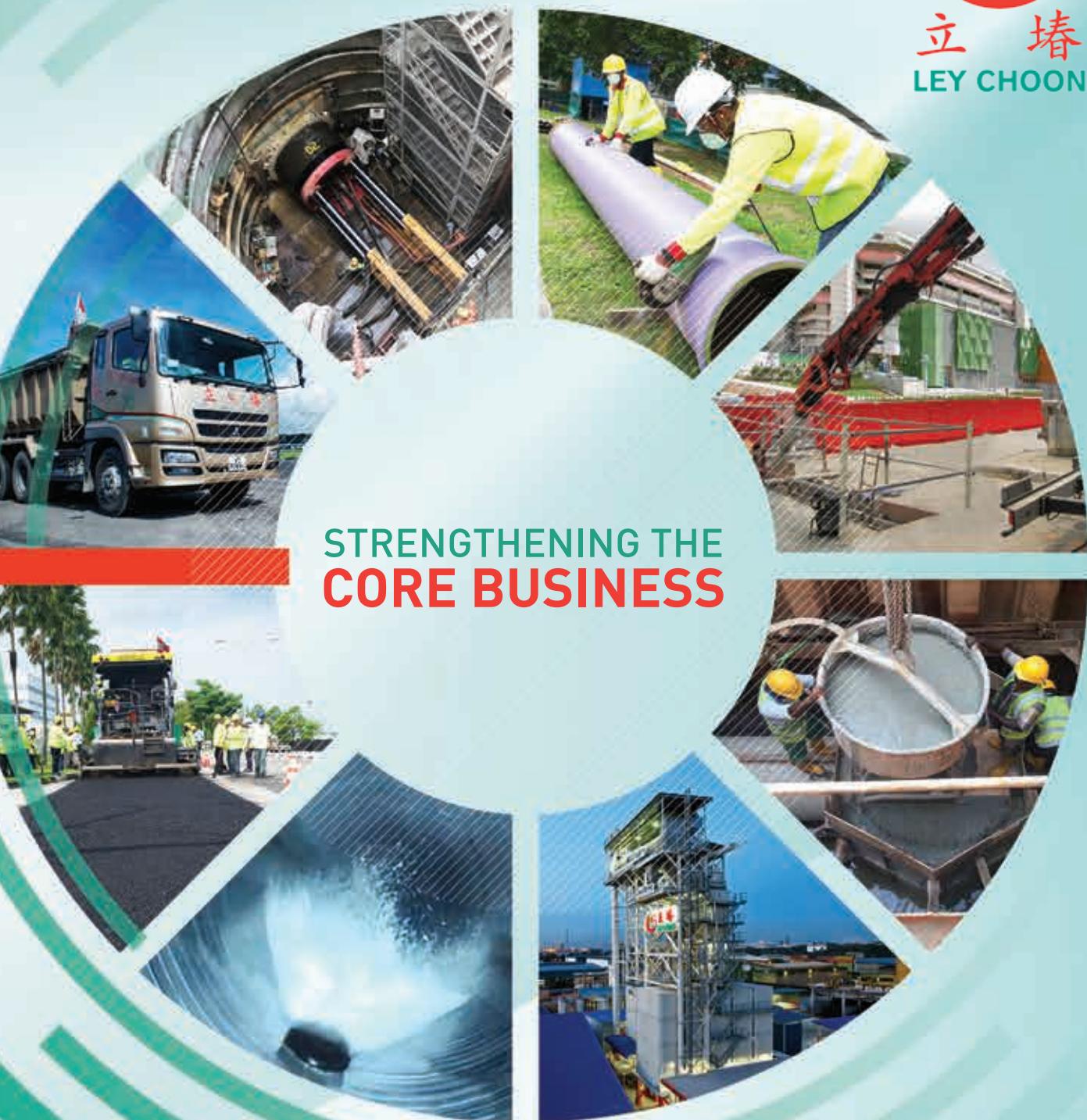




STRENGTHENING THE **CORE BUSINESS**



ANNUAL
REPORT
2018

SUSTAINABILITY REPORT

BOARD STATEMENT

Sustainability is the crux of the success of any enterprise, especially enterprises with the conviction to achieve triple bottomline, namely People, Profit, Planet, for the benefit of both private enterprise and society.

At Ley Choon Group Holdings Limited, we are committed to upholding the highest standards of Economic, Social and Governance (ESG) practices within our organisation. While we are taking our first steps in the sustainability journey, we have embraced our corporate social responsibility with conviction and fervour.

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

Driving long term sustainability is our vision. Centred on our key material issues, we will endeavour to set ourselves on the journey of achieving a good balance between financial growth and ESG performance.

We have taken the lead to implement several major key ESG initiatives in Workplace Health and Safety and Human Capital. To enhance our employee performance, we have also implemented the Performance Point System within our code of conduct for employees. Gearing our employees to meet the challenges of the digital economy will be our main thrust as we embrace technology innovation and greater employee engagement through the annual employee satisfaction survey.

Corporate social responsibility is in the DNA of our organisation. To reflect this commitment, the Group has a policy of matching our corporate donation and sponsorship to charitable organisations to our new business growth. Over the years, we have donated to support the local communities and sponsored to the sports events. These initiatives will be continued.

Moving forward, we believe that long term investment in human capital is the key to the long term sustainable success of Ley Choon Group. Therefore, we are committed to investing in order to strengthen our workplace health and safety practices as well as the staff training and development roadmap. Our three-year Human Capital roadmap is anchored upon 5 key pillars of 1) Fair Remuneration 2) Diversity and Equal Opportunities 3) Training and Development 4) Talent Performance Management 5) Employee Engagement and Excellence.

