HPC Holdings Limited

(Incorporated in the Cayman Island with limited liability)
(Stock Code 1742)

Environmental, Social and Governance Report

2018

Contents

Chairman and Chief Executive Officer's Message

Dear Stakeholders,

HPC Holdings Limited and its subsidiaries ("the Group" or "HPC") are proud to present our inaugural Environmental, Social and Governance ("ESG") Report. The report provides information about our economic, environmental and social topics and performance.

As a responsible corporate citizen, the Group is committed to uphold ethical standards and continue to introduce and implement sustainable innovations in our business operations. We adopt a comprehensive approach in managing the environmental impacts of our construction activities and we have adequate environmental policies in place to achieve sustainable operations.

We have been actively promoting and practising green and gracious policies to provide a pleasant environment for all residents in the vicinity of our works and members of the public. We have implemented social and community engagement policies to ensure that the social impacts of our construction activities are minimised.

The Group deeply values our employees. As an employer, we are committed to protect the health and safety of all our employees. We have comprehensive safety policies and measures to safeguard their well-being. We endeavour to develop our people to their fullest potential and nurture them to support our growth and steer the Group ahead.

I would like to extend my appreciation to all stakeholders for your contributions and supports towards HPC's success all these years.

WANG YINGDE

Chairman and Chief Executive Officer
HPC Holdings Limited

About HPC

HPC provides general building construction services, civil engineering works, interior decoration and finishing works. Established in 2004, HPC Builders Pte Ltd has over a decade of experience in the provision of general building construction works in Singapore. We are a leading logistics and warehouse construction contractor in Singapore and have been involved in numerous industrial, logistics and warehouse, infrastructure, residential and commercial construction projects in Singapore, both as main contractor and subcontractor.

We provide construction works for both public and private sector projects in Singapore. HPC is also actively involved in the provision of subcontracting works for various public and private projects, such as the upgrading of public housing flats , schools, factories, condominiums, hospitals and other infra-structural works such as expressway and MRT tunnels and stations.

Our competitive advantage lies in our ability to manage and execute construction projects on a timely and reliable basis, including large-scale and complex projects. An experienced management team, in-house design capabilities and large labour force are key factors that have allowed us to build a strong reputation in the local construction industry.

Since 27 May 2014, HPC Builders Pte Ltd has obtained the (i) A1 Grade under the CW01 Work head for “General Building” to tender for and undertake contracts for general building works in the public sector of unlimited contract value; and (ii) L5 Grade under the CR06 work head for “Interior Decoration and Finishing Works" to tender directly for projects related to interior design, planning and decoration of buildings in the public sector of contract value of up to S$13 million.

As a testament of our commitment to service and quality, the Company has received a number of awards and certifications over the years, such as ISO 9001:2008, ISO 14001:2004, OHSAS18001:2007; Green Mark Platinum Awards, GGBS Excellent Award, BCA BIM Gold Awards and BizSafe STAR Award.

Our core business is in construction of all private and public projects as main contractor with special Design and Build capability for warehouse, industrial and institutional buildings. We are also involved in A & A and upgrading projects for public and private sectors and undertake the subcontracts for structural and architectural works as major subcontractor to other main contractors in their main contract works including MRT and LTA projects.

Our Sustainability Story and Performance

Our Mission

To be a leading reputable builder capable of delivering projects with High Quality Products, Reliable Follow-up Services and Cost-effective Pricing to our clients.

Our Vision

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We believe in working in a harmonious and team-building environment in ensuring constant progress towards achieving our corporate goal of delivering the Best Services to our Customers and Society.

Sustainability Targets

At HPC, we are committed to achieving environmental and social sustainability in our daily operations. Our sustainability targets for FY2019 areas follows:

Environmental	Ensure zero fine for air pollution per project Ensure zero fine for muddy water discharge per project Observe zero spillage to ensure zero fine for land pollution per project Ensure zero fine for mosquito breeding per project Ensure for noise pollution: - No more than three fines for projects near residential area per project - No more than one fine for projects near commercial area per project - Zero fine for projects near industrial area per project Provide designated area for dumping to ensure zero fine per project Segregate waste disposal by licensed waste collector to ensure zero fine per project Reduce concrete waste: - To ensure no more than 7.5% wastage for sub-structure construction per project - To ensure no more than 5% wastage for super-structure construction per project Reduce steel waste to ensure no more than 3% wastage per construction per project
Occupational Health and Safety	Zero occupational health and safety incidents Ensure active and proper implementation of control measures targeting safety risks

Sustainability Recognitions

The Group's competitive advantage lies in its ability to manage and execute construction projects on a timely and reliable basis, including larger scale and more complex projects. In Singapore, the Group was ranked 15th service provider for general building works by revenue receipts in 2017 and ranked first in warehouse construction works by revenue receipts in 2017.

We have won numerous accolades and awards in recognition of our excellence in construction practices.

- ISO 9001 Quality Management System

- ISO 14001 Environment Management System
- OHSAS18001 Occupational Health and Safety Management System
- BCA Green and Gracious Builders Award (Excellent), 2017-2020
- BCA Green Mark (Gold) Award for Keppel Logistics Warehouse, 2014
- BCA Building Information Modelling (BIM) Award (Gold) for Jurong East Nursing Home, 2015
- BCA Building Information Modelling (BIM) Award (Gold) for Bishan Nursing Home, 2015
- BCA Green Mark (Platinum) Award for Supply Chain City, 2016
- BCA Green Mark (Platinum) Award for CWT Limited, 2017
- BCA Green Mark (Platinum) Award for JTC Poultry Hub, 2018
- BCA Green Mark (Platinum) Award for Diamond Land, 2018
- BizSAFE Level Star Certificate, 2017

Ethics and Integrity

Corruption, Bribery and Extortion

HPC strictly prohibits all forms of corruption, bribery and extortion. We are fully committed to conducting business with integrity and consistent with the highest ethical standards, and in compliance with all applicable laws and regulatory requirements for the prevention of corruption, bribery and extortion.

Corrupt practices may subject the Group and individual employees to potential criminal and civil liabilities. Corrupt practices may also adversely affect the reputation of HPC as well as the confidence held by stakeholders, including our customers and business partners in our commitment to act professionally, fairly and with integrity in all our business dealings and relationships.

