

KEONG HONG HOLDINGS LIMITED



SUSTAINABILITY REPORT
2021



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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S MESSAGE

DEAR STAKEHOLDERS,

We are pleased to present our Sustainability Report ("Report") for the financial year ended 30 September 2021 ("FY2021"), which details the Group's achievements in Environmental, Social and Governance ("ESG") matters.

Keong Hong Holdings Limited ("Keong Hong" or "the Group") recognises that robust corporate governance practices underpin a successful sustainability strategy. Good corporate governance has enabled the Group to achieve our sustainability goals, navigate changing expectations of our stakeholders with regards to sustainability as well as manage risks and opportunities presented by environmental changes. It has also played an important role in ensuring compliance with the latest regulatory requirements and in the effective management of the sustainability performance of the Group.

One of the most serious environmental challenges facing us today is climate change. As part of our efforts to contribute to global initiatives in combating climate change, we have incorporated the United Nations Sustainable Development Goals into this year's report, highlighting our contributions to the attainment of global sustainability targets including the goal of climate action. The Group is also making strides in reducing our emissions footprint; we have entered into a renewable energy power purchase agreement at our Chin Bee Factory to utilise solar energy and reduce the carbon emissions from our operations. We have also obtained a Green Loan project financing facility for the refurbishment of Grand Hyatt Hotel Singapore, which is a Green Mark Platinum project.

We also continued to contribute to the preservation of the natural biodiversity in the Maldives, where comprehensive programmes have been developed to minimise waste generation, energy consumption and ensure the survival and continued growth of natural coral reefs in the surrounding area which are at risk due to rising global sea temperatures.

Technology has once again played an integral role in elevating our operational, business and sustainability performance. We have enhanced our manufacturing and quality management processes with leading-edge cloud technology and virtual reality software as part of our continuous drive to innovate. These have enabled us to enhance our workmanship and productivity as well as improve the resilience of our operations to business interruptions amid the ongoing COVID-19 pandemic.

Our customers' and employees' safety and well-being are of foremost importance to us given the ongoing pandemic. In light of this, the Group's stringent hygiene measures and safety protocols for our operations remain in place and in compliance with the local regulatory requirements of the countries in which we operate.

In conclusion, we would like to thank our stakeholders, especially our business partners and suppliers for their contributions to our sustainability efforts.

LEO TING PING RONALD

Chairman and Chief Executive Officer
Keong Hong Holdings Limited

ORGANISATION PROFILE

Keong Hong Holdings Limited is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The Group's principal activities include building construction, property and hotel investment and development. Its building construction services include a broad range of residential, commercial, institutional, industrial and infrastructural projects for both private and public sectors. The Group also has property and hotel development and investment projects in Singapore, Japan and Maldives.

The Group made its maiden foray into property development in Singapore in 2012 through a joint venture with Frasers Property (formerly known as Frasers Centrepoint Limited) to develop Twin Waterfalls Executive Condominium. Its subsequent residential developments include SkyPark Residences, The Amore, Parc Life, Seaside Residences and The Antares.

Keong Hong also ventured into hotel development and investment in 2013 with Mercure Maldives Kooldoo Hotel and Pullman Maldives Maamutaa Resort in Maldives. In Singapore, the Group owns various joint hotel and mixed-use development projects – Hotel Indigo Singapore Katong, Holiday Inn Express Singapore Katong and Katong Square.

In 2016, the Group acquired the first of its two commercial properties in Japan.

Led by a qualified and experienced management team with a staff strength of over 300, Keong Hong has built a strong reputation and record of accomplishment over the last 37 years for its commitment to quality and service standards.

BUILDING AND CONSTRUCTION

Keong Hong is a provider of a broad range of building construction services to both private and public sectors for residential, commercial, institutional, industrial and infrastructural projects.

The Group's innovative technologies and technical capabilities, supported by our commitment to quality, safety, timely delivery and customer service, are our key strengths that differentiate us from our industry peers, and is the reason for our ability to secure projects from our repeat clients. The Group has pioneered several innovative technologies and processes in the construction industry that are widely used today, such as the Silent Jack-In Spun Piling System in residential projects and Intelligent Computerised Auto-Climb Peripheral Platform.

Leveraging on our technical capability and a vast array of experience gained over the years, Keong Hong has morphed into a Design and Build main contractor capable of taking on complex projects with full responsibility in design development for Structure, Mechanical & Electrical Services. For hotel and resorts development, our expertise extends to include architectural design.

As a Design and Build main contractor, we have been able to extend our job horizon beyond that of conventional construction projects. We have established ourselves as a reputable main contractor with proven capabilities in the Design and Build of Condominium Projects, Hotel and Resorts Projects, Alternative Design using Top Down Construction Methodology for Complex Basement for Commercial and Institutional Projects. Our Design and Build and construction expertise are often harnessed through our joint ventures to create value added propositions that have won us many development projects, for example, SkyPark Residences, The Amore, Parc Life, Seaside Residences, The Antares and Sky Everton.

Listed below are some completed projects involving Design and Build and their design scope:

- IBIS Hotel@ Bencoolen Street (TOP 2006, full Design and Build, include Architecture)
- Martin Place Residences Condominium (TOP 2011, Design and Build in Structure and M&E Services)
- SIM University Extension (TOP 2011, Design and Build for deep basement near existing campus)
- Park Hotel Alexandra (TOP 2014, Design and Build in Structure and M&E Services)
- Twin Waterfalls Executive Condominium ("EC") (TOP 2015, Design and Build in Structure and M&E Services)

ORGANISATION PROFILE

- SkyPark EC (TOP 2016, Design and Build in Structure and M&E Services)
- The Amore EC (TOP 2017, Design and Build in Structure and M&E Services)
- Mercure Maldives Kooddoo Hotel (TOP 2017, Full Design and Build, include Architecture & Interior Design)
- Raffles Hospital Extension (TOP 2018, Design and Build for deep Basement near existing MRT line and an operational hospital)
- Parc Life EC (TOP 2018, Design and Build in Structure and M&E Services)
- Pullman Maldives Maamutaa Resort (TOP 2019, Full Design and Build, include Architecture & Interior Design)
- Seaside Residences (TOP 2021, Design and Build in Structure and M&E Services)

Listed below are the Group's on-going and recently completed building construction projects:

Project	Sector	Year of TOP	Remarks
Grand Hyatt Hotel Singapore	Hospitality	2023 (estimated)	Addition and Alteration ("A&A") works to existing Grand Hyatt Hotel Singapore consisting of 21-storey Grand Wing and 12-storey Terrace Wing with 4 basements car-park – involving major retrofitting to the guest rooms and restaurants and upgrading of MEP plant rooms and equipment. This is a Green Mark Platinum project.
Punggol Regional Sports Centre	Sports/ Institutional	2023 (estimated)	A joint venture Singapore Sports Council project with Hyundai Engineering & Construction Co Ltd under Hyundai-Keong Hong JV Limited Partnership. The development will consist of 5,000-seater football stadium, a swimming complex with five pools, an indoor sports hall with 20 badminton courts and a team sports hall with three convertible basketball courts. It will also include a gym, fitness studio, sheltered tennis and futsal courts, a water activity centre and an archery training centre.
Sky Everton	Residential	2023 (estimated)	A 36-storey private residential luxurious condominium project which is part of Singapore's Master Plan of a waterfront living. The highlights of this projects are 2 high-void sky gardens located at the 14th and 24th storey and a cantilevered Horizon Infinity Pool. Innovative method have been implemented in this project, such as the use of the Ultra High Performance Concrete ("UHPC") for our Prefabricated Bathroom Units ("PBU") developed by our joint venture company K&H Innovative Systems Pte Ltd.
Wilshire Residences	Residential	2023 (estimated)	Another residential project with KH Land as the main contractor. UHPC for our PBUs developed by K&H Innovative Systems Pte Ltd will be installed in this project.

ORGANISATION PROFILE

Project	Sector	Year of TOP	Remarks
The Antares	Residential	2022 (estimated)	Another private residential development joint venture, with Keong Hong taking a 35% stake. KH Land (subsidiary of Keong Hong) is also the main contractor, leveraging on its Design and Build experience and capability to offer value-add for the joint venture partners. This will be the first KH Land project to use UHPC PBU developed by K&H Innovative Systems Pte Ltd.
National Skin Centre	Medical/ Healthcare	Phase 1C: 2022 Phase 2: 2023 (estimated)	Keong Hong's first advanced precast project using precast columns, precast beams, precast hollow core slabs and in-situ concrete topping.

PROPERTY DEVELOPMENT

Keong Hong made forays into property development since 2012. Since then, the Group has developed six residential projects in Singapore. Our strategy to partner reputable property developers to jointly undertake residential development projects enables the Group to share resources with business partners and manage any business risks associated with property development projects.

Property	Type	Ownership
Twin Waterfalls	EC	20%
SkyPark Residences	EC	20%
The Amore	EC	15%
Parc Life	EC	20%
Seaside Residences	Private condominium	20%
The Antares	Private condominium	35%

PROPERTY INVESTMENT

The Group's expansion into hotel and property investments provides a steady recurring income to sustain its future growth. We intend to grow our commercial and hospitality assets to form a more substantial portion of our earnings.

Keong Hong embarked on its first hotel investment in 2013. To date, our hotel and property investment portfolio includes two commercial buildings in Osaka, Japan, two hotels in Singapore, one resort and one hotel in the Maldives.

Country	Property	Ownership
Malaysia	Jalan Seelong Industrial Factory	30%
Singapore	Hotel Indigo Singapore Katong	20%
	Holiday Inn Express Singapore Katong	
Maldives	Mercure Maldives Kooddoo Hotel	49%
	Pullman Maldives Maamutaa Resort	
Japan	4-4-10 Honmachi Osaka	100%
	1-2-6 Minamihorie Osaka	

REPORTING PRACTICE

REPORTING PRINCIPLES & STATEMENT OF USE

This Report has been produced in accordance with the Global Reporting Initiative (“GRI”) Standards “Core” option covering the financial period from 1 October 2020 to 30 September 2021. The GRI standards were selected as it represents the global best practices for reporting on economic, environmental and social topics. The Board of Directors has reviewed and approved the reported information, including the material topics.

The following principles have been applied to determine relevant topics that define the report content and ensure quality of information: a) GRI principles for defining report content: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness; b) GRI principles for defining report quality: Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness. The Report also incorporates the primary components of report content as set out by the Singapore Exchange Securities Trading Limited (“SGX-ST”)’s “Comply or Explain” requirements on sustainability reporting under Listing Rule 711B.

The Group has obtained approval from the Singapore Exchange Regulation (“SGX RegCo”) for extension of time until 16 March 2022 to issue its Annual Report for financial year ended 30 September 2021.

REPORTING SCOPE:

Operating segments covered include the Group’s Building and Construction and Property Development and Investment in Singapore and Maldives. Operations in Japan are not included in this Report.

RESTATEMENTS:

There are no restatements of information made from previous reporting periods. Changes to the report compared to the FY2020 report mainly relate to the report structure.

ASSURANCE:

Internal controls and verification mechanisms have been established by management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with GRI Standards and SGX Listing Rules. To improve comparability, the material topics have been benchmarked against selected industry peer groups. The Board of Directors has therefore assessed that external assurance is not required for the Report. The Group will continue to assess the need to further enhance the credibility of our sustainability report through internal review or external assurance.

AVAILABILITY & FEEDBACK:

The Sustainability Taskforce (“STF”) has reviewed the information in the Report. This Report is available on SGXNet and online at: <https://www.keonghong.com>.

Detailed section references with GRI Standards can be found on the GRI Standards Content Index.

SUSTAINABILITY STRATEGY OVERVIEW

OUR MISSION

To be a forward-looking company with a commitment to corporate social responsibility, built on a strong foundation of transparency, governance and ethics that creates value for our stakeholders.

OUR VISION

To build a better world in an environmentally sustainable way and to improve the quality of the environment and the communities where we live and work.

OUR ESG STRATEGY AND FOCUS

As a part of our commitment to sustainability, we have obtained Green Financing Facilities for financing green projects mainly related to the A&A works to Grand Hyatt Hotel Singapore, which will help it to achieve Green Mark Platinum. We adhere to the Green Loan Principles as prescribed by the Asia Pacific Loan Market Association in the key aspects regarding the use and management of proceeds, processes for project evaluation and selection and reporting. In addition, a power purchase agreement to install solar panels at the Chin Bee Factory will deliver renewable solar energy to the factory, further reducing the carbon emissions due to energy use at the factory. This arrangement is expected to lead to energy savings and help the Group realise our environmental sustainability goals.

The Group has established a good reputation in the building, construction, and hotel management industries in Singapore and Maldives. The Group has leveraged on expansion opportunities, achieved new revenue streams and unlocked new capabilities and possibilities while at the same time keeping in mind our sustainability targets. Keong Hong has also been lauded for adopting highly innovative solutions to our construction projects to reduce wastage, increase efficiency and productivity.

Since December 2019, the outbreak of COVID-19 has posed unprecedented challenges to the world, with health and safety risks remaining elevated in 2021. However, the Group remains vigilant to the potential impact on employees and workers and has taken effective occupational health and safety measures to protect their welfare. Robust safety measures, such as strict safety guidelines, safety distancing, no-touch Thermal Temperature checks and wearing of masks in all of our construction sites, developments and properties including the Kooddoo Airport, Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort in Maldives, to ensure the health and safety of our guests and employees.

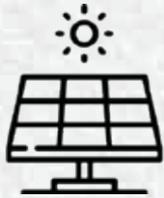
In addition, the Group is committed to prevent pollution and injury in all its construction operations and to provide customers with reliable, prompt and quality service at competitive cost. We are committed to provide quality products and services to meet customer requirements through the timely delivery of projects complying with applicable legal and other requirements, quality workmanship, good safety standard and minimising impact to the environment.

Keong Hong is conscious of the impact that our projects have on the environment and shall continue monitoring and measuring these impacts. The Group will uphold our energy saving standards and invest in technologies to improve waste management and reduce emissions and effluents.

The Group will continue to ensure that our employees have a high standard of employee benefits and that there are both racial and gender diversity in our workforce to provide unique perspectives on issues that the Group faces. The Group will also continue supporting charitable organisations to improve the welfare of the community.

