Festival and Christmas to more casual events such as Durian Party, we strive to provide more opportunities for our employees to interact with one another across different departments and subsidiaries. During these sessions, we also incorporated team building games to infuse fun and creativity as well as strengthen collaboration among our employees.

#### CNY Celebration



#### Christmas Celebration



#### Durian Party



## Case Study:

### Dormitory for Foreign Workers



We believe that providing clean and comfortable living spaces for our foreign workers is essential in supporting their overall well-being.

To this end, Tiong Woon has built and now operates a MOM-approved secondary foreign worker dormitory strategically located adjacent to our headquarter and operational base at 15 Pandan Crescent.

In addition to our stated objectives above, this initiative has also allowed us to successfully eliminate daily commute time for many members of our workforce, providing more time for rest and recreational activities.

Standing seven levels tall with lifts access to every level, all 43 fully furnished air-conditioned rooms come with beds, personal lockers, electric fans and HEPA air filters. Common bathrooms, toilets, laundry machines and free Wi-Fi access are available at every level as well.

Residents enjoy 24-hour biometric access, indoor and outdoor recreational areas and the convenience of a mini market located at the ground floor of the facility.

The dormitory is also very popular among the neighbouring companies along Pandan Crescent and is home to many foreign workers working within the vicinity.



# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

## TALENT DEVELOPMENT

### Expressing our Emphasis on Talent Development

Our people are our greatest assets. Investing in learning and development programmes for our workers enable us to equip them with the right skills and expertise to fulfil their critical roles and responsibilities across the organisation. Tiong Woon understands that developing and growing our workforce's skillsets and knowledge will eventually contribute to the long-term success of the Group.

### Talent Development Policies and Initiatives

Talent development and engagement are vital to building internal capabilities in the competitive markets we are in. The Group believes that capitalising on our employees will improve talent retention and reduce its turnover across our operations.

Tiong Woon maintains learning and development procedures which serve as guidelines to manage talent development and employee training across its operations. The Group has established several in-house and external training programmes, which mainly focus on soft skills and safety training. For new joiners or less experienced workers, Tiong Woon also provides mentorship programmes to help them accelerate their learning process.

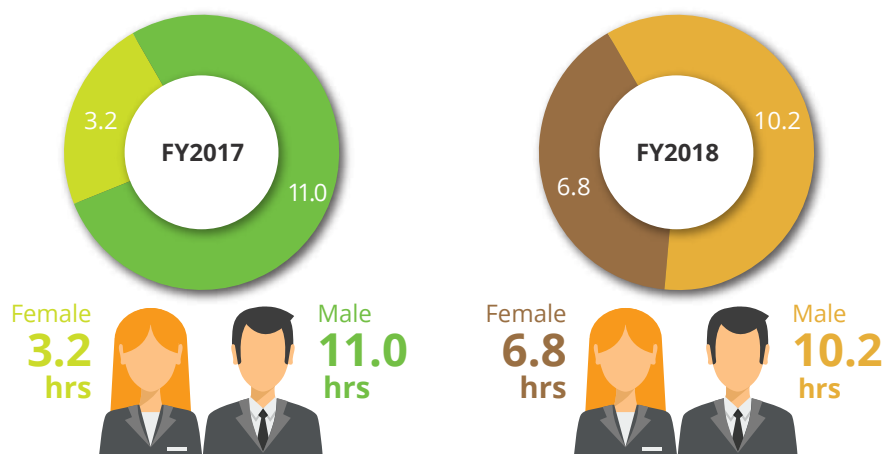
Annual performance appraisals are conducted to assess employees' performance. A face-to-face meeting will be held between employees and their respective head of departments to discuss their job performance, including the areas of responsibilities and improvements. This process is guided by the performance management procedure adopted by the Group.

### Our Target and Performance

#### Training

In FY2018, the Group's training hours increased to a total of 6,210 hours, translating into an average of 9.9 training hours per employee. The breakdown of our employees' average training hours is presented in Figure 17 below.