In line with our commitment to maintain high ethical standards which are integral to our corporate identity and our business, it is HPC's policy to adopt a 'zero-tolerance' approach against all forms of corruption, bribery and extortion.

In FY2018, there was no legal cases brought against HPC or its employees regarding corrupt practices

Fraud

HPC endeavours to operate in compliance with local regulations regarding fraudulent activities. We have established a corporate fraud policy to facilitate the development of controls that will aid in the detection and prevention of fraud against HPC and its subsidiaries. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the CEO, who will coordinate internal and external investigations with the Legal Department and other implicated departments.

The Fraud Investigation Unit is primarily responsible for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities had occurred, the Fraud Investigation Unit will report to the designated personnel and, if appropriate, the Board of Directors through the Audit Committee.

Money laundering

We recognize the importance of anti-money laundering ("AML") and therefore comply with international and domestic laws and implement appropriate policies. HPC will stipulate the roles and internal controls within the company.

Given that directors are responsible for directing a company's business effectively, they are obligated to ensure compliance with all relevant AML laws. A director with reasonable care, skill and diligence would need to comply with AML laws by being able to understand and address the AML risks and appoint one of the directors or proper senior company personnel to be the central reference point for suspicious transaction reporting.

HPC implements and maintains appropriate measures to conduct customer due diligence. We train employees in matters related to AML so that employees can implement immediate and appropriate measures for customer due diligence.

We also implement and maintain measures for handling suspicious transactions, and we will report suspicious transactions to relevant authorities immediately.

HPC regularly reviews and improves the AML policy and internal controls based on the effectiveness of the measures.

Whistle-Blowing

The Group is committed to achieving and maintaining the highest standards of openness, integrity and accountability. Our whistle-blowing policy serves to increase the Group's awareness of maintaining internal corporate justice and it encourages all employees to report serious concerns about any suspected misconduct, malpractice or irregularity. Employees with legitimate concerns can raise the matter directly with the Chairman of the Audit Committee. The Chairman of the Audit Committee will review the complaint and decide how the investigation should proceed.

The Audit Committee has the overall responsibility over implementation, monitoring and periodic review of the whistle-blowing policy.

Governance and Statement of the Board

HPC's Board and senior management have assessed sustainability issues as part of the strategic formulation of the company. The Board has determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The Board of Directors acknowledges its responsibility for ensuring the integrity of the ESG report and to the best of its knowledge this report addresses all relevant material issues and fairly presents the ESG performance of the organisation and its impacts. The Board of Directors confirms that it has reviewed and approved the report.

Please refer to the Corporate Governance Report in our Annual Report 2018 for more information on corporate governance practices, precautionary measures and risk management structure.

Stakeholder Engagement

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. We have a wide network of stakeholders, including customers (end users and developers), employees, communities, government organisations and shareholders. We engage with our stakeholders on an ongoing basis through channels and platforms such as surveys, regular dialogue and meetings.

Below is the table listing our stakeholder groups, engagement methods and material topics we address.

Customers	Employees	Suppliers	Government Organisations	Communities	Shareholders
Issues of Concern					
Building health and safety	Occupational health and safety, development, benefits and welfare	Raw material sourcing, environmental compliance	Regulatory requirements, environmental, safety	Social welfare, environmental protection	Economic performance, corporate governance
Engagement Approach					
Customer feedback	Appraisals	Supplier evaluation	Ongoing dialogues, annual reports	Community service	Annual reports

Reporting Practice

Our first ESG report is prepared in compliance with Environmental, Social and Governance ("ESG") Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It is also reported in accordance to the "**Core**" option of the Global Reporting Initiative ("GRI") Standards.

This report incorporates the general standard disclosures and Key Performance Indicators ("KPIs") as set out by the "Comply or Explain" provisions of the ESG Guide. The GRI Standards represent global best practices for reporting on economic, environmental and social topics.

Supplementing our 2018 annual report, the report discloses progress on environmental, social and governance issues from 1 November 2017 to 31 October 2018. For governance section, please refer to our 2018 Annual Report. The Group has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year. Detailed section references with GRI Standards can be found on the GRI Index Page.

Material Topics	Boundaries (i.e. which segment, which country or even which subsidiary)
ECONOMIC	
Indirect Economic Impacts	Applicable to construction and other construction-related businesses
Anti-corruption	Group wide
ENVIRONMENTAL	
Materials	Applicable to construction and other construction-related businesses
Energy	
Water	
Emissions	
Effluents and Waste	
Environmental Compliance	
Supplier Environment Assessment	
SOCIAL	
Employment	Applicable to the Group's employees and workers in construction and other construction-related services segments
Occupational Health and Safety	
Training and Education	
Diversity and Equal Opportunity	
Non-discrimination	Group wide
Child Labour	
Forced or Compulsory Labour	
Local Community	Applicable to local communities impacted by construction segments
Supplier Social Assessment	Applicable to suppliers for construction segment
Customer Health and Safety	Applicable to construction and other construction-related businesses
Socio-economic compliance	Applicable across construction and other construction-related services segments

Sustainable Built Environment

HPC endeavours to design and construct sustainable buildings that focus on protecting user safety and reducing environmental impacts in the construction and operation of the building. We are committed to comply with all Quality, Environmental, Health and Safety ("QEHS") regulations and requirements.

Our QEHS policy is as follows:

Furthermore, we endeavour to protect the environment and be gracious to our employees and occupants near our construction sites with the implementation of our Green and Gracious policies, which include:

- Reducing use of natural resources such as energy, diesel and water
- Preventing land, water and air pollution
- Reducing waste through promoting Reduce, Reuse and Recycle activities
- Reducing noise and vibrations on site
- Providing a safe workplace, ensuring public safety and easy accessibility
- Communicating proactively with nearby occupants to build good relations
- Cultivating an effective two-way communication channel between management and staff/workers on green and gracious issues

We organise annual Green and Gracious campaigns for each project which involves all relevant parties including staff and workers to raise awareness, educate and inculcate Green and Gracious practices on site.

We have onsite Environment, Health and Safety ("EHS") committees and Environmental Control Officers ("ECO") at all project sites to ensure monitoring and proper execution of our environmental policies. We regularly assess our suppliers and subcontractors to ensure that they operate in an environmentally sustainable manner. We ensure strict compliance with local environmental laws and regulations in our daily operations.

