



SUSTAINABILITY REPORT 2017



Huatiang Global Limited

28 December 2018

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ABOUT THIS REPORT

Report Methodology

This is an inaugural report prepared by Huatong Global Limited (“Huatong Global” and together with its subsidiaries, the “Group”), following Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”) and in accordance with the Global Reporting Initiative (“GRI”) Standards Sustainability Reporting Guidelines 2016 - Core Option.

We have adopted the GRI reporting framework for its robust regime and detailed guidance on the disclosure of governance approaches, the environmental, social and economic performance and impacts on organisations. The GRI content index and relevant references are provided at the end of this report.

Our data is reported in good faith and to the best of our knowledge. We strive to continuously improve our data collection and reporting processes.

We have not sought external assurance for this report.

Report Scope

This report covers the sustainability performance of the Group for the financial year ended 31 December 2017 (“FY2017”).

This sustainability report focuses on our Group’s sustainability strategies and practices whilst highlighting the economic, Environmental, Social and Governance (the “ESG”) aspects of our activities and developments. Material topics described in this report have been identified and prioritised through our active stakeholder engagement process. A total of 5 sustainability topics will be covered in this report.

This report is provided in PDF format only and is available for download on our website at <http://www.huatong-global.com>.

Report Contact and Feedback

We welcome and value your feedback or suggestions on the content of this report and encourage you to contact us through the following channels:

- In writing to:
Huatong Global Limited
No. 9 Benoi Crescent
Singapore 629972
- Via our contact page at <http://www.huatong-global.com/contact>

MESSAGE FROM THE CHAIRMAN



Mr. Ng Hai Liong
Executive Chairman

Dear shareholders,

On behalf of the Board of Directors of the Company (the “Board”), it is my pleasure to present the inaugural Sustainability Report (the “Report”) of our Group. In this report, we discuss material ESG topics which are critical to our business and stakeholders, our strategy in managing these topics, and how we have performed in terms of our key performance indicators.

We strongly believe in three main principles when executing our business strategy and development and these are (i) quality in our services, (ii) safety for our people and (iii) sustainability for our Environment. These principles are integral to our business and is critical in achieving the long term success and growth of our group.

We recognise that our operations and sustainability efforts have both direct and indirect impact on our stakeholders. In our commitment to sustainability, we strive to drive our operations in the direction in which we can contribute positively to all of our stakeholders.

Our Board oversees the overall sustainability strategies, policies and direction. With the support from our management and staff of all levels, we are committed to ensure our business objectives are in line with our sustainability objectives.

The ESG landscape is constantly evolving, and we recognise the need to adapt our operations to accommodate these changes. We will continue in our efforts to improve the overall sustainability performance and build a more sustainable future.

