



**卓航控股集團**

**Trendzon Holdings Group Limited**

**Trendzon Holdings Group Limited**  
**卓航控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1865)**

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT  
**2022**

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### 1 REPORTING SCOPE AND BOUNDARY

Trendzon Holdings Group Limited (formerly known as Pipeline Engineering Holdings Limited) is pleased to publish the Environmental, Social, and Governance (the “ESG”) report, highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The principal activities of the Group are:

- (i) pipeline project works for gas pipeline projects; water pipeline projects; and cable installation projects; and
- (ii) trading of building materials.

The Group, since the previous reporting period, has acquired Pioneer Galaxy Holdings Limited and Trendzon (Hong Kong) International Holdings Company Limited, and established two wholly-owned subsidiaries, Jumbo Harvest Group Limited and 內蒙古城市環保管道工程有限公司 (Inner Mongolia City Environmental Protection Pipeline Engineering Limited\*). In addition, the Group has changed its name from Pipeline Engineering Holdings Limited to Trendzon Holdings Group Limited. The Group is pleased to demonstrate its commitment to improve ESG performance progress on our sustainable journey.

This ESG report covers the Group’s overall performance in two subject areas, namely, environmental and social aspects of the business operations in infrastructural pipeline construction and related engineering services in Singapore and in the trading of building materials in Hong Kong from 1 April 2021 to 31 March 2022 (“reporting period” or “2022”), unless otherwise stated. For details of the Group’s corporate governance, please refer to the Group’s corporate governance report in the Group’s annual report for the year ended 31 March 2022.

The basis of reporting principles – materiality, quantitative and consistency:

- “Materiality” Principle: The Group determines material ESG issues by stakeholder engagement and materiality assessment.
- “Quantitative” Principle: Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.
- “Consistency” Principle: The Report will use consistent methodologies for meaningful comparisons in the past years unless improvements in methodology are identified.

Unless otherwise specified, the reporting boundary of this Report covers the principal businesses of the Group. We regularly review the scope of the ESG Report to ensure that significant impacts to the Group’s overall business portfolio are covered.

## 2 SUSTAINABILITY MISSION AND VISION

### Mission

The Group is focused on strengthening the market position in the building and construction industry in Singapore and exploring the industries with local potential business opportunities such as real estate, engineering infrastructure, culture, tourism, healthcare, hotel, finance, securities, tobacco and money lender in the PRC and other regions and countries in the Southeast Asia. The Group is committed to implement the national Belt and Road strategy and promote the economic development of Southeast Asia based on the resource advantages of the Greater Bay Area.

### Vision on Environment, Social, and Governance

Sound corporate governance attracts investment, protects rights of shareholders and stakeholders and enhances shareholder value. The Group is committed to account for its shareholders with a highly transparent and open attitude.

The Group has established an ESG Task Force, comprising members from senior management and risk management team, maintaining oversight in the ESG efforts of work teams across different departments including project, contract, finance and human resources. The ESG Task Force reviews the Group's ESG objectives, challenges, targets and progress to ensure their alignment with the Group's strategic direction and supervises the implementation and tracking of sustainability data and progress of various work teams. The board of directors of the Company (the "Board") has the overall responsibility of the Group's ESG strategy and reporting, and continuously oversees the process to engage stakeholders, identifies material topics, and approves the ESG material factors identified by the ESG Task Force.

The Group also holds a high standard in business ethics and invests in sustainable businesses. It is committed to improving quality of the communities and the environment, whilst providing long-term returns to its shareholders.

## 3 AWARD AND RECOGNITION

The Group's efforts in building a safe, high quality, sustainable and friendly built environment is recognised by the Building and Construction Authority ("BCA"), and the Group was awarded the BCA Green and Gracious Builder Award. The Group has a "Green and Gracious Policy Statement", listing out ways that it is committed to protecting the Earth, taking care of the environment, and being gracious to our employees and stakeholders. Commitments include and are not limited to preventing pollution, promoting resource efficiency, reducing waste generation, and training personnel on green and gracious practices. The Group strives to improve its green and gracious performances on all our project sites to create the best workplace for its staff and workers, as well as to maintain a conducive, clean and safe living environment for its stakeholders.

In addition, the Group has adopted the Quality, Safety, Health and Environmental ("QSHE") Policy in accordance with relevant Singapore standards related to safety and health management system and other standards, code of practice or guidance issued or approved by the Workplace Safety and Health Council of Singapore.

## 4 BOARD STATEMENT

The Board has a primary role in overseeing the Group’s ESG issues. During the reporting period, the Board, the management and the ESG working team spent significant time in evaluating the impacts of ESG-related risks towards the operation and formulating ESG-related policies in dealing with relevant risks. The oversight of the Board ensures that the management and the ESG working team can have all the right tools and resources to oversee the ESG issues.

