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Long Service Award Recipients



SUSTAINABILITY REPORT

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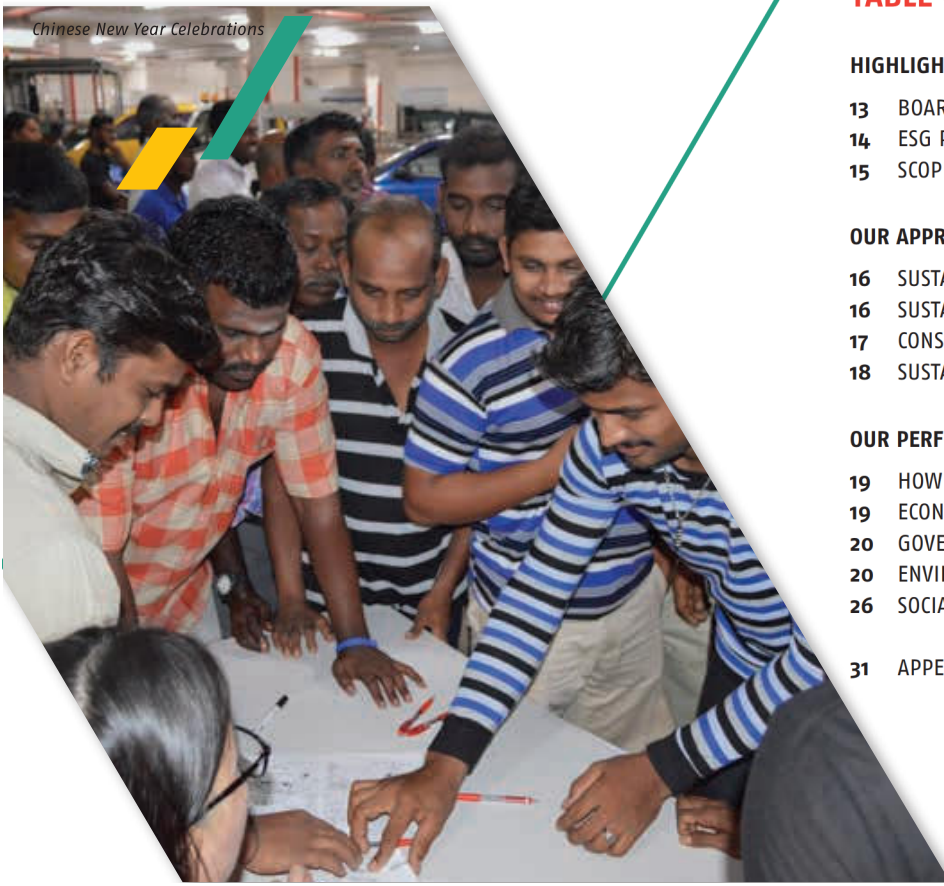
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Chinese New Year Celebrations



SUSTAINABILITY REPORT

1. HIGHLIGHTS

1.1 BOARD STATEMENT

INNOVATE FOR SUSTAINABILITY

At Ley Choon Group Holdings Limited ("Ley Choon", and together with all its subsidiaries, collectively the "Group"), we are united in upholding the highest standards of Environmental, Social and Governance ("ESG") practices within our organisation. Since we embarked on the sustainability journey, we have tackled the challenge of driving corporate sustainability with conviction and fervour.

Embracing sustainability reporting has challenged the Ley Choon management team to be introspective and re-calibrate the business modus operandi under which we have operated.

We have broadened our financial-centric business approach to incorporate non-financial parameters which has since sparked off a more effective management of a new spectrum of ESG parameters.

We believe our sustainable growth and success is only possible with the sustainable development of the communities we operate in, be it social, business or national communities.

While the Group continues to seek breakthroughs for new growth, we recognise the increasing importance of strengthening the sustainability and resilience of our current business operations.

We will continue to explore and evaluate business opportunities (including but not limited to strategic investments, partnerships, or mergers and acquisitions) that have potential to generate value for the shareholders.

EHS EXCELLENCE

In FY2020, we have continued our Environmental, Health & Safety ("EHS") Monitoring Plan for the Ley Choon Group. This programme aims to increase EHS ownership among employees in daily operations as well as to empower all employees to meet high EHS standards.

As we endeavour to enhance our EHS management system and processes to the highest standards, we aim to review and revise our existing Safety Management System vigilantly. Apart from implementing quarterly internal and external audits, we have also introduced a Competency Skill Test for our site supervisors in order to maintain a balance between Productivity and Safety in our operation.

We continued in our pursuit of safety awareness through our Safety Enhancement Programme ("SEP") which uses technology-based analytic tools to analyse the root causes of past incidents/accidents to determine preventive solutions and specific training needed for employees.

As a result, safety training hours have increased from 400 hours in FY2019 to 620 hours in FY2020. In addition, we also successfully achieved a 75.0% reduction of environmental violation incidents compared to the previous year.

HUMAN CAPITAL AND INNOVATION

Driving innovation is one of the key goals of our human capital development. In FY2019, we are delighted to present the first Appreciation Award for Innovation that resulted in cost savings for the Company.

Our firm commitment towards investing in human capital is reflected in a 52.5% increase in average training hours per employee to 18.3 hours in FY2020. For social impact, the Group plans to increase our contribution to business and community initiatives in the next 3 years.

We remain optimistic in driving the virtuous cycle of innovation and change management to drive greater financial and ESG returns for the Group.

BUSINESS RESILIENCE

However, as we enter into the new decade in 2020, the emergence of COVID-19 (Coronavirus Disease 2019) has created instabilities amongst the international economy and generated considerable negative impact, especially within the construction sector in Singapore.

In fact, the repercussions from COVID-19 are far from over. This has motivated us to create a new normal in how we are going to conduct our business moving forward.

We have since taken all necessary measures to ensure the safety and well-being of our personnel and to mitigate the economic fallout of this existential health threat, travel curbs, quarantines, and lockdowns.

This includes the implementation of business continuity plans, enhancement of online activities and austerity measures.

In demonstrating our solidarity to join the authorities' efforts to control the pace of the spread of COVID-19, we vigilantly complied with the government's measures for the construction sector. As far as practicable, our office employees have been on split-team arrangement to work from home on alternate days.

Lastly, we wish to confirm that the Board has considered sustainability issues as part of its strategic formulation. The Board has determined the material ESG factors and overseen the management in monitoring these material ESG factors.