User Safety

GRI 416-1, 416-2, 417-1, 417-2, 417-3

At HPC, we strictly uphold our SEHF policy to achieve quality in works and services. We dedicate our operations and services to achieving total satisfaction of our developers, buyers and end users, as well as government authorities and agencies. We continuously improve on our business operations and processes and regularly review our QEHS objectives and targets to properly implement, maintain and improve our QEHS management and performance.We strictly comply with all safety requirements of our customers and local safety regulations.

SustainableDesign

GRI 203-2

As a construction company that endeavours to incorporate sustainable designs in the buildings we construct, we aspire to achieve Building and Construction Authority ("BCA")Greenmark for the design and construction of our projects. We incorporate Singapore Green Building Council ("SGBC") and Singapore Green Labelling Scheme ("SGLS") certified products in our building designs to create more awareness about environmental sustainability of our buildings.

Sustainable Construction

The Group endeavours to operate our construction projects in a responsible and sustainable manner that is compliant with local environmental regulations and requirements. We strive to minimise our impact on the environment and natural resources by implementing adequate environmental and Green and Gracious policies to achieve sustainable construction. We also use products that are environmentally friendly, non-toxic and biodegradable on site to minimise the environmental impact of our operations.

Energy Conservation

GRI 302-1, 302-3, 302-4, 307-1

We are aware that construction operations are energy intensive. As such, we have implemented measures and policies to minimise our impacts on natural resources.

At HPC, all projects are supplied by mains electricity and electric meters are installed to record and monitor on-site energy consumption. In addition, all construction site office equipment and appliances that we have procured are energy efficient, and all office computers, photocopying machine and printers are automated to shut down overnight.

These measures and conscientious procurement decisions are part of our energy conservation efforts that enable us to effectively control our energy consumption and reduce wastage.

The Group has implemented a Resource Conservation Program to minimise the impact of our operations on natural resources, specifically diesel, fuel and electricity consumption.

Increase energy efficiency

- Use of energy-saving LED lights for construction site
- Replace incandescent bulb fittings with energy-saving fluorescent fittings that are four times more efficient
- Replace mercury vapour lamp fittings with high pressure sodium vapour lamps that give the same lumens using less 150W less energy
- For floorlighting, replace tungsten halogen lamp fittings with metal halide or high pressure sodium lamps, which are one of the most efficient sources of light
- Replace fluorescent tube ballasts with low-loss ballasts which are more energy efficient, saving 50% of energy used
- Use of energy efficient electrical appliances and equipment with Singapore Green Label

Reduce energy usage

- Set electrical appliances and equipment on power saver mode to reduce electrical consumption
- Signage to remind users to switch off when not in use

Use sustainable energy

- Use of alternative energy sources such as solar cells in equipment
- Use of AC Grid power supply instead of diesel generators to

We monitor the energy consumption data to ensure that there is no energy wastage in our construction projects. Up to FY2018, the Group has completed six projects which have consumed a total of 10,542,363.1kWh. The total gross floor area used for these construction projects totalled 500,447.6 m². See below for the total energy consumption and intensity ratio.

Total Energy Consumption (kWh)	Energy Intensity Ratio (kWh/m²)
10,542,363.1	21.1

Emissions Management

GRI 305-2, 305-4, 305-5, 305-7, 307-1

Construction operations generate air pollutants such as dust and exhaust from machinery and mechanical plants. Use of chemical substances can also generate hazardous vapours if they are not handled with caution. In order to protect our workers and surrounding occupants from air pollution and air-borne diseases, we control dust, fumes and air pollutants generated at our construction sites at a sustainable level. Contractors and workers are adequately trained to understand the consequences of air pollution on human health and the environment, and they are given simple instructions on operation and maintenance of equipment to ensure the preservation of air quality on-site.

We strictly comply with local laws and regulations on air and greenhouse gas emissions in our daily operations.

Management of Hazardous Substances

Vapourisation of chemical substances beyond permissible levels can be fatal. As such, we have hazardous chemical management policies in place to ensure the safe use of chemicals and the protection of employees against chemical hazards. Chemical substances with low vapour pressures should be stored under tight lids and volatile vapour must be properly stored to prevent fire and explosion hazards.

Dust Management

All activities involving excavation or disturbance of soils must explore preventive controls and implement physical controls to minimize the generation of dust and reduce its releaseinto the atmosphere.

Exhaust Management

All operations of plants and equipment must comply with local regulations, and maintenance and servicing must be performed regularly in accordance with manufacturing guidelines to ensure that any exhaust or other emissions generated are within standard specifications.

Maintenance of diesel-powered mechanical plants is critical as the exhaust fumes will pollute the environment. Concrete batching plants and cement silos on-site must be fitted with air pollution control equipment (which needs to be maintained regularly) to reduce emissions and abate air pollution.

Good Housekeeping

- Storage of chemical substances, fuels and other hydrocarbons
- Storage under tight lids, properly labelled and segregated from other combustible materials
- Storage facility should be well ventilated to prevent excessive accumulation

Good Storage

- During hot dry weather, sand heaps should be wetted regularly to keep dust down
- Store in proper enclosures to prevent accidental damage which will allow cement to be spilled onto the ground and under strong wind conditions, will be carried and suspended in air
- Disposal of cement bags, solvent, paint and fuel containers to prevent residual dust and fumes emanating from the sources
- Removal of refuse and construction debris on a daily basis to avoid sources for generation of dust

Good Maintenance

- Preventive maintenance program established to ensure that consturction equipment and generators do not emit excessive black smoke when burning fuel
- Equipment generating excessive black smoke shall be serviced before operating again

Regular monitoring discovers the defects and issues which have an impact on the environment. The ECO conducts toolbox meetings on the need to maintain equipment to prevent air pollution and its effects, as well as to display posters on the effects of exposure to harmful substances and the need to keep containers of chemical and oils closed. The ECO also conducts weekly inspections to ensure control and compliance with local environmental standards and regulations.Air monitoring is carried out if there is suspected air pollution or to xication.