The Board is responsible for monitoring the Group’s ESG strategies and reporting, ensuring that the requirements from the Board are met. Furthermore, the Board monitors and reviews the Group’s compliance status of ESG-related laws and regulations by external regulatory bodies, such as The Stock Exchange of Hong Kong Limited (“HKEX”). Regular Board meetings are hosted regularly to help understanding the progress, targets and goals on ESG related performances.

The management and ESG working team is primarily responsible for reviewing and supervising the ESG process and risk management of the Group. ESG governance matters and ESG-related issues are reviewed at the regular meeting during the reporting period.

The Board has identified potential and material issues to the business and its stakeholders. The Board has also taken part in the materiality assessment as one of the key stakeholders of the company in providing constructive opinions on the materiality of ESG issues.

## 5 STAKEHOLDERS ENGAGEMENT AND MATERIALITY MATRIX

The Group communicates with key stakeholders through daily interaction to understand their concerns and expectations on ESG issues. Through regular engagement sessions, the Group obtains valuable feedback and reviews areas of attention which will help the business to meet its potential growth and be prepared for future ESG challenges. Communication channels are as follows:

Stakeholders	Expectations	Communication and feedback
Shareholders/ Investors	<ul style="list-style-type: none"> <li>• Corporate governance system</li> <li>• Business strategies and performance</li> <li>• Corporate transparency and reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM) and other shareholders’ meeting</li> <li>• Annual reports and interim reports</li> <li>• Announcements and circulars</li> <li>• Company website and email</li> </ul>
Customers and business partners	<ul style="list-style-type: none"> <li>• Work and service quality</li> <li>• Delivery time</li> <li>• Pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Progress meetings</li> <li>• Communication with staff and management</li> </ul>

Stakeholders	Expectations	Communication and feedback
Employees	<ul style="list-style-type: none"> <li>• Rights and benefits</li> <li>• Remuneration and compensation</li> <li>• Career development and training</li> <li>• Working hours</li> <li>• Occupational health and safety</li> <li>• Working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Trainings, seminars, and briefing sessions</li> <li>• Performance reviews</li> <li>• Intranet</li> <li>• Employee communication meetings</li> <li>• Employee’s handbook</li> </ul>
Suppliers and subcontractors	<ul style="list-style-type: none"> <li>• Supplier management</li> <li>• Customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier management meetings and events</li> <li>• Supplier review</li> <li>• Site visits</li> </ul>
Media, NGOs, and the public	<ul style="list-style-type: none"> <li>• Community environment</li> <li>• Employment and community development</li> <li>• Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>• ESG report</li> <li>• Community activities</li> <li>• Employee voluntary activities</li> <li>• Community welfare subsidies</li> <li>• Charitable donations</li> </ul>

The Group will conduct an Enterprise Risk Assessment at least once per year that covers the current and potential risks it faces, including but not limited to the risks arising in the ESG aspect of the business. Upon receipt of the Enterprise Risk Assessment report, the Board will assess and evaluate the identified risks and review the Group’s existing strategy, target and execute internal control to implement necessary improvement to mitigate the risks. In order to manage the environmental-related risks and social sustainability risks, the Board adopts the measures against the risks identified during the Enterprise Risk Assessment to make sure that the stakeholders and the environment are better sheltered from any potential risks inherent to its business operations.

**Materiality Assessment**

To identify material ESG issues, the Group has specifically engaged a wide range of stakeholders, including the Board, shareholders, senior management, frontline workers, customers and suppliers, to gain insights into ESG material topics. In the materiality assessment, stakeholders were asked to rate a list of 19 ESG topics in terms of their relevance and importance to the Group’s business continual and sustainability performance, as well as to the wider community.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Results of the materiality assessment and the consolidated list of material aspects with respective management are presented in the following matrix, table and section, respectively.

Importance to Stakeholder	Importance to the Group			
	Low	Medium	High	High
High	<ul style="list-style-type: none"> <li>◆ Anti-discrimination</li> <li>◆ Protecting labour rights</li> </ul>	<ul style="list-style-type: none"> <li>◆ Talent management</li> <li>◆ Staff training and promotion opportunity</li> <li>◆ Staff compensation and welfare policies</li> </ul>	<ul style="list-style-type: none"> <li>◆ Product/service quality</li> <li>◆ Customers' satisfaction</li> <li>◆ Anti-corruption</li> <li>◆ Data protection</li> <li>◆ Community investment</li> <li>◆ Occupational health and workplace safety</li> </ul>	
Medium		<ul style="list-style-type: none"> <li>◆ Use of resources</li> </ul>	<ul style="list-style-type: none"> <li>◆ Operational compliance</li> <li>◆ Suppliers management</li> <li>◆ Air emissions</li> </ul>	
Low	<ul style="list-style-type: none"> <li>◆ Preventive measures for child and forced labour</li> </ul>	<ul style="list-style-type: none"> <li>◆ Non-hazardous wastes produced</li> </ul>	<ul style="list-style-type: none"> <li>◆ Use of raw materials</li> <li>◆ Hazardous wastes produced</li> </ul>	

## 6 STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at [admin@trendzon.org](mailto:admin@trendzon.org).

## 7 ENVIRONMENTAL AND SOCIAL

The table underneath showed aspects on the ESG Guide to be assessed and those ESG issues were determined to be material to the Group.