Mr. Ng Hai Liong
Executive Chairman

ABOUT OUR GROUP

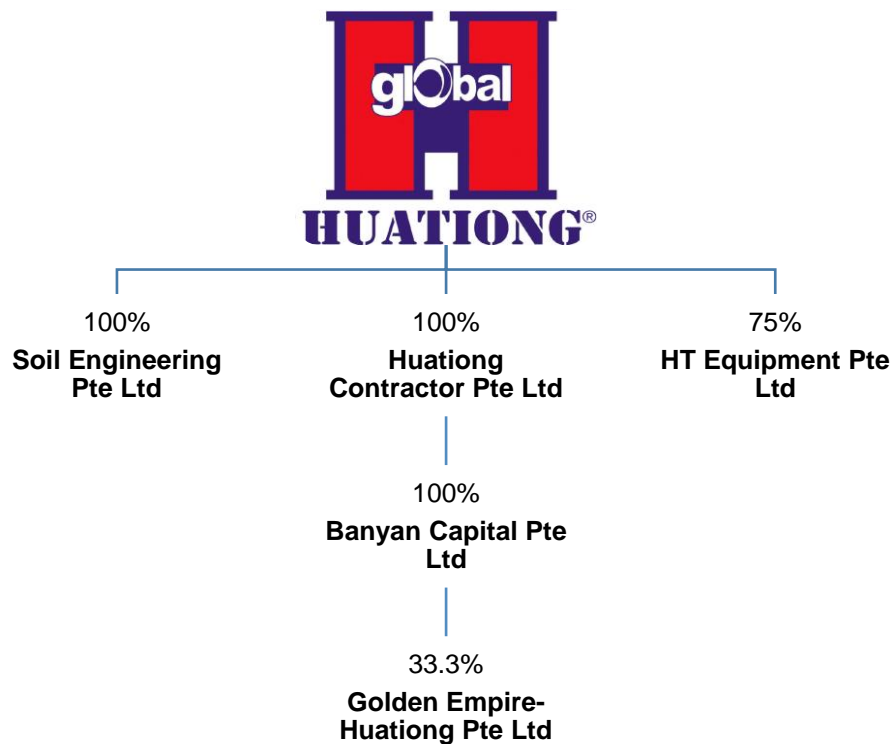
Corporate Profile

Our Group is one of the leading civil engineering service provider, with over 30 years of presence and track record in numerous large infrastructural projects in Singapore. We have been listed on the Catalyst of the SGX-ST since 9 December 2014.

We have three main business segments across the entities in our Group, namely (i) the provision of civil engineering services mainly focusing on infrastructure construction projects, (ii) provision of inland logistics support services and (iii) the sale of construction materials such as Recycled Concrete Aggregate (“RCA”), Liquefied Soil Stabiliser (“LSS”) and other construction materials.

Corporate Structure

The table below sets out our corporate structure chart as at this report date.



Our Supply Chain

We aim to build a responsible and sustainable supply chain by extending the application of responsible business practices to our local partners, suppliers and subcontractors. We wish to identify new opportunities for collaboration with our suppliers and subcontractors, gradually increase transparency and continue to build shared capacity to minimise our indirect environmental and social impacts.

Our key suppliers and subcontractors are carefully selected through our supplier selection process. When selecting our key suppliers, we examine criteria such as financial health, quality of products and services, and market reputation. In addition, we also take into consideration sustainability efforts undertaken by our suppliers and subcontractors in areas such as ethical conduct, effective health and workplace safety system and environmental management. We also perform ongoing monitoring and evaluation of our suppliers and subcontractors with these selection criteria.

We engage with our key suppliers on a regular basis to communicate our expectations as well as to obtain feedback from them. This is to ensure the products and services provided by our suppliers and subcontractors are aligned with our business requirements and sustainability objectives.

Membership of Associations

Some subsidiaries of our Group are registered with Singapore Contractors Association Ltd and certain subsidiary is also an ordinary member of the Waste Management & Recycling Association of Singapore.

Awards and Accreditation

Our Group has received a number of awards and accreditation in recognition of our performance and commitment to environmental and safety management. They are, amongst others, ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, BizSAFE Level Star certificate and Green and Gracious Builder Award.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY APPROACH & CORPORATE GOVERNANCE

Sustainability Approach

We incorporate the consideration of sustainability issues as part of our strategic formulation.

Our Board oversees the sustainability strategies, policies and direction. Our senior management is responsible for on-going management and monitoring of sustainability performance, advises and supports our Board on sustainability strategies and policies to ensure our business objectives are in line with our commitments to sustainable development.

We actively engage our key stakeholders to understand their needs and expectation, address their concerns, create and deliver sustainable value to them.

Corporate Governance

The Group recognises that good cooperate governance enables us to achieve our sustainability goals. We are committed to maintaining a high standard of corporate governance and business conduct to ensure greater transparency, accountability and to safeguard the interest of all stakeholders.

Our corporate governance practices are in line with the principles of the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore (the “MAS”) and the disclosure guide developed by the SGX-ST. The Board will also ensure that our Group complies with the other regulations, notices, circulars, and guidelines that may be released by the MAS and the SGX from time to time and should there be deviations, explanations will be provided.