In addition to managing emissions, the Group endeavours to mitigate emissions in our daily operations through technology adoption, such as converting dieselengines to run on electricity, methanol, liquid petroleum gas ("LPG") or pneumatic power to minimize air pollution.

See below for the total CO^2 emissions and intensity ratio of the six completed construction projects.

Total CO_2 Emissions (kg)	Emissions Intensity Ratio (kg/m^2)
7,455,043	14.9

Water and Effluents Management

GRI 303-1, 303-3, 306-1, 307-1

There is no issue in sourcing water that is fit for purpose. Our Resource Conservation Program minimises water wastage with water conservation measures such as installing water-saving devises and recycling equipment, as well as implementing water conservation guidelines to ensure efficient water usage. We use recycled water and rainwater to wash equipment onsite, and we check that all taps are turned off tightly and all leakages are attended to immediately.

We implement real time monitoring of the water consumption data to ensure that there is no water wastage in our construction projects. See below for the total water consumption and intensity ratio of the six completed construction projects.

Total Water Consumption (m^3)	Water Intensity Ratio (m^3/m^2)
671,679.3	1.4

Singapore is a country with limited water resources, and it is essential for its water quality to be carefully regulated. To keep Singapore's water clean, soil pollution must also be controlled, as pollutants in the soil can enter the water system as run-off or groundwater.

Water pollutants from construction activities include solid waste, sand, hydrocarbon and solvents, termite control chemicals, acids and alkalis and lead-based paints. These pollutants can cause environmental impacts such as siltation of open drains preventing flow of rainwater to reservoirs, flooding and death of aquatic life.

In an effort to control water pollution, we practise good housekeeping, storage and maintenance measures, and we recycle treated water at all construction projects.Our drainage facilities are designed according to local regulations and regularly cleaned and maintained to ensure that effluents are properly treated before discharging into drains or canals. In addition, we provide training to workers on proper waste management during operations, including maintenance of machinery and equipment, storage of materials and spill control.

The ECO conducts daily visual inspections to check for any evidence of silt contents in the open drain. In compliance with local environmental protection and management regulations on trade effluents, we also monitor trade effluent discharge into watercourse to ensure that Total Suspended Solids ("TSS") does not exceed 50 mg per litre of trade effluent.

Effluents Management

- Silt traps and perimeter cut-off drains designed according to local regulations
- Build silt trap in drain to interrupt the passage of sand particles into public sewers
- Regular cleaning and maintenance of silt traps, concrete lined perimeter cut-off drains, silt fences and other facilities
- Wastewater from temporary structures such as canteen, workers' quarters and toilets should be connected by sewers to approved sewage treatment plants or public sewers
- Design of the sewers must cater for the appropriate number of occupants and duration of construction
- If permanent sewers within the development site is not available, portable toilets and holding tanks with pumping device should be used
- Silt-laden water and mud slurry flow through silt traps, sedimentation tanks or other facilities for removal of silt before discharging into drains and canals
- Runoff at construction sites are effectively drained
- Cement washwater must be treated before entering the drain

Good Housekeeping

- Proper storage of building materials, chemicals and fuels
- Proper maintenance of machinery, equipment and vehicles

Good Storage

- Secondary containment to prevent spillage or leakage from entering land water surgace drains
- Provision of spill control kit, collection sumps and facility for pumping out the spilled contents
- Properly constructed floor to prevent infiltration into the ground
- Provision of proper dust collection devices with water sprays for cement silo to prevent spread of entrained dust
- Sedimentation or filtration of waste waters used to contain cement dust by meanss of silt trap
- Storage on a raised platform to prevent leaching of cement from its packaging
- Fuels and other hydrocarbons such as greases and lubricants should be stored in appropriate containers such as drums, tins with close covers and bunded with kerbs to prevent spillages or leakages from entering the ground or drains
- Shelter/Cover sand heaps with plastic sheet to prevent sand and aggregates from being washed into the drain
- Build sumps for containment of spillage

Good Maintenance

- Carry out maintenance and repair works on machinery, equipment or vehicle at proper facilities such as
- On-site repair and maintenance is prohibited

Waste Management

GRI 306-2, 307-1

Under current construction conditions, our operations generate large amounts of hazardous and non-hazardous wastes, mainly construction debris such as timber, metal and industrial waste. Consequently, the Group has implement edadequate waste management policies and measures to ensure that reuse and recycling of construction wastes are maximised, and that wastes are properly segregated, stored and disposedat all project sites to reduce the risk of mishandling hazardous waste. Other than focusing on construction waste, we also go the extra mile to recycle site office waste at all construction sites.

Segregation and recycling of waste on site

Waste disposal methods are detailed for each type of waste, and the ECO conducts regular monitoring and inspections to ensure proper execution of waste management at all project sites. Refuse areas must be kept clean and all containers of toxic materials, such as solvent and paint, must be kept closed. Wastes must be segregated as general waste and industrial wastes. Where unacceptable wastes are identified, appropriate mitigation measures are implemented. We strictly comply with local laws and regulations on waste generation in our daily operations.

In order to minimise wastage and reduce load on landfill, we conserve timber, rebar and concrete to ensure effective use of resources. We also have procedures in place to minimise resource wastage in operations that involve excessive consumption. All onsite EHS committees monitor the reduction of waste generated.

Disposal centres and bin areas are effective waste management centres only if workers and contractors utilise them with care. As such, contractors and workers are adequately educated to understand the consequences of improper waste disposal on human health and the environment, and they are given simple instructions on proper disposal methods to ensure the preservation of environmental quality on-site.