### ESG Aspects as set forth in the ESG Guide    Material ESG issues for the Group

#### **(A) Environmental**

A1 Emissions	Emission from town gas or Vehicle
A2 Use of Resources	Use of energy and paper
A3 Environment and Natural Resources	
A4 Climate change	

#### **(B) Social**

B1 Employment	Labour practices
B2 Health and Safety	Workplace health and safety
B3 Development and Training	Employee development and training
B4 Labour Standards	Anti-child and forced labour
B5 Supply Chain Management	Supply chain management
B6 Product Responsibility	Product responsibility
B7 Anti-corruption	Anti-corruption, fraud prevention and anti-money laundering
B8 Community Investment	Community programs, employee volunteering and donation

## A ENVIRONMENTAL

### Emissions

Types of emissions the Group contributed towards in the reporting period were mainly due to petrol, diesel, electricity, water and paper consumption. The business does not involve in consumption of packaging materials, production-related air, water, and land pollutions which are regulated under national laws and regulations.

Since the Group's operations consist mainly of pipeline project works, it does not have a material consumption of natural resources and the production of hazardous wastes. However, it is aware that it may inevitably produce non-hazardous waste and consume fuels. Therefore, the Group places the highest priority on reduction of the non-hazardous wastes and limitation of oil consumption. Currently, the Group is not aware of actual environmental risks on the Group's business, strategies and financial performance.

The Group understands that electricity and water consumed, as well as wastes generated in its business operation, contribute to significant consumption of natural resources and poses a risk to public health and the environment. Therefore, electricity and water saving initiatives were highly promoted and implemented in its workplace, wastes were treated cautiously according to the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Environmental Public Health Act (Chapter 95, Section 113) of Singapore and the Group's guidelines during the reporting period. Details of electricity and water saving initiatives and handling of wastes are discussed below in the corresponding sections.



### A1.1 Emissions Data from Gaseous Fuel Consumption

- Since the Group did not consume town fuel and town gas during the reporting period, therefore no emissions data applied.
- During the reporting period, the Nitrogen Oxides (NO<sub>x</sub>), Sulfur Oxides (SO<sub>x</sub>), and Particulate Matter (PM) emitted from the consumption of the Group's motor vehicles are shown as below:

	Key performance indicator ("KPI")		
	2022	Unit	%
NO <sub>x</sub>	7,287.5	kg	90.8%
SO <sub>x</sub>	15.2	kg	0.2%
PM	722.4	kg	9.0%
Total	8,025.1	kg	100%

### A1.2 Greenhouse Gas Emission

The greenhouse gas (the "GHG") emissions of the Group were mainly generated from electricity and petrol consumed. The Group always aims to reduce waste and minimize the consumption of electricity in order to tackle GHG emissions issue.

The table below highlights its carbon footprint during the reporting period:

	KPI		
	2022	Unit	%
<b>Scope 1</b> Direct Emission	2,528.9	tonnes	94.5%
<b>Scope 2</b> Indirect Emission	137.3	tonnes	5.1%
<b>Scope 3</b> Other indirect Emission	10.0	tonnes	0.4%
Total	2,676.2	tonnes	100%

During the reporting year, there was 2,676 (2021: 1,405) tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation. Average floor area of the site was 5,578.8 m<sup>2</sup> in 2022 (2021: 4,931.3 m<sup>2</sup>). The annual emission intensity was 0.48 tonnes CO<sub>2</sub>e/m<sup>2</sup> (2021: 0.29 tonnes CO<sub>2</sub>e/m<sup>2</sup>).

The Group strives to continually improve its sustainability practices and reduce its overall emissions and impacts on the environment. Regarding air emissions, due to the Group's business nature, it considers the relevant air emissions generated as insignificant. However, it still pays attention to the limited air emissions that are generated at construction sites. The Group strives to mitigate the exhaust gas and dusts generated from the production process as much as possible.

Dust is a main concern of the Group due to its operations regarding the construction of pipelines. To control and monitor the dust generated from its operations, the Group has a section on “Site Dust Control” in its QSHE Management Programme. To target and cater to dust problems at sites, the following guidelines have been established:

- Concreted or paved areas for site access to reduce generation of airborne dust;
- Provided water sprays to dampen dust generated during works; and
- Covered and secured all loads on vehicles before leaving the site.