Since the adoption of sustainability reporting in financial year ended 31 March 2017 ("FY2017"), we are encouraged to witness the first fruits of our concerted ESG efforts. We are delighted to note not only 32.1% and 26.2% improvement in reduction in water and electricity consumption respectively, but also the cost savings of 28.2% and 16.2% for our water and electricity consumption respectively in the year ended 31 March 2018 ("FY2018").

Our commitment to invest in human capital is reflected in the 16.7% increase in total training hours to 11,997 hours as well as the 18.8% increase in average training hours per employee to 11.4 hours in FY2018.

Every journey begins with the first step. We are optimistic that the sustained drive to improve ESG performance will lead us on the path to sustainable growth and greater social accountability and contributions.

TOH CHOO HUAT

Executive Chairman & Chief Executive Officer



Best Employee Award Recipients with the Senior Management, Mr. Toh Chew Chai, Dy. Chief Operating Officer (fourth from left), Mr. Toh Choo Huat, Chief Executive Officer (fifth from left), Mr. Toh Chew Leong, Dy. Chief Executive Officer (sixth from left) and Mr. Toh Swee Kim, Chief Operating Officer (seventh from left)

Ley Choon Group Holdings Limited (the “**Company**”), and together with all its subsidiaries, collectively, (the “**Group**”) recognises the importance of and seeks continuous improvement to our sustainability reporting. For the financial year ended 31 March 2018 (“**FY2018**”), the Group started our sustainability reporting journey by discussing the challenges and material issues that are important to our stakeholders, our strategy in managing these challenges and issues, and how we have performed in terms of our key performance indicators.

Scope of this Report

In FY2018, we adopted the reporting approach by applying the international reporting framework, Global Reporting Initiative (“**GRI**”) Standards, in preparing this sustainability report.

For reference to the GRI Content Index, please refer to pages 30-34.

Reporting Boundaries and Standards	<p>The Report is also prepared in accordance with GRI Principles for defining report content, including:</p> <ul style="list-style-type: none"> • Materiality: focusing on issues that impact business growth and are of utmost importance to our stakeholders; • Stakeholder Inclusiveness: responding to stakeholder expectations and interests; • Sustainability Context: presenting performance in the wider context of sustainability; and • Completeness: including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company’s performance. <p>The Group uses a consolidated operating approach to determine organisational boundaries. Our data is an aggregation of our businesses globally. Our first sustainability report was issued for the year ended 31 March 2017 (“FY2017”).</p>
Report Period and Scope	<p>This report covers data and information from 1 April 2017 to 31 March 2018 and discusses the Group’s achievements and performance towards Environmental, Social and Governance (“ESG”) issues.</p> <p>This report has been prepared in accordance with the GRI Standards: Core Option.</p>
Accessibility	<p>The Group continues to print only limited copies of this annual cum sustainability report as part of our environmental conservation efforts. A current electronic edition of the report is available at www.leychoon.com.</p>

SUSTAINABILITY REPORT

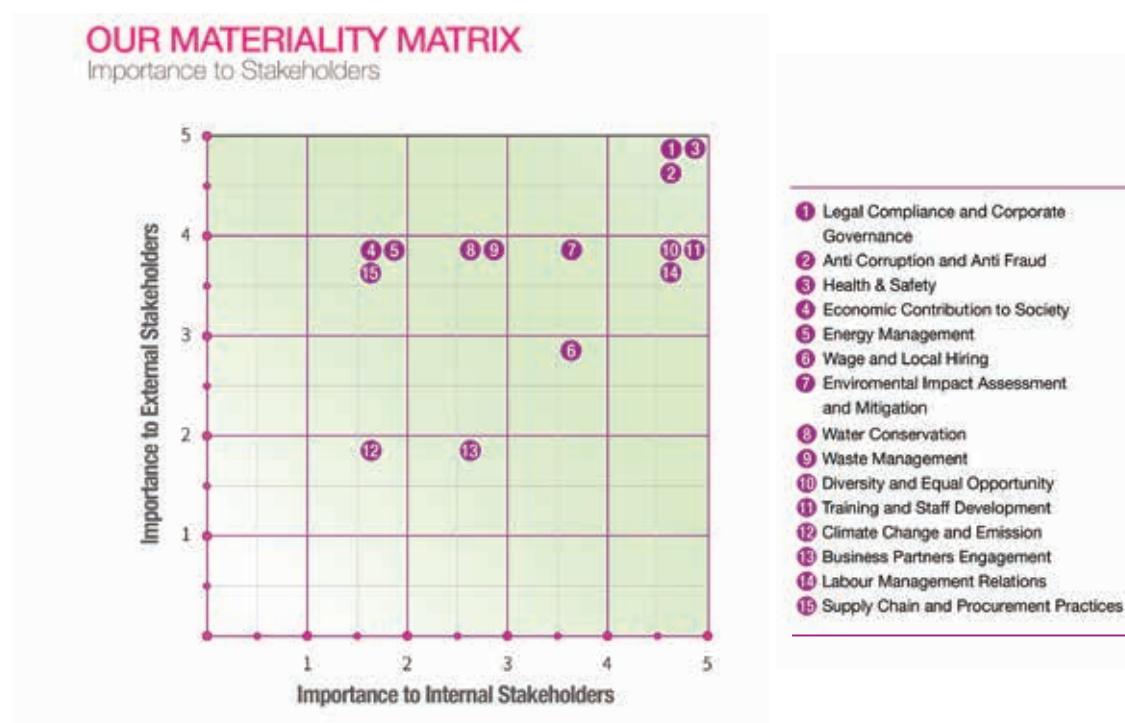
Accountability to Stakeholders

Being a responsible corporate citizen, the Group works closely with our stakeholders to understand their concerns and feedback. The stakeholder engagement provides valuable feedback and information for the drafting of our sustainability report, particularly in determining the material environmental and social issues. We will continue to engage our external stakeholders more extensively to identify areas that are material, sustainable and necessary for future development.