Reuse

- Use general waste as the hardcore layer for temporary access road or base materials for backfilling
- Empty diesal containers, classified as toxic industrial wastes, are labelled with hazard warning sign and collected by supplier for re-use

Recycle

- Segregate and forward steel scrap to steel recyclers

Disposal

- Food wastes must be cleared everyday regardless of the quantity of waste
- Food wastes must be tightly bagged and placed in bunded areas with proper collection drains to capture leachate
- Engage licensed general waste collectors for general wastes
- Open burning is prohibited on-site
- Ensure that non-incinerable wastes are disposed at government approved sanitary landfills
- Ensure that incinerable wastes are disposed at government approved incineration plants
- Hazardous waste containers are labelled with hazard warning sign
- Toxic, non-incinerable industrial wastes e.g. paints containing organic solvents, heavy metals or biocides, waste solvents/thinners, waste epoxy, plastic films, PVC cables and pipes are collected by respective sub-contractors and toxic industrial waste contractor for proper disposal
- Toxic industrial wastes e.g. are collected by respective subcontractors
- Solvents, paint and fuel containers should be disposed with lid on and in separate refuse bins specifically provided for such wastes

Waste Management

- Monitoring of waste management at all project sites
- Segregation and proper storage of wastes in designated areas
- Storage of construction debris in bulk containers
- Storage of toxic industrial wastes within contained and concrete area
- Proper disposal of construction and food wastes to prevent leaching out during rainfall into the ground and water system
- All vehicles transporting refuse, earth, construction debris or any other load are covered completely and adequately before leaving construction site
- Cement bags once opened must be fully emptied
- Unfinished cement bag should be kept or stored in enclosed shelter or container or cement silos'
- Unwanted or left-over cement should be discarded promptly

We monitor the waste generated to ensure proper waste management in our construction projects. See below for the total waste produced and intensity ratio of the six completed construction projects.

	Total Waste Generated (tonnes)	Total Waste Intensity Ratio (tonnes/m^2)
Concrete Waste	29,360.7	0.059
Rebars Waste	3,579.4	0.0072

Innovation in Construction

GRI 203-2

In an effort to minimize resource wastage and time delay and maximize the productivity of our projects, we have implemented principles of lean construction through research and development in design and construction. We have adopted various innovations over the years, including having rebar cut-and-bent offsite and a significant increase in the amount of construction that use framework, precast and prefabrication system on site. This effectively saves time and cost, reduces waste, conserves raw materials, improves labour productivity and ensures on-site productivity and quality control.

Save cost

- Use of mast climbing platforms and mobile elevating work platforms ("MEWP") for heavy works which saves cost in erection and mobilisation
- Use of concrete pumps which saves time and labour in our construction projects
- Use of unitised curtain wall to reduce cleaning bills of building facad

Ensure workplace safety

- Use of mast climbing platforms and mobile elevating work platforms ("MEWP") for heavy works which reduce the risk of fall from height for our workers due to their sturdiness
- Use of Statnamic loat test to reduce the amount of working at height

Improve productivity

- Use of panel wall system and dry wall system instead of brick walls to reduce masonry work
- Use of siphonic roof drainage for better performance
- Use of Statnamic load test to improve productivity
- Use of Building Information Modelling ("BIM")to reduce abortive works
- Use of Biometric Attendance System ("BAS") for attendance taking
- Use of light weight glass fibre reinforcement concrete for building facade for easy transport, assembly and installation

Reduce waste

- Use of precast system to reduce concrete waste

Sustainable Materials

GRI 301-2

In an effort to conserve the amount of raw materials used in our construction projects, we use recycled and sustainable materials for site applications during construction stage, such as reusing concrete waste to repair drain damage and make curbs.

In addition, our Resource Conservation Program requires proper estimation and planning of the amount of materials needed for each project before ordering. We ensure that raw materials are reused and recycled wherever possible, and we store our raw materials properly to ensure durability and avoid damage. We monitor the use of raw materials and analyse the data to establish trends and any abnormalities so as to mitigate the risk of resource wastage by implementing corrective measures in a timely manner.

Conservation of timber

- Estimate timber use (e.g. size, length and quantity) for the project
- Estimate number of cycles that the timber planks can be used
- Ensure that timber from one process is forwarded to another process for reuse
- Store timber in area where it is not exposed to extreme weather to ensure durability
- Segregate reusable timber from waste timber
- Educate employees on the use and recycling of timber
- Reuse timber to construct tables and benches for workers at resting area and dormitory

Conservation of reinforcement bar

- Fabricate re-bar according to planned bar schedule
- Reuse re-bar for other purposes at project site e.g. barricades, formwork support
- Usage of re-bar shall not exceed estimated quantity, thus enforcing the need for efficient use of re-bar

Conservation of tiles

- Provide proper storage and handling to avoice breakage

Conservation of concrete

- Usage of concrete shall not exceed the estimated quantity, thus enforcing the need for efficient use of concrete
- Reuse concrete wastes as the hardcore layer in road formation
- Any excess concrete shall be used to construct other facilities e.g. to improve temporary access, to make concrete stump for hoarding support

Sustainable Supply Chain

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

We have implemented supplier selection measures to ensure that our suppliers are committed to implementing environmental control and meeting environmental regulations. In order to select suppliers who operate in an environmentally responsible manner, we screen new suppliers based on environmental criteria, such as green certificates for their products and services and their green practices.


SINGAPORE GREEN BUILDING COUNCIL

SINGAPORE GREEN BUILDING PRODUCT CERTIFICATE

Saint-Gobain Malaysia Sdn Bhd

Panel Board - Gypsum

Gyproc

Topline & Baseline

SINGAPORE GREEN BUILDING PRODUCT SGBC VERY GOOD


GreenLabel SINGAPORE

The Singapore Green Labelling Scheme Secretariat hereby grant

Framework Materials Pte Ltd

2 Aljunied Avenue 1, Singapore 389977

the right to use the Singapore Green Label for

FUJIBOARD
022-108-2364
"Eco-Friendly Building Material"

Validity: 12 June 2018 to 11 June 2019

LAM JOON KHOI
EXCO Chairman
Singapore Environment Council

Singapore Environment Council

In addition, we evaluate suppliers based on their gracious practices to ensure that they implement best practices in mitigating possible inconveniences to the public caused by construction work.

We evaluate our existing suppliers every year, and we conduct physical inspections at the supplier's office to ensure the brand and quality of the products and services.

In FY2018, there was no negative environmental and social impact in our supply chain.

Caring for Our People

At HPC, we take responsibility for the health and wellbeing of our employees, and we endeavour to develop their careers and skill sets as much as possible. We implement adequate safety policies and measures to ensure the safety of our staff and workers on site, and we endeavour to achieve zero safety incidents in our operations. Our policies and operations are in strict compliance with local labour regulations.