On behalf of the Board of Directors

TOH CHOO HUAT

Executive Chairman and Chief Executive Officer

SUSTAINABILITY REPORT

1.2 ESG PERFORMANCE FY2020 HIGHLIGHTS

SOCIAL

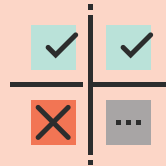


52.5% increase in average training hours per employee to 18.3 hours

GOVERNANCE



Full adherence to Code of Corporate Governance and maintained zero whistleblowing incidents



Achieved 75.0% reduction of environmental violation incidents

ENVIRONMENTAL



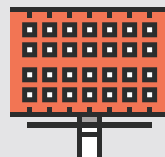
Continued with the Environmental, Health & Safety (“EHS”) Monitoring Plan to increase EHS ownership among employees in daily operations requirement as well as to empower all employees to meet high EHS standards



Continued with the Safety Enhancement Programme (“SEP”) which leveraged technology-based analytic tools to analyse the root causes of past incidents/accidents to derive with preventive solutions and specific training needed for employees



Continued with the Competency Skill Test for our site supervisors to strive for a balance between Productivity and Safety in operations



Achieved zero reportable incidents and reduced non-reportable incidents by 67.4%

SUSTAINABILITY REPORT

1.3 SCOPE OF SUSTAINABILITY REPORT

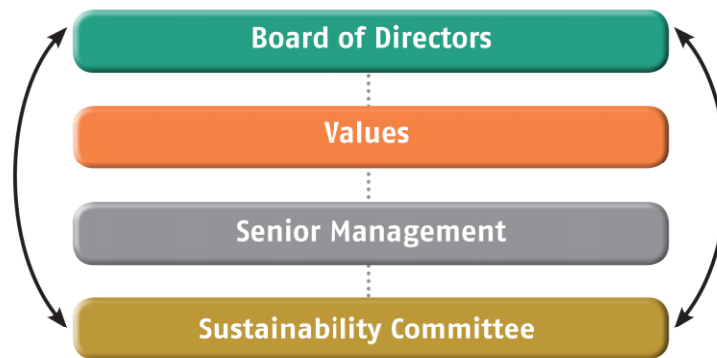
Reporting Period	The scope of the report covers data and information on material sustainability aspects of Ley Choon from 1 April 2019 to 31 March 2020 unless otherwise specified, and discusses the Group's achievements and performance towards Environmental, Social and Governance ("ESG") issues. We believe that the report should sufficiently address stakeholders' concerns in relation to sustainability issues arising from the Group's major business operations.
Reporting Standards	<p>This report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. We defined the report content in accordance with GRI Principles including:</p> <ul style="list-style-type: none"> • <i>Materiality</i>: Focusing on issues that impact business growth and are of utmost importance to our stakeholders; • <i>Stakeholder Inclusiveness</i>: Responding to stakeholder expectations and interests; • <i>Sustainability Context</i>: Presenting performance in the wider context of sustainability; and • <i>Completeness</i>: Including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Group's performance. <p>It also considers the Sustainability Reporting Guide in Practice Note 7F of the Catalyst Rules. In preparing our report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders.</p>
Reporting Boundaries	<p>The aspect boundaries 'within' the organisation are limited to Ley Choon and our subsidiaries.</p> <p>The aspect boundaries 'outside' the organisation include customers, employees, governments and regulatory agencies, local community, shareholders and financial community, and suppliers.</p>
Independent Verification	The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.
Restatements	Environmental impact data relating to electricity and water consumption for the previous year has been updated due to availability of more accurate data. No other restatements were made from the previous report.
Accessibility	A current electronic edition of the report is available at www.leychoon.com .
Sustainability Contact	<p>We welcome your views and feedback on our sustainability practices and reporting by filling up our feedback form which can be accessed by scanning the QR code on the right.</p> 

SUSTAINABILITY REPORT

2. OUR APPROACH TO SUSTAINABILITY

2.1 SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure as follows:



2.2 SUSTAINABILITY STRATEGY

With our vision and corporate values in mind, we are making an effort to integrate sustainability into the businesses of Ley Choon Group, so that it is systematic and seamless. Where possible, we incorporate sustainability considerations in our decision-making processes.

Our sustainability efforts are led by our senior management who ensures that the Group's business objectives are in line with our commitments to sustainable development. Senior management is responsible for on-going communication with the Board of Directors.

Ley Choon's senior management determined focus areas where Ley Choon can have the greatest economic, environmental and social impact, as well as the areas that are most important to our stakeholders.

Ley Choon has taken efforts to seek the opinion of internal and external stakeholders either formally or informally. We aspire to understand the needs and expectations of our key stakeholders and strive to build mutual beneficial relationships.



SUSTAINABILITY REPORT

2.3 CONSULTING OUR STAKEHOLDERS

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and Ley Choon.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

Stakeholders	How we engage them	Key topics
Customers	<ul style="list-style-type: none"> Formal meetings Informal feedback Company's website 	<ul style="list-style-type: none"> Project timelines, requirements and specifications Work-in-progress and status Feedback on completed projects
Employees	<ul style="list-style-type: none"> Performance appraisals Team bonding and company events Internal communication (emails and intranet) Annual appreciation dinner One-on-one dialogue session with workers 	<ul style="list-style-type: none"> Performance and skills Health and safety issues and necessary precautions to note New contract wins Project timelines and status updates
Governments and regulatory agencies	<ul style="list-style-type: none"> Regular updates and communication Reports and compliance Periodical meetings/discussion with government bodies 	<ul style="list-style-type: none"> Regulatory and industry standards and guidelines
Local community	<ul style="list-style-type: none"> Community outreach activities (such as community event sponsorships) Charity events Sponsor technical seminars 	<ul style="list-style-type: none"> Partner with local not-for-profit charitable organisations to identify the target beneficiaries
Shareholders and Financial Community	<ul style="list-style-type: none"> Annual General Meeting SGX Announcements Annual reports Company's website Regular updates and communication 	<ul style="list-style-type: none"> Financial results Key developments such as contract wins, corporate action, etc. Long-term profitability and sustainability Compliance with all relevant requirements
Suppliers	<ul style="list-style-type: none"> Regular meetings Emails Periodic evaluations on suppliers' performance 	<ul style="list-style-type: none"> Feedback on their products and services Information of their new products or services