SUSTAINABILITY STRATEGY OVERVIEW

ESG PERFORMANCE HIGHLIGHTS AND AWARDS



Entered into a power purchase agreement to provide solar energy to our Chin Bee factory



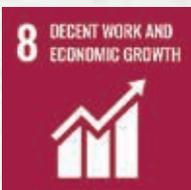
Participated in 6 Green Mark projects



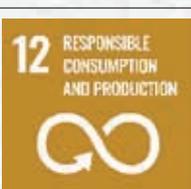
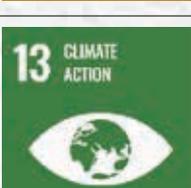
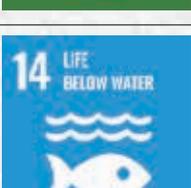
Achieved zero workplace fatalities

CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Group’s business focuses are aligned with the United Nations Sustainable Development Goals (“UN SDGs”). The attainment of the UN SDGs is a continuing global effort and forms part of the Group’s long-term focus on sustainability. The Group’s contributions to the relevant goals are highlighted below.

UN SDGs	The Group’s contribution	Read more in the following section(s)
 <p>6 CLEAN WATER AND SANITATION</p>	Management waste and effluents responsibly before discharging into water bodies.	Focus 3: Our Environment
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Generate solar energy for use at the Maldives resort and hotel as well as at project sites.	
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Provide work opportunities and a conducive working environment for the local community.	Focus 4: Health and Safety Focus 5: Our People Focus 7: Our Community

SUSTAINABILITY STRATEGY OVERVIEW

UN SDGs	The Group's contribution	Read more in the following section(s)
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Make use of environmentally responsible construction techniques. Work continually to build and upgrade infrastructure to increase energy efficiency as well as resource efficiency.</p>	<p>Focus 2: Quality and Innovation Focus 6: Supply Chain Management</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Enhance efforts to preserve the cultural and natural heritage of the Maldives.</p>	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Reduce waste generation through recycling and reuse and integrate sustainability reporting into the Group's annual reporting cycle.</p>	<p>Focus 3: Our Environment</p>
 <p>13 CLIMATE ACTION</p>	<p>Reduce emissions according to organisational capacity. Strengthen resilience and adaptive capacity to climate-related risks and opportunities.</p>	
 <p>14 LIFE BELOW WATER</p>	<p>Protect marine biodiversity and coastal ecosystems. Actively manage any adverse impacts caused by human activities.</p>	
 <p>15 LIFE ON LAND</p>	<p>Preserve inland water and forest ecosystems and protect natural flora and fauna in the Maldives.</p>	
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Comply fully with all socioeconomic and environmental laws and regulations.</p>	<p>Focus 1: Governance and Ethics</p>

SUSTAINABILITY STRATEGY OVERVIEW

OUR ACHIEVEMENTS – NOTEWORTHY AWARDS

The Group, being fully committed to environmental protection, was a founding member of the Singapore Green Building Council (the “Council”) in 2009, which leads private-public construction companies in achieving a world-class and sustainable environment in Singapore. The Council advocates green building design, practices and adoption of new technologies to drive environmental sustainability in the building and construction industry. In recognition of our achievements in environmental sustainability, the Group was awarded the Building and Construction Authority (“BCA”) Green and Gracious Builder Award (Excellent) in 2020. We also received the prestigious Royal Society for the Prevention of Accidents (“RoSPA”) Award in recognition of our achievements in health and safety management systems and culture.

As a testament of our commitment to service and quality, the recent achievements and awards received by the Group includes:

- The Edge Singapore Centurion Club (2019)
- World Luxury Hotel Award (2018) for Mercure Maldives Kooddoo Hotel
- BCA Green and Gracious Builder Scheme (“GGBS”) (Excellence) (2018)
- Ministry of Manpower (“MOM”) Certificate of Merit for Safety Performance Awards
- bizSAFE Star Certificate
- BCA A1 grading under the category CW01 for general building which allows us to tender for public sector construction projects of unlimited value with no restrictions for private sector construction projects.
- ISO 9001:2015 and SS ISO 9001:2015 Certificate of Registration (Quality Management System) for design management and building construction services
- ISO 14001:2015 and SS ISO 14001:2015 Certificate of Registration (Environmental Management System)
- ISO: 45001:2018 Certificate of Registration (Occupational Health and Safety Management Systems)
- BCA Green Mark Award (Platinum) for Raffles Hospital Extension (2017)
- BCA Green Mark Award (Platinum) for National Skin Centre (2020)
- BCA Construction Excellence Award for Parc Life Condominium (2020)
- RoSPA Health and Safety Silver Award (2020)
- World Luxury New Hotel Awards (2020) for Pullman Maldives Maamutaa Resort
- World Luxury Restaurant Awards (2020) for Pullman Maldives Maamutaa Resort
- Workplace Safety and Health Council (WSHC) Workplace Safety and Health Performance Awards for National Skin Centre (2021)
- WSHC Workplace Safety and Health Performance Awards for Punggol Regional Sports Centre – Hyundai Keong Hong JV Limited Partnership (2021)

We also participated in the CultureSAFE program to cultivate a progressive and prevalent Workplace Safety and Health (“WSH”) culture in the organisation beyond merely executing WSH practices. By actively promoting a safety awareness culture, we continue to reaffirm our management’s commitment to an accident-free work culture. This ensures that every employee inherently believes in our WSH values and continues to implement and improve on WSH practices.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

We engage with all of our stakeholders through a variety of channels to update them about Keong Hong’s developments and gather their feedback. We identify stakeholders as groups that have an impact, or have the potential to be impacted by our business, as well as external organisations that have expertise in topics that we consider material. The feedback we receive from our stakeholders helps us to determine our material topics and identify our focus areas as the following:

Stakeholders	Engagement Platforms	Issues of Concern	Our Responses	Section Reference
Employees	<ul style="list-style-type: none"> Annual performance appraisal system to link performance with remuneration Safety training and timely updates on COVID-19 	<ul style="list-style-type: none"> Remuneration and benefits Training and development Ethics and conduct Safety measures against COVID-19 Safe accommodation for workers 	<ul style="list-style-type: none"> Provide fair employee remuneration and benefits Provide meaningful feedback to each employee through well-structured and open performance appraisals 	<ul style="list-style-type: none"> Focus 4: Health and Safety Focus 5: Our People
Suppliers and subcontractors	<ul style="list-style-type: none"> Weekly update with contractors on occurrence of accidents Mass toolbox meeting 	<ul style="list-style-type: none"> Health and safety Environmental compliance 	<ul style="list-style-type: none"> Engage and evaluate suppliers regularly and provide meaningful feedback 	<ul style="list-style-type: none"> Focus 6: Supply Chain Management
Guests	<ul style="list-style-type: none"> Safety declaration Safety briefing on COVID-19 safety measures 	<ul style="list-style-type: none"> Sustainable operations Guest health and safety Safety measures against COVID-19 for guests 	<ul style="list-style-type: none"> Provide guidance and clarity on COVID-19 safety measures Continue to operate sustainable and protect the natural environment in the Maldives 	<ul style="list-style-type: none"> Focus 3: Our Environment Focus 4: Health and Safety
Developers and customers	<ul style="list-style-type: none"> Project management meetings Annual reports Corporate profile Survey and feedback 	<ul style="list-style-type: none"> Building quality Data privacy 	<ul style="list-style-type: none"> Conduct regular inspections on facilities and data hygiene 	<ul style="list-style-type: none"> Focus 1: Governance and Ethics Focus 2: Quality and Innovation
Industrial organisations	<ul style="list-style-type: none"> Annual reports Conferences and seminars 	<ul style="list-style-type: none"> Bargaining power and supply chain sustainability 	<ul style="list-style-type: none"> Continuous engagement and partnerships 	<ul style="list-style-type: none"> Focus 1: Governance and Ethics Focus 2: Quality and Innovation

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholders	Engagement Platforms	Issues of Concern	Our Responses	Section Reference
Governments & regulators	<ul style="list-style-type: none"> • SGX quarterly announcements • Annual reports • Sustainability reports • Ongoing dialogues 	<ul style="list-style-type: none"> • Environmental compliance • Regulatory and industrial requirements • Compliance with MOM safety measures against COVID-19 	<ul style="list-style-type: none"> • Ensure full compliance with all applicable local laws and regulations including COVID-19 safety regulations 	<ul style="list-style-type: none"> • Focus 1: Governance and Ethics • Focus 4: Health and Safety
Community	<ul style="list-style-type: none"> • Community Services Engagement 	<ul style="list-style-type: none"> • Environmental impact • Social development • Community engagement programme 	<ul style="list-style-type: none"> • Identify community needs and contribute according to organisational capacity 	<ul style="list-style-type: none"> • Focus 7: Our Community
Shareholders and investors	<ul style="list-style-type: none"> • Annual reports • Investor relations management 	<ul style="list-style-type: none"> • Economic performance • Anti-corruption 	<ul style="list-style-type: none"> • Provide informative corporate communication and reports 	<ul style="list-style-type: none"> • Focus 1: Governance and Ethics • Annual Report

The Group considers the interests and concerns of internal and external stakeholders when identifying the materials topics. With the assistance of our ESG consultant, we have taken the following steps to identify and present the relevant material topics in this Report:

1. Identification: Initial selection of topics based on the risks and opportunities to the sector.
2. Prioritisation: Material factors are prioritised based on their alignment with the concerns of internal and external stakeholders including whether they are aligned with key organisational values, policies, operational management systems, goals and targets.
3. Benchmarking: Comparison against competitors and peers to determine how the industry identifies and prioritises material topics.
4. Review: Review the relevance of previously identified material factors.
5. Validation: Validate the order of disclosure for the selected material factors in the Sustainability Report with the Board.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The table below illustrates the material topics selected and their relevance to each of the Group's operating segments. The table indicates the respective focus areas where further information on the material topics can be found in the Report.

Focus Area	Material Topics	Where the impact occurs
Focus 1: Governance & Ethics	GRI 205: Anti-corruption	The Group
	GRI 207: Tax	
	GRI 307: Environmental Compliance	
	GRI 418: Customer Privacy	
Focus 2: Quality and Innovation	GRI 203: Indirect Economic Impact	• Building and Construction
Focus 3: Our Environment	GRI 301: Materials	Building and Construction
	GRI 302: Energy	The Group
	GRI 303: Water and Effluents	• Building and Construction • Operations and Investments in Maldives
	GRI 304: Biodiversity	
	GRI 305: Emission	The Group
	GRI 306: Waste	Operations and Investments in Maldives
	GRI 307: Environmental Compliance	The Group
Focus 4: Health and Safety	GRI 403: Occupational Health and Safety	The Group
	GRI 416: Customer Health and Safety	Operations and Investments in Maldives
Focus 5: Our People	GRI 401: Employment	The Group
	GRI 404: Training and Education	
	GRI 405: Diversity and Equal Opportunity	
	GRI 406: Non-discrimination	
	GRI 408: Child Labour	
	GRI 409: Forced or Compulsory labour	
	GRI 413: Local communities	
	GRI 419: Socioeconomic Compliance	
Focus 6: Supply Chain Management	GRI 204: Procurement Practices	• Building and Construction • Operations and Investments in Maldives
	GRI 308: Supplier Environment Assessment	
	GRI 414: Supplier Social Assessment	
Focus 7: Our Community	GRI 203: Indirect Economic Impact	Operations and Investments in Maldives

FOCUS 1: GOVERNANCE AND ETHICS

Strong corporate governance has enabled the Group to navigate and manage key sustainability issues and ensure that the interests of all relevant stakeholders are considered when making business decisions.

CORPORATE COMPLIANCE

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority (“ACRA”) and the Securities and Futures Act, amongst others.

Our employees, our secretarial firm and our auditors, regularly conduct review of new regulations and updates to existing regulations. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to Directors in written hand-outs, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA, which are relevant to the Directors.

SUSTAINABILITY GOVERNANCE AND STATEMENT OF THE BOARD

The Board is supported by the STF, which comprises heads of different business units and is chaired by Mr Er Ang Hooa (Executive Director) who oversees achievement of all sustainability targets and reports to the Board. The STF reviews the Group’s sustainability objectives and monitors the sustainability performance.



FOCUS 1: GOVERNANCE AND ETHICS

The Board considers sustainability issues as part of our strategic formulation, and approves the material environmental, social and economic topics identified by the STF. The Board also ensures that the factors identified are well managed and monitored.

The STF has reviewed the option for external assurance of its sustainability report. The STF has assessed that external assurance is not required for this year as the Group wishes to progressively strengthen the sustainability reporting framework.

Please refer to the 'Corporate Governance Report' in the Annual Report for more details. The Group has obtained approval from SGX RegCo for extension of time until 16 March 2022 to issue its Annual Report for financial year ended 30 September 2021.

ETHICS AND INTEGRITY

ANTI-CORRUPTION

GRI 205-1, 205-2, 205-3

Keong Hong works diligently to ensure our employees adhere to the highest standards of ethics and integrity and comply with applicable rules, regulations and professional codes of conduct.

Keong Hong adopts a strong stance against corruption and requires all employees to practise equal treatment, unbiased professionalism and non-discriminatory actions in relation to all business dealings. We have established clear guidelines and procedures for our employees. Our "No Gift/Cash Policy" is communicated to all our employees, vendors, subcontractors, service providers and relevant stakeholders. Keong Hong requires that no employees accept gifts, benefits and/or cash from all vendors, suppliers, subcontractors etc. Keong Hong has established a list of policies as regards gifts and entertainment. The Group does not condone our Business Associates or any parties dealing with the Group to engage in the practice of giving cash, gifts and benefits to any employees of Keong Hong.

All key personnel are required to sign an Annual Declaration of Independence Form to avoid situations where conflict of interests might arise. This requirement is mandatory for all new employees as well.

There were zero confirmed incidents of corruption in FY2021.

WHISTLEBLOWING

The Group has implemented a Whistleblowing Policy whereby accessible channels are provided for employees, shareholders, clients, consultants, vendors, contractors and sub-contractors, to raise concerns about possible improprieties in financial reporting, fraudulent acts and other irregularities, and to ensure that arrangements are in place for independent investigations of such matters and timely implementation of appropriate preventive and corrective actions. The Audit Committee ("AC") reviews all whistleblowing complaints, if any, at its quarterly meetings to ensure independence thorough investigation and appropriate follow-up actions are taken. The details of the Whistleblowing Policy are available on the Company's website. During FY2021, there were zero incidents of concern reported to the AC.

EMPLOYEE ANTI-GAMBLING POLICY

At Keong Hong, we are committed to promoting a productive and healthy work environment for all our employees. This includes the well-being of our employees. As such, we have implemented an Employee Anti-Gambling Policy to curb gambling activities in the Group and ensure that our employees and workers have participated in Organisation Facilitated Casino Self-Exclusion. All new employees and workers will have to participate in the Casino Self-Exclusion as part of employment requirement. Our initiative for Organisation Facilitated Casino Self-Exclusion has received full support and participation from our workforce, including directors and workers.