Consequently, the Group is not aware of any significant issues regarding dust discharge.

Additionally, in the aspect of GHG emissions, the Group is aware that the principal GHG are generated from the petrol and diesel consumption of vehicles (Scope 1) and purchased electricity (Scope 2). Hence, the Group has adopted the various measures to mitigate the direct GHG emissions from petrol and diesel consumption in its operations (see section “Energy”).

Finally, the consumption of electricity is concluded as the most significant source of indirect GHG emission. Therefore, the Group has instilled the following measures to promote energy efficiency:

- Switch off unnecessary lightings and electrical appliances when not in use; and
- Purchase and use of LED lightings and energy efficient office equipment.

The Group set the targets to 3,000 tonnes of GHG emission for the reporting period. The Group has achieved the target during the reporting period.

### **Water**

Water consumption of the Group is mainly used for headquarters’ cleaning and sanitation. The Group has set up procedures for water conservation measures. Also, there is a monitoring system for overlooking the water consumption in its headquarters. Due to our business nature, we do not have issues in sourcing water that is fit for purpose.

The Group encourages all employees to develop the habit of water conservation. It has been strengthening its water-saving promotion, posting water saving reminders, and guiding employees to use water reasonably. The following are some measures that have been implemented to increase water efficiency:

- Utilised recycled water for vehicle washing, cleaning of drains and dirty boot;
- Use of water recycling equipment that are of chemical type or membrane type; and
- Use of water efficient fittings and rainwater collected from water tanks for toilet flushing, vehicles and compound area washing related activities.

Water consumption by the Group was 42,177.1 m<sup>3</sup> in Singapore operation with water intensity of 7.56 m<sup>3</sup>/m<sup>2</sup>. Nevertheless, the Group reminds its staff to reduce water usage whenever possible. Only water consumption of the Group's Singapore operation is included as water consumption of its Hong Kong operation is managed by the office's building management office and respective data is not available, but it is noteworthy that water consumption of its Hong Kong operation is insignificant.

The Company will build a large water catchment container to collect rain at its new headquarters. The water collected will be used for general washing and sanitizing. Additionally, the nature of the Group's operations did not generate any wastewater.

### A1.3 Hazardous and non-hazardous Waste

#### ***Hazardous Waste***

The Group did not generate material hazardous wastes during the reporting period, but it has established guidelines in governing the management and disposal of hazardous wastes. In the case that there is any hazardous wastes being produced, chemical wastes will be temporarily stored in a dedicated location with appropriate hazard labels. We must engage a qualified chemical waste collector to handle such waste, which follows the relevant environmental regulations and rules. The Group is not aware of any hazardous waste that is being discharged during its business.

#### ***Non-hazardous Waste***

The Group's waste was mainly generated from its construction sites and office, including non-hazardous waste types such as construction waste, wood and paper. With the aim of minimizing the environmental impacts from non-hazardous wastes generated from its business operations, the Group has implemented measures in waste management and launched different reduction initiatives. For wastes generated at sites, the Group has implemented separate refuse management systems for organic and construction wastes at our project work site. Industrial wastes are brought back to the Group's headquarters for disposal by the appropriate certified disposal vendor.

To promote waste separation at source, disposal bins for different types of waste streams are made readily available. We set up procedures for reduction of construction waste and office waste by implementing arrangement of recycling of office waste management. In addition, we have implemented the following procedures to encourage employees to share responsibilities in waste management and minimise waste generations:

- Used double sided printing or photocopying wherever possible;
- Utilised electronic media for communication;
- Digitalisation of site documents;
- Recycled one-sided printed paper; and
- Avoided single-use disposable items.

The Group also inculcates good practices among staff, including sub-contractors, to segregation of paper packaging for disposal into recycling bin(s) to designated refuse collecting point(s).

A total 2,508.1 kg of paper has been used for daily office operations such as documents printing and deliverables packaging.

The Company will send its staff and employees for professional and technical courses to improve their technical skills and hence, improving their efficiency and indirectly contributing to less waste produced in their course of operations. The Group has implemented various digitalization efforts which enables the Company to move away from the conventional manual filling and record keeping.

## A2.1 Use of resource

### Energy

The Group aims to minimise environmental impacts in its operations by identifying and adopting appropriate measures in its operations. All employees are notified to implement such policies and measures on resource utilisation. Regular review is conducted on its energy objectives and targets to seek continuous improvement in the Group's energy performance.

Monthly monitoring of the usage of electricity, water and other materials is implemented. Unexpected high electricity consumptions will be investigated to find out the root cause and preventive measures will be taken. During the reporting period, the Group has performed the following measures relating to promoting energy efficiency:

- Switching off unnecessary lightings and electrical appliances when not in use; and
- Purchasing and using LED lighting and energy efficient office equipment.