We have policies and procedures incorporate key internal controls to ensure adequate checks and balances are in place. Periodic internal audits are also conducted to evaluate the effectiveness of these internal controls.

Enterprise risk management framework

Risk management processes are key to our strategic direction and business operations and Enterprise Risk Management (“ERM”) procedures remain an integral part of our business activities. Our ERM policy provides a framework for us to identify, manage and mitigate significant risks and we have established a risk management committee to oversee the risk management of our Group.

Code of Conduct

Our Group’s Code of Conduct stated in the Employee’s Handbook serves as a central guide and reference to our employees in ensuring that they understand the Company’s expectations and guiding principles for workplace behaviours. All employees are expected to exercise discretion on any information acquired during their term of employment and are obliged to comply our established Code of Conduct.

We have established policy and procedures to ensure that our employees understand the procedures when his or her personal interest conflicts with those of our Group's. All employees of our Group are required to declare and disclose any situation where their private businesses or personal interests conflict with those of our Group.

Whistle Blowing Policy

Our Group has adopted a whistle-blowing policy, whereby employees of our Group and relevant external parties may, in confidence, raise concerns about possible irregularities in matters of financial reporting or other matters to the whistle-blowing committee. The policy defines the processes clearly to ensure independent investigation of such matters and permits whistle blowers to report directly in writing, via email or in person to any of the whistle-blowing committee members.

The whistle-blowing committee comprises of our Board members. Our Audit Committee has power to conduct or authorise investigations into any matter within the Audit Committee's scope of responsibility. Findings from any investigations shall be reported to the Audit Committee for their further actions.

OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

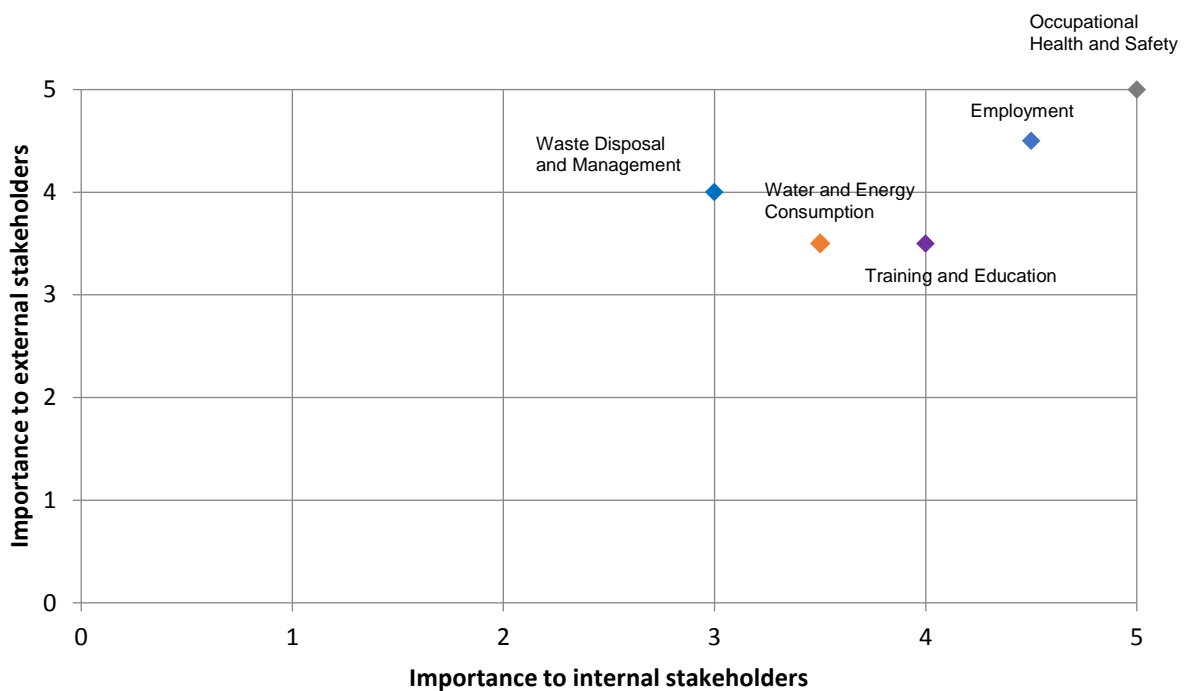
Collaboration with our stakeholders supports us in addressing sustainability challenges and opportunities. The stakeholder engagement provides valuable feedback and information throughout our sustainability journey particularly in identifying the material ESG factors, developing our sustainability plans and actions. By assessing our economic, social and environmental impacts on our stakeholders, we have identified six key stakeholder groups:

Stakeholders	Key Topics	Engagement Platform
Employees	<ul style="list-style-type: none"> Occupational health and safety Fair employment practices and compensation Training & development Performance 	<ul style="list-style-type: none"> Employee handbook Trainings Performance appraisals Grievance/ feedback channels Internal communication through emails Team bonding activities Annual appreciation dinner Staff exit interviews
Customers	<ul style="list-style-type: none"> Product / Service quality Project timelines, requirements and specifications Workplace safety Information and data security Feedback on completed projects 	<ul style="list-style-type: none"> Regular meetings Feedback channels such as email and telephone communications Corporate website Site visits
Suppliers / Consultants / Subcontractors	<ul style="list-style-type: none"> Product / Service quality Project timelines, requirements and specifications Workplace safety 	<ul style="list-style-type: none"> Regular meetings Timely feedback regarding material/services provided Site visits
Shareholders & Investors	<ul style="list-style-type: none"> Business strategy and directions Financial performance Dividend pay-out 	<ul style="list-style-type: none"> Shareholders' meetings SGX announcements and press releases Corporate website and email
Government & Regulators	<ul style="list-style-type: none"> Corporate governance Compliance with rules and regulations Sharing of industry best practices 	<ul style="list-style-type: none"> Government publication/ written communication Industry networking functions Seminars conducted by the regulators
Community	<ul style="list-style-type: none"> Clean and safe Keep neighbours informed Green and gracious environment 	<ul style="list-style-type: none"> Meetings Notices Charity events

MATERIAL TOPICS

In addition to our stakeholders’ engagement, our ERM procedures also assist us in identifying, assessing and evaluating business and sustainability risks which are relevant to the ESG topics.

Based on feedback gathered from our stakeholders, we have evaluated and identified topics which would have significant economic, environmental and social impacts and are material to the organisation and stakeholders. Material topics are prioritised as shown in the materiality matrix below.



Material Sustainability Topics:

1. Waste disposal and management
2. Water and energy consumption
3. Employment
4. Training and education
5. Occupational health and safety

We will review our material topics annually considering fresh stakeholders’ feedback and our own business goals. A more detailed discussion on the material topics, including management approach and topic boundary limitations, if any, is provided in the respective sections of this report.

ENVIRONMENT

WASTE DISPOSAL AND MANAGEMENT

Waste disposal and management still remains as one of the key environmental challenges in the Singapore's construction sector and being a key industry player in this sector, we play an important role in ensuring the environmental sustainability for our future generations. We adopted the motto "Reduce, Reuse and Recycle" in all of our operations so as to continuously achieve an efficient waste management system.

Since 2004, we have been recycling construction waste and aggregates to produce RCA, which are typically used for road construction or trench backfilling.

We also manufacture and supply LSS, a self-flowable, self-compacting and self-levelling alternative to conventional compacted fill. LSS, the environmental friendly material can be use as non-structural fill for buildings and other structures, as well as for backfill in utility and road construction. LSS reuses soil that has been excavated in construction projects and which would otherwise be discarded as waste. Compared to conventional compacted fill, LSS also has its advantage of being excavated again.

On management of water discharge at our project sites, we adopt the best practices for earth control measures ("ECM") recommended by the Public Utilities Board. In addition, we also assigned dedicated staff looking after the ECM regularly to ensure no silty water discharged from our project sites.