SUSTAINABILITY REPORT

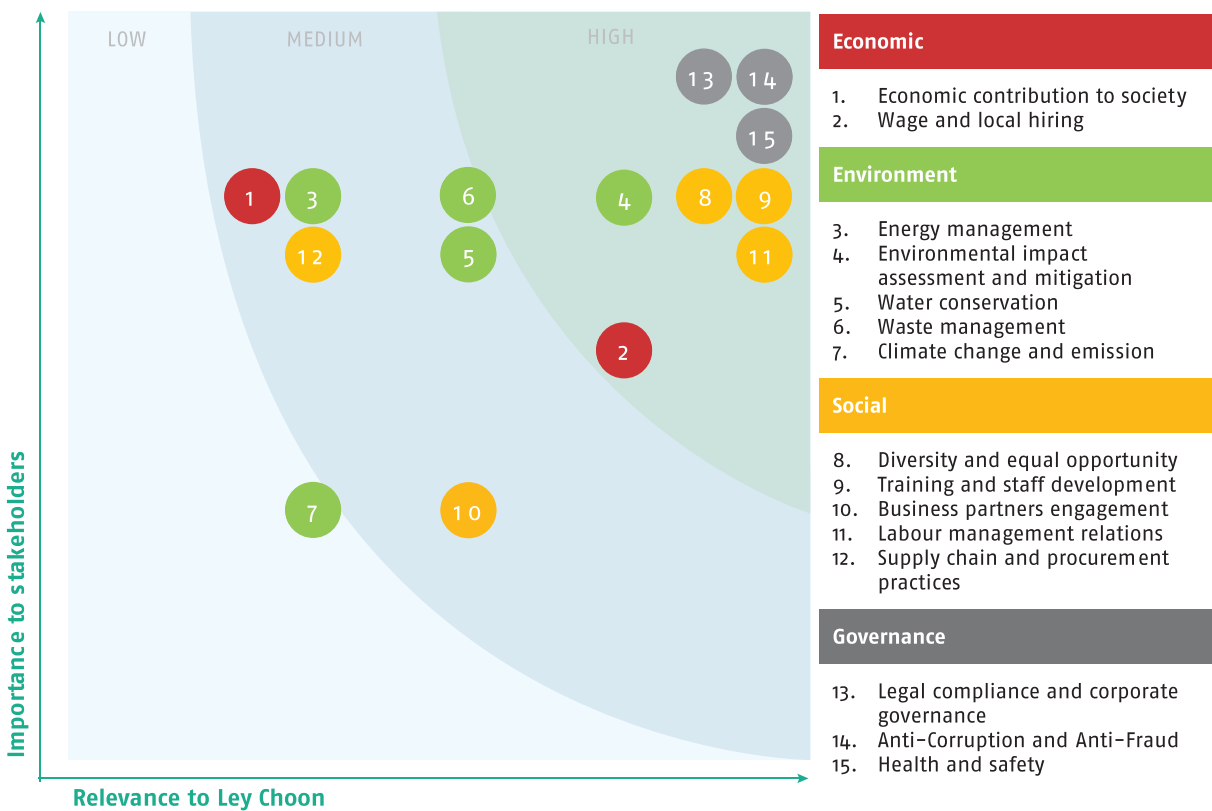
2.4 SUSTAINABILITY MATERIALITY

From the results of our stakeholders' engagement, the Group has adopted a materiality analysis to identify challenges and issues that are important to our stakeholders and which are relevant to our Group.

Our material issues are identified as those that are ranked as high and critical by both our internal and external stakeholders on the materiality matrix. We therefore focus our sustainability efforts and reporting on these issues.

We have identified and compiled 15 relevant sustainability issues for developing this report. These issues were further deliberated and narrowed down through our engagement process with stakeholders. The senior management then reviewed the list of issues and determined the material issues based on importance to our stakeholders and the sustainability impact to our businesses.

The importance of the material issues is ranked based on our meetings and interviews with our stakeholders.



Economic

- 1. Economic contribution to society
- 2. Wage and local hiring

Environment

- 3. Energy management
- 4. Environmental impact assessment and mitigation
- 5. Water conservation
- 6. Waste management
- 7. Climate change and emission

Social

- 8. Diversity and equal opportunity
- 9. Training and staff development
- 10. Business partners engagement
- 11. Labour management relations
- 12. Supply chain and procurement practices

Governance

- 13. Legal compliance and corporate governance
- 14. Anti-Corruption and Anti-Fraud
- 15. Health and safety

SUSTAINABILITY REPORT

3. OUR PERFORMANCE

3.1 HOW WE MEASURE OUR PERFORMANCE

Our **sustainability strategy** is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of 'commitments'.

Metrics and targets






We have established key performance indicators for each area outlined in our **sustainability materiality matrix**. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area above. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

Symbols used to indicate progress against commitments

Symbol	Meaning
	New commitment this year
	Not started
	In progress
	Complete
	Ongoing commitment: no end date

3.2 ECONOMIC

Economic contribution to society

The Group operates our businesses across two business segments in Singapore and another two overseas markets in China and Sri Lanka. We manage our one-stop underground utilities infrastructure construction and roadworks service in accordance with sustainability principles. We work closely with our business partners to identify and consider any sustainability opportunities and risks that may arise.

More importantly, we strive to contribute positively to society through our economic presence by contributing to the efficient management of the public infrastructure, namely underground utilities infrastructure, roadworks and maintaining good stewardship of the resources.

In FY2020, we have achieved S\$94.4 million revenue and generated new business opportunities within our organisation in the markets we operate in. Despite our business challenges, we still seek to demonstrate our commitment to actively contribute to the communities and the charitable organisations in Singapore through a formal corporate philanthropy policy which is pegged to our annual contract wins.

For details of our financial performance, please refer to page 77 onwards of this Annual Report.

SUSTAINABILITY REPORT

3.3 GOVERNANCE

Legal compliance and corporate governance

Corporate governance and legal compliance have always been one of the top priorities for the Group. The decision-making process in the Group is strictly in compliance with legal and regulatory requirements, including but not limited to, the Code of Corporate Governance issued by Monetary Authority of Singapore ("MAS") and the guidelines of the Building and Construction Authority ("BCA"), Land Transport Authority ("LTA"), National Environmental Agency ("NEA") and Ministry of Manpower ("MOM").

In FY2020, the Company has not received any correspondences or notifications in relation to any material non-compliance of regulatory requirements. In addition, the Audit Committee also received no whistle-blowing reports during the year. There was only 1 environmental violation incident in FY2020 which reflected our success in achieving a 75.0% reduction compared to 4 cases in FY2019.

For details of our performance on Corporate Governance, please refer to pages 40-69 of this Annual Report.



Anti-Corruption and Anti-Fraud

The Group prohibits all forms of bribery and corruption. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group's interests.

Whistle-blowers can report verbally or in writing to the senior management of the Group for any suspected misconduct with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality

mechanism to protect the whistleblowers against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the management considers necessary.

Customer Privacy & Data Protection

The nature of our business warrants a high-level of security and confidentiality of our clients' personal data as well as the business transactions they have undertaken.

We adhere strictly to the guidelines set by the Personal Data Protection Act ("PDPA"). We have invested to ensure our proprietary IT system meets the highest standards for IT security. Our confidential documents are disposed by waste disposal firms to ensure maximum security.

There is no incident of substantiated complaints concerning breaches of customer privacy and losses of customer data.

3.4 ENVIRONMENT

Environmental Health & Safety ("EHS")

The Group recognises that the promotion of quality, environmental, safety and health of its employees and the prevention of pollution as an important part of its operations and in meeting the requirements of customers, business partners, employees and the general public.

Guided by our Group's policy that "**Safety is everybody's responsibility**", we are driven by the steadfast commitment to our employees for a safe working environment in which one can work and excel with full confidence.

In support of our integrated management system policy, the Group commits itself to the provision of workplace, health and safety, prevention of damages to property, the promotion of pollution-free environment and noise reduction to the general public through:

- Reducing environmental impact through "Reduce, Reuse and Recycle".
- Prevention of environmental pollution, injury, ill health and accident that potentially affect our employees, stakeholders, contractors, suppliers, and the general public.
- Continuously improving our management system, process and performance.
- Ensuring compliance to applicable legal legislation and other requirements.
- Green and Gracious practices/code approaches to protect our mother earth and be gracious and considerate to general public.

SUSTAINABILITY REPORT

Occupational Health & Safety

Currently, we have three existing programmes in place, comprising the daily toolbox meeting, monthly safety training, and Safe Management Measures training to manage COVID-19. A new worker induction programme is also in place to provide a comprehensive training for all aspects of safety in different work environments for all new employees.