During the reporting period, the energy consumption by type in total of the Group are showed as below:

	KPI			
	2022	2021	Unit	% increase/ (decrease)
Electricity consumed	247,778	128,748	kWh	92.5%
Oil consumed	10,115,924	5,096,309	kWh	98.5%
Total energy consumed	10,363,702	5,225,057	kWh	98.3%
Total floor area of facilities	5,579	4,931	m <sup>2</sup>	13.1%
Energy consumed per square meter	1,858	1,060	kWh/m <sup>2</sup>	75.2%

The principal energy consumption of the Group is generated from diesel. As a result, we have adopted the following measures:

- Switching off engines whenever the vehicle is idled;
- Purchased Euro VI Emission Petrol and Diesel Vehicles;
- Examined and obtained certification for the vehicles under Section 90 of the “Road Traffic Act” on the prescribed statutory requirements; and
- Provided maintenance service to the vehicles on a regular basis to ensure engine performance to ensure efficient use of fuel.

The Group set the targets of total energy consumption to 10,500 mWh for the reporting period. The Group has achieved the target during the reporting period.

The Company will only source for newer energy efficient machineries when the need arises and continues to review its existing machineries to ensure they are functioning well. Machineries which are battered will be scrapped and replaced.

### ***Total packaging material used for finished products***

The Group’s business did not involve any use of packaging materials; hence no data nor information is being presented in this report.

## **A3 Environmental and Natural Resources**

Realising that the core business of the Group have potential impacts on the environment and natural resources, as an ongoing commitment to corporate social responsibility, we strive to minimise negative environmental impacts of our business operations. Due to our business nature, we recognise the potential negative environmental impacts like noise pollution. To mitigate the disturbance to the community and environment, we included a section on “Site Noise Control” in our QSHE Management Programme. We are also devoted to achieve sustainable development for generating long-term values to the community and our stakeholders. To mitigate our potential environmental impacts, we made efforts to reduce consumption of natural resources and to promote effective environmental management. We regularly assess the environmental risks of our businesses, adopt preventive measures to reduce potential risks and ensure compliance with relevant laws and regulations.

### ***Environmentally Friendly Construction Methods***

We strive for environmental protection and gracious practices during construction phase of projects. The concept of sustainability is embedded in our procurement and working processes. We recommend and use environmentally friendly or green label products on site. To raise the awareness of staff at the sites, environmental posters are displayed at our various notice boards.

Realising the potential environmental and health problems may arise from our construction sites due to pests, we adopt proactive vector control measures at site by deployment of inhouse team, carrying out regular oiling besides the engagement of Pest Control service.

Our efforts in building a safe, high quality, sustainable and friendly built environment is recognised by the Building and Construction Authority (“BCA”), and we were awarded the BCA Green and Gracious Builder Award.

### ***Noise Control***

Realising the potential noise pollution from our construction sites, we have a section on “Site Noise Control” in our QSHE Management Programme. We have implemented the following measures to control noise emissions at sites:

- Installed noise barriers at areas of concern to reduce noise transmission; and
- Installed noise monitoring meter(s) both on and off site to monitor where it is reasonable and practicable.

## **A4 Climate change**

The Group is committed to establishing climate resilience in the face of climate change. The Group have assessed and evaluated the potential climate physical and transitional risks to understand the climate risks that we may face and the effects on the Group’s business.

The potential risk is that the outdoor work arrangement and business operation may be affected by extreme weather. In the event of inclement weather conditions such as typhoons and rainstorms, the Group has bound to make adjustment and take precautionary measures to prevent injuries to workers. To cope with weather changes, the Group has assessed climate change risks and prepared operational guidelines for weather conditions. The Group, as a responsible enterprise, is committed to implement certain measures to reduce greenhouse gas emissions from business operations.

To cope with adverse weather conditions, the Group takes precautionary and protective measures including work schedule rearrangement and redeployment of resources, to ensure the safety of employees, to minimize the impact on business process and to avoid any physical damages to assets of the Group.

### B SOCIAL

#### B1 Employment and Labour Practices

##### ***Recruitment and dismissal***

Human resources are the foundation for the Group's continuous development. Hence, we have established relevant employment policies to adopt people-oriented management strategy and realizing the full potential of employees. Relevant employment policies including recruitment and dismissal are formally documented in our Employee Handbook. We adopt robust, transparent and fair treatment processes based on merit selection against the job criteria applied. Recruitment of individuals are based on their suitability for the position and potential to fulfill the Group's current and future needs. We ensure that our employees and applicants are treated and evaluated in a fair way.

##### ***Work Policies***

The Group has formulated policies in determining the working hours and rest periods for employees in accordance with local employment laws. Apart from the basic leaves, such as annual leaves, employees are also entitled to additional leaves, such as maternity leave, childcare leave, marriage leave, and compassionate leave, if such leave periods are granted in accordance with the relevant employment laws, and leaves are in accordance with the provision of the "Employment Act".