Our Key Stakeholders	How We Engage Them	Key Topics
Customers	<ul style="list-style-type: none"> Formal meetings Informal feedback 	<ul style="list-style-type: none"> Project timelines, requirements and specifications Work-in-progress and status Feedback on completed projects
Shareholders and Financial Community	<ul style="list-style-type: none"> Annual General Meeting Announcements through SGXNet Emails 	<ul style="list-style-type: none"> Financial results Key developments such as contract wins, corporate actions, etc. Investor relations
Employees	<ul style="list-style-type: none"> Performance appraisals Team bonding and company events Internal communication through emails and intranet Annual appreciation dinner 	<ul style="list-style-type: none"> Performance and skills Health and safety issues and necessary precautions to note New contract wins Project timelines and status updates
Suppliers	<ul style="list-style-type: none"> Regular meetings Emails 	<ul style="list-style-type: none"> Feedback on their products and services Information of their new products or services
Government and Regulatory Agencies	<ul style="list-style-type: none"> Consultations Discussions Legal counsel 	<ul style="list-style-type: none"> Regulatory and industry standards and guidelines
Local Community	<ul style="list-style-type: none"> Community outreach activities (such as community event sponsorships) Charity events Sponsor technical seminars 	<ul style="list-style-type: none"> Partner with local not-for-profit charitable organisations to identify the target beneficiaries
Media	<ul style="list-style-type: none"> Media releases 	<ul style="list-style-type: none"> Financial results Key developments such as contract wins, corporate actions, etc.



Mr. Toh Hong Sin (Left), Employee Long Service Award recipient with Mr. Toh Choo Huat, Chief Executive Officer



MATERIALITY MATRIX

Defining Our Materiality Issues

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

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

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

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

Our Strategic Approach to Sustainability

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

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

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

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

Governance Structure



SUSTAINABILITY REPORT

ECONOMIC

ECONOMIC CONTRIBUTION TO SOCIETY

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

Sustainability trends such as climate change, resource scarcity and demographic changes shape the competitive environment in which companies like our Group operate by introducing long-term sustainability opportunities and recognising risks. We therefore view our business performance beyond short-term gains and financial bottom-line. Our conviction is to achieve a balanced triple bottom-line “People, Planet and Profit” both for sustainable growth for the organisation and the community it operates in.

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

In FY2018, we have achieved S\$105.7 million revenue and created new employment opportunities within our organisation in the markets we operate in. We also seek to demonstrate our commitment to actively contribute to the communities and the charitable organisations in Singapore through a formal corporate philanthropy policy which is pegged to our annual contract wins.

For our financial performance, please refer to pages 85-150 of this report.



Laying of NEWater Mains

GOVERNANCE

LEGAL COMPLIANCE AND CORPORATE GOVERNANCE

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

The Company has not received any correspondences or notifications in relation to any material non-compliance of regulatory requirements in FY2018. The Audit Committee received no whistle-blowing letters during the year. There have been 9 incidents of environmental violations in response to which we have since stepped up the environmental protection programme to address the underlying issues effectively.

For further details on Corporate Governance, please refer to pages 39-75.

Ethics & Integrity

To step up our corporate governance and productivity, we have adopted a Performance Point System (PPS) within our code of conduct for employees.

Under the PPS, each worker’s individual work performance is rated and ranked according to three categories, namely Performance, Safety and Attendance. The top 30% performers are rewarded by cash incentive on a quarterly basis.

At the same time, we also manage a demerit framework for all workers, which is aimed to reduce misconduct rate among employees and encourage good performance through a fair and systematic framework to govern all disciplinary action.

Our management framework centres on achieving a balance in deterrence for undesirable offences or misconduct versus the reward programme under PPS to reward good and outstanding performance among employees.

Customer Privacy & Data Protection

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

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



Ground probing radar scanning



Manhole construction works

ENVIRONMENT

ENVIRONMENTAL HEALTH & SAFETY

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

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

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

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

Occupational Health & Safety

To enhance our Safety Standards and to lower the Accident Rate (AFR & ASR) within the Group, a new Safety Enhancement Programme (SEP) has been established to improve and enhance our safety standards.

Currently, we have two existing programmes well in place which are daily toolbox meeting and our monthly safety training.

In FY2018, we have introduced a new worker induction programme which provides a comprehensive training for all aspects of safety in different work environments.

We held our annual Safety Day to encourage workers to display good safety practices at sites as well as to maintain good housekeeping of equipment, machinery and vehicles. Top 3 winning teams were selected by Management and prizes were given out during our employees Annual Appreciation Dinner. To heighten safety consciousness, we have also integrated a safety-related quiz during our Annual Dinner.

A new element in risk management training has been introduced in the form of a tie-in with SGSECURE Anti-Terrorism whereby our workers instilled the importance of protecting our worksite against terrorist sabotage.