Our Group has also promoted the "Reduce, Reuse and Recycle Programme" as all our work places. At project sites, clearly labelled recycling bins are placed at designated areas for proper segregation of wastes. Material such as timber and metal are reused at our site where possible or otherwise, sent for recycling. Other non-recyclable construction wastes are disposed according to the relevant disposal guidelines. At our head office, we also compile our electronic waste for recycling.

Following Singapore's adoption of the Euro V and Euro VI emission standards, our Group has gradually replaced our Euro IV and below trucks with Euro V and VI trucks as the engine standard of Euro V & VI trucks has the heavy duty emission regulation which sets tougher emission limits.

Our Group is also certified as operating an environmental management system which conforms to the requirements of ISO 14001:2004 in the scope of providing civil engineering services and ISO 14001:2015 in the scope of providing building construction and civil engineering services as well as the production and delivery of LSS. Our Group also received the Green and Gracious Builder Award from BCA.

WATER AND ENERGY CONSUMPTION

Improving energy efficiency and reducing water consumption will remain an important goal for us so as to keep our operational costs low and help reduce the impact on the environment.

Water consumption

We monitor our water consumption actively to assess usage and maintain cost efficiencies. We strive to continue to strengthen our water conservation efforts through water conservation initiatives that are incorporated throughout our businesses. These include the use of water efficient equipment and technologies, creating awareness of water conservation among our employees and monitoring water usage.

FY2017	Cubic Meter
Water Consumption	85,000

Electricity Consumption

Electricity plays an important role in our business operation and usage of electricity is relatively high and we will strive to upkeep our electricity conservation efforts through introduction of alternate source of energy, constant monitoring of our electricity consumption levels to maintain or improve cost efficiencies as well.

FY2017	KWh
Electricity Consumption	682,110

To reduce energy consumption, we also identify opportunities to use renewable energy and introduce energy efficient equipment and processes. For an instance, we have installed solar panel system to supply clean power for our site equipment such as total suspended solids monitoring devises, CCTV and noise monitoring system.

SOCIAL

OUR PEOPLE

Policies on Employment

We recognise our people as our most valuable resource and vital to our Group's sustainability. A motivated workforce will convey a positive and powerful message to all our key stakeholders, such as our customers, suppliers and members of the community.

We have developed and established our human resource (HR) management principles and policies based on fair employment practices with the goal of attracting, developing and retaining a robust and motivated workforce. Our HR policies cover key areas such as staff recruitment and selection, remuneration and benefits, performance appraisals, career development and training, safety and security and cessation of employment. Such policies are communicated to all employees through our Employee Handbook.

Fair Employment Practice

Our HR practices are referenced to the Fair and Progressive Employment Practices formulated by Singapore Tripartite Alliance which comprises the Ministry of Manpower (the "MOM"), Singapore National Employers Federation and National Trades Union Congress.

Staff are hired based on skills, experience, or competency relevant to the job. We recognise and maximise the strength of each individual employee, provide equal opportunities based on merit, nurtures our employees through training and development programmes and reward our employees based on their performance.