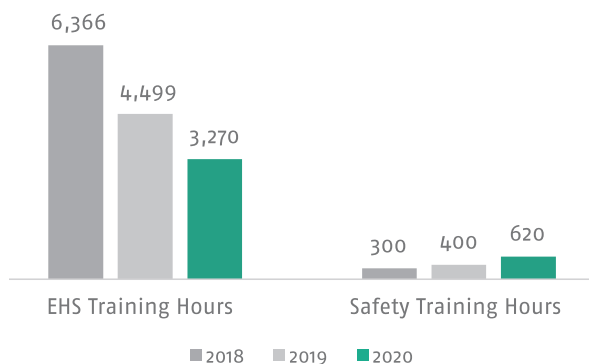
We hold our annual Safety Day to encourage workers to display good safety practices at sites as well as to maintain good housekeeping of equipment, machinery and vehicles. Top 3 winning teams are selected by Management and prizes are given out during our employees Annual Appreciation Dinner.

For risk management training, we have built in a tie-in with the national SGSECURE Anti-Terrorism programme whereby our workers are instilled with the importance of protecting our worksite against terrorist sabotage. Workplace fire safety drills are also organised to ensure that our employees are trained to respond effectively during emergencies.

We continued to implement our Environmental, Health & Safety Monitoring Plan for the Group. This programme aims to increase EHS ownership among employees in daily operations requirement as well as to empower all employees to meet higher EHS standards.

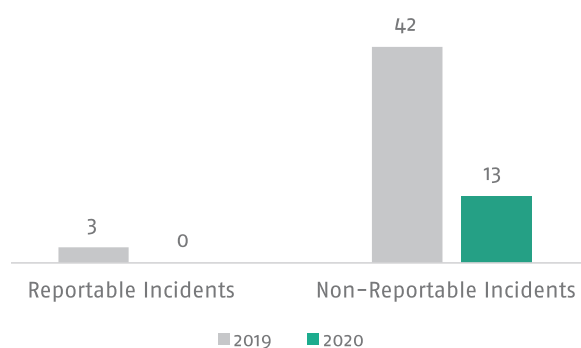
As we endeavour to elevate our EHS management system and processes to the highest standards, we review and revise our existing Safety Management System vigilantly. Other than implementing quarterly internal and external audits every year, we have also introduced a Competency Skill Test for our site supervisors. We strive to maintain a balance between Productivity and Safety in operation sites.

We also continued in our pursuit of safety awareness through our Safety Enhancement Programme ("SEP") which aims to enhance our Safety Standards and to lower the Accident Rate (AFR & ASR) within the Group. SEP uses technology-based analytic tools to analyse the root causes of past incidents/accidents to determine preventive solutions and specific training needed for employees.



In FY2020, safety training hours in relation to in-house training have increased to 620 hours from 400 hours in FY2019, representing an increase of 55.0%. At the same time, EHS training hours in relation to external training have decreased from 4,499 hours

in FY2019 to 3,270 hours in FY2020. The decrease in EHS training hours in FY2020 is because most workers had already attended the required external training courses in previous years to comply with the applicable law and regulations. In order to maintain the workers' competency, we hence conducted more in-house safety training instead.



Due to our continued emphasis on safety, in FY2020, we have achieved zero reportable incidents and reduced non-reportable incidents by 67.4%. This cannot be achieved without a high-level of discipline and vigilance by our workers.

We aim to maintain our average EHS training hours consistently despite the fluctuation in the volume of projects and staff strength every year.

Safe Management Measures to Manage COVID-19

Since March 2020, the Group fulfilled all the restart criteria for construction workplace, including:

- COVID-Safe Workplace
- COVID-Safe Worksite
- COVID-Safe Worker accommodation and transport

The Group has been working throughout the entire Circuit Breaker period from April to June 2020 as an essential services provider for Urgent Repair Works under the Public Utilities Board ("PUB"). Despite the harsh measures during this period, the Group managed to fulfil all MOM/MOH/BCA restart criteria and has resumed most of our project works.

On 3 April 2020, we were graced by our Honourable Minister Mr. Tan Chuan-Jin, Speaker of the Parliament of Singapore, when he visited our HQ office and dormitory. He gave valuable feedbacks and commendations on how we managed our workers during this difficult time. The PUB Director for Water Supply (Network), Mr. Ridzuan Ismail and his team, visited our dormitory as well after the Circuit Breaker period and they were impressed with our management of workers and dormitory in an orderly and efficient way. We make use of our technology and are committed in ensuring all our staff have a safe place to work in.

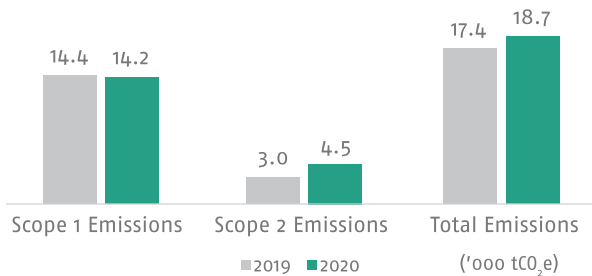
SUSTAINABILITY REPORT

Climate Change and Emissions

We are committed to positive action on climate change and dedicated to reducing the carbon emission in our daily operations. To determine the carbon footprint, we collect energy usage data from each of our businesses and thereafter calculate our total annual greenhouse gas emissions.

We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate greenhouse gas emissions. Using the "control method", we include 100% of the emissions associated with businesses which we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our properties (Scope 2 emissions)



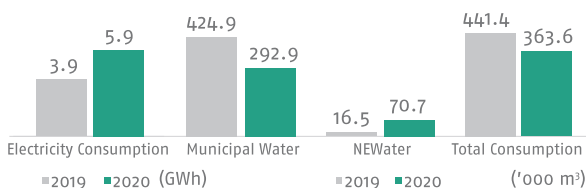
In FY2020, the Group generated a carbon footprint of 18,697 tonnes of carbon dioxide emission (tCO₂e). The emission mainly arises from diesel used in transportation of asphalt to our customers, accounting for 75.7% of the total carbon emission of the Group. The rest of the emissions are due to purchased electricity used in our operations and activities. Our carbon footprint increased 7.6% from the previous year mainly due increased electricity usage as mentioned above.

We will monitor our performance on carbon footprint reduction and report our progress every year.

Energy Management & Water Conservation

As we are in the underground utilities infrastructure business, electricity and water consumption increases correspondingly with increase in our business activities.

We have been actively monitoring our water and electricity consumption to control consumption levels, so as to maintain cost efficiencies. By investing in energy efficiency and reducing water consumption, we not only help protect the environment but can also lower our financial costs.



In FY2020, we continue to take active steps to reduce energy and water consumption within our organisation over the past year through installation of NEWater waterpoints and installation of solar panel street lights. Despite our best efforts, electricity consumption increased 50.2% from the previous year due to increase of production in the asphalt recycling plant. However, total water consumption reduced 17.6% from the previous year due to our conservation efforts. Moreover, we reduced usage of municipal water by 31.1% and increased the usage of recycled NEWater by more than 4 folds.

