



**KING WAN
CORPORATION
LIMITED**



Forging Ahead

Sustainability Report 2019

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With Purpose and Fortitude

It is our belief at King Wan that the journey is as important as the destination. That is why even as we stay focused and resilient to navigate through the immediate rough terrain, we also keep our sights trained on the summit. We are confident that our collective efforts packed with intentionality will continue to empower us to scale new heights.



Sustainability Report

King Wan Corporation Limited (“King Wan” or the “Group”) recognises the importance of sustainability and actively embraces sustainability practices in the Group’s strategic formulation process. It is our belief that by doing so, we could:



REPORTING SCOPE

We have adopted the international reporting framework, Global Reporting Initiative (“GRI”) standards for our sustainability report for the financial year ended 31 March 2019.

Our sustainability report has been prepared in accordance with the GRI standards: Core option. This report includes activities organised by King Wan for the period from 1 April 2018 to 31 March 2019, and covers environmental, social and governance (“ESG”) factors of its core businesses in Singapore that are deemed material by the King Wan Board. We have not sought external assurance for this report.

The report also incorporates the primary components of sustainability reporting requirements set out in Singapore Exchange Securities Trading Limited (“SGX-ST”)’s listing rule 711B.

BOARD STATEMENT

In compliance with SGX-ST’s listing rule 711, King Wan is dedicated to integrate sustainability practices throughout the organisation to create long-term value for all our stakeholders.

REPORTING PROCESS

The Group has established a Sustainability Task Force, comprising members from senior management and risk management team, maintaining oversight in the sustainability efforts of work teams across different business units and departments including project, contract, servicing, finance, information technology and human resource.

The Sustainability Task Force reviews the Group’s sustainability 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 oversees the process to engage stakeholders and identify material topics, and approves the ESG material factors identified by the Task Force.

King Wan aims to continuously improve this process in order to ensure that our data collection is effective and robust.

Sustainability Targets

For Our Business Operation



Goal 1:

We strive to reduce energy and water consumption for our dormitory, corporate office and mobile loo business.



Goal 2:

We target to adopt innovative technologies for our construction segment to reduce wastages and increase efficiency.

For Our Employees



Goal 1:

We aim to introduce more diversity into our workplace – in terms of gender, nationality and age group mix – so as to strengthen our competency while providing fair and equal employment opportunities for all.



Goal 2:

We will continue to engage and develop our employees, enabling each of them to realise their full potential.



Goal 3:

We are committed to achieve zero fatality and injuries through prioritising occupational health and safety environment.

In Communities Where Our Operations are



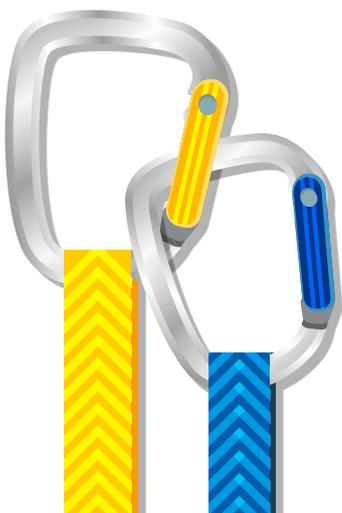
Goal 1:

We will continue to engage with charitable organisations and various institutions by participating in community service that helps to improve the community's well-being.



Stakeholders' Engagement

Stakeholder Group	Engagement Platform	Issues of Concern
Our employees	<ul style="list-style-type: none"> Regular dialogue sessions with management Team building every quarter Employees volunteer in corporate social responsibility programmes Monthly employee birthday celebration, yearly Chinese New Year celebration and Christmas party Quarterly learning and development Performance appraisal 	<ul style="list-style-type: none"> Remuneration and benefits Training and development Legal and compliance Health and safety
Our customers	<ul style="list-style-type: none"> Site meetings Networking events Customers' survey Ongoing dialogue 	<ul style="list-style-type: none"> Data privacy
Our suppliers and subcontractors	<ul style="list-style-type: none"> Annual vendor evaluation Site meetings Written communication 	<ul style="list-style-type: none"> Health and safety Legal and compliance
Our investors	<ul style="list-style-type: none"> Annual General Meeting and presentation Company website Media release and interviews Annual reports 	<ul style="list-style-type: none"> Economic impact Corporate governance
Government and regulators	<ul style="list-style-type: none"> Government websites and emails Immediate notification from regulators on occurrence of incidents Consultation 	<ul style="list-style-type: none"> Fines and penalties from various regulatory agencies Legal and compliance
Our community	<ul style="list-style-type: none"> Company website Charity events 	<ul style="list-style-type: none"> Economic impact Corporate governance
Media	<ul style="list-style-type: none"> Media releases 	<ul style="list-style-type: none"> Financial results Key developments in securing of contracts



Sustainability Contact

Your feedback is important in helping us improve our sustainability practices. If you have any comments or feedback, please send it to us at <http://www.kingwan.com/en/contact-us.html>

Material Key ESG Factors

From the results of our stakeholders' engagement, the Group has identified the following ESG factors to have material impact on our operations.