FOCUS 1: GOVERNANCE AND ETHICS

RISK MANAGEMENT

Keong Hong adopts a precautionary approach in strategic decision making and daily operations by implementing a comprehensive Enterprise Risk Management (“ERM”) framework which is aligned with the requirements of the Committee of Sponsoring Organisation (“COSO”) Internal Controls Integrated Framework. An annual Group-wide risk assessment exercise is conducted to update the firm’s risk profile in the ERM framework, reflects changing business risk exposures, and addresses the significant and relevant risks to the Group.

PROTECTING CUSTOMER PRIVACY AND DATA

GRI 418-1

The Group takes utmost care in protecting our customers’ privacy and data and is in compliance with the Personal Data Protection Act (2012). There were no reported breaches in FY2021.

TAX

GRI 207-1, 207-2, 207-3, 207-4

The Group’s strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in, which indirectly support the local governments and authorities in their economic, environmental and social development and objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

The Group identifies tax related risks as part of its ERM framework which is reported regularly to the Company’s AC. Implementation of tax compliance related policies and procedures are delegated to the respective business units and are monitored by the Group’s Chief Financial Officer.

Relevant staff attend tax related trainings to keep updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings. The AC may also from time to time engage the Group’s internal and external auditors to monitor compliance with the tax governance and control framework. Any instances of non-compliance are reported to the AC and resolved promptly.

ENVIRONMENTAL, SOCIAL AND ECONOMIC COMPLIANCE

GRI 307-1, 419-1

The Group’s compliance polices and regulations take into consideration data collected on Energy, Water, and Waste Disposal. This data is analysed for the various projects for project cost optimisation and resources. For details on the Group’s compliance with health and safety requirements, refer to Focus 4: Health and Safety.

Keong Hong has committed to a set of guidelines to manage environmental pollution at all our project sites. We are committed to controlling the combined cost of water, electricity, diesel consumption and generator rental to less than 1.3% of contract sum per project, as well as keeping waste disposal cost to less than 0.2% of contract sum per project.

FOCUS 1: GOVERNANCE AND ETHICS

GOVERNANCE TARGETS

Segment	2021 Target	Status	Performance
Group Level	Conduct at least 1 SGSecure briefing at workplace	✓ Met	Conducted 1 SGSecure briefing for 1 project
	Zero incidents of socioeconomic non-compliance (For Health and Safety, refer to Focus 4: Health and Safety)	✓ Met	There were 0 incidents of socioeconomic non-compliance
	Zero incidents of environmental non-compliance	Not Met	There were 2 incidents of environmental non-compliance related to warnings from NEA on noise and vector management. We have rectified the issues promptly and implemented relevant mitigation measures.

Segment	2022 Target
Group Level	Conduct at least 1 SGSecure briefing for each project
	Zero incidents of socioeconomic non-compliance
	Zero incidents of environmental non-compliance
	Zero instances of data breaches
	Zero reported cases of corruption

FOCUS 2: QUALITY AND INNOVATION

The Group is a leader in adopting leading digital tools and technology technologies in its production processes. Technology adoption has enhanced our productivity and improved the quality and productive capacity of our business. We aim to foster a digital-first culture and strategy in a bid to evolve and thrive in a digital economy. As part of our commitment to quality, we have established a robust quality management system and have been ISO 9001:2015 certified.

We will continue our sustainability development efforts and improve the quality of our service, and our target is to achieve BCA Construction Quality Assessment System ("CONQUAS") Assessment rating of at least 94.5.

TECHNOLOGY ADOPTION

GRI 203-1, 203-2

Our construction projects have brought about indirect economic benefits to the local community and the industry through the Group's efforts to enhance quality and productivity through technology integration. Our construction projects require the expertise of direct/indirect suppliers and specialists – concrete, reinforcement, tiles/stone and furniture which generates business opportunities within and among the supply chain.

We have upgraded our digital capability in Building Information Modelling ("BIM"), Virtual Design and Construction ("VDC") and Virtual Reality ("VR"). We are proud to be one of the pioneers in adopting the Digit-alpha capability transformation Programme, a pilot project with VR as a core module sponsored by Info-communications Media Development Authority ("IMDA"). With the Digit-alpha Programme, we hope to streamline our operations and transform our business processes to improve our workforce productivity and achieve business growth.

Design for Manufacturing and Assembly ("DfMA") technologies have been fully integrated into our manufacturing process. The Prefabricated Prefinished Volumetric Construction ("PPVC"), PBU and Mechanical Electrical Plumbing ("MEP") module, which improve productivity at construction sites, as the manufacturing of these building components can be completed off-site in a safe and controlled environment.



DfMA – Pre-connection between Mechanical, electrical and plumbing service modules

Our in-house PPVC and PBU which we have received in-principle approval ("IPA") for are developed by K&H Innovative Systems Pte Ltd, a joint venture company between Keong Hong Construction Pte Ltd and Ho Lee Construction Pte Ltd. We have started supplying PBUs to ongoing projects – The Antares, Sky Everton and Wilshire Residences.

FOCUS 2: QUALITY AND INNOVATION

Our factory at Chin Bee Road is equipped with a 45T double gantry crane with 14-meter clear lifting height and a 5-ton Jib Crane. It has enough capacity to produce PPVC for 10 dwelling units in 14 days or 130 PBUs in 10 days, which works out to be 257 dwelling units of PPVC or 4,680 PBUs in a year. The adoption of PPVC and PBU will help to significantly reduce our reliance on labour, speed up construction and minimize dust and noise pollution in our construction projects as more activities are done off-site.

The Group recognises that our sustainable practices can be a competitive advantage for the Group. We have entered into a power purchase agreement to install solar panels on our rooftop at Chin Bee factory. The installed solar panels will provide significant energy savings each year that it operates. This will lead to a significant overall reduction in the Group's carbon footprint and will reduce the emissions impact of operational activities carried out at the Chin Bee Factory.



PBU units at the Chin Bee Factory

Solar panels will be installed on the roof of Chin Bee PBU/PPVC factory. Solar panel installation works expected to be completed in year 2022.

ON-SITE QUALITY CONTROL AND DEFECT MANAGEMENT

In addition, high productivity software based on mobile and cloud technology are used to enhance productivity on-site. For example, Novade Quality software was used in the Seaside Residence project to manage the defect rectification process during quality inspections, handover and defect liability period for building projects. More of such high productivity software shall be utilised for our ongoing and future projects.

BIM 360 is another cloud-based software adopted by the Group to connect project teams and data in real-time, flowing from design to construction. This technology supports informed decision-making, leading to more efficient and effective work processes.

REMOTE OFF-SITE SUPERVISION AND PROGRESS MONITORING

Keong Hong is an early adopter of cloud-based 360 degrees cameras for monitoring site progress. Paired with Airgo Airsquare software, the platform helped to reduce site congregation for site visits and monitoring. With progress photos taken like a Google street view, the project team can obtain a 360-degree view of the site remotely. First used in National Skin Centre project, the 360-degree camera will continue to be used in the Grand Hyatt Hotel Singapore A&A project.

FOCUS 2: QUALITY AND INNOVATION

ELECTRONIC DOCUMENT MANAGEMENT SYSTEM

With BCA's drive on Integrated Digital Delivery ("IDD") for the Built Environment ("BE") Sector, Keong Hong has joined in and embarked on this roadmap by partnering with an IDD Solutions provider to integrate work process and connect stakeholders working on the same project throughout the construction and building life-cycle.

The current conventional practice in the BE industry involves manual compilation of physical documents or drawings, this paper-based documentation can be tedious. These manual processes can potentially create gaps and loopholes in the workflow, which may prolong the submission and approval cycle.

Keong Hong has partnered with Aptiv8 with their solution platform A8 Project Management Information System ("PMIS") Scenario – Electronic Document Management System. A cloud-based platform that centralizes and streamlines processes that will be an integrated digitized information exchange. The software is also interfaced with mobile technology, collaboration, submission, and change in one platform. Submissions are digitally tracked, monitored, managed, audited and archived properly with the aid of the platform. The technology greatly reduces the use of paper-based tasks.

The technology leads to productivity improvement, process cycle time reduction, program transparency and real-time visibility. The platform has been adopted for use in the Grand Hyatt Hotel Singapore A&A project.

Keong Hong will continue to innovate and implement new technologies in our operations to benefit our business, our industry and the community.

QUALITY AND INNOVATION TARGETS

Segment	FY2022 Target
Building and Construction	Maintain the ISO 9001 certification
	Achieve a BCA CONQUAS score above 94.5
	Perform water tightness test for all façade windows and ensure zero incidents of water leakage through windows
	Adopt Novade defect management software to manage and monitor quality on-site to ensure minimal defects

FOCUS 3: OUR ENVIRONMENT

Environmental stewardship is critical to the Group’s operations. We made significant effort to promote energy and resource efficiency as well as incorporate the use of recycled materials wherever possible in our operations. Improving energy efficiency has helped the Group achieve lower production costs and also tackles the global climate crisis which poses a threat to low lying coral islands such as the Maldives. For our operations and investments in the Maldives, the Group has taken measures to restore and preserve the surrounding natural biodiversity as it is central to our business viability as well as being a key attraction for our customers.

ENERGY AND EMISSIONS

GRI 302-1, 302-4, 302-5, 305-2, 305-5

Building and Construction

Keong Hong is committed to the preservation of the environment by championing Green and Gracious practices to reduce energy and water consumption as well as carbon dioxide emissions. We have received the Green and Gracious Excellence Award from BCA in recognition of our efforts.

The Group endeavours to draw energy from renewable sources rather than non-renewable sources. This is to preserve the environment, reduce production and operating costs and meet compliance standards. Wherever possible, the Group uses green label appliances and energy efficient light fittings to reduce energy consumption and emissions. We have entered into a renewable energy power purchase agreement at our Chin Bee Factory to install solar panels and utilise solar energy. The installed solar panels will provide low-carbon energy to our operations in the factory and potentially provide excess solar energy to the electrical grid. The Group also taps on solar energy to power noise meters and traffic warning signs.

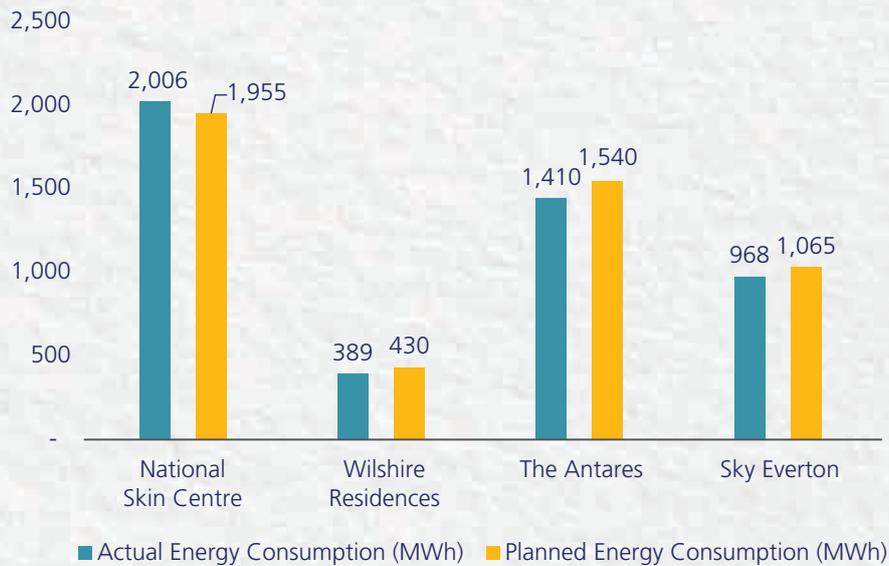


Noise meters equipped with solar panels

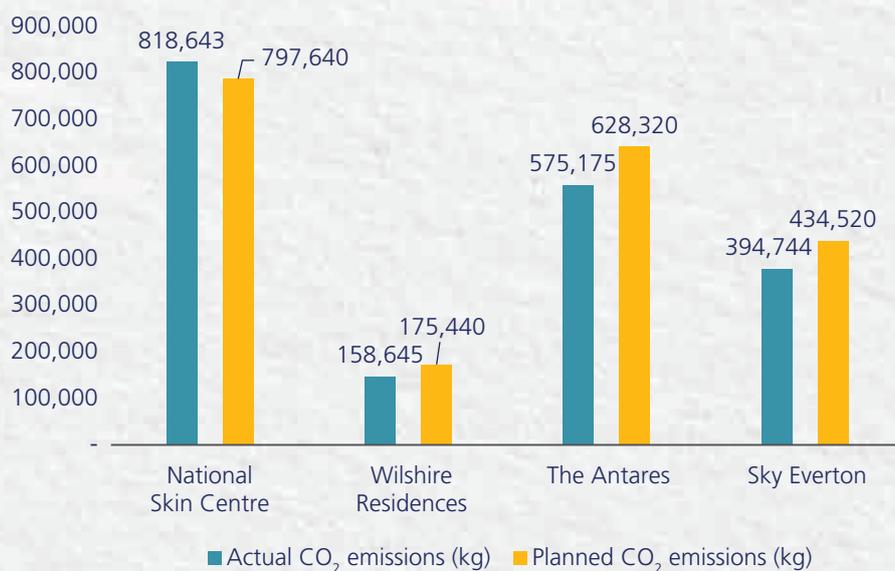
FOCUS 3: OUR ENVIRONMENT

The Group is committed to achieving our planned objectives and targets to ensure that we are operating sustainably. We strive to reduce energy consumption for all building and construction projects. See below for charts for energy consumption for ongoing projects for FY2021.

Energy Consumption



CO₂ Emissions



Actual energy consumption at National Skin Centre was marginally higher than planned due to higher electrical consumption by the Construction Temporary Quarters (“CTQ”), which provide housing for construction workers. To meet fire regulations, the CTQ has been equipped with mechanical ventilation exhaust fans. We will continue to monitor the energy consumption for ongoing projects.

FOCUS 3: OUR ENVIRONMENT

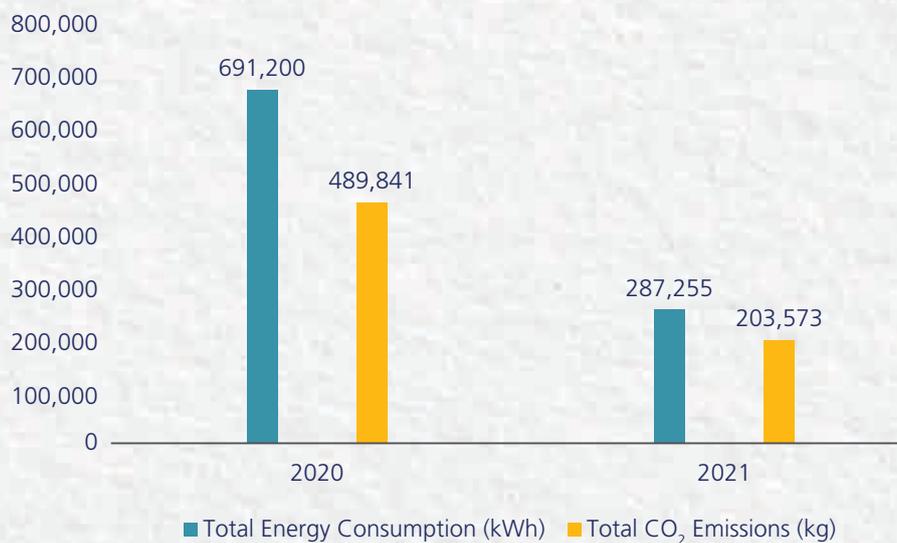
Operations and Investments in the Maldives

The Group closely monitors operations in Maldives to ensure effective implementation of energy conservation measures. Some examples include using LED lights instead of incandescent bulbs to conserve energy and creating staff awareness by placing signage to sensitise employees to inherently enforce environmentally friendly practices.