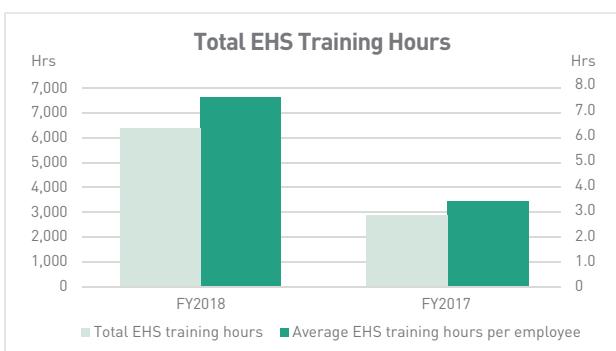
Our senior management team demonstrated commitment through the regular Management walk down inspection as well as the new slogans for our Safety Campaign – **"Safety is Everybody's Responsibility, Prevent All Injuries, Go Home Safe and Healthy, Do not let your loved ones worry"**.

In addition, a workplace fire safety drill was also organised to ensure that our employee are trained to respond during emergencies.

SUSTAINABILITY REPORT

In FY2018, we have not only successfully reduced our safety and accident severity rate by 33.3%, but also maintained our average EHS training hours per employee at 7.6 hours.

EHS Training	FY2018	FY2017
Total EHS training hours	6,366.5	2,883
Average EHS training hours per employee (Based on SG (838))	7.6	3.44



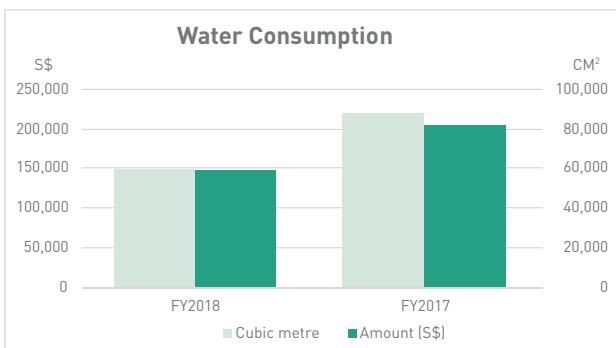
Water Conservation & Energy Management

Given the fact that we are in the underground utilities infrastructure business, the intensity of water and electricity consumption is correspondingly high in keeping up with our business operations. The water supply to our businesses are drawn from the national water system provided by Public Utility Board. We have been actively monitoring our water and electricity to control consumption levels so as to maintain cost efficiencies.

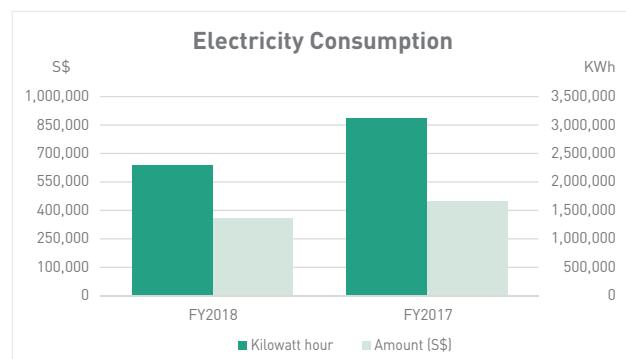
In FY2018, we have actively taken steps to reduce the water, energy and paper consumption within our organisation over the past year.

With the early adoption of sustainability reporting in FY2017, we are reaping the benefits of our concerted ESG efforts. We are delighted to note not only 32.1% and 26.2% improvement in reduction in water and electricity consumption respectively, but also the cost savings of 28.2% and 16.2% for our water and electricity consumption respectively in FY 2018.

	FY2018		FY2017	
	Unit (cm ³)	Amount (S\$)	Unit (cm ³)	Amount (S\$)
Water Consumption	59,769	146,196	88,055	203,655



	Kilowatt hours	Amount (S\$)	Kilowatt hours	Amount (S\$)
Electricity Consumption	2,294,250	359,358	3,107,586	428,937



	FY2018	FY2017
Weight of paper recycled	239kg	820kg
Cost savings for paper consumption	\$5,612.50	\$8,505.00



Biodiversity Conservation

To kickstart our biodiversity conservation programme, we have commissioned an arborist to review the conditions of the vegetation around the circumference of first two pilot projects for our project sites. Through environmental monitoring and mitigation, we are incorporating biodiversity conservation within our worksite management process systematically.

During our first project site, we have successfully implemented the monitoring system to ensure the flora and fauna of our project site which is protected and untarnished by any of our construction activities.



The procedure of monthly observation and preservation of biodiversity around our construction sites have been incorporated in the environmental process for our worksites

Waste Management

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

As a strong green advocate of the use of recycled aggregates and asphalt, we have been doing our best to protect the environment through various initiatives to promote green environment and are also committed to comply with all applicable environmental regulations set by the BCA, NEA as well as building and construction industry locally and internationally.

Our subsidiary, Ley Choon Constructions and Engineering Pte Ltd, is an accredited recycled aggregate supplier under the Waste Management & Recycling Association of Singapore.

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

Pursuing EHS Excellence

We set ourselves the mandate to attain EHS excellence through meeting the stringent requirements of BCA, Green and Gracious Builder Award and bizSAFE STAR annually.