Biodiversity Conservation

We practice environmental monitoring and mitigation by incorporating biodiversity conservation within our worksites. Our biodiversity conservation programme is centred on the review of the conditions of the vegetation around the circumference of applicable projects. Any environmental issues will be reported and rectified immediately to ensure biodiversity is protected.

In FY2020, no significant issues concerning biodiversity conservation have been identified.

Waste Management

In line with our corporate motto of "Build, Renew, Recycle", proactive mitigation of the environmental impact and protection is deeply embedded within our business model. As aptly demonstrated by the built-in recycling feature of our asphalt premix plant, up to 70% of recycled components can be used.

As a strong green advocate of the use of recycled aggregates and asphalt, we promote green environment and are also committed to comply with all applicable environmental regulations set by the BCA, NEA as well as building and construction industry locally and internationally. We also labelled all the recycling containers with enhanced visibility for each category of recycled products, so that our staff and customers can have greater ease in their waste recycling management process.

We have set for ourselves the mission to (1) review and implement waste management systems and processes to minimise wastage; and (2) to protect water bodies from being affected by contaminated water and waste discharge.

In FY2020, we increase the usage of recycled material by 4% in Operation Works compared with previous year, exceeding our target set.

We recycled our construction waste, including excavated road materials that we salvaged from work sites, which will be brought back to our recycling plant to be converted into recycled aggregates to use as backfill materials.

SUSTAINABILITY REPORT
Pursuing EHS Excellence

We strive to attain EHS excellence through meeting the stringent requirements of BCA, Green and Gracious Builder Award and bizSAFE STAR annually for the following subsidiaries:

bizSAFE STAR	BCA Green & Gracious Awards
Ley Choon Constructions and Engineering Pte Ltd	Ley Choon Constructions and Engineering Pte Ltd
Teacly (S) Pte. Ltd.	Teacly (S) Pte. Ltd.
Chin Kuan Engineering and Contractors Pte Ltd	Chin Kuan Engineering and Contractors Pte Ltd
Multiform Developments & Construction Pte Ltd	
Pan Alliance Technology International Pte. Ltd.	

Customer Satisfaction Index

In FY2020, we have achieved an 78.3% target for the Customer Satisfaction Index FY2020 based on the survey results that were collected from 9 key clients in the private sector, which was under our target of 85.0%. This was mainly due to less than satisfactory condition of the equipment in use in the current year. We have taken note of the customers' feedback and will improve our regular maintenance of machinery and equipment.



In addition, we have been awarded the following awards

Awards	Customer	Project
Contractor Safety Recognition Award (Construction)	Public Utilities Board	Proposed 2200mm Diameter Water Pipeline from MNSR – Package 1 
Safety Recognition Award	Changi Airport Group	ZERO Safety infringement for works at Changi Airport in 2018 
Safety Accomplishment Award	Samsung Engineering & Construction	T313 Project 2018 for achieving 5.0 million accident free man-hours 

SUSTAINABILITY REPORT

Targets & Performance

We have charted for ourselves an Environmental, Health and Safety roadmap which we have embarked on since FY2018.

Aspects	Objective	Targets	Progress	Policy
Quality				
Meet and Exceed All Customer's Requirement	<ul style="list-style-type: none"> Benchmark customer satisfaction using Customer Satisfaction Index 	<ul style="list-style-type: none"> Meet the average target score of 85% for Customer Satisfaction Index 		<ul style="list-style-type: none"> We aim for 100% on time, on budget completion rate for all our projects.
				<ul style="list-style-type: none"> We strive to achieve 100% customer satisfaction rating by our customers.
				<ul style="list-style-type: none"> We deliver the highest quality standards in accordance to the project specifications set by our clients.
Performance of Services and Products	<ul style="list-style-type: none"> Reduce the number of rework cases per year 	<ul style="list-style-type: none"> Reduce and minimise major rework cases by 20% 		<ul style="list-style-type: none"> We aim for zero defects for the performance of services and products delivered to our clients.
				<ul style="list-style-type: none"> We will reduce major reworks and related repair by 1%.
Occupational Health and Safety				
Prevention/Reduction of Accident or Incident	<ul style="list-style-type: none"> Provide safe working environment 	<ul style="list-style-type: none"> Aim for zero accident rate at workplace 		<ul style="list-style-type: none"> We aim for zero accident rate at workplace.
				<ul style="list-style-type: none"> We provide for a safe and well-designed workplace to ensure our employees are safeguarded against any foreseeable accidents.
Occupational Health	<ul style="list-style-type: none"> Provide a healthy environment and protection for employees at workplace 	<ul style="list-style-type: none"> Aim for zero occupational health incident at workplace 		<ul style="list-style-type: none"> We aim for zero occupational health incident rate at workplace.
Prevention of Damages to Property	<ul style="list-style-type: none"> Prevent damages to property 	<ul style="list-style-type: none"> Reduce and minimise the repair cost and reduce damages to property by 20% 		<ul style="list-style-type: none"> We aim to reduce the repair costs to less than 5% of the project cost.
Comply with Legal and Other Requirements	<ul style="list-style-type: none"> Comply with legal requirements 	<ul style="list-style-type: none"> Reduce the cases of legal non-compliance by 20% 		<ul style="list-style-type: none"> We comply with all national and international legal regulations to uphold the highest level of health and safety standards at our worksites.
				<ul style="list-style-type: none"> We target to achieve zero non-compliance with any environmental regulations.

SUSTAINABILITY REPORT

Aspects	Objective	Targets	Progress	Policy
Occupational Health and Safety				
Material (Recycling)	<ul style="list-style-type: none"> Protect natural resources by maximising the usage of recycled materials in daily operation works. 	<ul style="list-style-type: none"> Increase the usage of recycled material by 1% in Operation Works compared with previous year 		<ul style="list-style-type: none"> We embrace green principles of using more recycled materials in our daily operations.
Energy Conservation	<ul style="list-style-type: none"> Preserve our environment by reducing energy consumption and avoiding pollution 	<ul style="list-style-type: none"> Reduce the total energy consumption by 2% per headcount in HQ building 		<ul style="list-style-type: none"> We implement energy efficient practices, technology and equipment to reduce energy consumption within our premises.
				<ul style="list-style-type: none"> We target to reduce the pollution caused by our construction activities.
Water Conservation	<ul style="list-style-type: none"> Preserve our environment by reducing the use of water for our activities 	<ul style="list-style-type: none"> Reduce the total water consumption by 2% per headcount in HQ building 		<ul style="list-style-type: none"> We implement efficient practices, technology and equipment to reduce water consumption.
Biodiversity	<ul style="list-style-type: none"> Deploy the necessary resources to preserve biodiversity and ensuring the sustainability of ecosystems 	<ul style="list-style-type: none"> Engage specialist/experts to set up the environmental programme for protected area prior to the commencement of works 		<ul style="list-style-type: none"> We implement environmentally-friendly practices, technology and equipment to preserve biodiversity.
Effluent and Waste	<ul style="list-style-type: none"> Protect water bodies from being affected by contaminated water and waste discharge Ensure all the contaminated waste are sent for proper disposal by NEA approved General Disposal Facilities 	<ul style="list-style-type: none"> Employ Environmental Control Office/Specialist for Environment Control Measure implementation 		<ul style="list-style-type: none"> We target to treat contaminated waste water before discharging all our projects.
				<ul style="list-style-type: none"> We implement effective waste management measures and technology to ensure we maximise the materials we use and the waste disposal/discharge is responsibly managed.
Environment Compliance	<ul style="list-style-type: none"> Ro ensure we conform to environmental laws, regulations, standards and other industry requirements 	<ul style="list-style-type: none"> Reduce the number of environmental related cases brought by external authorities 		<ul style="list-style-type: none"> We comply with all national and international legal regulations to uphold the highest level of environmental standards at our worksites.