Occupational Health and Safety

GRI 403-2

HPC is committed to protect the health and safety of our employees and workers. Our safety practices include:

- Conducting risk assessments to identify hazards and implement effective risk control measures, including halting work to ensure that risks identified are minimized or mitigated
- Ensuring a safe work environment
- Adequate implementation of safety measures in the use of any machinery, equipment, plant, article or process at the workplace
- Developing and implementing emergency response plans
- Ensuring workers are provided with sufficient instructions, training and supervision so that they can work safely

The Group also encourages and incentivises employees to engage in safe practices by presenting safety awards to employees who diligently observe safety measures.

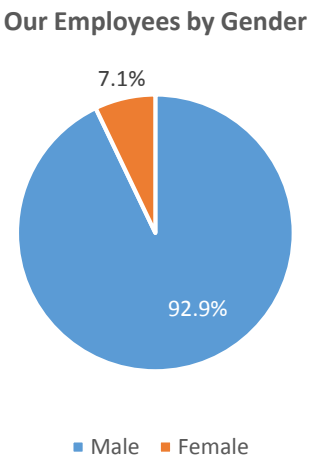
There were four reported workplace incidents and 66 man-days lost in FY2018. Our Accident Frequency Rate (“AFR”) was 0.81 and Accident Severity Rate (“ASR”) was 13.30, where both were well below the industry average of 1.5 and 61 respectively.

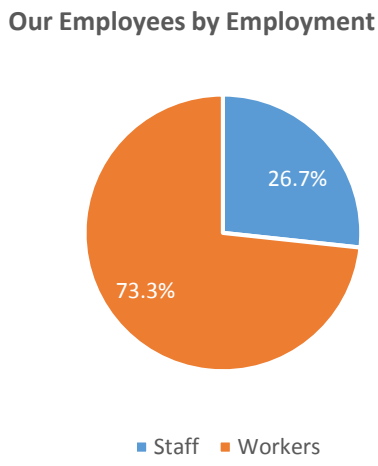
The Group operates in strict compliance with workplace safety laws and regulations and we take careful measures to ensure that all employees are protected from occupational hazards.

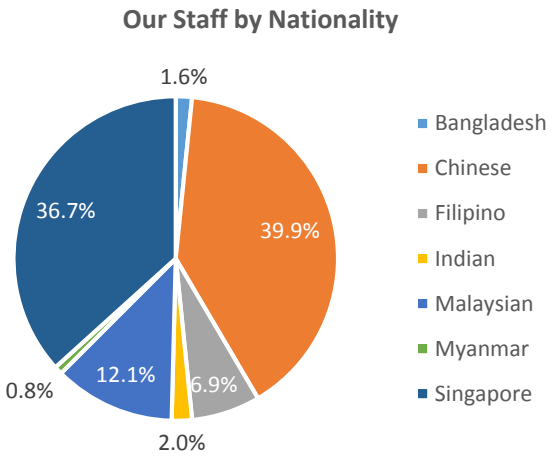
Our Workforce

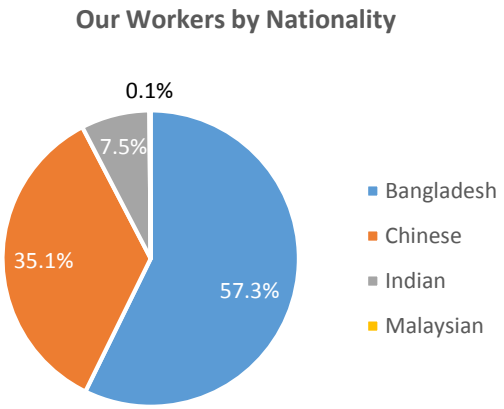
GRI 405-1

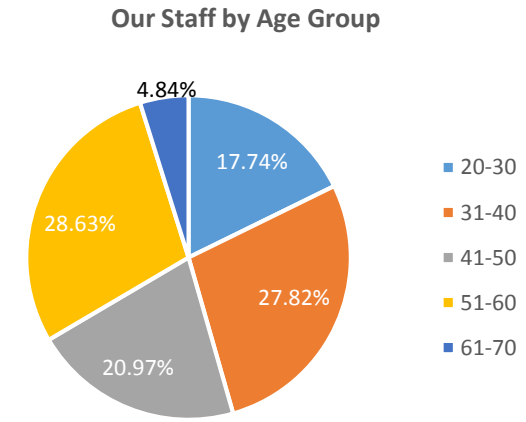
At HPC, we believe in working in a diverse and harmonious environment in ensuring constant progress towards achieving our corporate goal of delivering the best services in terms of cost, quality and products to our customers. At present, the construction industry is still largely male-dominated; we will continue to strive for gender diversity and increase the female-to-male ratioin our workforce.

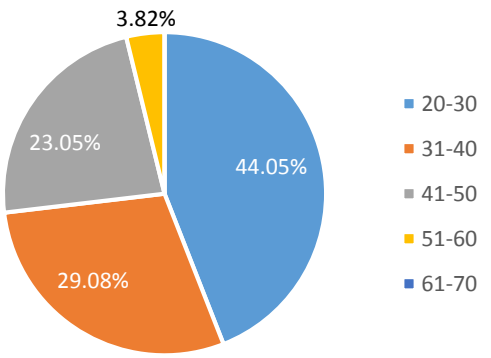












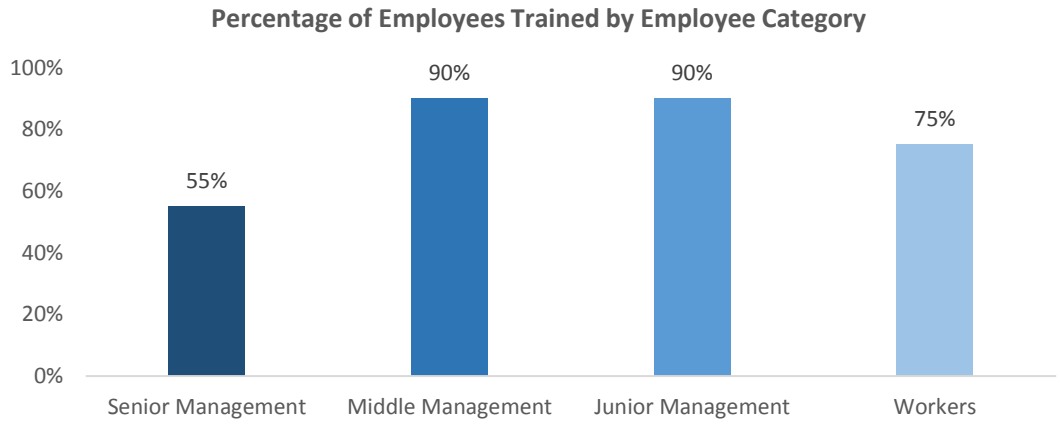
Employee Retention

GRI 401-2, 401-3, 404-2, 404-3, 405-2

HPC's philosophy is to develop a stable working environment where employees can develop and diversify their skill sets to improve their job performance and productivity. We implement adequate staff welfare policies and trainings to ensure the well-being and development of our workforce.