In FY2018, we have also received the BCA Green and Gracious Builder Award and bizSAFE STAR for the following subsidiaries of the Group:

Our subsidiary, Teacyl (S) Pte Ltd, has won the Contractor Safety Recognition Award (above \$30m category) on PUB Safety Day 2018.

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



Contractor Safety Recognition Award from Public Utilities Board

SUSTAINABILITY REPORT

We are proud to achieve the good performance of 200,000 Safe Man-hours for Package 1 project for Public Utilities Board.

The Package 1 project spans the proposed 2200mm diameter pipeline from Murnane Service Reservoir (MNSR) at Jalan Kg Chantek to PIE/Rifle Range Road.



Achievement of 200,000 Safe Man-hours of Package 1 project for Public Utilities Board

Targets & Performance

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

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

SUSTAINABILITY REPORT

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

SOCIAL

OUR PEOPLE

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

We are fully committed to comply with all applicable labour laws where we operate and ensure compliance through on-going monitoring. We also ensure that we comply with all mandatory legal regulations and training requirements stipulated by BCA and MOM.

Fair Employment Opportunities

The Group currently has a headcount of over 1,000 employees. We provide fair employment opportunities to all, regardless of age, gender, race or nationality. Our Group advocates a policy of harnessing diversity in human resource as evidenced by a fair distribution of employees from varied nationalities and age groups to support our key markets in Singapore, China and Sri Lanka.

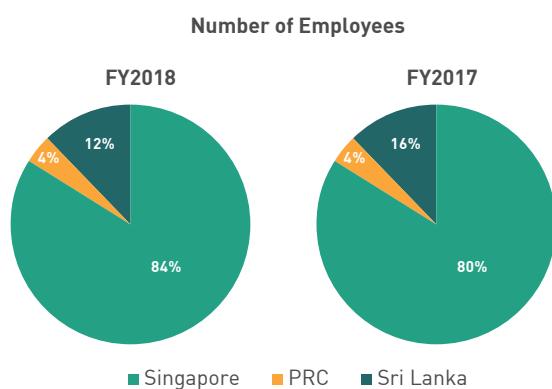
We have 58 new hires globally in FY2018.



Annual employees appreciation night at our Sri Lanka Office

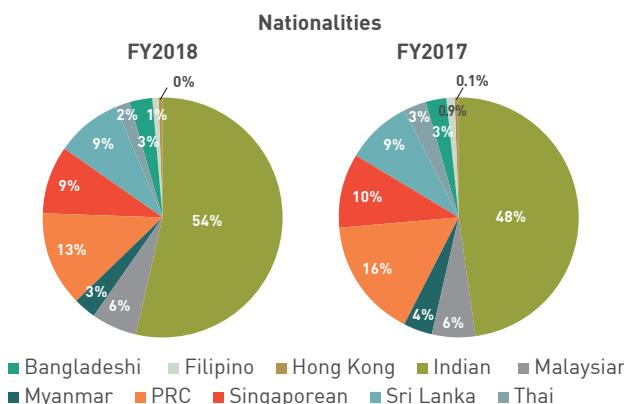
Staff Strength*	FY2018	FY2017
Singapore	888	800
People's Republic of China ("PRC")	44	41
Sri Lanka	122	155
Total	1,054	996

* As at 31 March 2018



Nationalities*	FY2018	FY2017
	Proportion (%)	Proportion (%)
Bangladeshi	3	3
Filipino	1	0.9
Hong Kong	0	0.1
Indian	54	48
Malaysian	6	6
Myanmar	3	4
PRC	13	16
Singaporean	9	10
Sri Lanka	9	9
Thai	2	3
Total	100	100

* As at 31 March 2018

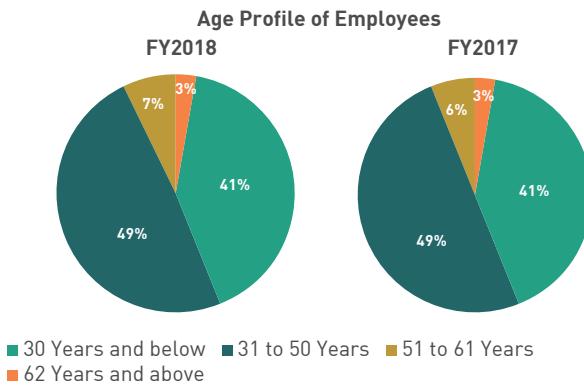


SUSTAINABILITY REPORT

We maintain a policy of employee diversity through providing employment opportunities to young and older workers beyond the official retirement age of 62. As at 31 March 2018, the youngest staff is 19 years old while we have 28 senior staff of age 62 and above.

Age profile of employees*	FY2018 Proportion (%)	FY2017 Proportion (%)
All Employees (include workers)		
30 Years and below	41	41
31 to 50 Years	49	50
51 to 61 Years	7	6
62 Years and above	3	3
Total	100	100

* As at 31 March 2018



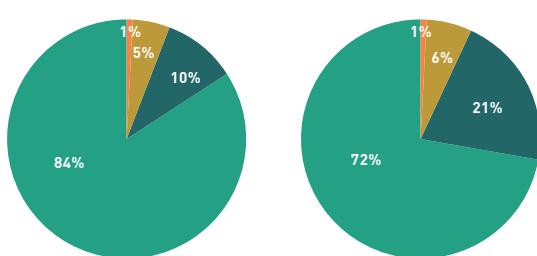
In terms of employee skills profile, we have maintained a fair proportion of professional and management team to lead and drive the business growth in our two business segments.