The Group did not note any cases of material non-compliance in relation to employment during the reporting period.

##### ***Competitive Compensation and Benefits Package***

Employees are entitled to basic salary with various allowance as per their job positions, age and extra work hours, year-end bonus on performance. Basic social insurance including pension, medical, work-related injury, unemployment compensation and maternity. Various types of leave are provided including annual, sick, work-related injury, marriage, maternity and compassionate leave. The Group regularly reviews employees' salary together with business growth and market price, the pay is generally above market average.

##### ***Internal Promotion***

Internal promotion and job opportunities are offered to existing employees and selection is based on the monthly reviewed work capability, attitude, and quality of work of the employees on a point scoring system. Employees are encouraged to discuss their goals in job advancement and career development.

**Equal Opportunity, Diversity and Anti-discrimination**

A diverse and skilled workforce is crucial for its business. The Group is committed to create and maintain an inclusive and collaborative workplace culture. It is dedicated to providing equal opportunities in all aspects of employment and maintaining workplace that are free from discrimination, physical or verbal harassment against any individual based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. The Group also strives to ensure that complaints, grievances and concerns, including whistleblowing, are dealt with promptly and confidentially. The Group has zero tolerance on sexual harassment or abuse in the workplace of any form.

**Employee Communication**

The Company organized an annual dinner with split team arrangements for office staffs while adhering to the COVID-19 rules and guidance issued by the Government of Singapore.

As for its workers, occasional packed catering was being organized during the year.

**Staff Composition**

The Group had a total number of 298 full-time employees as of 31 March 2022 (2021:314). Most of the Group's employees are foundation workers in Hong Kong. No part-time employees are hired during the reporting period.

*a) Employee's Age Distribution*

Age Group	2022		2021	
	Male	Female	Male	Female
0-15	0%	0%	0%	0%
16-18	0%	0%	0%	0%
19 – 30	47%	3%	58%	5%
31 – 45	35%	3%	18%	3%
46 – 60	6%	1%	4%	0%
= 61/>61	5%	0%	11%	1%
Total	93%	7%	91%	9%



b) *Employee' s Geographical Distribution*

Location	2022	2021
Hong Kong	1%	3%
Indian	73%	68%
Chinese	1%	5%
Bangladeshi	0%	1%
Singaporean	15%	10%
Malaysian	5%	7%
Burmese	4%	5%
Thailand	1%	1%
Total	100%	100%

 c) *Turnover Rate by Age Group*

Age Group	2022		2021	
	Male	Female	Male	Female
0-15	0%	0%	0%	0%
16-18	0%	0%	0%	0%
19 – 30	8%	0%	5%	1%
31 – 45	7%	0.5%	3%	0%
46 – 60	1%	0.5%	5%	1%
= 61/>61	2%	0%	3%	0%
Total	18%	1%	17%	3%

**B2 Employee Health and Safety**

The Group is committed to provide and maintain a safe and healthy working environment for the benefit of our employees, subcontractors, and suppliers. It has established a QSHE (Quality, Safety, Health and Environmental) Management System Operation Procedure which sets out clear terms for project management approaches and commitments to health and safety. The Group reviews the policy annually, or when incidents arise which determine a need to review, to ensure that the procedure remains relevant and appropriate.

The QSHE system, was written in accordance with relevant Singapore standards relating to safety and health management system and other standards. The policy includes main-contractor and subcontractor responsibilities, and the management's commitments to safety and health. The policy also states the requirement of subcontractor to provide sufficient and appropriate resources at the site. The QSHE Policy is reviewed at intervals of at least once a year, or when there is a change of operations that requires other sources and personnel management, and after statutory audits.

In addition, the Group has established various occupational health programmes which aim to protect workers from health hazards relevant to the construction industry such as noise, dust, toxic gases and vapours. Such programmes include Hearing Conservation Programme, Respiratory Protection Programme, Hand Protection Programme, Personal Eye Protection Programme, etc.

The Group is also certified with bizSafe Star Level, which is accredited by the Workplace Safety and Health Council in Singapore. The Group will continue to invest sufficient resources and devote its efforts to maintain and enhance safety management to reduce risks in employee health and safety.

The Group is not aware of any non-compliances related to employee health and safety that have significant impact on us during the reporting period.

In consideration of the COVID-19 pandemic, the Group has also implemented various new policies to ensure the health and safety of employees:

1. In the premise, everyone must be wearing masks at all times.
2. Employees that have mild symptoms are encouraged to seek medical consultations and to take medical leave as prescribed.
3. The Group updates its office staffs via WhatsApp group chat on the latest developments. For foreign workers in the dormitory, notices are put up to update the workers.