Kooddoo Airport

In FY2021, total energy consumption was 287,255 kWh and total CO₂ emissions was 203,573 kg at Kooddoo Airport. There was a reduction in energy consumption by 58% in FY2021 compared to FY2020.

Energy Consumption and CO₂ Emissions



Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort

We endeavour to conserve energy consumption at the hotel and resort facilities by installing energy efficient equipment and sensors to switch off equipment automatically when not in use. We are integrating plans to install false ceilings in public facilities to improve ventilation and reduce energy use for heating and cooling. Motion sensors are featured in our public toilets, fitness centres and other areas of the resort and hotel to conserve energy.

We have installed and started operating the solar energy system at Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort. Solar panels are installed on the roof of Back of House buildings. The estimated capacity of the solar system installed is 900 kWp, of which 240 kWp is designated for Mercure Maldives Kooddoo Hotel and 660 kWp for Pullman Maldives Maamutaa Resort. With this system in place, the amount of diesel required to power the Resort has greatly reduced.

The Group is undergoing ongoing discussion to further expand the solar capacity in our operations and investments in the Maldives. Our current solar capacity produces 10% and 15% of the power mix at Pullman Maldives Maamutaa Resort and Mercure Maldives Kooddoo Hotel respectively. An expanded solar capacity could potentially increase the solar share of energy in both properties to 40% with the addition of battery storage for excess solar energy generated or by utilising floating solar systems.

FOCUS 3: OUR ENVIRONMENT



Solar panels installed at the Pullman Maldives Maamutaa Resort

Pullman Maldives Maamutaa Resort

- Complete mechanical, electrical and plumbing system controlled and monitored via Building Management System (“BMS”) – regulate energy consumption
- Programmable dimming and switching system at all Front of House buildings – control energy consumption
- Control outdoor pathway lightings via daylight sensors and BMS – reduce energy consumption
- 4 prime powered generators with an auto synchronising and auto load sharing system to generate energy – monitor energy usage and shut down some generators during low energy demand periods to reduce energy consumption
- Step-up and step-down substations to distribute power to each building – increase efficiency of power consumption

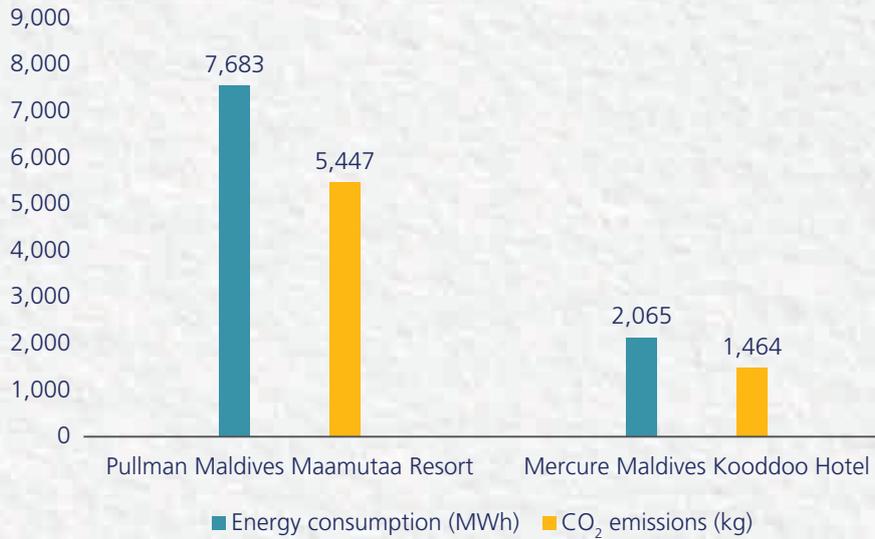
Mercure Maldives Kooddoo Hotel

- LED lights and solar panels installed – reduce energy usage and emissions during operations
- 3 generators with alternators – increase efficiency of power consumption

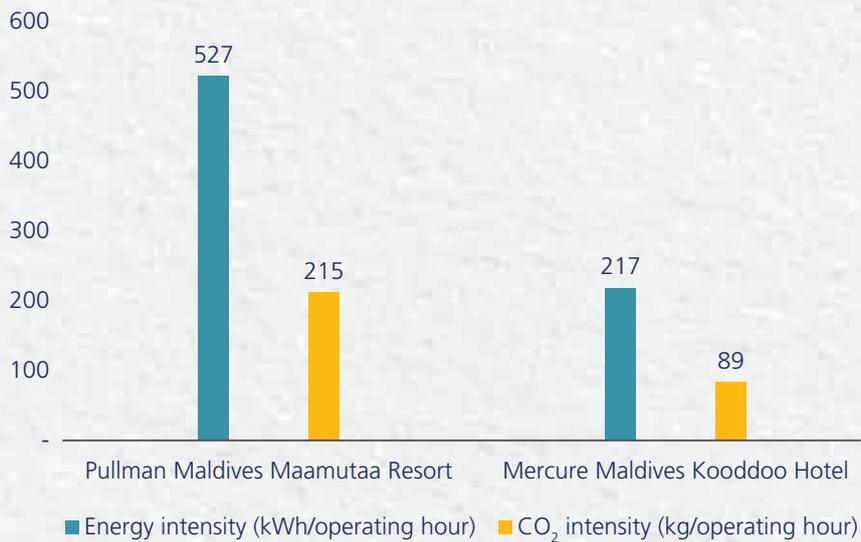
FOCUS 3: OUR ENVIRONMENT

In FY2021, the energy consumption and intensity at the Pullman Maldives Maamutaa Resort and Mercure Maldives Kooddoo Hotel as follows:

Energy Consumption and CO₂ Emissions



Energy and CO₂ Intensity



FOCUS 3: OUR ENVIRONMENT

PROPERTY DEVELOPMENT AND INVESTMENT

GRI 302-4, 305-5

As a firm believer in sustainable buildings, we recognise that sustainable facilities and features play a significant role in creating green buildings and cities of the future. The Group has obtained a Green Loan project financing facility for the refurbishment of Grand Hyatt Hotel Singapore, which is a Green Mark Platinum project. When managing the green loan, the principles set out in the Green Loan Principles, which seek to promote the development and integrity of the green loan products, shall be strictly adhered to.

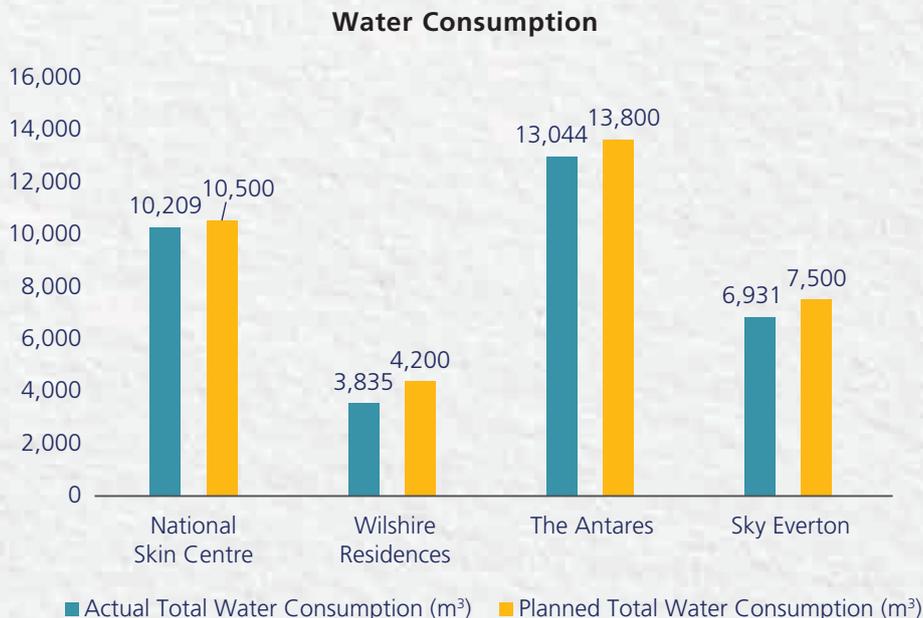
The Group adopts energy-efficient features such as occupancy sensors for toilets, LED lights at corridors and green label products for photocopier machines to conserve daily energy usage. Energy efficient structures, such as energy-efficient refrigerator and air-conditioning system, lift system with Variable Voltage Variable Frequency (“VVVF”) and sleep mode features, and ductless fans in the basement are installed to reduce energy consumption. We also use power grid power instead of a diesel generator to reduce emissions and save energy.

WATER AND EFFLUENTS

GRI 303-1, 303-2, 303-3

Building and Construction

At Keong Hong, we are committed to reducing water consumption at construction sites to ensure sustainable operations. As seen from the graph below, our water consumption is generally lower than planned, which is testimonial of our water conservation efforts. In FY2021, the water consumption for Singapore projects are as follows:



We engage Qualified Erosion Control Professional (“QECP”) to design our Earth Control Measures (“ECM”) filtration and sediment control system such that part of the effluents discharge is reused for wash bay. This is an efficient way to conserve water as washing large volume of vehicles could mean high water consumption. Rainwater that is stored in the sump of the tank is also reused for the washing of vehicles entering or leaving the site. This allows us to conserve water used for washing of vehicles at our construction sites. We endeavour to implement more water conservation measures to further reduce water consumption on-site.

FOCUS 3: OUR ENVIRONMENT

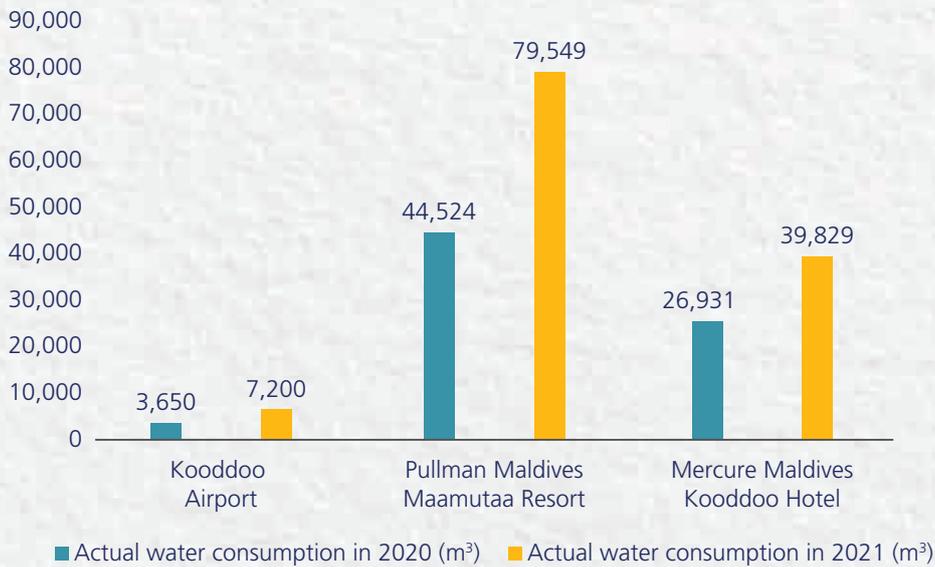
Operations and Investments in the Maldives

We recycle water via desalination methods through Reverse Osmosis (“RO”).

Mercure Maldives Kooddoo Hotel	Pullman Maldives Maamutaa Resort	Kooddoo Airport
<ul style="list-style-type: none"> • 2 RO fresh water machines to produce fresh water • 2 treated water tanks of 150,000 litres each and 1 sewerage treated water tank of 150,000 litres to store the treated water 	<ul style="list-style-type: none"> • 2 RO fresh water machines to produce fresh water • 5 treated water tanks of 150,000 litres each and 1 sewerage treated water tank of 150,000 litres to store the treated water 	<ul style="list-style-type: none"> • Monitor RO plant operations and water consumption on a regular basis – ensure efficient water conservation

The Group will continue to preserve all water sources and minimise any adverse impact caused by water withdrawal by constructing more desalination plants in the near future to achieve self-sufficiency for water demands on the islands.

Water Consumption



The properties were closed for 6 months in FY2020, leading to a lower water consumption compared to FY2021. Water consumption in FY2021 had also increased partly due to the increase frequency of cleaning and disinfection of premises to prevent COVID-19 infection and resumption of activities due to the easing of COVID-19 restrictions. To minimise COVID-19 transmission, staff were instructed to remain on the island, leading to higher water consumption.

In FY2021, there was no significant negative impacts on any water sources.

FOCUS 3: OUR ENVIRONMENT

WASTE MANAGEMENT

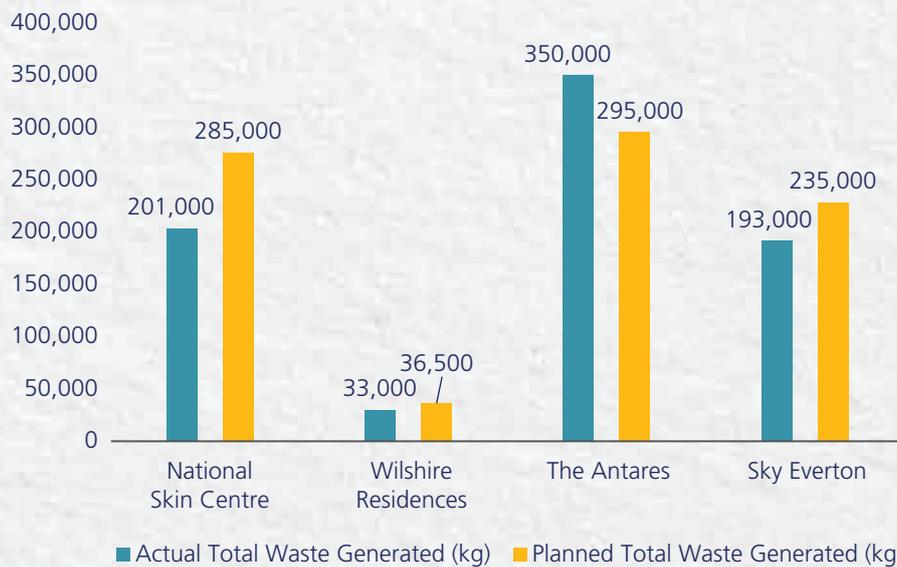
Building and Construction

Keong Hong endeavours to manage waste sustainably by implementing technologies and complying with the code of practice.