**Figure 17. Average Training Hours per Employee**

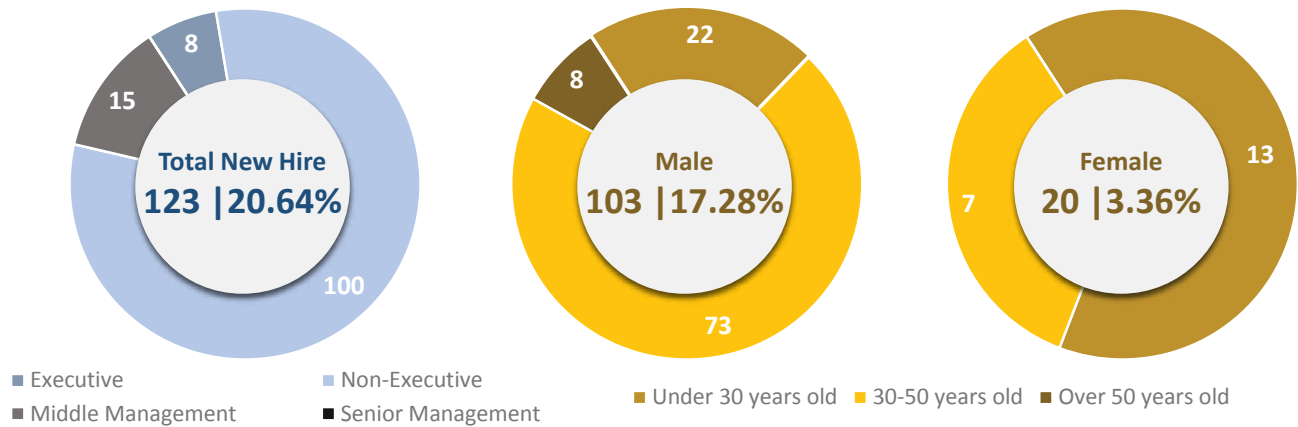


# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

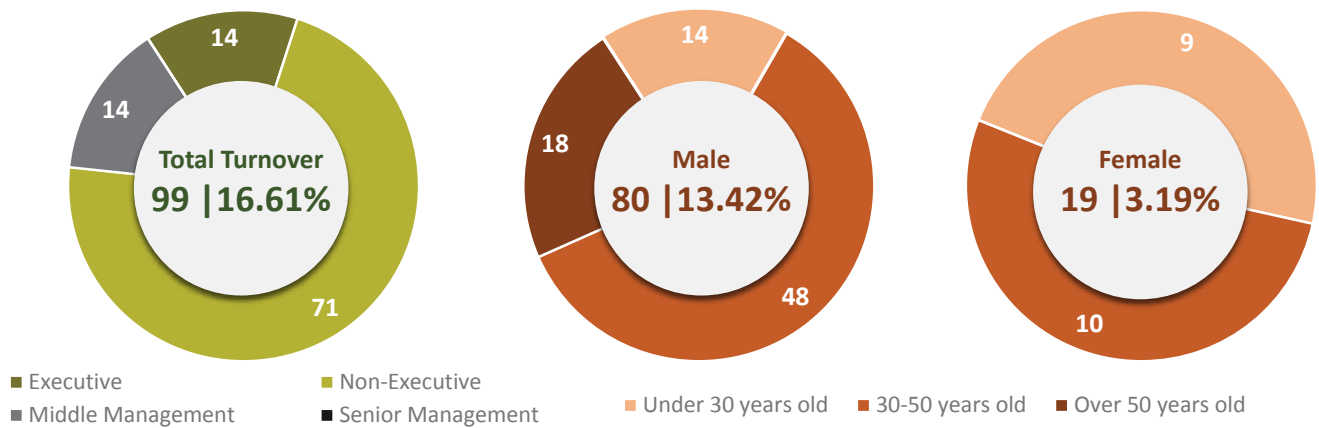
## New hires and turnover<sup>6</sup>

In this reporting period, there were 123 new hires, reflecting a 20.64% new hires rate. The Group also recorded a 16.61% turnover rate this year, which are mainly non-executive staffs. The breakdown of Tiong Woon’s new hire rate and turnover rate are presented in Figures 18 and 19 below.