PMET* classification for staff**	FY2018	FY2017
	Proportion (%)	Proportion (%)
Senior Management	1	1
Middle Management (Managers & Professional)	5	6
Executive	10	21
Workers	84	72
Total	100	100

* PMET refers to Professionals, Managers, Executives and Technicians

** As at 31 March 2018

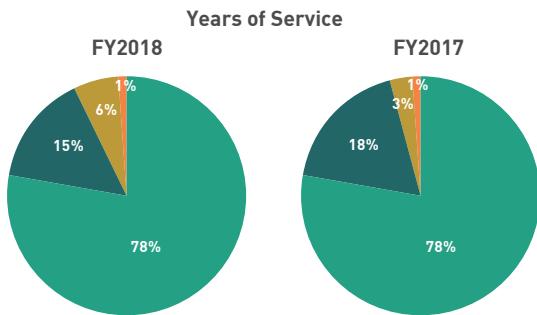
PMET Classification for Employees
FY2018 FY2017



Legend: Senior Management (Orange), Middle Management (Yellow), Executive (Dark Teal), Workers (Light Teal)

Years of Service*	FY2018 Proportion (%)	FY2017 Proportion (%)
5 years and below	78	78
6 to 9 years	15	18
10 to 20 years	6	3
Above 20 years	1	1
Total	100	100

* As at 31 March 2018



Legend: 5 years and below (Dark Teal), 6 to 9 years (Light Teal), 10 to 20 years (Yellow), Above 20 years (Orange)



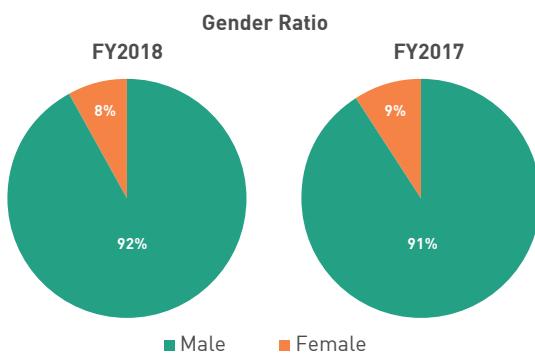
Orientation for new workers before deployment to operations

During FY2018, we have grown our employees' strength carefully in response to our business needs.

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

	FY2018	FY2017
Gender Ratio*	Proportion (%)	Proportion (%)
Male	92	91
Female	8	9
Total	100	100

* As at 31 March 2018



We ensure there are fair work practices and remuneration are ascertained based on individual work performance and not on any gender consideration. No form of discrimination is tolerated within our organisation. There is no incident of discrimination and corrective actions taken.

Training & Development

We are committed to investing in the training and further education of our employees as demonstrated by the fact that we have managed to improve our total training hours by 16.7% and average training hours per employee increased by 18.8% in FY2018.

Training & Education	FY2018	FY2017
Total training hours	11,997	10,284
Average training hours per employee	11.4	9.6



Employee Satisfaction Survey

In FY2018, we have launched our first employee satisfaction survey which was conducted among 476 employees within the Group to measure and benchmark our employee engagement and job satisfaction level within the organisation.

Through this survey, we have been able to systematically track the correlation between employee satisfaction with key factors such as staff's length of service, age group and organisational commitment.

In terms of organisational commitment, we have scored an average of over 83% satisfaction level for the employee satisfaction to the immediate reporting officer, team collaboration and career development.

Embracing Technology Innovation

The Group has also adopted Fareclock application as our first step to digitise our employee records. Fareclock is a complete time attendance system using facial recognition technology.

Through this implementation, we have enhanced the accuracy of our employee records and attendance system.

Another one of our new initiatives we have successfully introduced in FY2018 was the employee self-service system which allows our employees to access their leave records, check and apply for their leave as well as to file transportation claims on or offsite.

SUSTAINABILITY REPORT



Annual team-building event to foster bonding across the organisation

Employee Engagement and Wellness

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

Other than our annual appreciation dinner, we also organised a badminton tournament in Singapore as part of our annual team building event. Staff across various organisational functions and levels participated in the competition in pairs whilst those who did not participate cheered their colleagues on. This has created a stronger collaborative spirit within the Group.

In addition, we organised a mega movie screening for our workers during Deepavali.



Movie screening for workers

Business Partner & Stakeholder Engagement

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

Please see the section on Accountability to Stakeholders on page 14 for more information.

Labour-Management Relations

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

We often engage our employees in the following ways:

- *Weekly/Monthly Meetings*

Team Managers have weekly & monthly meetings with the management team to discuss about operations review and project progress.

- *Quarterly Meetings*

Management conducts quarterly meetings for Board of Directors to discuss on business development and finance.

- *Informal Small Group*

Meetings are often held by management to listen and understand our employees' concerns and grievances.



Long service award recipients with the senior management team

CORPORATE SOCIAL RESPONSIBILITY

Corporate Philanthropy

In Singapore, we have collaborated closely with our business partners to contribute to the less privileged in society through various charities.

Over the past years, we have supported the good causes of many charitable organisations. In FY2018, we have supported the following beneficiary:

Beneficiaries	Mission	What did we do?
Cairnhill Community Centre	Provide grassroot and community activities to residents living in the Cairnhill constituency	Donation

We have also participated in the Charity Golf tournament organised by Singapore Power.

Academic Symposium

The Group is actively supporting the academic and industry research for construction and roadworks engineering as well as asphalt recycling.