We minimise construction waste by harnessing advanced technology, including BIM, VDC and VR. These technologies pre-empt costly abortive works by first identifying clashes in a virtual environment before the project is actually built. High standard of workmanship and quality of works are also achieved through implementation of DfMA technology like PPVC and PBU by shifting work to a sheltered and controlled environment. Wherever feasible, construction materials used for our projects are certified Green Label by the Singapore Environmental Council. The Group implements on-site recycling policies to segregate different types of waste materials so they can be efficiently handled for disposal. Surface run-off water is treated before it is discharged to public drains.

Keong Hong is responsible in the disposal of its waste materials by using only approved methods to minimise any harm to the environment. Licensed disposal contractors collect excess debris and general waste from construction in designated bins for proper disposal. All left over scrap metal from reinforcement bar are segregated and disposed by licensed waste collectors. A licensed contractor engaged by our appointed Environment Control Officer periodically disposes of timbers that are not reusable.

Waste Generation



We have achieved our planned waste consumption for most of our ongoing projects, except for the Antares. The Antares had exceeded planned waste generation due to increased disposal of used formworks at end of structural phase. We will strive to monitor and plan our waste generation as well as aim to stay within our planned consumption in FY2022.

FOCUS 3: OUR ENVIRONMENT

Operations and Investments in the Maldives

To ensure proper management of sludge and effluents, the Group has constructed a sewer network grid over the island with a gravity flow system, as opposed to the conventional pump system used in previous projects which was less energy-efficient.

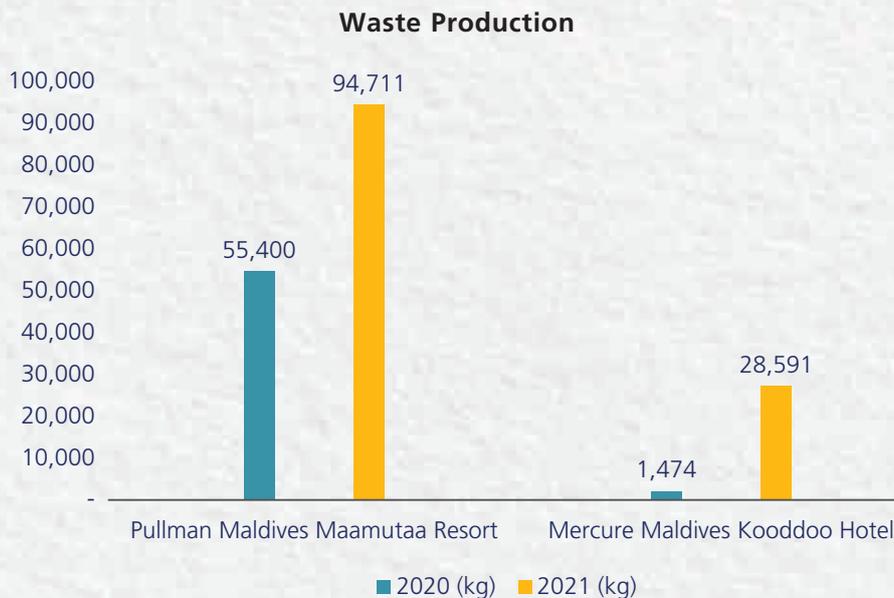
Division of waste type generated at our Kooddoo Airport, Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort are completed at the waste management building which is equipped with incinerators, compactors and bottle crushers. We ensure that proper transportation and waste disposal methods are used in accordance with the type of waste.

Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort

At Mercure Maldives Kooddoo Hotel, sewage disposal occurs via a computerised chemical digestive system whereby sewage is pumped via a 150,000 litre capacity sewage treatment plant to process it into sludge. On the other hand, sewage at Pullman Maldives Maamutaa Resort is disposed via Membrane Bioreactor system whereby sewage is pumped via a 300,000 litre capacity sewage treatment plant to process it into sludge. Once the sludge is dried, it is sent to a nearby waste management centre and used for landfill. This system is established for both Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort, and complies with local standards and accepted code of practices.

We take care in wastewater disposal to ensure that we do not harm the environment during operations. At our properties, rejected brine from our RO plants are instantly mixed with the water column to reduce its concentration to negligible amounts before being discharged into the lagoon, thus this discharge has no effect on the surrounding environment. Sewage is also recycled into portable water to be stored for irrigation usage, and only excess sewage is discharged into the sea.

In FY2021, the waste generated at Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort had increased compared to FY2020 due to the resumption of activities due to the easing of COVID-19 restrictions.



FOCUS 3: OUR ENVIRONMENT



Bottling room, bottle washer, water cooling system and mineral filters (left to right)



Sparkling water system, bottle filling trays and water bottles with the Pullman Maldives Maamutaa Resort logo (left to right)

In our effort to minimise plastic wastage, we own water bottling facilities at both hotel and resort in Maldives which effectively cleans glass bottles and fills the bottles up with clean filtered potable water. These glass bottles of water have replaced plastic bottles in the rooms, thereby reducing plastic waste generated.

FOCUS 3: OUR ENVIRONMENT



Organic waste composting machine at Pullman Maldives Maamutaa Resort

Both Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort are equipped with its own organic waste composting machine that processes daily food waste ingredients into organic fertilisers. By applying only organic compost, it improves the overall soil structure.

We have also reached out to local residents and companies to recycle used cooking and generator oil. Our organisation is consistently looking for new options to help improve environmental sustainability.

Kooddoo Airport

In FY2021, the average daily waste generation at Kooddoo Airport was 250 kg, which remains at the same level compared to last year.

RECYCLED INPUT MATERIALS

GRI 301-2

The Group has undertaken methods to recycle input materials in our projects to reduce wastage and ensure sustainable operations.

At Keong Hong, we are committed to using eco-friendly and recycled materials in our construction projects wherever possible. We conscientiously use green concrete to replace Ordinary Portland Cement for the construction of permanent structures in the Amore and Seaside Residences projects, and 10% of the green concrete is used for superstructure works. Together with our use of green material, this translates into reduction in carbon footprint for the construction projects as the materials can be recycled. Notably, our Raffles Hospital extension project received a Green Mark Platinum rating, which is a testament to our corporate commitment to green practices.

FOCUS 3: OUR ENVIRONMENT

In addition, to minimise wastage, we implement predominantly aluminium system formwork which includes self-climbing formwork, vertical safety screen, table form, metal wall and slab formwork for all construction projects on-site, as aluminium can be reused with minimal wastage. We also use recycled construction materials like recycled timber and plywood for safety barricade, recycled steel hollow section for fabrication and recycled earth control measure tank and filtration systems to control water discharge drainage for temporary works.

The Group strives to incorporate green materials in all our projects. We engage Joe Green Panels, a provider of green concrete block and wall panels, extensively in all our projects. Their products have been rated as a leader for green building product certification issued by the Singapore Green Building Council as well as being certified by the Singapore Environment Council.

NOISE AND VECTOR MANAGEMENT

GRI 413-1

The Group strives to manage noise arising from construction activities by using a set of permissible noise limits and Noise Management Plans (“NMP”) compliant with National Environment Agency (“NEA”) Noise Regulation. To achieve minimization of noise, the Group has engaged a noise control vendor to perform real time noise monitoring to ensure that the noise generated does not exceed the allowable limit NEA. Noise barriers are erected around the site to reduce noise from the construction equipment. Generators used on site are required to be ‘silent’ generators, so that noise generated is reduced.

The Group implements vector control plans at our sites to combat the issue of pest and mosquito breeding. Daily on-site housekeeping checks are conducted to control and pre-empt mosquito breeding. To further mitigate mosquito breeding, the Group engages pest control companies to manage our construction sites to clamp down on mosquito breeding. Allocation and implementation of proper disposal systems for construction debris and organic waste are in place to facilitate pest control.

There have been 2 instances of non-compliance, monetary fines or warnings regarding vector breeding or noise pollution from NEA.

PROTECTING BIODIVERSITY

GRI 304-2, 304-3

Keong Hong endeavours to protect and preserve the environment during our operations, by putting initiatives in place to ensure we operate sustainably.

The Group has engaged specialists to preserve the vibrant biodiversity of the environment in Maldives. Before excavation and construction commence, our specialists will transplant corals from all project sites to safe areas. The Group has plans to set up a coral conservation programme at the resort which includes a coral garden and coral nursery to preserve the coral reef. We endeavour to maintain the good condition of the coral colonies in the vicinity of our operations. Planting of corals under the rooms will only commence after all construction activities are completed to prevent any unnecessary coral stress and bleaching.

FOCUS 3: OUR ENVIRONMENT



Coral nursery

FOCUS 3: OUR ENVIRONMENT

Due to the high volume of marine recreation activities at Pullman Maldives Maamutaa Resort, the Group has undertaken several initiatives to manage environmental impacts for all operations in Maldives. To circumvent any damage to the coral reef through the use of boats and marine equipment, the Group has imposed rules on boat operators on the island such as anchoring, boat operation, boat sewage and garbage disposal. For tourists engaging in recreational activities, strict rules on activities such as fishing, marine wildlife viewing, snorkelling and scuba diving, have been established and enforced.

In an effort to ensure that our environmental protection efforts are regulated and implemented properly, we went the extra mile to perform Environmental Impact Assessment (“EIA”) on the Pullman Maldives Maamutaa Resort project, and we successfully attained EIA approval in 2015. The EIA addendum was submitted and approved prior to the commencement of coral gardening works and revision of Concept Masterplan for both Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort. As such, proper precautionary measures have been implemented to guarantee environmental and biodiversity sustainability during operations.

In FY2021, we transplanted corals from our coral nursery to the Ocean Water Villa and Underwater villa to showcase our coral nursery to the guests from the comfort of their rooms. Marine life, including lionfish, octopus and boxfish were added for biodiversity.



Installed customised viewing panels and planted corals on concrete bases with fish for guest viewing

FOCUS 3: OUR ENVIRONMENT



Installed customised viewing panels and planted corals on concrete bases with fish for guest viewing

Our Island Marine Biologist regularly assesses the condition and growth of the coral colonies under the Ocean Villa's viewing panel and the coral garden, and coral predators are removed once spotted. The coral nursery is thriving and reaching its maximum space capacity for half of its frames. Different corals species are present and healthy along with a strong and diverse fish community in the surroundings.

We also initiated a small-scale sponge garden experiment on the northern side of the Underwater Villas to explore its growth conditions and ideal technique, collect feedbacks from different species and identify the ideal candidates for a potential larger project.

FOCUS 3: OUR ENVIRONMENT

An organic farm has been built at both properties to minimise negative impacts on the surrounding environment. Our organic farm at Pullman Maldives Maamutaa Resort, Phat chameleon garden, measures at an estimated area of 900 sqm and it is loaded with exotic and delicious variety of tropical fruits and vegetables. The farm offers many fruits trees like Persea Americana (avocado), Manikara zapota (chiku), Averrhoa carambola (starfruit) and Annona muricata (soursop). Organic farming is an agricultural system that adopts ecologically based pest controls and biological fertilisers derived mainly from animal and plant wastes. It reduces negative environmental impacts caused by the use of chemical pesticides and synthetic fertilisers in conventional agriculture, and has numerous ecological benefits.



Phat chameleon garden

FOCUS 3: OUR ENVIRONMENT



Natural lake at Pullman Maldives Maamutaa Resort

The Pullman Maldives Maamutaa Resort has a natural lake that has an estimated area of 4,000 sqm. It is surrounded with well-preserved thick and dense vegetation and is the key feature of the island. In addition, the Pullman Maldives Maamutaa Resort is equipped with a SolarBee water purifier system that treats the lake water. The water purifier operates on solar power and has a large area of influence over the lakes and source of raw water.

Sludge is produced and collected from the surface of the natural lake. This sludge is then compiled and dried to become bio solid compost which will then be used as fertiliser for landscaping.



Compile of sludge to become compost

FOCUS 3: OUR ENVIRONMENT

ENVIRONMENTAL TARGETS

Segment	FY2021 Target	Status	Performance
Building and Construction	Total cost of electricity, diesel consumption, generator rental and water to less than 0.8% of contract sum per project	Not Met	Impacts from COVID-19 safety restrictions and lockdowns on-site resulted in lower site productivity. At the same time, the number of workers staying on-site increased, leading to higher electricity consumption.
	Waste disposal cost less than 0.3% of contract sum per project	✓ Met	Target met for all 5 projects
	Zero NEA/PUB summon for noise, silt and mosquito per project over 12 months window period of construction activities	Not Met	As of 30 September 2021, we have 2 instances of NEA summons.
	Participate in 5 Green Mark certified projects	✓ Met	As of 30 September 2021, we have participated in 6 Green Mark projects.
Operations and Investments in Maldives	Actively implement energy conservation practices and improve energy efficiency of operations	✓ Met	The Group is considering the expansion of solar energy capacity in the Maldives.
	Zero significant impact on water sources	✓ Met	No significant impact on natural water sources
Property Development and Investment	Actively implement energy conservation practices and improve energy efficiency of operations	✓ Met	The Group has entered into a power purchase agreement to provide solar energy to our Chin Bee factory.

FOCUS 3: OUR ENVIRONMENT

Segment	FY2022 Target
Building and Construction	Total cost of electricity, diesel consumption, generator rental and water to less than 1.3% of contract sum per project
	Waste disposal cost less than 0.2% of contract sum per project
	Zero NEA/PUB summon for noise, silt and mosquito per project over 12 months window period of construction activities
	Achieve the designated Green Mark certification specified in the contract for all new major projects
To complete the installation of solar panels at our Chin Been factory by end of December 2022	
Operations and Investments in Maldives	Zero significant impact on natural water sources
	Explore plans to expand the solar energy capacity in the Maldives
Group-Level	Maintain ISO 14001 Environmental Management Systems certification
	Actively implement energy conservation practices and improve energy efficiency of operations.
	Maintain BCA Gold or above certification for the Group's Singapore properties

FOCUS 4: HEALTH AND SAFETY

The importance of robust WSH practices have been highlighted by the impacts of the COVID-19 pandemic. The Group has consistently placed a strong emphasis on strong WSH practices. We adopt WSH policies and practices not only as a commitment to the safety of our workers and employees, but also as a business continuity strategy to minimize the occurrence of disruptions to our operations.