At HPC, we embrace diversity and give everyone equal opportunities to excel and develop their careers. We recruit employees based on their qualifications and whether they satisfy our requirements for the position, and we do not discriminate.

In order to promote a strong performance culture in the Group, we conduct regular performance appraisals for our employees on a regular basis and all employees are given equal opportunities for promotions depending on their job performance.



The Group is committed to be an employer of choice. We strive to help our employees reach their fullest potential and achieve excellence in their development. We aim to create a culture ofcontinuous learning where employees take personal responsibility for their own development. We recognise the need to develop our people so that they are fully equipped to deliver our business objectives. All employees are given equal opportunities and we provide them with financial support and guidance for career development.

Regular employee development review enables us to align the career interests of employees with the Group's performance and to retain talent. We ensure that employees are equipped with the technical skills required to do their jobs proficiently and achieve their work objectives. We also prepare our staff to be equipped to manage any role or organisational changes in the Group.

Our training and development curriculum comprises any activity that is designed to help individuals improve and refine their knowledge and skills to become more effective at their jobs. This includes

active involvement in various projects, attending training courses, conferences and seminars, work shadowing, formal study, coaching and mentoring.

The benefits that we endeavour to achieve through effective training and development include:

- Higher standards of work performance
- Exchange of ideas and disseminate good practice
- Effective management and implementation of change
- Encouragement of team spirit
- Increase motivation and job satisfaction
- Greater understanding of the Group's business.

The Group regularly monitors the training and development activities, and we review our support framework to continually improve our training and development policies. We are pleased to report that we had high participation rates for training programs in FY2018, and our training policy is inclusive and equal for both genders, as evidenced by 80% of male employees and 100% of female employees who went through training in FY2018.Employees are also entitled to examination leave to encourage them to upgrade their knowledge and skill sets.

HPC is also committed to our employees' physical and mental health and well-being. All full-time employees are entitled to medical benefits as well as employee wellness programs that promote teamwork, interactions and good health among employees. In compliance with local labour regulations, parents of children who are Singapore citizens are entitled to 16 weeks of parental leave under the Child Development Co-Savings Act ("CDCS Act").

Employees' regular working hours and rest periods are set out in their respective employment letter, and we reserve the right to revise or extend the stipulated working hours, which are arranged to ensure maximum efficiency of operations and work-life balance among employees. In return for their contributions, we offer employees competitive and fair remuneration packages that commensurate with their experience, performance and job responsibilities. All employees are remunerated fairly, regardless of gender, age or nationality. As of FY2018, the ratio of estimated women-to-men remuneration is 0.7, and we continue to endeavour equal remuneration for women and men.

We do not dismiss our employees unnecessarily or unfairly, unless an employee fails to comply with our company policies and has committed an act of misconduct where, after serious consideration, termination is the disciplinary action. In compliance with local labour regulations, employees who have worked for three years and above are entitled to three months' salary in the event of retrenchment.

Social Compliance

GRI 406-1, 408-1, 409-1,419-1

At HPC, we strictly comply with all labour and socioeconomic regulations. We do not discriminate on the basis of gender, ethnicity, nationality, age, religious belief, disability or marital status. In FY2018, there was no incident of discrimination at HPC.

To ensure strict compliance with local employment laws, we implement access controls at our sites and offices to prevent illegal workers from entering or working at our sites and offices. We also monitor the presence of illegal workers on sites by conducting random checks. The Groupensures that all employees have the necessary visas, work permits, specific registrations, licenses and qualifications before they perform the duties assigned to them.

In compliance with labour laws and regulations, the Group does not employ minors or offer apprenticeship. There was no incident of child and forced labour in FY2018.

Caring for Our Community

At HPC, we are committed to doing our part for the community. Given the nature of our business, we are aware of the social impacts of our operations, and we strive to minimise any inconvenience or negative impacts on the community. We strictly comply with local regulations on noise and vector control, and we actively engage with the community and make regular contributions to improve the wellbeing of our local community.

Community Engagement

GRI 413-1

The Group endeavours to give back to the community whenever opportunity arises, and we integrate community service into our corporate social responsibility. Our staff volunteers participated in volunteer activities at a nursing home where they brought food, entertainment and joy to the residents.

Noise Management

GRI 413-2

The Group implements proper noise pollution control measures to ensure that workers and residents living in the vicinity of the construction sites are not unduly affected by noise pollution. All noise and vibration related impacts on surrounding occupants must be assessed and have mitigation measures put in place where required. In addition, we ensure that all plants and equipment strictly comply with regulatory requirements and are serviced regularly to ensure that the noise generated is within standard.

The ECO ensures that noise generated during construction activities are within the permissible limits specified in the Environmental Pollution Control (Control of Noise at Construction Sites) Regulations, and the frequency of noise monitoring complies with local legal requirements. In the event that local authorities require us to monitor the noise level at any point source, we will strictly comply, monitor closely and maintain proper records.