#### **Occupational Health and Safety Data**

Health and Safety	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Number of work-related fatalities	-	-	-	-	-	-
Lost days due to work injury	336	-	33	-	318	-

### **B3 Development and Training**

The Group conducts regular safety inspections to ensure its operations are conducted in a manner so as to reduce the risks to employees and workers. Safety inspections are conducted by different levels of management, and follow-up actions will be conducted immediately when deemed necessary. The Group emphasises to its employees that strict compliance with safety requirements is vital to ensure that there are no accidents to themselves or others that work on its projects. The Group also requires its subcontractors to abide by all applicable laws, regulations and safety requirements imposed by the relevant government authorities.

Mass Toolbox Meetings and/or Weekly Toolbox Meetings are regularly conducted to train all workers on the relevant health hazards, safe work practice and proper use of personal protective equipment. The worksite management also implement Safety and Health Management System (“SHMS”) promotional programmes to educate the workers on health hazards and the corresponding control measures.

In addition to compulsory induction training, internal trainings for employees generally fall in the following categories: work safety, fire safety, occupational health, environmental protection, work procedures, ISO 9001 quality management system and ISO 14001 Environmental Management System. These trainings aim to strengthen employees’ knowledge, competency, productivity and effectiveness related to their job position, as well as relevant laws and regulations, policies and procedures, and their response to emergency for both hazardous waste fire and leakage. Employees in management level were required to attend both internal corporate management skill training course and external safety training held by State Administration of Work Safety.

The Group also encourages employees to attend external training courses for excavation, heavy lifting and hoisting machinery operation, class III boiler operation, welder certification, electrician permit, on-site health and safety certification. The Group is committed to invest in the training and further education of its employees through on-the-job training as well as external courses which are supported by the Group. Training needs of each department are assessed by its respective Heads of Department, and courses are arranged between the employee and the Heads.

During the reporting period, the Group provided training hours to its staff as below:

Position	2022	Unit
Senior Management	97	Hours
Middle Management	1,187	Hours
Junior level	6,969	Hours
Total	8,253	Hours

### B4 Labour Standard

The Group strictly complies with local laws and does not provide employment to children before they reach the legal age to work as defined by the International Labour Organisation (“ILO”) Convention and Ministry of Manpower in Singapore. No employee will be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work.

The Human Resources and Administration Department of the Group strictly complies with local laws and conducts recruitment based on all the employment requirements in each respective location in which the headquarters are located. Personal data will be collected during the recruitment process to assist in the selection of suitable candidates. The Human Resources Department will also ensure the compliance at all operations and facilities by checking original identification cards upon recruitment. If violation is involved, it will be dealt with in the light of circumstances. The Group also sources its candidates through legal and

legitimate sources, such as websites like JobStreet, while foreign workers through licensed employment agencies. The Group reviews each applicant’s resumes to ensure they are of appropriate legal age before engaging them for interview. Hence there will not be any chance of such practice.

During the reporting period, the Group did not notice any non-compliance incidents related to child and forced labour that have a significant impact on us.

**B5 Supply Chain Management**

The Group has established a vendor performance assessment and monitoring system to provide the Purchasing Department with a structured and systematic way to assess suppliers and sub-contractors. Supplier and sub-contractor evaluations are based on product quality, ability in meeting contractual requirements, previous project references and delivery capability. The system also helps to ensure the delivery of maximum value and service quality for the Group’s purchase with the input from users and purchasing staff.

Suppliers and sub-contractors’ assessments will be conducted periodically, and the results of the evaluations, both positive and those needing improvement, will be promptly shared with the vendors. Suppliers who consistently fail to meet the Group’s requirements may be subjected to suspension for future supply.

Supplier’s environmental and social risk management is one of the Group’s considerations in the Supplier Initial Assessment Report. The Group assess its suppliers’ certified management systems such as ISO 9000, ISO/TS 16949, ISO 14000, OHSAS 18000, ISO 22000, ISO/IEC17025 and etc. in the evaluation processes. Other factors such as quality, environmental, occupational health and safety problems are also included in our assessment processes.

When choosing a new supplier, the Group gives priority to suppliers who are environmentally friendly and socially responsible in order to promote and support environmentally preferable products and services in supply chain.

The Group has formulated a tendering manual to ensure vendors in the market could engage in fair competition during the tendering processes. The Group prohibits the differentiation or discrimination on certain vendors; and it strictly monitors and prevents all kinds of business bribery. Employees or personnel having any interest relationship with the vendors should not be involved in the related business activity.

The geographical distribution of suppliers are set out below:

By Location	2022
Singapore	123
Malaysia	2
Australia	1
<b>Total</b>	<b>126</b>

### **B6 Product Responsibility**

#### ***Intellectual Property Rights***

As the Group's operational process does not involve advertising and labelling practices, the information relating to advertising and labelling is considered as non-material to the Group.