In FY2018, we were the Gold Sponsor of the first Symposium on Airfield Infrastructure of Airports Engineering and Future Development organised by Singapore Aviation Academy. Ley Choon presented the paper "Development of High Performance Asphalt Mix Using Performance-Related Tests".

SUSTAINABILITY REPORT

Targets & Performance

We strive for excellence to raise our investments and standards for our human capital.

We have set a three year roadmap along 6 key pillars of
 (1) Fair Remuneration
 (2) Diversity and Equal Opportunities
 (3) Training and Development
 (4) Talent Performance Management
 (5) Employee Engagement and Excellence.
 (6) Corporate Social Responsibility.

We are systematically reviewing and setting the key performance metrics for our human resource management system.



Dialogue with the shareholders by Mr. Toh Choo Huat, Chief Executive Officer (extreme left)

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

Sustainability Issues	Objective	Targets	Policy
Employee Development	<ul style="list-style-type: none"> To implement training programmes which will upgrade and enhance the individual skillsets and interpersonal competencies of our employees for future career advancement 	<ul style="list-style-type: none"> To support our employees to upgrade and enhance their individual skillsets and interpersonal competencies 	<ol style="list-style-type: none"> We provide training to our employees to upgrade and enhance their individual skillsets and interpersonal competencies.
Talent Performance Management			
Recruitment & Workforce Planning	<ul style="list-style-type: none"> To attract and recruit good talents which can meet the need of the Company's workforce planning 	<ul style="list-style-type: none"> To recruit effectively good talents who can contribute to the talent mix and skillsets requirements of our workforce planning 	<ol style="list-style-type: none"> We aim to recruit employees who possess the professional skillset and interpersonal skills that meet our workforce planning.
Employee Performance	<ul style="list-style-type: none"> To motivate high employee performance through well-designed employee performance strategy & programmes 	<ul style="list-style-type: none"> To develop an employee performance system which will provide a fair evaluation and high motivation system for employees 	<ol style="list-style-type: none"> We adopt a fair employee performance system which provides a fair evaluation and high motivation system for employees.
Employee Engagement and Excellence			
Employee Engagement	<ul style="list-style-type: none"> To achieve employee engagement through well-designed employee engagement strategy & programmes 	<ul style="list-style-type: none"> To increase employee engagement to enhance the communication and cohesion of the organisation 	<ol style="list-style-type: none"> We strive to achieve 20% more employee engagement to enhance the communication and cohesion of the organization. We promote greater social interaction among employees via company-wide programmes and both external and internal communications channels.
Employee Loyalty	<ul style="list-style-type: none"> To achieve employee loyalty through well-designed employee loyalty strategy & programmes 	<ul style="list-style-type: none"> To attain employee loyalty to enhance the employee morale, motivation and cohesion of the organisation 	<ol style="list-style-type: none"> We strive to attain 80% employee loyalty to enhance the employee morale, motivation and cohesion of the organisation.
Corporate Social Responsibility			
Corporate Philanthropy and sponsorship	<ul style="list-style-type: none"> To position Ley Choon as an employer with strong Corporate Social Responsibility 	<ul style="list-style-type: none"> To achieve 10% increase in our staff volunteering hours 	<ol style="list-style-type: none"> We strive to improve the welfare of the communities while we endeavour towards our business goals. We set a corporate philanthropy policy which is pegged to our annual contract wins.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Universal Standard Disclosure		Page reference and reasons for omissions, if applicable
Organisational Profile		
102-1	Name of the organisation	1
102-2	Activities, brands, products, and services	1
102-3	Location of headquarters	1
102-4	Location of operations	1
102-5	Ownership and legal form	1
102-6	Markets served	1
102-7	Scale of the organisation	1
102-8	Information on employees and other workers	23
102-9	Supply chain	16
102-10	Significant changes to the organisation and its supply chain	16
102-11	Precautionary Principle or approach	13
102-12	External initiatives	4-5, 27
102-13	Membership of associations	N.A.
Strategy		
102-14	Statement from senior decision-maker	12
102-15	Key impacts, risks, and opportunities	12,16, 36-37
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Cover page, 15
102-17	Mechanisms for advice and concerns about ethics	16
Governance		
102-18	Governance structure	15
102-19	Delegating authority	15
102-20	Executive-level responsibility for economic, environmental, and social topics	15
102-21	Consulting stakeholders on economic, environmental, and social topics	15
102-22	Composition of the highest governance body and its committees	15
102-23	Chair of the highest governance body	15
102-24	Nominating and selecting the highest governance body	15
102-25	Conflicts of interest	15-16
102-26	Role of highest governance body in setting purpose, values, and strategy	15
102-27	Collective knowledge of highest governance body	15
102-28	Evaluating the highest governance body's performance	15-16
102-29	Identifying and managing economic, environmental, and social impacts	16-27
102-30	Effectiveness of risk management processes	16
102-31	Review of economic, environmental, and social topics	16-27
102-32	Highest governance body's role in sustainability reporting	15
102-33	Communicating critical concerns	14
102-34	Nature and total number of critical concerns	15
102-35	Remuneration policies	16
102-36	Process for determining remuneration	16