Quieter Equipment or Mechanical Plant

- Select equipment, mechanical plants or machineries that emit less noise
- Use of generator should be minimised
- Use mufflers or exhause silencers to reduce exhaust noise

Regular maintenance of Mechanical Plant and Vehicles

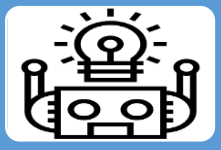
- Carry out periodic preventive maintenance and service of construction equipment, mechanical plant and vehicles
- Take machines/equipment for servicing whenever there is abnormal noise emitting from the machine/equipment

Noise Barriers

- Where possible, enclose noisy machines in acoustical enclosures lined with sound absorbent materials
- Erect barriers around the site to prevent noise transmission
- Where possible, place site facilities such as vehicular wash-bays, concrete vatching plants away from residential buildings

Scheduling of Noisy Activities

- Schedule noissy activities sequentially to avoid excessive noise
- Ensure that noisy activities such as piling, demolition or concreting are carried out in the day as much as possible



Other Measures

- Use precast concrete elements as it minimsies both in-situ concreting and noise generation
- Educate employees of the consequences of noise generation and methods for noise reduction
- Keep residents informed of any operations generating excessive noise levels

If noise levels exceed compliance levels, ECO will recommend remedial measures for immediate implementation to keep the noise level under control.

Vector Management

GRI 413-2

We implement vector control plans at every project site to prevent breeding of disease-bearing insects so as to protect workers and residents in the vicinity from harmful diseases. The ECO conducts weekly inspections to monitor the vector situation and ensure that our vector control procedures are complied with at all project sites. Our vector control measures and implementation are in compliance with local environmental regulations.

Where to control	When to control	What to control	How to control
• Potential breeding grounds and habitats are high vector density areas such as worker quarters, site offices, washing area, storage area, buildings under construction	• Frequency of vector control has to be established based on site observations and peak desntiy periods	• Potential breeding grounds and habitats for mosquitoes, flies and rodents	• Deploy oiling team and housekeep team for site maintenance • Implement environmental control, chemical control and rodent control

The ECO also oversees the work of the pest control operator (“PCO”) and verifies that the PCO is certified and licensed. This strengthens the degree of compliance and accountability in the vector management at our project sites.

HKEX ESG Reporting Guide Content Index

This Content Index includes references to Key Performance Indicators of the HKEX ESG Reporting Guide.

Subject Areas, Aspects, General Disclosures and KPIs		**Section Reference**
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Sustainable Built Environment
A1.1	Types of emissions and respective emissions data	Emissions Management
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Emissions Management
A1.3	Total hazardous waste produced and, where appropriate, intensity	Not available to the Group's business
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Waste Management
A1.5	Description of measures to mitigate emissions and results achieved	Emissions Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Waste Management
Aspect A2: Use of Resources		
General disclosure	Policies on efficient use of resources including energy, water and other raw materials	Sustainable Built Environment
A2.1	Direct and/or indirect energy consumption by type in total and intensity	Energy Conservation
A2.2	Water consumption in total and intensity	Water and Effluents Management
A2.3	Description of energy use efficiency initiatives and results achieved	Energy Conservation
A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	Water and Effluents Management
A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not available to the Group's business
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Sustainable Construction, Sustainable Materials
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Sustainable Construction, Sustainable Materials

B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Employee Retention
B1.1	Total workforce by gender, employment type, age group and geographical region	Our Workforce
B1.2	Employee turnover rate by gender, age group and geographical region	Employee Retention
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Occupational Health and Safety
B2.1	Number and rate of work-related fatalities	Occupational Health and Safety
B2.2	Lost days due to work injury	Occupational Health and Safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Occupational Health and Safety
Aspect B3: Development and Testing		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Employee Retention
B3.1	The percentage of employees trained by gender and employee category	Employee Retention
B3.2	The average training hours completed per employee by gender and employee category	Employee Retention
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Social Compliance
B4.1	Description of measures to review employment practices to avoid child and forced labour	Social Compliance
B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	Social Compliance
B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain	Environmentally Sustainable Supply Chain Socially Sustainable Supply Chain
B5.1	Number of suppliers by geographical region	About HPC
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Environmentally Sustainable Supply Chain
B6	Product Responsibility	
General	Information on: (a) the policies; and (b) compliance with	User Safety

Disclosure	relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not available to the Group's business
B6.2	Number of products and service related complaints received and how they are dealt with	User Safety
B6.3	Description of practices relating to observing and protecting intellectual property rights	Not available to the Group's business
B6.4	Description of quality assurance process and recall procedures	Not available to the Group's business
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not available to the Group's business
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Ethics and Integrity
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Whistle-Blowing
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Community Engagement
B8.1	Focus areas of contribution	Community Engagement
B8.2	Resources contributed to the focus areas	Community Engagement

GRI 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, Our Workforce
102-8	Information on employees and other workers	Our Workforce
102-9	Supply chain	Sustainable Supply Chain
102-11	Precautionary Principle or approach	Corporate Governance Statement in FY2018 Annual Report
102-14	Statement from senior decision-maker	Chairman's Message
102-15	Key impacts, risks, and opportunities	Stakeholder Engagement
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
201-1	Direct economic value generated and distributed	FY2018 Annual Report
203-2	Significant indirect economic impacts	Innovation in Construction
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
301-2	Recycled input materials used	Sustainable Materials
302-1	Energy consumption within the organization	Energy Conservation
302-3	Energy intensity	Energy Conservation
302-4	Reduction of energy consumption	Energy Conservation
303-1	Water withdrawal by source	Water & Effluents Management

GRI Standards	Disclosure Content	Section Reference
303-3	Water recycled and reused	Water and Effluents Management
305-2	Energy indirect (Scope 2) GHG emissions	Emissions Management
305-4	GHG emissions intensity	Emissions Management
305-5	Reduction of GHG emissions	Emissions Management
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Emissions Management
306-1	Water discharge by quality and destination	Water and Effluents Management
306-2	Waste by type and disposal method	Waste Management
307-1	Non-compliance with environmental laws and regulations	Energy Conservation, Emissions Management, Water and Effluents Management, Waste Management
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Retention
401-3	Parental leave	Employee Retention
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Retention
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Retention
405-1	Diversity of governance bodies and employees	Our Workforce
405-2	Ratio of basic salary and remuneration of women to men	Employee Retention
406-1	Incidents of discrimination and corrective actions taken	Social Compliance
408-1	Operations and suppliers at significant risk for incidents of child labor	Social Compliance
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social Compliance
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement
413-2	Operations with significant actual and potential negative impacts on local communities	Noise Management, Vector Management
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain

GRI Standards	Disclosure Content	Section Reference
416-1	Assessment of the health and safety impacts of product and service categories	User Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	User Safety
419-1	Non-compliance with laws and regulations in the social and economic area	Social Compliance