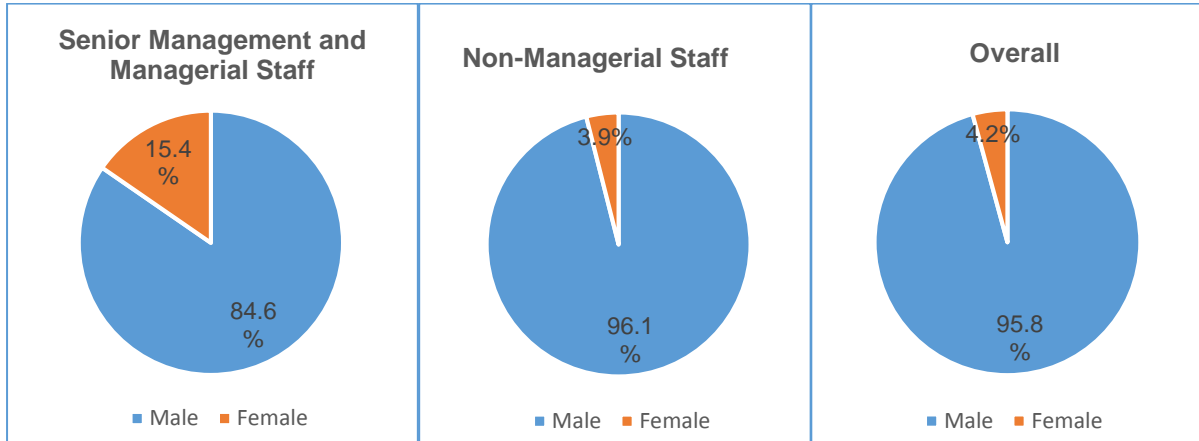
Open Communications and Timely Feedback

As our business relies on employees' day-to-day activities, effective communication across the organisation and timely feedback from our employee are crucial to the improvement of overall management and operations of our Group.

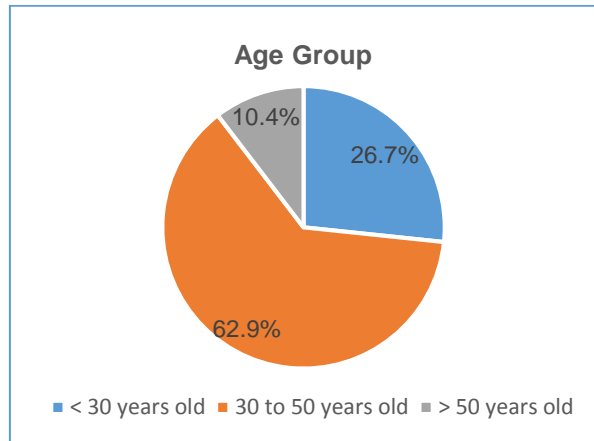
Formal meetings such as project meetings, departmental meetings or cross departmental meetings are held regularly. Our employees are also engaged in various feedback channels such as performance reviews and lunch/tea sessions. Our employees are also encouraged to provide feedback as and when needed, so that issues can be properly evaluated, and necessary actions can be implemented on a timely basis.

Workforce Diversity

We recognise the importance of creating a diverse environment with equal opportunities across race, religion, age group and gender. Below charts show our workforce profile in terms of gender as at 31 December 2017:



As at 31 December 2017, 15.4% of our staff who are senior management or holding managerial position were female, while 3.9% of our staff holding non-manual position were female. Overall 4.2% of our employees were female. Due to the nature of our business operations, the duties of our employees at our worksites requires laborious efforts which will explain our gender profile to be predominantly males.



As at 31 December 2017, 26.7% of our employees were below the age of 30, 62.9% were between 30 and 50 years old, and the remaining 10.4% were above 50 years old.

SUSTAINABILITY TOPICS

TRAINING AND EDUCATION

We believe in investing in people's knowledge and skills to promote development and remain competitive in the market. Various training and development programmes are available to provide employees with the right skills and technical know-how to equip them to do their jobs more efficiently and effectively.

All of our new employees will undergo orientation programmes to familiarize themselves with our general working environment, corporate culture, service knowledge as well as quality requirements. These programmes are conducted in-house with emphasis on matters relating to employee conduct and discipline, quality and safety awareness.

On-the-job training is provided by the employees' immediate supervisors, who share their experiences and knowledge, provide guidance and advices, as well as monitor performance of individual employee. On-the-job training helps our employees gain the necessary skills and knowledge and familiarise with our procedures and processes for their respective job functions.

To ensure that our employees are kept abreast with the latest developments in their respective fields, we also send selected employees to attend seminars, conferences and training courses from time to time.

We are also a BCA Approved Training and Testing Centre conducting courses on hydraulic excavator operation. Being a course provider in this sector, we impart knowledge and skills which will help the workers gain more technical skills relevant to their job, therefore enhance their work productivity and quality.



Our workers engaged in trainings and group discussions.