**Figure 18. New Hire Rate, By Employment Category and by Gender and Age Group**



**Figure 19. Turnover rate, by Employment Category and by Gender and Age Group**



<sup>6</sup> The number of new hires and turnover presented in this section only covers our permanent employees. There were no new hires or turnover for the senior management category for FY2018.



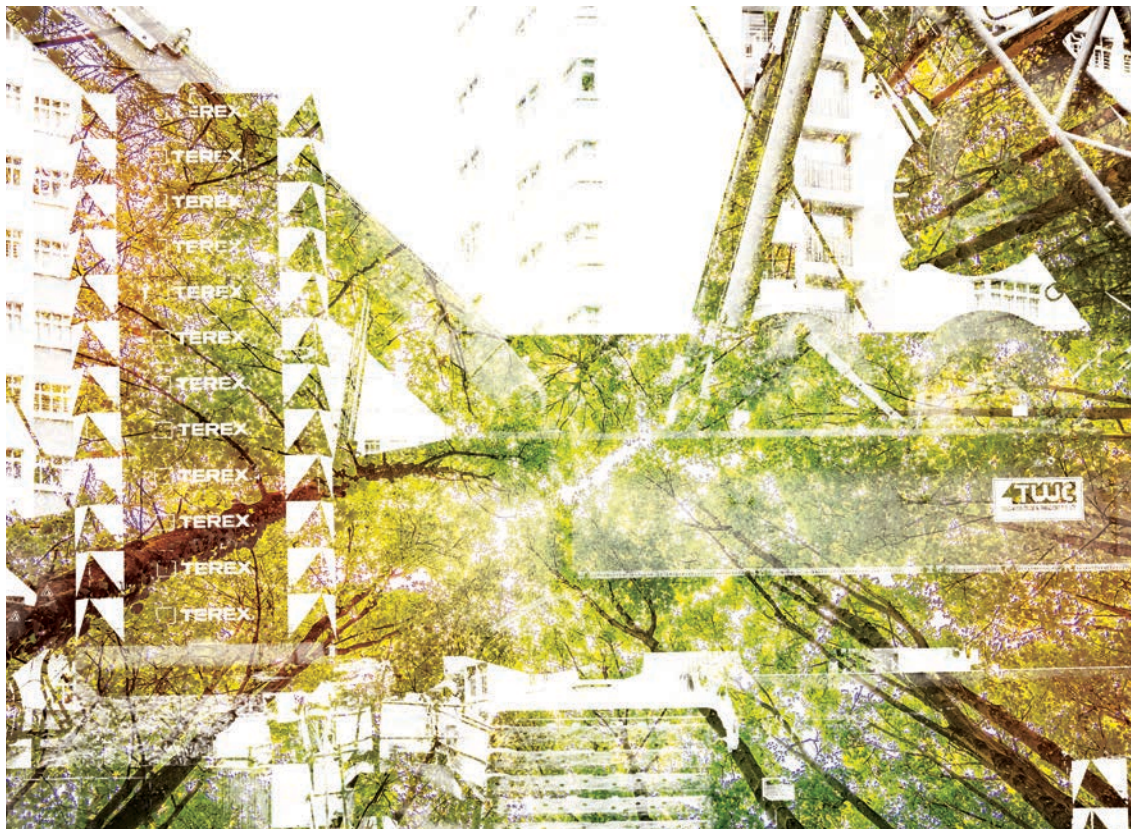
# CULTIVATING RELATIONSHIP WITH OUR PEOPLE

## Case Study: Mentorship Programme



At Tiong Woon, we recognise the importance of mentorship programme. We believe that attaching new employees to a more experienced employee can help to improve their learning process, develop their technical expertise, and ease their onboarding progress. Mentors are expected to provide guidance not only on the day-to-day job but also on the mentee's career development. With this program, we aim to promote a learning culture in the company as well as to foster a stronger bond between new employees with the organisation.