SUSTAINABILITY REPORT

3.4 SOCIAL

Compliance with Labour Regulations

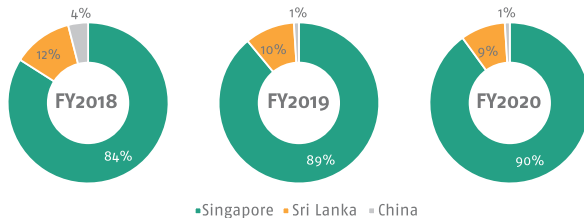
To underscore our care and commitment towards our employees, the Group adopts a holistic Human Resource ("HR") strategy focused on fair remuneration and equal opportunities, training and development, employee wellness and engagement, and work-life harmony.

We are fully committed to complying with all applicable labour laws where we operate as well as all mandatory legal regulations and training requirements stipulated by BCA and MOM in Singapore.

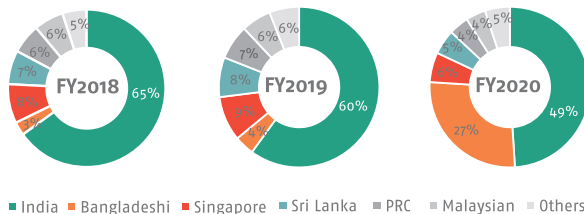
Diversity and Equal Opportunity

The Group currently has a headcount of about 900 employees, which is around the same level as the previous year. We provide fair employment opportunities to all, regardless of age, gender, race or nationality. Our Group advocates a policy of harnessing diversity in human resource as evidenced by a fair distribution of employees from varied nationalities and age groups to support our key markets in Singapore, China and Sri Lanka.

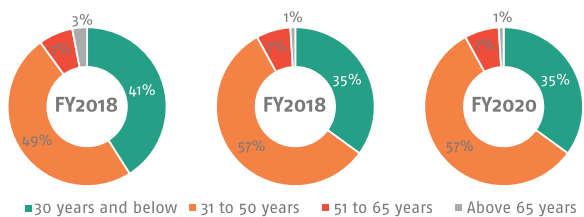
Our employees are distributed across the following locations:



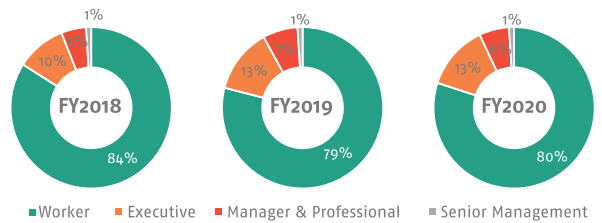
Our employees comprise of the following nationalities:



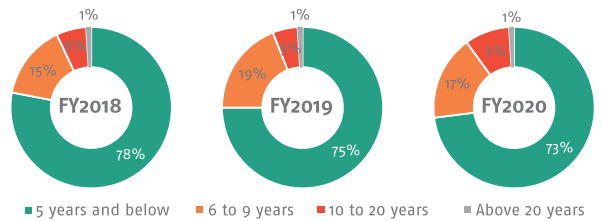
We employ both younger and older workers beyond the official retirement age of 65:



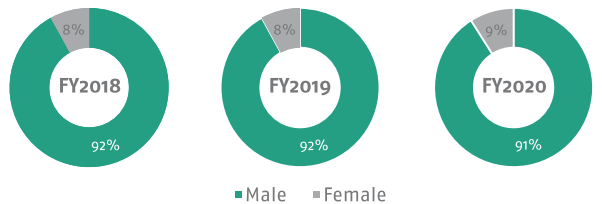
In terms of employee skills profile, we have maintained a fair proportion of professional and management team to lead and drive the business growth in our business segments:



Close to 80% of our workforce are made up of employees with 5 years of service and below. However, they are led by a stable pool of more senior staff who will be around to provide guidance and training where necessary:



Whilst the Group advocates gender diversity and equal opportunities in our organisation, however, given the nature of our business in the underground utilities infrastructure construction and roadworks services, it is inevitable that over 90% of our employees are male whilst the female employees are mainly engaged in the support functions at all levels:



Fair work practices and remuneration are ascertained based on individual work performance and not on any gender consideration at Ley Choon. No form of discrimination is tolerated within our organisation.

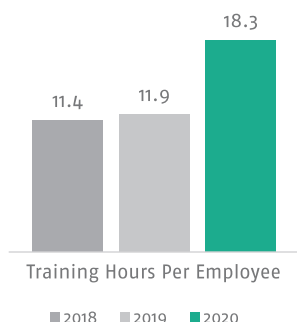
In FY2020, there is no incident of discrimination and corrective actions taken.

Training & Development

We are committed to investing in the training and further education of our employees as demonstrated by the fact that we have managed to increase our average training hours per employee by 52.5% in FY2020.

SUSTAINABILITY REPORT

Other than EHS and Safety Training, we also focused our training efforts by conducting other work-related training (e.g. pipe bending, copper bending welding, water tapping, pipe cutting etc.) in FY2020.



Embracing Technology Innovation

As our first step to digitise our employee records, we have adopted Fareclock which is a complete time attendance system using facial recognition technology. Through this implementation, we have enhanced the accuracy of our employee records and attendance system.

The employee self-service electronic system which allows our employees to access their leave records, check and apply for their leave as well as to file transportation claims on or offsite, were well-received. This has greatly enhanced the productivity and data analytics for our leave management system.

E-pay slips are generated for all employees have translated into higher productivity and convenience for employees through the paperless and electronic mechanism.

We have extended the connotation of green properties, and followed the idea of environmental protection throughout the whole process of construction. Together with our partners, we have made in-depth research over a rational construction site layout, and continuously enhanced on-site management to create a clean, tidy, comfortable and safe environment during construction or asset enhancement in property management.

Employee Engagement and Wellness

In appreciation of our employees' invaluable contribution to the organisation, the Group continued its annual appreciation events organised for employees of all levels to mingle and bond over social activities.

In FY2020, other than our annual appreciation dinner in January 2020, we organised a Movie Screening for our workers during Deepavali in Singapore.

We have also organized our regular Workers Orientation Briefing by senior management with our working level employees to understand and identify their work issues and challenges. Such engagement initiatives will be rolled out to involve the middle management in the following years.