COVID-19 SAFETY MEASURES

CUSTOMER SAFETY

GRI 416-1, 416-2

Kooddoo Airport

The Group is committed to safeguard our employees and passengers at the Kooddoo Airport from the risk of contracting COVID-19. In order to ensure their safety, adequate COVID-19 safety measures were implemented in accordance with local COVID-19 laws and regulations. The airport Management has conducted a comprehensive safety risk assessment to ensure that proper mitigation and preventive measures are in place.

The key safety measures implemented are as follows:

- Face masks, gloves and personal protective equipment (“PPE”) (if required) shall be worn strictly at all times;
- Frequent handwashing and minimum safety distancing of 1m between individuals;
- Common contact points are frequently cleaned and disinfected;
- Access to airport terminals will be limited to passengers, crew members and staff on duty;
- Staff and passengers accessing the Airport Terminal Building will be subject to no-touch Thermal Temperature checks; and
- Designated isolation rooms to quarantine suspect COVID-19 cases.

In FY2021, there were 17 cases of COVID-19 infection among our Kooddoo airport staff and there was no incident of non-compliance with local COVID-19 safety laws and regulations.

Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort

The hotel and resort operator, Accor, has developed the Allsafe program that safeguards both guests and staff safety. All hotels and resorts are required to localise the Allsafe program and implement local SOPs around the 16 core pillars. The core pillars include social distancing, disinfecting, hand washing, mandatory wearing of face masks for all staff in guest areas, as well as maximum guest number in outlets and on buggies. The hotel and resort act in strict compliance with the local COVID-19 laws and regulations and the Allsafe guidelines.

Furthermore, an independent Audit for Allsafe compliance has been performed at the Kooddoo Hotel on 19 October 2021 and at the Maamutaa Resort on 18 October 2021 to ensure that the Allsafe guidelines have been implemented strictly.

In FY2021, there were 36 cases of COVID-19 infection among our hotel and resort staff and there was no incident of non-compliance with local COVID-19 safety laws and regulations as well as Allsafe guidelines.

FOCUS 4: HEALTH AND SAFETY

EMPLOYEE SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5

In FY2021, the COVID-19 outbreak remains a serious threat to the health and safety of our staff and workers. During these unsettling times, we stay committed to prioritising their safety and providing them with a safe working environment. We have set up a safe management measures (“SMM”) committee which includes Safety Measure Officers (“SMO”) and Safety Distancing Officers (“SDO”) to ensure that we strictly comply with the MOM regulations regarding COVID-19. The SMO and SDO will monitor the health conditions of all staff and workers on a daily basis and ensure that PPE and medical equipment (e.g. thermometers, disposable gloves, surgical masks and hand sanitisers) are adequately prepared.



Implementation of safe management measures at worksites

FOCUS 4: HEALTH AND SAFETY

With the current COVID-19 pandemic, we have conducted a comprehensive safety risk assessment and briefed all employees on the SMM to ensure strict enforcement. Targeting the risk areas, we have implemented SMM which meet the COVID-Safe Restart Criteria under BCA, namely to ensure a safe workforce, safe worksite and safe accommodation and transportation. Some of the SMM include safety distancing, biweekly testing of workers for COVID-19, segregation of workers of different projects to minimise transmission risks, segregation of dormitories into zones to enforce segregation of workforce on site, biometric scanning and temperature monitoring using temperature screening face recognition systems. All existing site facial recognition biometrics have been replaced with integrated facial-recognition-cum-temperature monitor-cum-SafeEntry biometrics.

In addition, the SMO and SDO will assist and supervise workers to ensure that all workers comply with safety distancing measures and any other preventive actions advised by the Authorities. We keep abreast with the latest health advisories issued by BCA, Ministry of Health (“MOH”), MOM and other government agencies as the situation evolves and take precautions to protect our staff, workers and visitors. We have evacuation procedures in place to facilitate employees’ access to the nearest hospital and Public Health Preparedness Clinic (“PHPC”) in case of suspected COVID-19 cases and emergencies. To ensure the safety of our workers, we provide transport to their worksites by bus to minimise the risk of transmission among the community.



Bus Transport provided to our workers.

As at 30 September 2021, we had 158 foreign workers under Keong Hong and K.H. Land. We safeguard the wellbeing and health of our foreign workers and follow recommended procedures to manage and contain COVID-19 infection. In the event of transmission, the infected worker shall be placed into quarantine at separate government facilities along with other workers who are in either close proximity or using the same common areas. In addition, there was no reported incident of non-compliance with local COVID-19 laws and regulations regarding the living and working conditions of our foreign workers.

FOCUS 4: HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

We have a Health and Safety Committee with joint management-worker representation to facilitate a positive health and safety culture. It is the responsibility of our workers that they observe all safety precautions and comply with our Safety Rules and Regulations. We implement strict safety policies on-site by mandating trainings such as Safety Induction Training and Safe Work Practices Demonstration for all workers before they are allowed to commence work on-site to help us achieve our goal of an accident-free work culture.

We believe that positive safety culture starts from the top. We have implemented the Construction Safety Audit Scoring System (“ConSASS”) to audit the Safety and Health Management System at our Group and worksites. We have developed the CultureSAFE programme to help us build a positive Workplace Safety and Health culture, mind-set and attitude beyond infrastructure and level of competency.

We organise a bi-annual Safety Award Day for all personnel to celebrate safety milestones and reward individuals who demonstrate exemplary workplace safety behaviour and contribute to project safety. We also recite the safety pledge and conduct safety quizzes during the ceremony to promote safety awareness and inculcate safety knowledge among workers. The ceremony serves to encourage all staff and workers to continue working towards achieving our workplace health and safety targets and prioritising safety.

Keong Hong participates actively in the sharing of safety experiences gained from projects with the construction community. As a testament to our achievements in workplace health and safety, we were invited by Ministry of Health Holdings to share our experience of utilising innovation and technology to enhance site safety at their Healthcare Infrastructure Projects Division (HIPD) Annual Workplace Safety and Health Officers Dialogue 2019.



Keong Hong Invited by Ministry of Health Holding to share experience on utilising innovation and technology to enhance safety on site at their Healthcare Infrastructure Projects Division (HIPD) Annual Workplace Safety and Health Officers Dialogue 2019

FOCUS 4: HEALTH AND SAFETY

In addition, we go the extra mile to perform a Pledging ceremony for all personnel before each project to formalise our commitment towards health and safety. The ceremony is led by the Group's CEO and involves senior management and representatives of subcontractors and workers. The Safety and Health Pledge is signed by everyone and posted on the entrance of the worksite. Together, we pledge to promote safety and strive for zero accident at our project sites.

We provide insurance coverage to our employees and workers to support them in the event of injury in their line of work. The insurance we provide covers hospitalisation and surgery, foreign workers medical and annual work injury compensation. We strive to ensure that our workers have peace of mind when performing their work.

INJURIES AND INCIDENTS

GRI 403-9

In FY2021, our Workplace Fatal Injury Rate was zero and our Major Injury Rate was zero both of which are below the industry average injury rates of 2.2 and 17.9 respectively.

Our safety performance in FY2021 is in line with our aim of meeting the following Workplace Health and Safety Objectives:

- Maintain formal certification of our ISO 45001:2018 safety management system and BizSafe Star
- Zero fatality
- Zero MOM demerit points
- Strive for zero reportable accident
- Zero reportable occupational diseases at workplace
- Conduct at least 1 SGSecure briefing at workplace

To lower the risk of incidents and diseases, high-risk areas namely water bodies and food waste that attract pests such as mosquitos, flies and rodents were identified. Thereafter, we implemented corresponding preventive measures, such as constructing surface and subsoil drainage to control mosquito breeding at water bodies, and engaging NEA-approved licensed contractors to dispose food wastes and preventing food from rotting at our worksites.

FOCUS 4: HEALTH AND SAFETY

HEALTH AND SAFETY TARGETS

Segment	FY2021 Target	Status	Performance
Operations and Investments in Maldives	Minimise transmission of COVID-19 among hotel and resort guests and employees	✓ Met	There were 36 instances of transmission between guests or employees
	Zero incident of non-compliance with local COVID-19 safety regulations and internal guidelines	✓ Met	Achieved zero instances of non-compliance with local COVID-19 safety regulations and internal guidelines
Building and Construction	Zero transmitted cases of COVID-19 among workers	Not Met	21 transmitted cases of COVID-19 among workers
	Zero incident of non-compliance with COVID-19 safety regulations	✓ Met	Achieved zero incident of non-compliance with COVID-19 safety regulations
	Fatal Injury Rate below 2.2 and Major Injury Rate below 17.9 per project per year	✓ Met	Target met for 5 projects
Group-level	Zero workplace fatalities	✓ Met	Achieved zero workplace fatalities
	Zero reportable occupational diseases at workplace	✓ Met	Achieved zero reportable occupational diseases at workplace

Segment	FY2022 Target
Operations and Investments in Maldives	Minimise transmission of COVID-19 among hotel and resort guests and employees
Building and Construction	Workplace Injury Rate below 344 per project per year.
Group-level	Zero incident of non-compliance with local COVID-19 safety regulations and internal guidelines
	Zero workplace fatalities
	Zero reportable occupational diseases at workplace
	Conduct at least 1 SGSecure briefing at workplace for local projects
	Maintain ISO 45001 Occupational Health and Safety Management Systems

FOCUS 5: OUR PEOPLE

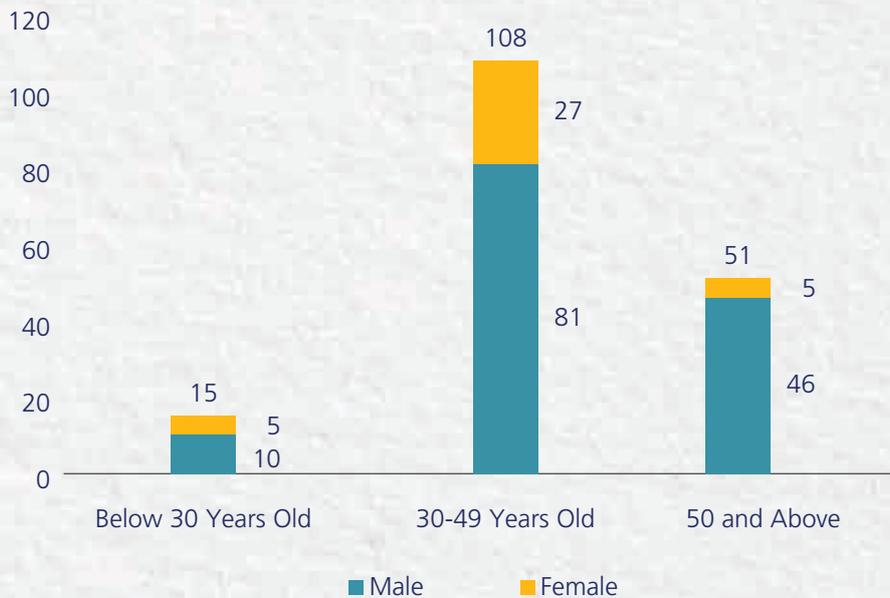
Keong Hong embraces diversity and our employees come from various walks of life. This inclusive diversity drives innovation, increases productivity and provides some competitive advantage for our organisation. We endeavour to make our workplace fair for all our staff and workers. We provide training opportunities for staff development through continuous learning and skills improvement. We strive to provide sufficient welfare standards for all our employees.

EMPLOYEE DIVERSITY

GRI 401-1, 405-1, 406-1

We value the experience and knowledge of our senior staff as well as the passion and adaptability of the younger staff. We had a total strength of 174 staff as at 30 September 2021. We have a diversified workforce consisting of employees coming from different countries such as the United Kingdom, Philippines, China, Thailand, Malaysia, Myanmar, Bangladesh and India.

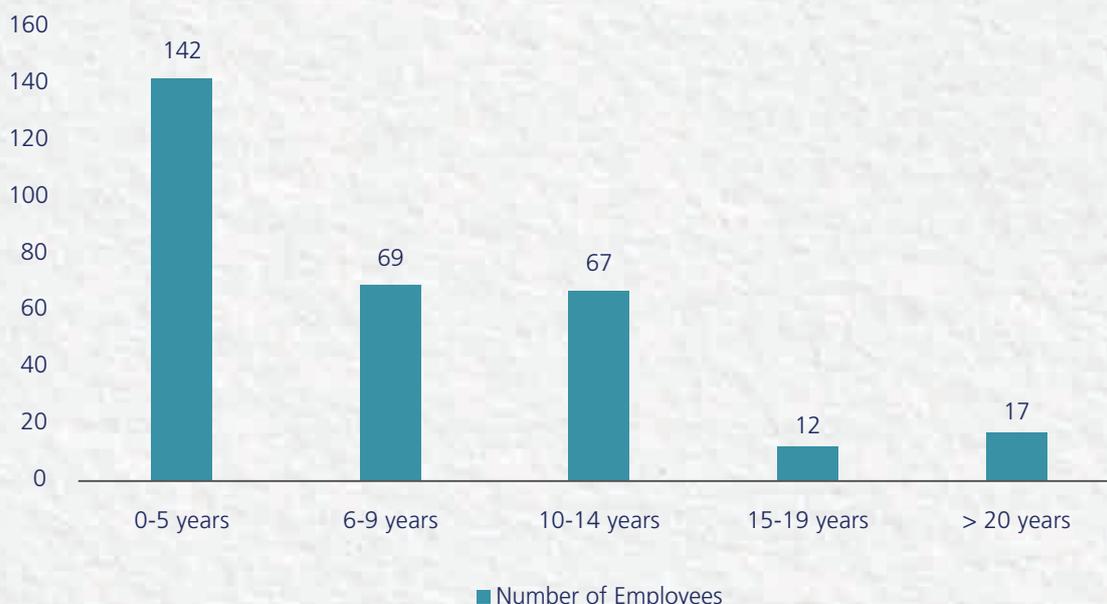
Our Workforce



FOCUS 5: OUR PEOPLE

In FY2021, our new hire rate was 7.51% and attrition rate was 19.36%.

Employee Years of Service



We hold employee satisfaction and appreciation in high regard, and we recognise long-serving employees with annual long service awards. As we embrace diversity and encourage inclusivity, we employ workers with nationalities from 8 other countries. We also recognise the contributions of all employees equally and fairly by providing meaningful employee feedback and appraisals. As such, there were no incidents of discrimination in our organisation, and more than half of our construction workers have been with the Group for over 5 years. With 96 employees with more than 10 years of service, this is a testament of our exemplary labour management.

EMPLOYEE BENEFITS

GRI 401-2, 401-3

At Keong Hong, we prioritise the welfare of our staff and workers by entitling them to a range of benefits including healthcare and insurance, parental leave and retirement benefits where eligible as we believe in a comprehensive welfare system for our employees. Long service employees are rewarded with increases in annual paid leave. Medical benefits, dental claims and fully paid Executive Health Screenings are extended to all employees.