Universal Standard Disclosure		Page reference and reasons for omissions, if applicable
102-37	Stakeholders' involvement in remuneration	16
102-38	Annual total compensation ratio	N.A.
102-39	Percentage increase in annual total compensation ratio	N.A.
Stakeholder Engagement		
102-40	List of stakeholder groups	14
102-41	Collective bargaining agreements	Our employees are not members of industry union members. Some employees and members of National Trade Union Congress (NTUC)
102-42	Identifying and selecting stakeholders	14
102-43	Approach to stakeholder engagement	14
102-44	Key topics and concerns raised	14
Reporting Practice		
102-45	Entities included in the consolidated financial statements	7,16
102-46	Defining report content and topic Boundaries	13
102-47	List of material topics	15
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	13
102-51	Date of most recent report	13
102-52	Reporting cycle	13
102-53	Contact point for questions regarding the report	35
102-54	Claims of reporting in accordance with the GRI Standards	13
102-55	GRI content index	30-34
102-56	External assurance	N.A.
Management Approach		
103-1	Explanation of the material topic and its Boundary	16-29
103-2	The management approach and its components	12
103-3	Evaluation of the management approach	12
Topic – Specific Standard Disclosures		
Category: Economic		
Aspect: Economic Performance		
201-1	Direct economic value generated and distributed	16
201-2	Financial implications and other risks and opportunities due to climate change	16
201-3	Defined benefit plan obligations and other retirement plans	16
201-4	Financial assistance received from government	16
Aspect: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our renumeration for employees is pegged against market benchmarks as there is no minimum wage in Singapore
202-2	Proportion of senior management hired from the local community	Our senior management is 100% hired from the local community

SUSTAINABILITY REPORT

Universal Standard Disclosure		Page reference and reasons for omissions, if applicable
Aspect: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	1,4-5
203-2	Significant indirect economic impacts	16
Aspect: Procurement Practices		
204-1	Proportion of spending on local suppliers	We have 100% local suppliers
Aspect: Anti-corruption		
205-1	Operations assessed for risks related to corruption	16
205-2	Communication and training about anti-corruption policies and procedures	16
205-3	Confirmed incidents of corruption and actions taken	16
Aspect: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N.A.
Category: Environmental		
Aspect: Materials		
301-1	Materials used by weight or volume	N.A.
301-2	Recycled input materials used	18-19
301-3	Reclaimed products and their packaging materials	N.A.
Aspect: Energy		
302-1	Energy consumption within the organization	18
302-2	Energy consumption outside of the organization	18
302-3	Energy intensity	N.A.
302-4	Reduction of energy consumption	3,18
302-5	Reductions in energy requirements of products and services	3,18
Aspect: Water		
303-1	Water withdrawal by source	18
303-2	Water sources significantly affected by withdrawal of water	N.A.
303-3	Water recycled and reused	N.A.
Aspect: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	18-19
304-2	Significant impacts of activities, products, and services on biodiversity	18-19
304-3	Habitats protected or restored	18-19
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N.A.
Aspect: Emissions		
305-1	Direct (Scope 1) GHG emissions	Emissions will be reported in the FY 2019
305-2	Energy indirect (Scope 2) GHG emissions	As above
305-3	Other indirect (Scope 3) GHG emissions	As above
305-4	GHG emissions intensity	As above
305-5	Reduction of GHG emissions	As above
305-6	Emissions of ozone-depleting substances (ODS)	As above
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	As above

Universal Standard Disclosure		Page reference and reasons for omissions, if applicable
Aspect: Effluents and Waste		
306-1	Water discharge by quality and destination	Emissions will be reported in the FY 2019
306-2	Waste by type and disposal method	As above
306-3	Significant spills	As above
306-4	Transport of hazardous waste	As above
306-5	Water bodies affected by water discharges and/or runoff	As above
Aspect: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	16
Aspect: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	N.A.
308-2	Negative environmental impacts in the supply chain and actions taken	N.A.
Category: Social		
Aspect: Employment		
401-1	New employee hires and employee turnover	23
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N.A.
401-3	Parental leave	25
Aspect: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	26
Aspect: Occupational Health and Safety		
403-1	Workers representation in formal joint management-worker health and safety committees	17-18
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	17-18
403-3	Workers with high incidence or high risk of diseases related to their occupation	17-18
404-4	Health and safety topics covered in formal agreements with trade unions	17-18
Aspect: Training and Education		
404-1	Average hours of training per year per employee	25
404-2	Programs for upgrading employee skills and transition assistance programs	25
404-3	Percentage of employees receiving regular performance and career development reviews	25
Aspect: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	23-25
405-2	Ratio of basic salary and remuneration of women to men	All our employees are compensated according to their qualifications and job scope.
Aspect: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	25
Aspect: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N.A.

SUSTAINABILITY REPORT

Universal Standard Disclosure		Page reference and reasons for omissions, if applicable
Aspect: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	All our employees are employed based on the legal age for employment in the respective country we operate in
Aspect: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N.A.
Aspect: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	N.A.
Aspect: Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	N.A.
Aspect: Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	N.A.
412-2	Employee training on human rights policies or procedures	N.A.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N.A.
Aspect: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	27
413-2	Operations with significant actual and potential negative impacts on local communities	N.A.
Aspect: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	N.A.
414-2	Negative social impacts in the supply chain and actions taken	N.A.
Aspect: Public Policy		
415-1	Political contributions	N.A.
Aspect: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	17-18
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There is no incident of non-compliance reported
Aspect: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	N.A.
417-2	Incidents of non-compliance concerning product and service information and labeling	There is no incident of non-compliance reported
417-3	Incidents of non-compliance concerning marketing communications	There is no incident of non-compliance reported
Aspect: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There is no incident of non-compliance reported
Aspect: Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	There is no incident of non-compliance reported



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