Business Partner & Stakeholder Engagement

We actively engage our business partners and stakeholders regularly to keep them abreast of the developments of our businesses.

Please see the section on Consulting our Stakeholders on Page 17 for more information.

Labour-Management Relations

It is important to have effective communication between management and employees, so that employees are more engaged with the organisation and have a more positive attitude towards their work and loyalty to the Group. They are provided with frequent management updates and adequate notice period regarding operational changes.

We often engage our employees in the following ways:

- Bi-monthly management meeting primarily to review the physical & financial progress of the projects.
- Regular dialogue session between CEO and operation staff to understand their practical challenges in the operations and the impediments to improve the productivity, so as to modify the workflow and business processes appropriately.
- Weekly/Monthly Meetings: Team Managers have weekly and monthly meetings with the management team to discuss about operations review and project progress.
- Quarterly Meetings: Management conducts quarterly meetings for Board of Directors to discuss business development and finance.
- Informal Small Group Meetings: Meetings are often held by management to listen to and understand our employees' concerns and grievances.

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Targets & Performance

We strive for excellence to raise our investments and standards for our human capital. We have set a three-year roadmap along 6 key pillars of:

- (1) Employee Engagement and Excellence
- (2) Fair Remuneration
- (3) Diversity and Equal Opportunities
- (4) Training and Development
- (5) Talent Performance Management
- (6) Corporate Social Responsibility

We are systematically reviewing and setting the key performance metrics for our human resource management system in 1 to 5 years' time.

Aspects	Objective	Targets	Progress	Policy
Employee Engagement and Excellence				
Employee Wellness	<ul style="list-style-type: none"> Enhance employee wellness in both physical and mental state of well-being 	<ul style="list-style-type: none"> Target employees' well-being by bringing in complimentary basic health screening services through appropriate medical intervention including medication and lifestyle modification 	Ⓒ	<ul style="list-style-type: none"> We aspire to position Ley Choon as the employer-of-choice for existing and potential employees.
		<ul style="list-style-type: none"> Support mental wellness through the promotion of work-life balance among the employees 	Ⓒ	<ul style="list-style-type: none"> We strive to provide a healthy workplace as healthy employees contribute to the Company's growth and corporate culture such as productivity, energy, engagement and morale.
Employee Engagement	<ul style="list-style-type: none"> Achieve employee engagement through well-designed employee engagement strategy & programmes 	<ul style="list-style-type: none"> Increase employee engagement to enhance the communication and cohesion of the organisation 	Ⓒ	<ul style="list-style-type: none"> We strive to achieve 20% more employee engagement to enhance the communication and cohesion of the organisation. We promote greater social interaction among employees via company-wide programmes and both external and internal communications channels.
Employee Loyalty	<ul style="list-style-type: none"> Achieve employee loyalty through well-designed employee loyalty strategy & programmes 	<ul style="list-style-type: none"> Attain employee loyalty to enhance employee morale, motivation and cohesion of the organisation 	Ⓒ	<ul style="list-style-type: none"> We strive to attain 80% employee loyalty to enhance the employee morale, motivation and cohesion of the organisation.

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Aspects	Objective	Targets	Progress	Policy
Employee Engagement and Excellence				
Compensation and Benefits	<ul style="list-style-type: none"> Provide fair and competitive remuneration and staff benefits which meets the Company's goals of attracting and retaining good talents 	<ul style="list-style-type: none"> Achieve fair and competitive remuneration packages for staff which commensurate with their work experience and skillset 		<ul style="list-style-type: none"> We aspire to position Ley Choon as the employer-of-choice for existing and potential employees.
				<ul style="list-style-type: none"> We strive to achieve fair, non-discriminatory and competitive remuneration packages for staff which commensurate with their work experience and skillset.
				<ul style="list-style-type: none"> We aim to achieve above 80% rating for satisfaction for remuneration and benefits by our employees in the exit interview responses.
Diversity and Equal Opportunities				
Recruitment	<ul style="list-style-type: none"> Embrace open recruitment approach to attract the best talent to serve in the Group 	<ul style="list-style-type: none"> Effectively recruit good employees with the right profile and required skillsets for the Group 		<ul style="list-style-type: none"> We embrace an open recruitment policy to uphold the principle of fairness and meritocracy in our recruitment and selection process.
Diversity	<ul style="list-style-type: none"> Attain the strength in diversity in terms of gender, age and nationality 	<ul style="list-style-type: none"> Achieve a fair proportion of diversity in terms of gender, age and nationality in our workforce 		<ul style="list-style-type: none"> We strive to achieve a fair proportion of diversity in terms of gender, age and nationality in our workforce.
Training and Development				
Training	<ul style="list-style-type: none"> Implement training programmes which will upgrade and enhance the technical skillsets and professional competencies of our employees in order for them to excel in their current position 	<ul style="list-style-type: none"> Support our employees to upgrade and enhance their professional competencies and technical skillset to meet the required scope of work 		<ul style="list-style-type: none"> We are committed to training and encouraging skills upgrading for all our employees. We provide training to our employees to upgrade and enhance their professional competencies and technical skillset to meet the required scope of work.
Employee Development	<ul style="list-style-type: none"> Implement training programmes which will upgrade and enhance the individual skillsets and interpersonal competencies of our employees for future career advancement 	<ul style="list-style-type: none"> Support our employees to upgrade and enhance their individual skillsets and interpersonal competencies 		<ul style="list-style-type: none"> We provide training to our employees to upgrade and enhance their individual skillsets and interpersonal competencies.

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Aspects	Objective	Targets	Progress	Policy
Talent Performance Management				
Recruitment & Workforce Planning	<ul style="list-style-type: none"> Attract and recruit good talents which can meet the need of the Company's workforce planning 	<ul style="list-style-type: none"> Recruit effectively good talents who can contribute to the talent mix and skillsets requirements of our workforce planning 	Ⓒ	<ul style="list-style-type: none"> We aim to recruit employees who possess the professional skillset and interpersonal skills that meet our workforce planning.
Employee Performance	<ul style="list-style-type: none"> Motivate high employee performance through well-designed employee performance strategy & programmes 	<ul style="list-style-type: none"> Develop an employee performance system which will provide a fair evaluation and high motivation system for employees 	Ⓒ	<ul style="list-style-type: none"> We adopt a fair employee performance system which provides a fair evaluation and high motivation system for employees.
Corporate Social Responsibility				
Corporate Philanthropy and Sponsorship	<ul style="list-style-type: none"> Position Ley Choon as an employer with strong Corporate Social Responsibility 	<ul style="list-style-type: none"> Achieve 10% increase in our staff volunteering hours 	Ⓒ	<ul style="list-style-type: none"> We strive to improve the welfare of the communities while we endeavour towards our business goals. We set a corporate philanthropy policy which is pegged to our annual contract wins.



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APPENDIX A: GRI CONTENT INDEX

GRI STANDARDS CONTENT INDEX

The GRI Content Index references the Ley Choon Group Holdings Limited Annual Report 2020 (AR).