Mentorship also forms part of our career development for our crane operators. Crane operators will be attached to senior mentors to learn the operation and understand the technicalities of bigger capacity cranes or cranes of differing models and makes. This mentorship program enables our crane operators to be versatile in their competency level.





# CARING FOR THE ENVIRONMENT

## ENERGY EFFICIENCY AND GHG EMISSIONS

### Expressing Our Emphasis on Energy Efficiency

Energy cost – from electricity and fuel consumption – make up a considerable portion of our operating cost. The Group translates energy efficiency initiatives as an opportunity to lessen our expenses, thereby improving our profitability. The Group also understands that the reduction of energy consumption in its operations reflects the Group contribution to the reduction of Greenhouse Gas Emissions (“GHG”).

### Energy Efficiency Policies and Initiatives

In Tiong Woon, we embark on a phased approach to manage our energy consumption and environmental impacts. We take a reasonable approach to improving our environmental performance gradually. The Group’s energy consumption comprises a mix of fuel consumption and electricity usage from the grid.

In a bid to reduce fuel consumption, the Group commits to only purchase new equipment with a more fuel-efficient operation for fleet renewal. The Group uses AdBlue, a mixture of urea and deionised water, to eliminate the emission of nitrogen oxides when used in conjunction with specific catalytic reduction systems, making vehicles more environmentally-friendly. Figure 20 below summarises our key sustainable practices to reduce fuel consumption.

**Figure 20. Key Sustainable Practices to Reduce Fuel Consumption**

Practices	Description
Vehicle selection	We choose newer equipment with a more fuel-efficient operation when considering renewing our fleet.
Regular maintenance	We conduct regular maintenance of all our fleets to ensure its fuel efficiency.
Driving practice	We regularly remind our drivers to switch-off the engines whenever the vehicle is idling and not in use.

The electricity consumption mainly comes from our two operating estates in Singapore. Across these two estates, several meters are installed to give better insight into the energy consumption in the compounds. The Estate Management Team is responsible for tracking the energy consumption and implementing energy efficiency initiatives by installing timers for selected lighting circuits and the replacing of broken lamps with LED lights.