Every female employee is entitled up to a maximum of 16 weeks of paid maternity leave while male employees are entitled up to 2 weeks of paid paternity leave. Employee’s entitlement to childcare leave is in accordance with the Children Development Co-Savings Act. Adoptive parents are entitled to 12 weeks of paid adoption leave to care for their adopted infants. No staff took parental leave in FY2021.

The physical and mental wellbeing of our staff is integral to their career development as well as the sustainability of our growth. As such, we implemented initiatives such as building a gym facility and cosy corner at our Headquarters for employees to exercise regularly and enhance their work-life balance. In addition, we regularly organise recreational events such as cricket and hockey games and festival celebrations for all staff and workers, including our sub-con workers, to promote bonding and social well-being.

FOCUS 5: OUR PEOPLE



Workers' quarters – clean, spacious and organised

To help promote a clean and healthy living environment for our workers, our HR executive carries out weekly inspections of workers' living quarters to ensure that they are well-maintained.

TRAINING AND CAREER DEVELOPMENT

GRI 404-1, 404-2, 404-3

Keong Hong has provided various trainings to upgrade our workforce and ensure that our staff and workers are equipped with sufficiently high standard of knowledge, skills, abilities and motivation to meet our present and future objectives and challenges.



Our upgrading programmes include certification courses for Green Mark Manager and Specialist Diploma in Construction Productivity to ensure our staff can contribute to the sustainability development of our business. We also focus on production related trainings such as Good Industry Practices, Building Information Modelling Management and BIM (Architecture track) to further improve the quality of our business productions.

Besides employees in Singapore, we also provide training for our staff in Maldives to impart skills and competencies that are essential to their jobs. At Kooddoo Airport, all staff are trained to use SMS, a software that enables them to better manage the airport using data collected from the field. Other than training programs to make operations more efficient, we also conducted Aviation Security Command ("AVSECOM") awareness training program for all staff to educate them on aviation security to enforce proper national security measures at the airport. Selected staff are sent for Fire Fighting Training Course as part of the aviation requirement. As we prioritise workplace safety, employees from the Safety department received basic and advanced incident investigation trainings to equip them with the knowledge and skills to conduct safety inspections to identify and manage hazards and potential risks.

FOCUS 5: OUR PEOPLE

SOCIAL TARGETS

Segment	FY2021 Target		Status	Performance
Building and Construction	Productivity rate of 0.39 m ² /man-day for Residential, 0.4 m ² /man-day for Commercial, 0.41 m ² /man-day for Institutional projects		Partially Met	Parc Life EC project had an actual productivity rate of 0.38 m ² /man-day, though this has fallen short of target 0.39 m ² /man-day, is better than the industry average 0.376 m ² /man-day (2019)
Operations and Investments in Maldives	Location	Target local hire rate	Partially Met	Local hire targets were achieved for Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort. We will continue to aspire for high local hire rates for Kooddoo airport (achieved 98% in 2021).
	Kooddoo Airport	100%		
	Mercure Maldives Kooddoo Hotel	At least 45%		
	Pullman Maldives Maamutaa Resort	At least 45%		

Segment	FY2022 Target	
Group-level	To achieve at least 7 hours of training per employee	
Building and Construction	Productivity rate of 0.39 m ² /man-day for Residential, 0.4 m ² /man-day for Commercial, 0.41 m ² /man-day for Institutional projects	
Operations and Investments in Maldives	Location	Target local hire rate
	Kooddoo Airport	80%
	Mercure Maldives Kooddoo Hotel	At least 45%
	Pullman Maldives Maamutaa Resort	At least 45%

FOCUS 6: SUPPLY CHAIN MANAGEMENT

SUPPLIER MANAGEMENT

GRI 308-1, 308-2, 408-1, 408-2, 414-1, 414-2

Due to the ongoing COVID-19 situation, our sites experienced various supply chain disruptions. Factory closures due to COVID-19 infection, as well as delays in shipments due to transport restrictions particularly our suppliers in Malaysia and China. These have led to delays in our National Skin Centre Project. We have since increased the manpower and resources dedicated to the Project to mitigate the delays.

Building and Construction

At Keong Hong, we take pride in our efforts to ensure that our suppliers and subcontractors are selected based on high quality and environmentally friendly practices. Before awarding contracts, we evaluate our suppliers and subcontractors based on their track record, workmanship, ISO certifications and safety performance. We select those with satisfactory scores, and for some who are relatively new and failed the supplier assessment, we will monitor their site performance to ensure accountability and quality assurance.

During contract term, we continue to assess suppliers based on their compliance with material specification/standards, response to replacement of defective material/emergency and their Green and Gracious practices. As for subcontractors, we assess their technical capability, safe performance and Green and Gracious practices. These continuous assessments show our commitment to maintain quality and sustainability of our operations.

In addition, subcontractors and external service providers procure materials and services for our contracts and project activities, we execute purchase control to ensure that they meet the needs of our project requirements during procurement. We go the extra mile in supplier management to ensure quality, accountability and sustainability in our supply chain.

We exercise stringent control at site level via biometric system to ensure only valid work permit holders can gain entry to the project site. Regular checks are conducted by our HR executive to ensure that only workers with current worksite residential address are allowed to stay on-site. We mandate that our contractors and sub-contractors comply with labour regulations in Singapore.

Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort

When selecting suppliers, we entrust the recommendations from our internationally renowned hotel operator, AccorHotel ("Accor"), with their abundance of experience in the Maldives region. We evaluate and select suppliers that are approved and recommended by our hotel operator.

The suppliers have gone through stringent checks to ensure that they comply with local regulations and sourcing of raw materials are done ethically and in an environmentally friendly manner. We also regularly review the supplies procured to ensure that sustainable products are used. For instance, at Maamutaa Resort, the procured bed sheets, duvet and pillow covers are eco-friendly textile products certified according to Oeko-Tex Standard 100 technology. The Oeko-Tex Standard 100 is a globally uniform testing and certification system for textile products which covers multiple human-ecological attributes, and textile products may be certified according to Oeko-Tex Standard 100 only if all components strictly meet the required ecological criteria without exception. This shows our commitment to ensure a sustainable supply chain.

We have plans to start screening suppliers ourselves instead of through our hotel operator for future jobs to ensure quality, accountability and social responsibility within our supply chain.

FOCUS 6: SUPPLY CHAIN MANAGEMENT

In addition, Accor ensures strict compliance with the local legal framework, as well as various fundamental documents including International Labour Organisation's fundamental conventions and the ten principles of the United Nations Global Compact. As such, Accor exercises strict due diligence when assessing their suppliers and service providers to ensure they are not at risk for incidents of child labour or forced or compulsory labour. In the event of non-compliance with local labour laws, Accor would immediately sever all ties with the supplier or service provider in question.

We entrust Accor with the hotel supplier management as they have expertise in that area. Majority of our suppliers are approved and recommended by our hotel operator. The suppliers have gone through stringent checks to ensure there is no child or prisoner labour. We have plans to start screening suppliers ourselves for future jobs to ensure quality and accountability.

Kooddoo Airport

To ensure compliance with Maldives labour regulations, our HQ key personnel regularly visit the Kooddoo airport site to conduct operational audit with the assistance of our local legal advisor.

SUPPLY CHAIN TARGETS

Segment	FY2021 Target	Status	Performance
Operations and Investments in Maldives	100% of new suppliers screened using environmental criteria	✓ Met	100% of all new significant long-term suppliers screened using environmental criteria
	100% of new suppliers screened using social criteria	✓ Met	100% of all new significant long-term suppliers screened using social criteria
	100% of suppliers are local suppliers	Not Met	69% of suppliers are local suppliers

Segment	FY2022 Target
Group-level	100% of all new significant long-term suppliers screened using environmental criteria
	100% of all new significant long-term suppliers screened using social criteria
	At least 60% of significant long-term suppliers in Maldives are local suppliers

FOCUS 7: OUR COMMUNITY

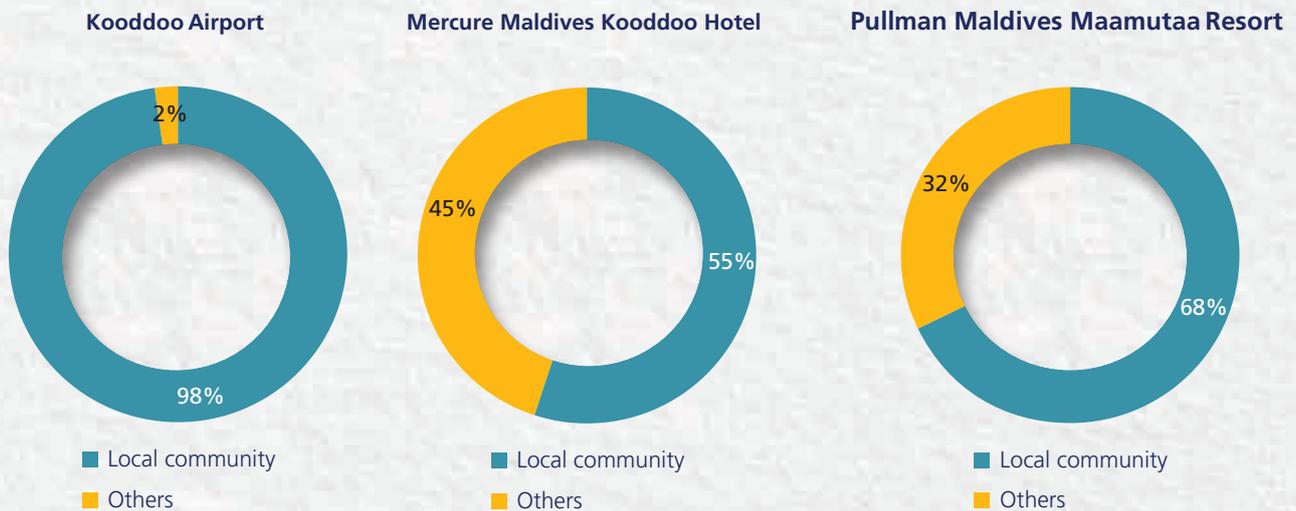
Since the Group’s beginning, we have recognised that giving back to our community is an ongoing commitment and a significant part of our efforts to make a difference to society. The Group achieves this aim through empowering local communities where we operate and finding opportunities to maximise social impact.

MARKET PRESENCE

GRI 202-2, 204-1

Keong Hong strives to empower the local community through increasing employment opportunities for airport, resort and hotel operations in Maldives. 98% of the staff at the Kooddoo Airport are hired from the local community, including all senior management staff.

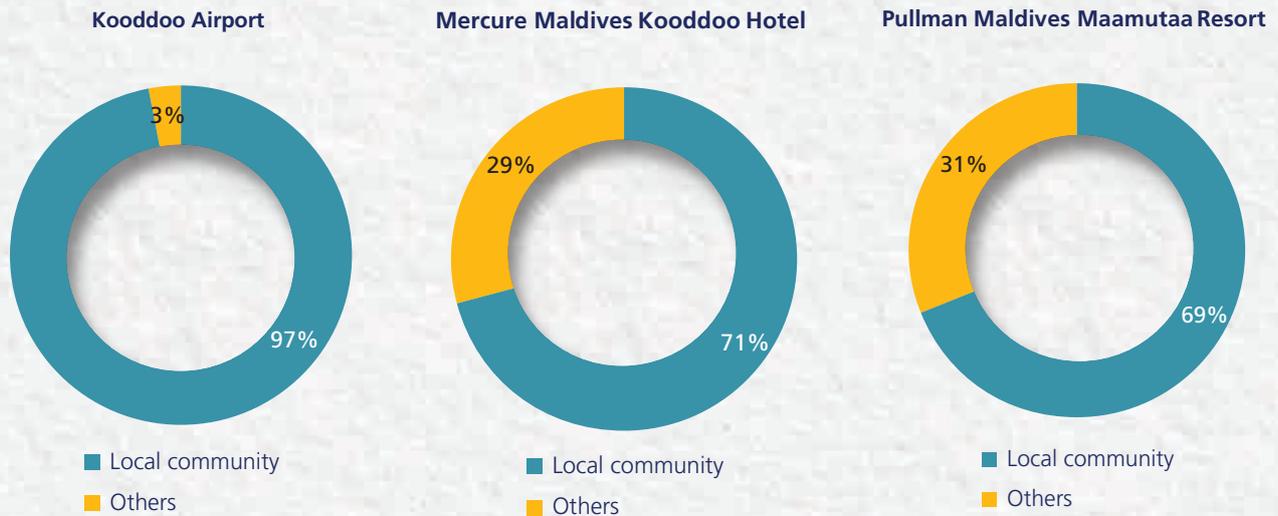
Proportion of Employees Hired from the Local Community



FOCUS 7: OUR COMMUNITY

Keong Hong has implemented various practices to ensure that our operations bring benefits to the local economy and businesses. We endeavour to create more business opportunities for local suppliers. As such, we make a conscientious effort to procure from local suppliers directly, such as consumables, fire-fighting and medical equipment.

Proportion of Suppliers from the Local Community



In addition, with our Kooddoo Airport expansion, the airport can accommodate more planes including private jets. Locals also access more convenient means of transport, and tourists can travel to resorts near Kooddoo via transit at the airport. This will help to promote the local tourism industry development and create more jobs for the locals. To date, 219 Maldivians have been hired for the resorts and airport operations, and we intend to continue improving airport facilities to meet future demand.

CORPORATE SOCIAL RESPONSIBILITY

GRI 413-1

In the spirit of giving back to the community, the Group has funded charitable organisations that focus on caring for the underprivileged, community chests, societies and religious communities. In FY2021, the Group has donated to various charitable organisations and beneficiaries including SingHealth Fund, Singapore National Eye Centre Fund and Touch Community Services Ltd as well as an individual beneficiary.

We sponsor deserving staff for scholarships in tertiary education. For example, the Group sponsored a staff from National Skin Centre for his Masters Construction Management at Nanyang Technological University. We continue our Institute of Technical Education (“ITE”) scholarship by sponsoring two ITE students for the year 2021 as part of our support for the government initiative for the ITE Work-Learn Technical Diploma programme. We pledge to continue with our efforts in developing and upgrading our staff and workers.