Our staff attending the Occupational First Aid Course

On average, each employee received about 7.8 hours of training in FY2017. We will continuously monitor the training hours received and ensure the training quality.

SUSTAINABILITY TOPICS

SAFETY OF OUR EMPLOYEES

Safety of our employees is one of our top guiding principles as our employees are our most valuable asset and it is our responsibility to ensure their health and safety. Our Quality Environmental Health and Safety steering committee oversees and monitors the establishment, implementation and maintenance of the safety policies and practices of the Group.

Our approach to workplace safety and health management is full adherence to the legislative requirement and adopting recommended industry standards and guidelines. We have in placed a Workplace Safety and Health (“WSH”) policy which sets out safety measures and risk management guidelines for WSH Hazards in Construction Industries.

In implementing our WSH procedures, qualified health, safety and environment officers are appointed to identify and address potential operational risks, providing safety briefings/trainings to employees, as well as investigating accidents including finding root causes and following up with preventive measures.

Safety awareness starts with all new hires who are required to attend a compulsory safety induction programme. The programme introduces our WSH policy, highlights workplace hazards and potential risk areas of accidents may occur, and outlines our OHSAS procedures. Further safety trainings will be conducted based on site and job requirements. Safety measures and occupational health precautions are constantly conveyed to employees during the regular meetings such as daily toolbox meetings to ensure maximum safety protection at worksites.



Toolbox meeting at our project site

WSH alerts issued by WSH Council are circulated to all the employees to remind them the importance of workplace safety. The alerts keep the Company and workers informed of recent WSH incidents and highlight learning points, and provide recommendations on how similar incidents can be averted.

We are certified under OHSAS 18001:2007 in Occupational Health and Safety Management. We were also awarded BizSafe Star Certificate in recognition of our ongoing commitment and efforts to health and safety.

We have incorporated the WSH safety standards into our business activities and also extended the requirements and standards to our supply chain for all our projects. Our suppliers, contractors and subcontractors are required to abide by relevant WSH laws and regulations.

In FY2017, there were 2 reportable work-related accidents occurred and there were no fatalities. We acknowledge the importance of employee safety and will continuously improve workplace safety and strive to achieve a zero accident occurrence rate.

GRI CONTENT INDEX

Note: AR = Annual Report 2017

GRI Standard	Disclosure	Page Reference / Reason for Omission, if any
GRI201: General Disclosures		
Organisation Profile		
102-1	Name of the organisation	Page 1 & 3
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102-3	Location of headquarters	
102-4	Location of operations	
102-5	Ownership and legal form	AR Page 120 & 121
102-6	Markets served	Page 3
102-7	Scale of the organisation	AR Page 6 -10
102-8	Information on employees and other workers	Page 11-13 AR Page 11-15,
102-9	Supply chain	Page 3
102-10	Significant changes to the organisation and its supply chain	N/A
102-11	Precautionary principle or approach	Page 5-6
102-12	External initiatives	Page 4 & 9
102-13	Membership of associations	Page 4
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102-14	Statement from senior decision maker	Page 2
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Page 2 & 6
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102-18	Governance structure	Page 5 & AR Page 17 - 44
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102-40	List of stakeholder groups	Page 7
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Page 7
102-43	Approach to stakeholder engagement	Page 7
102-44	Key topics and concerns raised	Page 7 & 8
Reporting Practice		
102-45	Entities included in the consolidated financial statements	AR Page 16, 89-91
102-46	Defining report content and topic boundaries	Page 1
102-47	List of material topics	Page 8
102-48	Restatements of information	N/A, this is our first report
102-49	Changes in reporting	N/A, this is our first report
102-50	Reporting period	Page 1
102-51	Date of most recent report	This is our first report

GRI Standard	Disclosure	Page Reference / Reason for Omission, if any
102-52	Reporting cycle	Page 1
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GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundaries	Page 5 - 7 & the respective section of the specific topics
103-2	The management approach and its components	
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403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 15
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404-1	Average hours of training per year per employee	Page 14
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