#### ***Service Quality Assurance***

In order to ensure service quality is being maintained, the Group has implemented the quality policy, complied with international standards, and is certified with ISO 9001 quality management. The Group is dedicated to deliver quality products and services which satisfy the needs and requirements of our customers and interested parties by continually improving the effectiveness of the quality management system.

For redress, the Group has a customer visit report for customers to provide feedback for its services. Customers evaluate the Group's performances on quality of our services, response to instructions, progress of work delivery, quality of workmanship, site planning and control, public inconvenience, and performance during defect liability period. Other recommendation and comments from the clients are also recorded.

Industrial information, customer feedback, product information request, customer enquiries, customer complaints and competitors' action are gathered for determination and review of customer's requirements. This information will then be used for service or product generation, review will be carried out to ensure customer satisfaction. If customers are not satisfied with the service or product, further studies and review will be conducted.

The Group has also established a set of procedures in handling customers' feedbacks or complaints in a professional manner. Upon receiving product or service-related enquiries or complaints, reviews will be conducted immediately. After complaints are settled, customers' satisfaction will be evaluated.

#### ***Consumer Data Protection***

The Group respects the values and rights of customers' information assets, and strictly complies with the customers' information security management systems and standards. In order to provide high-quality services, we are determined to strengthen the protection of customers' privacy. In addition, the Group adheres to the "Personal Data Protection Act" of Singapore and the Personal Data (Privacy) Ordinance in Hong Kong. It has implemented firewall, anti-virus, and anti-spam solutions for our IT systems to prevent leakage of confidential information, which are upgraded constantly.

There has been no complaints on the Group's services regarding the areas of product responsibility during the reporting period.

## B7 Anti-corruption

The Group has zero toleration on any corruptions, frauds and all other behaviours violating work ethics. It values and upholds integrity, honesty and fairness in the way it conducts businesses. The Group has formulated related policies on the control and prevention of bribery, extortion, fraud and money laundering between shareholders and related parties in each business operation and trade activity. During the reporting period, the Group did not note any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the “Prevention of Corruption Act” of Singapore and the Prevention of Bribery Ordinance of Hong Kong.

As spelt out in the Employee Handbook, employees should declare potential conflict of interest to their supervisor or Human Resources Department and abide by the Code of Ethics for employees. Basic standards of expected conducts for all employees are clearly set out in the Anti-Fraud, Anti-Money Laundering Policy. The definition of “Fraud”, “Money laundering”, “Terrorism Financing” and “Employees” are clearly stated in the above policy. Such policy will be reviewed at least bi-annually and revised as needed. The Director is responsible for the administration, revision, interpretation and application of this policy.

All employees should be alert for occurrences of fraud and be aware that unusual transactions or behaviours could be indications of fraud. Employees will be subjected to disciplinary actions if they are found being engaged in fraudulent activities. Disciplinary actions include termination of an individual, or prosecution to the appropriate law enforcement and/or regulatory agencies for independent investigation, depending on the situation.

An assessment of the risk of money laundering in the Group’s operations will be conducted by the Managing Director annually. Due diligence will be conducted by the responsible departments before the acceptance of business counterparties. For any indicators of suspicious activities, the Finance Manager will report to the Audit Committee immediately.

During the reporting period, the Group did not provide any training in relation to anti-corruption to its employees.

### ***Whistleblowing Mechanism:***

In order to further maintain and achieve the highest standards of openness, probity and accountability, the Group has formulated a reporting procedure. While management is responsible for detecting irregularities, employees are also encouraged to report fraudulent activity immediately to the Head of Department, or where that is not possible, to the Director when they discover or suspect such activity.

An Investigative Procedure is also implemented for the coordination for investigations. The Director will be in charge of coordinating all investigations, and they will seek to ensure the investigators have free and unrestricted access to all company records and premises, whether owned or rented. Investigators will have the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

The Group endeavours to protect an individual's identity when they raise an issue and does not want their identity to be disclosed. It should be understood, however, that an investigation of any malpractice may need to identify the source of the information and a statement by the individual may be required as part of the evidence. All details of the investigation must be kept confidential throughout so as to avoid any mistaken accusations and to prevent alerting the suspected individual. All details and results of the investigation will only be shared with individuals on a need-to-know basis.

On a final note, all employees of the Group are required to read through the Employee Handbook which also includes the "anti-corruption policy". The Handbook is also readily available for any employee should they require to refer to it. Any updates to the policy will be monitored by the HR Department and then the update will be circulated to all employees.

### **B8 Community Investment**

The Group participates in various community activities to help the disadvantaged in the society via donations. During the reporting period, the Group has donated over of S\$12,000 to several charity institutions, such as the National Kidney Foundation and various temple associations.