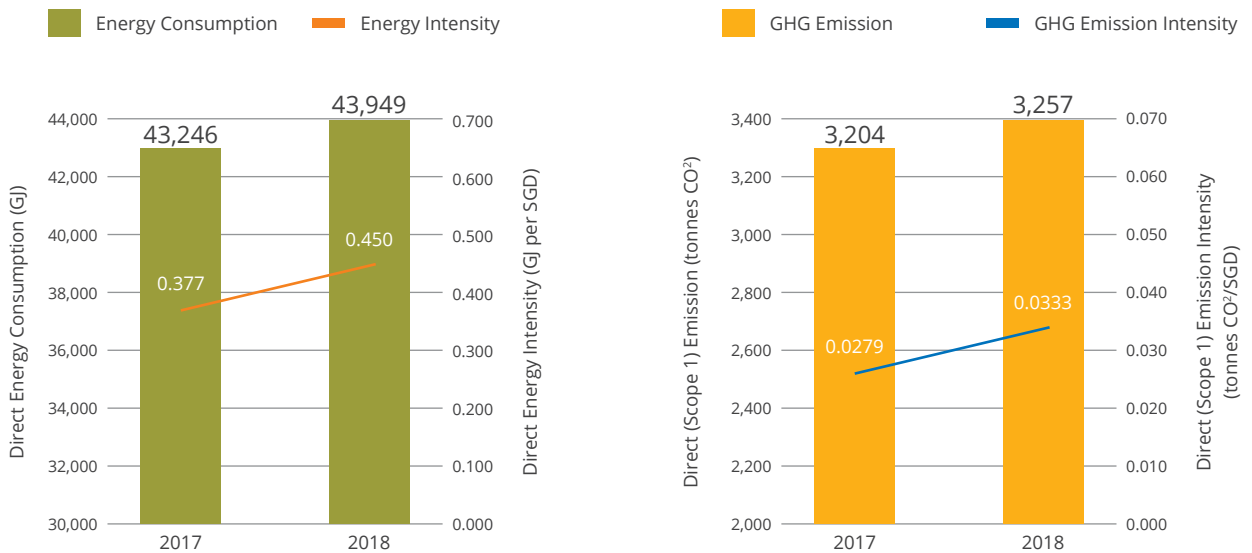
### Our Target and Performance

In FY2018, Tiong Woon consumed a total of 43,949 GJ of fuel and 1,475 MWh of electricity which translates to 5,308 GJ of electrical energy. Both energy consumption has increased as compared to FY2017, with a 1.6% increase in fuel consumption and a 14.4% increase in electrical usage.

# CARING FOR THE ENVIRONMENT

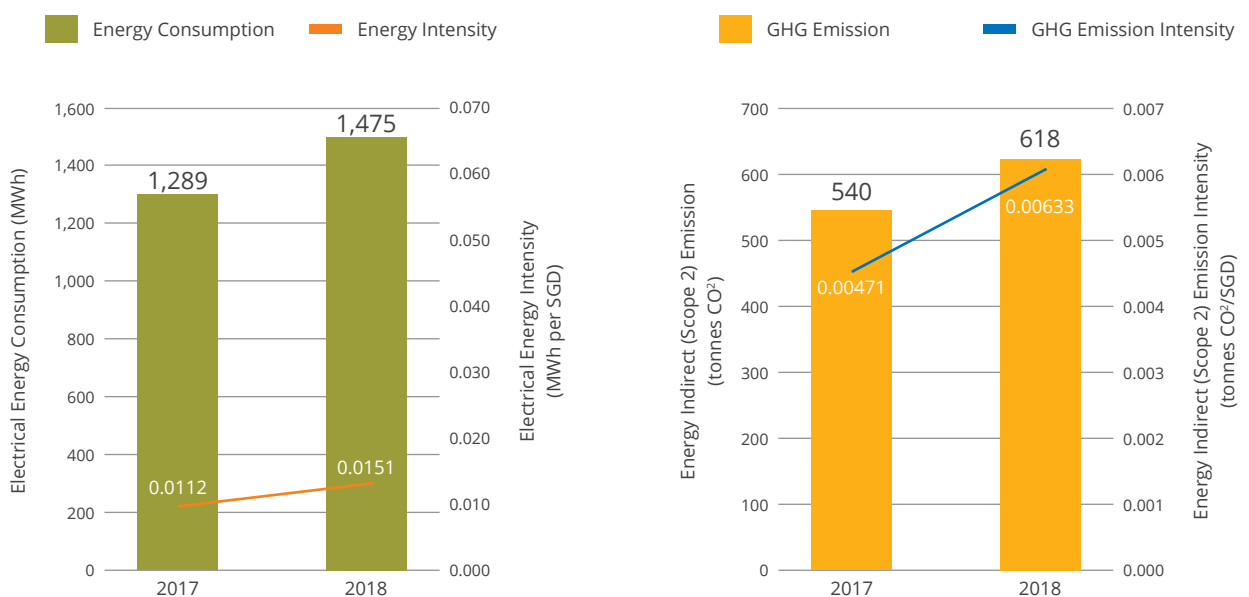
The fuel was mainly consumed by heavy lift and haulage equipment, tugboats, barges, and other supporting vehicles. The increase in fuel consumption was primarily attributed to the increasing utilisation of cranes and other supporting vehicles during the reporting period. Tiong Woon’s fuel consumption and direct (Scope 1) GHG emissions are presented in Figure 21 below.