Disclosure number	Disclosure title	Page reference and remarks	
GRI 102: General disclosures			
Organisational profile	102-1	Name of organisation	• AR: Corporate Profile
	102-2	Activities, brands, products, and services	• AR: Corporate Profile
	102-3	Location of headquarters	• AR: Corporate Profile
	102-4	Location of operations	• AR: Corporate Profile • AR: Subsidiaries – Note 5 to the Financial Statements
	102-5	Ownership and legal form	• AR: General Information – Note 1 to the Financial Statements
	102-6	Markets served	• AR: Operating Segments – Note 27 to the Financial Statements
	102-7	Scale of organisation	• AR: Corporate Profile • AR: Operating Segments – Note 27 to the Financial Statements
	102-8	Information on employees and other workers	• SR: Social
	102-9	Supply chain	• SR: Consulting Our Stakeholders
	102-10	Significant changes to the organisation and its supply chain	• AR: Corporate Profile • AR: Operations Review
	102-11	Precautionary Principle or approach	• AR: Report on Corporate Governance
	102-12	External initiatives	• Not applicable
	102-13	Membership of associations	• Not applicable
Strategy	102-14	Statement from senior decision-maker	• SR: Board Statement
	102-15	Key impacts, risks, and opportunities	• SR: Board Statement
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	• SR: Sustainability Strategy
	102-17	Mechanisms for advice and concerns about ethics	• AR: Report on Corporate Governance
Governance	102-18	Governance structure	• AR: Report on Corporate Governance
	102-19	Delegating authority	• AR: Report on Corporate Governance
	102-20	Executive-level responsibility for economic, environmental, and social topics	• SR: Sustainability Governance Structure
	102-21	Consulting stakeholders on economic, environmental, and social topics	• SR: Consulting Our Stakeholders

SUSTAINABILITY REPORT

Disclosure number	Disclosure title	Page reference and remarks
102-22	Composition of the highest governance body and its committees	• AR: Report on Corporate Governance
102-23	Chair of the highest governance body	• AR: Report on Corporate Governance
102-24	Nominating and selecting the highest governance body	• AR: Report on Corporate Governance
102-25	Conflicts of interest	• AR: Report on Corporate Governance • AR: Directors' Statement • SR: Sustainability Strategy
102-26	Role of highest governance body in setting purpose, values, and strategy	• AR: Report on Corporate Governance
102-27	Collective knowledge of highest governance body	• AR: Report on Corporate Governance
102-28	Evaluating the highest governance body's performance	• AR: Report on Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	• SR: Sustainability Materiality
102-30	Effectiveness of risk management processes	• AR: Report on Corporate Governance
102-31	Review of economic, environmental, and social topics	• SR: Sustainability Report
102-32	Highest governance body's role in sustainability reporting	• SR: Sustainability Governance Structure
102-33	Communicating critical concerns	• SR: Sustainability Materiality
102-34	Nature and total number of critical concerns	• SR: Sustainability Materiality
102-35	Remuneration policies	• AR: Report on Corporate Governance
102-36	Process for determining remuneration	• AR: Report on Corporate Governance
102-37	Stakeholders' involvement in remuneration	• AR: Report on Corporate Governance
102-38	Annual total compensation ratio	• AR: Report on Corporate Governance
102-39	Percentage increase in annual total compensation ratio	• AR: Report on Corporate Governance

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Disclosure number	Disclosure title		Page reference and remarks
Stakeholder engagement	102-40	List of stakeholder groups	• SR: Consulting Our Stakeholders
	102-41	Collective bargaining agreements	• Not applicable
	102-42	Identifying and selecting stakeholders	• SR: Consulting Our Stakeholders
	102-43	Approach to stakeholder engagement	• SR: Sustainability Strategy
	102-44	Key topics and concerns raised	• SR: Consulting Our Stakeholders
Reporting practice	102-45	Entities included in the consolidated financial statements	• AR: Subsidiaries – Note 5 to the Financial Statements
	102-46	Defining report content and topic Boundaries	• SR: Sustainability Materiality
	102-47	List of material topics	• SR: Sustainability Materiality
	102-48	Restatements of information	• SR: Scope of Sustainability Report
	102-49	Changes in reporting	• Not applicable
	102-50	Reporting period	• SR: Scope of Sustainability Report
	102-51	Date of most recent report	• SR: Scope of Sustainability Report
	102-52	Reporting cycle	• Annual
	102-53	Contact point for questions regarding the report	• SR: Scope of Sustainability Report
	102-54	Claims of reporting in accordance with the GRI Standards	• SR: Scope of Sustainability Report
	102-55	GRI content index	• SR: GRI Content Index
	102-56	External assurance	• No external assurance
GRI 200: Economic disclosures (applicable sections only)			
Economic performance	201-1	Direct economic value generated and distributed	• AR: Financial Highlights
Market presence	202-2	Proportion of senior management hired from local community	• Our senior management is 100% hired from the local community
Procurement practices	204-1	Proportion of spending on local suppliers	• Majority of our business expenditure in Singapore is on locally-registered companies.

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Disclosure number	Disclosure title		Page reference and remarks
Anti-corruption	205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> AR: Report on Corporate Governance SR: Governance
	205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> AR: Report on Corporate Governance SR: Governance
	205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> There is no incidences of corruption.
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<ul style="list-style-type: none"> There is no legal actions for anti-competition.
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> SR: Environment
	302-4	Reduction of energy consumption	<ul style="list-style-type: none"> SR: Environment
Water	303-1	Water withdrawal by source	<ul style="list-style-type: none"> SR: Environment
	303-3	Water recycled and reused	<ul style="list-style-type: none"> SR: Environment
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> SR: Environment
	304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> SR: Environment
	304-3	Habitats protected or restored	<ul style="list-style-type: none"> SR: Environment
Emissions	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> SR: Environment
	305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> SR: Environment
Effluents and waste	306-1	Water discharge by quality and destination	<ul style="list-style-type: none"> SR: Environment
	306-2	Waste by type and disposal method	<ul style="list-style-type: none"> SR: Environment
Laws and regulations	307-1	Non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> There is no non-compliance with environmental laws and regulations.
GRI 400: Social disclosures (applicable sections only)			
Employment	401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> SR: Social
	401-3	Parental leave	<ul style="list-style-type: none"> SR: Social
Labor/management relations	402-1	Minimum notice periods regarding operational changes	<ul style="list-style-type: none"> SR: Social

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Disclosure number	Disclosure title		Page reference and remarks
Occupational health and safety	403-1	Workers representation in formal joint management-worker health and safety committees	• SR: Environment
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	• SR: Environment
Training and education	404-1	Average hours of training per year per employee	• SR: Environment • SR: Social
	404-2	Programs for upgrading employee skills and transition assistance programs	• SR: Environment • SR: Social
	404-3	Percentage of employees receiving regular performance and career development reviews	• SR: Social
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	• SR: Social
	405-2	Ratio of basic salary and remuneration of women to men	• Workers' remuneration are ascertained based on work experience and academic qualifications. Individual work performance and not on any gender consideration.
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	• There is no incidents of discrimination.
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	• Child labour is strictly prohibited.
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Forced and compulsory labour is strictly prohibited.
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	• SR: Governance



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