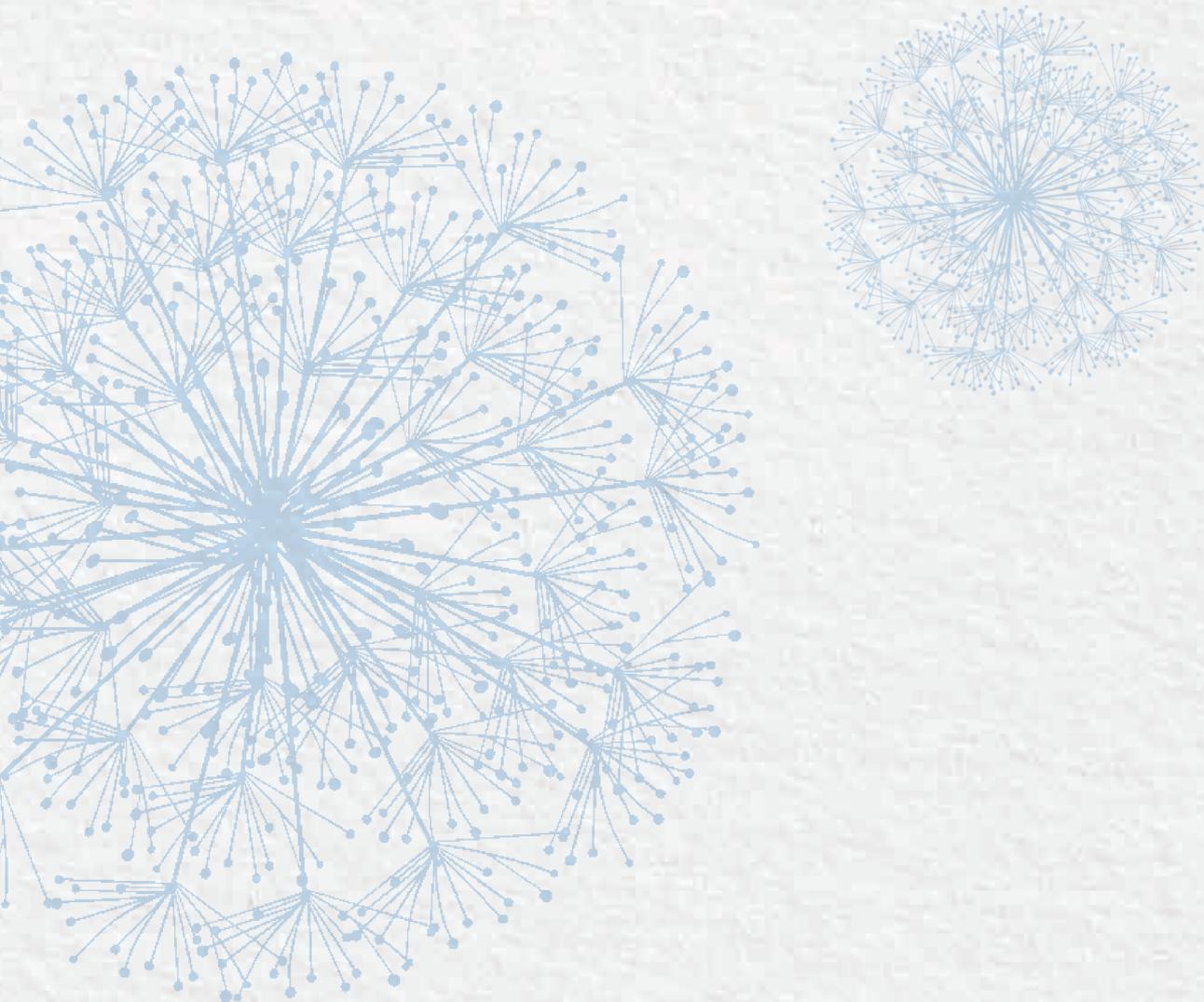
In FY2020, we had two new BIM modellers who successfully completed a 3-month career trial under the Workforce Development Agency and Ministry of Social and Family Development which encourages employers to train and hire persons with disabilities (“PWD”). Both have been trained and are now our permanent employees. As at 30 September 2021, we have two PWDs that are permanently employed in the Group.

FOCUS 7: OUR COMMUNITY

We also donated to other charitable and social causes such as Singapore Association for Mental Health and The Singapore Scout Association. The Group places emphasis on dedicating resources towards the development of local communities and future leaders by investing in educational institutes and bursaries.

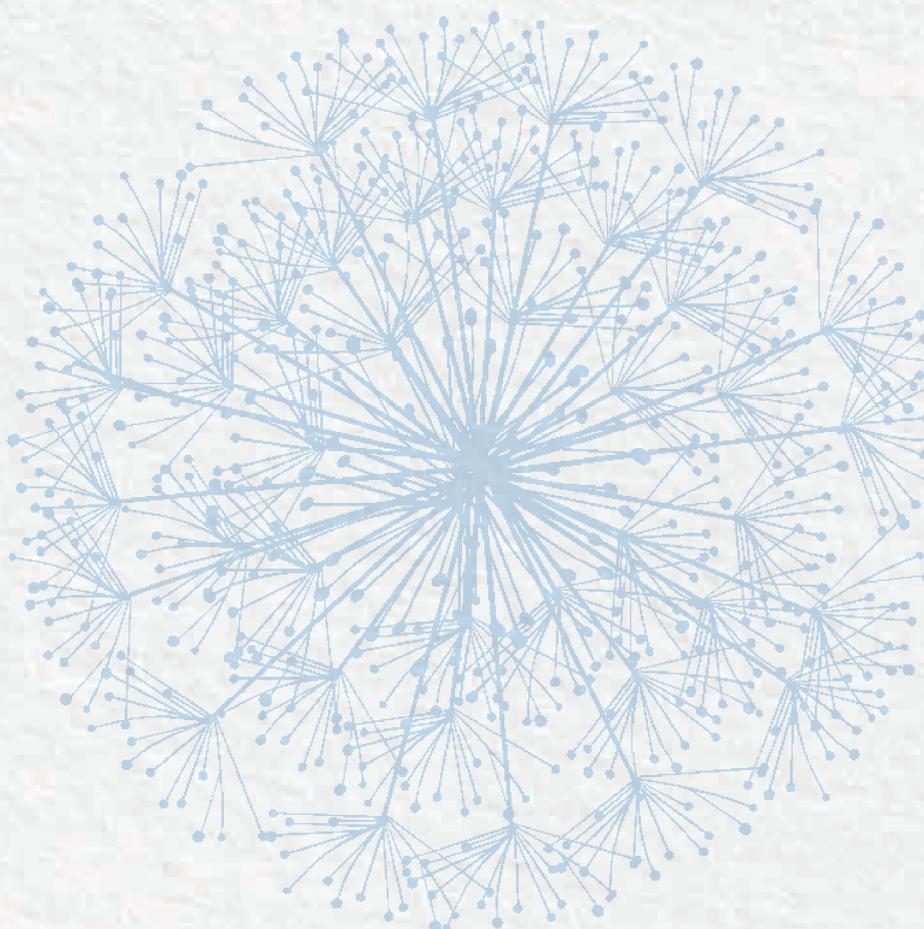
More recently, we have worked closely with United Nations Development Programme (“UNDP”) to contribute to global efforts to achieve the UN SDGs to create sustainable localised solutions to the population. We have received several appreciation letters commending our efforts and commitment to the UNDP. Both resorts in Maldives have achieved platinum status in Planet 21, Accor’s sustainable green platform.

Keong Hong will continue with our contributions to the community and fulfil our duty as a socially responsible corporation.



SGX-ST FIVE PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> • Stakeholder Engagement • Focus 1 to 7
2	Policies, Practices and Performance	<ul style="list-style-type: none"> • Chairman and Chief Executive Officer’s Message • Keong Hong’s Sustainability Story • Focus 1 to 7
3	Board Statement	Focus 1: Governance and Ethics <ul style="list-style-type: none"> • Governance and Statement of the Board
4	Targets	<ul style="list-style-type: none"> • Governance Targets • Quality and Innovation Targets • Environmental Targets • Health and Safety Targets • Social Targets • Supply Chain Targets
5	Framework	Reporting Practice



GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Organisation Profile
102-9	Supply chain	Organisation Profile
102-10	Significant changes to the organisation and its supply chain	Organisation Profile
102-11	Precautionary Principle or approach	Organisation Profile
102-12	External initiatives	Organisation Profile
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	Chairman and Chief Executive Officer's Message
102-16	Values, principles, standards, and norms of behaviour	Focus 1: Governance and Ethics • Ethics and Integrity
102-18	Governance structure	Focus 1: Governance and Ethics • Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement and Materiality Assessment
102-41	Collective bargaining agreements	Stakeholder Engagement and Materiality Assessment
102-42	Identifying and selecting stakeholders	Stakeholder Engagement and Materiality Assessment
102-43	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment
102-44	Key topics and concerns raised	Stakeholder Engagement and Materiality Assessment
102-45	Entities included in the consolidated financial statements	Annual Report
102-46	Defining report content and topic boundaries	Reporting Practice
102-47	List of material topics	Stakeholder Engagement and Materiality Assessment
102-48	Restatements of information	Reporting Practice
102-49	Changes in reporting	Reporting Practice
102-50	Reporting period	Reporting Practice

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-51	Date of most recent report	9 February 2021
102-52	Reporting cycle	Reporting Practice
102-53	Contact point for questions regarding the report	ir@keonghong.com
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Practice
102-55	GRI content index	GRI Standards Content Index
102-56	External assurance	
202-2	Proportion of senior management hired from the local community	Focus 7: Our Community • Market Presence
203-1	Infrastructure investments and services supported	Focus 2: Quality and Innovation • Developing Technology
203-2	Significant indirect economic impacts	Focus 2: Quality and Innovation • Developing Technology
204-1	Proportion of spending on local suppliers	Focus 2: Quality and Innovation • Developing Technology Focus 7: Our Community • Market Presence
205-1	Operations assessed for risks related to corruption	Focus 1: Governance and Ethics • Anti-corruption
205-2	Communication and training on anti-corruption policies and procedures	Focus 1: Governance and Ethics • Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Focus 1: Governance and Ethics • Anti-corruption
207-1	Approach to tax	Focus 1: Governance and Ethics • Tax
207-2	Tax governance, control, and risk management	Focus 1: Governance and Ethics • Tax
207-3	Stakeholder engagement and management of concerns related to tax	Focus 1: Governance and Ethics • Tax
207-4	Country-by-country reporting	Focus 1: Governance and Ethics • Tax
301-2	Recycled input materials used	Focus 3: Our Environment • Recycled Input Materials
302-1	Energy consumption within the organisation	Focus 3: Our Environment • Energy and Emissions
302-4	Reduction of energy consumption	Focus 3: Our Environment • Energy and Emissions
302-5	Reductions in energy requirements of products and services	Focus 3: Our Environment • Energy and Emissions
303-1	Water withdrawal by source	Focus 3: Our Environment • Water and Effluents
303-2	Water sources significantly affected by withdrawal of water	Focus 3: Our Environment • Water and Effluents

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
303-3	Water recycled and reused	Focus 3: Our Environment • Water and Effluents
304-2	Significant impacts of activities, products, and services on biodiversity	Focus 3: Our Environment • Protecting Biodiversity
304-3	Habitats protected or restored	Focus 3: Our Environment • Protecting Biodiversity
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	Focus 3: Our Environment • Energy and Emissions
305-5	Reductions in Greenhouse Gas Emissions	Focus 3: Our Environment • Energy and Emissions
306-1	Total water discharged by quality and destination	Focus 3: Our Environment • Waste Management
306-2	Waste by type and disposal method	Focus 3: Our Environment • Waste Management
306-5	Water bodies affected by water discharges and/or runoff	Focus 3: Our Environment • Waste Management
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Focus 1: Governance and Ethics • Environmental, Social and Economic Compliance
308-1	Percentage of new suppliers that were screened using environmental criteria	Focus 6: Supply Chain Management • Supplier Management
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Focus 6: Supply Chain Management • Supplier Management
401-1	New employee hires and employee turnover	Focus 5: Our People • Employee Diversity
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Focus 5: Our People • Employee Benefits
401-3	Parental leave	Focus 5: Our People • Employee Benefits
403-1	Occupational health and safety management system	Focus 4: Health and Safety: • COVID-19 Safety Measures • Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Focus 4: Health and Safety: • COVID-19 Safety Measures • Occupational Health and Safety
403-3	Occupational health services	Focus 4: Health and Safety: • COVID-19 Safety Measures • Occupational Health and Safety

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GRI Standards	Disclosure Content	Section Reference
403-4	Worker participation, consultation, and communication on occupational health and safety	Focus 4: Health and Safety: <ul style="list-style-type: none"> • COVID-19 Safety Measures • Occupational Health and Safety
403-5	Worker training on occupational health and safety	Focus 4: Health and Safety: <ul style="list-style-type: none"> • COVID-19 Safety Measures • Occupational Health and Safety
403-6	Promotion of worker health	Focus 4: Health and Safety: <ul style="list-style-type: none"> • Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focus 4: Health and Safety: <ul style="list-style-type: none"> • Occupational Health and Safety
403-9	Work-related injuries	Focus 4: Health and Safety <ul style="list-style-type: none"> • Injuries and Incidents
404-1	Average hours of training per year per employee	Focus 5: Our People <ul style="list-style-type: none"> • Training and Career Development
404-2	Programmes for upgrading employee skills and transition assistance programmes	Focus 5: Our People <ul style="list-style-type: none"> • Training and Career Development
404-3	Regular performance and career development review	Focus 5: Our People <ul style="list-style-type: none"> • Training and Career Development
405-1	Diversity of governance bodies and employees	Focus 5: Our People <ul style="list-style-type: none"> • Employee Diversity
406-1	Incidents of discrimination and corrective actions taken	Focus 5: Our People <ul style="list-style-type: none"> • Employee Diversity
408-1	Operations and suppliers at significant risk for incidents of child labour	Focus 6: Supply Chain Management <ul style="list-style-type: none"> • Supplier Management
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Focus 6: Supply Chain Management <ul style="list-style-type: none"> • Supplier Management
413-1	Operations with local community engagement, impact assessments, and development programmes	Focus 7: Our Community <ul style="list-style-type: none"> • Corporate Social Responsibility Focus 3: Our Environment <ul style="list-style-type: none"> • Noise and Vector Management
414-1	New suppliers that were screened using social criteria	Focus 6: Supply Chain Management <ul style="list-style-type: none"> • Supplier Management

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GRI Standards	Disclosure Content	Section Reference
414-2	Negative social impacts in the supply chain and actions taken	Focus 6: Supply Chain Management • Supplier Management
416-1	Assessment of the health and safety impacts of product and service categories	Focus 4: Health and Safety • COVID-19 Safety Measures
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Focus 4: Health and Safety • COVID-19 Safety Measures
418-1	Substantiated complaints concerning breaches of customer privacy and customer data loss	Focus 1: Governance and Ethics • Protecting Customer Privacy and Data
419-1	Non-compliance with laws and regulations in the social and economic area	Focus 1: Governance and Ethics • Environmental, Social and Economic Compliance