**Figure 21. Direct Energy Consumption and Intensity and Direct (Scope 1) GHG Emissions and Intensity**



The electrical energy consumption is derived from grid electricity. The electricity is mainly utilised by tenants, workshop, offices, air conditioning unit, dormitory and jetty. During this reporting period, the increase in electricity consumption is primarily due to the rise in electrical usage by the tenants. The electrical energy consumption and indirect (Scope 2) GHG emissions are presented in Figure 22 below.

**Figure 22. Electrical Energy Consumption and Intensity and Indirect (Scope 2) GHG Emissions and Intensity**



# CARING FOR THE ENVIRONMENT

## Case Study: Electricity Reduction Initiatives

Occupying a Gross Floor Area ("GFA") of more than 48,000 square meters and standing approximately 60 meters tall, our facility, conveniently located at 15 Pandan Crescent, has served as headquarter and operational base for Tiong Woon since its completion in January 2016.

Within minutes away from major expressways and the seaport, the facility is well received by the logistics industry and enjoys a high occupancy rate.

Up to 70% of available GFA is fully utilised by various Tiong Woon's subsidiaries, and the remaining 30% of GFA is leased out to tenants.

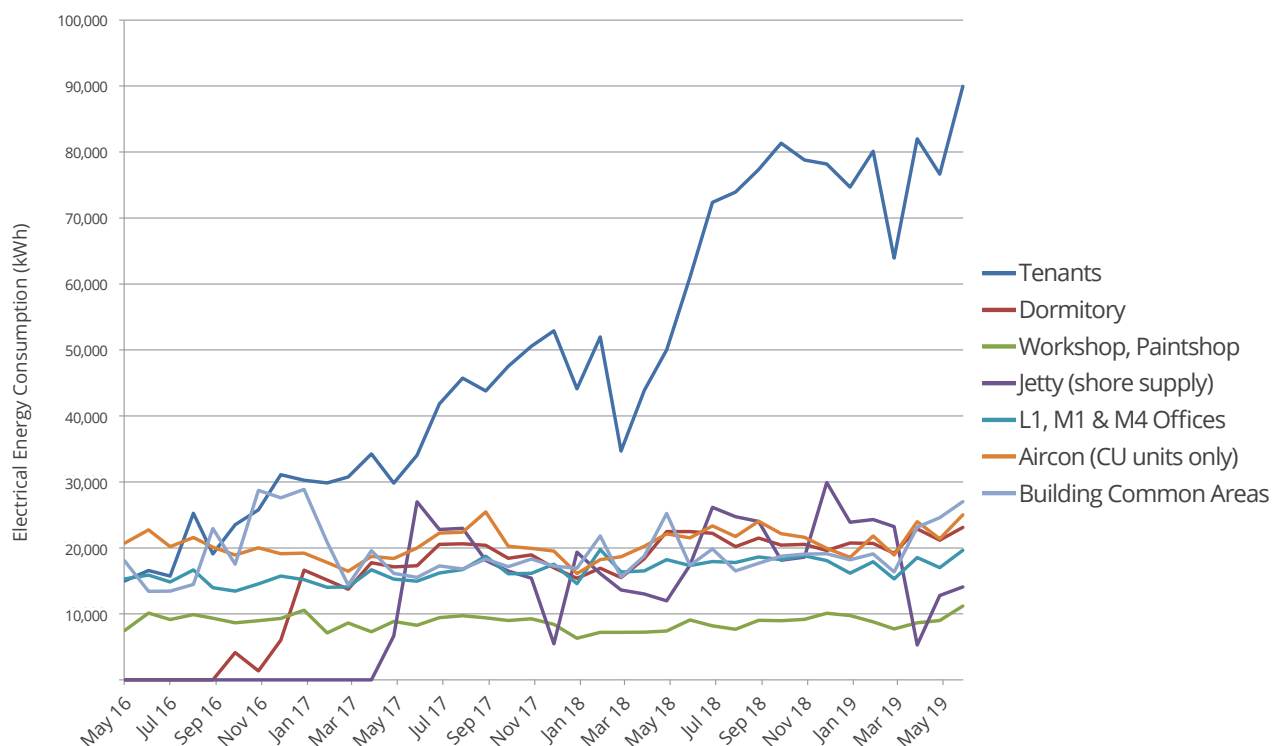
With high occupancy and rising electrical costs, Tiong Woon conducted a study to reduce electrical consumption in common areas. Data analysis were executed on the following implementation:

- Install timers to lights at the rooftop area.
- Reconfigure installed lightings at the ramps to allow turn-on using alternate loops.

Results from the energy saving initiatives were encouraging, with electrical consumption savings of up to 10,000 kWh were achieved monthly, translating into \$2.4/kWh savings annually on electricity costs for common areas. The electrical consumption analysis is presented in Figure 23 below.



**Figure 23: Electrical Consumption Analysis**



# GRI CONTENT INDEX

GRI Standard Disclosure Reference	Description	Section of Report/Reasons for Omission	Page No.
<b>GRI 102: General Disclosures</b>			
<b>Organisational Profile</b>			
102-1	Name of the organisation	Board Statement	1
102-2	Activities, brands, products, and services	Our Business	2
102-3	Location of headquarters	Our Business	2
102-4	Location of operations	Our Business	2
102-5	Ownership and legal form	Our Business	2
102-6	Markets served	Our Business	2
102-7	Scale of the organisation	Our Business	2
102-8	Information on employees and other workers	Employee Profile	13
102-9	Supply chain	Our Business	2
102-10	Significant changes to the organisation and its supply chain	Not Applicable: Inaugural Sustainability Report	
102-11	Precautionary Principle or Approach	Corporate Governance	9
102-12	External Initiatives	Not Applicable	
102-13	Membership of Associations	Stakeholder Engagement	6
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Board Statement	1
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	Company Profile	2
<b>Governance</b>			
102-18	Governance structure	Sustainability Approach	5
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Stakeholder Engagement	6
102-41	Collective bargaining agreements	Not Applicable	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	6
102-43	Approach to stakeholder engagement	Stakeholder Engagement	6
102-44	Key topics and concerns raised	Stakeholder Engagement	6



# GRI CONTENT INDEX

GRI Standard Disclosure Reference		Description	Section of Report/Reasons for Omission	Page No.
<b>Reporting Practice</b>				
102-45		Entities included in the consolidated financial statements	Annual Report 2018	
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102-47		List of material topics	Materiality Assessment	7
102-48		Restatements of information	Not Applicable: Inaugural Sustainability Report	
102-49		Changes in reporting	Not Applicable: Inaugural Sustainability Report	
102-50		Reporting period	1 July 2017 to 30 June 2018	
102-51		Date of most recent report	This is Tiong Woon's Inaugural Sustainability Report	
102-52		Reporting cycle	Annual	
102-53		Contact point for questions regarding the report	Feedback	4
102-54		Claims of reporting in accordance with the GRI Standards	About the Report	4
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	103-3	Evaluation of the management approach	Corporate Governance	9
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GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Corporate Governance	9
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GRI 102: General Disclosures 2016	Guidance for 102-43	Approach to stakeholder engagement (customer)	Customer Satisfaction	11
	Guidance for 102-44	Key concerns of topics raised (customer)	Customer Satisfaction	11
<b>Workplace Health and Safety</b>				
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GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workplace Health and Safety	15

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GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Well-being	18
<b>Talent Development</b>				
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GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Development	20
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	305-4	GHG emissions intensity	Energy Efficiency and GHG Emissions	23



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