Primary Factors	Material Factors	Performance Measure	Addressed in Report
Economic	1) Economic performance	• Total economic value	Economic contribution to society
	2) Anti-corruption	• Number of incidents	Legal compliance and corporate governance
Social	1) Employment	• Rate of staff turnover	Labour practices and conducive work environment
	2) Occupational health and safety	• Number of accidents, fatality	Workplace safety and health
	3) Training and development	• Number of training hours	Labour practices and conducive work environment
	4) Diversity and opportunity	• Percentage of male and female employees	Labour practices and conducive work environment
	5) Local community	• Total donation and volunteering hours	Corporate social responsibility initiative
	6) Customer health and safety	• Number of non-compliance incidents	Workplace safety and health
	7) Customer privacy	• Average Construction Quality Assessment System ("CONQUAS") score • Number of breach incidents	Workplace safety and health Legal compliance and corporate governance
Environment	1) Energy efficiency	• Electricity consumption (Kwh)	Environmental initiative
	2) Water, effluents and waste	• Water consumption (m ³) • Carbon emission (CO ²)	Environmental initiative Legal compliance and corporate governance
	3) Environmental compliance	• Number of fines • Number of Building and Construction Authority ("BCA") Green Mark projects	Environmental initiative

Economic Contribution to Society

The Group provides Mechanical and Electrical ("M&E") engineering services and portable lavatories in Singapore. We also have direct investments in Vessel ownership and Chartering, Property development and operations in workers dormitory through our network of subsidiaries and associates in Singapore, Thailand and China. The Group operates our various business segments in accordance to the adopted sustainability practices through close collaboration with business partners to identify arising sustainability opportunities and risks.

The Group's performance has a direct impact on our key stakeholders, including employees, customers, suppliers, government and investors. We therefore aim to deliver economic benefits through effective project management, efficient resource management, stable contribution to public finance and services, community engagement, bringing sustainable growth to our enterprise and ecosystem.

For more information on the Group's business and financial performance, please refer to pages 8 to 9.

Corporate Social Responsibility Initiative

Items	Company Contribution
Number of hours	400
Amount of contribution	\$6,250

Corporate social responsibility (“CSR”) has evolved over the years to become an integral part of the organisation. It has expanded to more dimensions such as corporate responsibility to our stakeholders – our shareholders, employees, customers, suppliers, sub-contractors and the wider community. We actively seek to play a part to improve the environment and contribute to the well-being of the communities in which we live and do business.

As part of our community involvement, our employees continue to volunteer regularly for various activities like Power Soccer and Annual Flag Day of the Muscular Dystrophy Association (Singapore) (“MDAS”), an organisation that the Group has been actively supporting since 2014.

In November 2018, we participated in fundraising for Sunburst for the second year. Besides showcasing young and multi-talented individuals and MDAS beneficiaries, Sunburst also featured a couple wheelchair dance and collaborative performances with School of the Arts (“SOTA”) and MDAS. Sunburst conveyed the

message of promoting an inclusive society and to raise and empower a new generation of creative and talented people to give back to community in different ways.

All funds raised goes into supporting MDAS’ essential programmes and services for beneficiaries such as therapy sessions to help slow down muscle deterioration and transport subsidies for fetching beneficiaries between home and school in specialised vehicles.

We also continue to promote opportunities for young adults with severe muscular dystrophy to be meaningfully employed by engaging them for print or web-based collaterals, through BizPower – a centre-based employment programme run by MDAS.

The spirit of giving and touching lives as individuals and together as a corporate entity adds to creating a better future and a better world.



Legal Compliance and Corporate Governance

King Wan values corporate governance and legal compliance. It is of paramount importance that the Group abides by legal and regulatory requirements and is in compliance with, including but not limited to, the Code of Corporate Governance issued by Monetary Authority of Singapore and guidelines provided by BCA, Ministry of Manpower (“MOM”), Singapore Civil Defence Force (“SCDF”), National Environmental Agency (“NEA”) and other relevant regulators.

For further details on Corporate Governance, please refer to pages 17 to 37 of the Annual Report 2019.

Conflict of Interest Policy

The Company has set out procedures governing all interested persons transactions to ensure that they are carried out at arm’s length, on normal commercial terms and not be detrimental to the interests of the Group and our shareholders.

In FY2019, there was no identified conflict of interest between the Group and any interested person.

Customer Privacy Policy

King Wan protects the privacy and confidentiality of our customers’ information. We do not divulge or sell personal information to third parties for marketing or promotional purposes. All employees are guided by King Wan’s Code of Business Conduct and Ethics.

In FY2019, there was no identified case regarding breach of customer privacy or loss of customer data.

Anti-Corruption Policy

King Wan takes a strong stand against corruption and bribery in the Group. We provide an accessible platform for employees and third parties to raise concerns about wrongdoings and improper conduct within the Group.

New employees are trained on the Code of Business Conduct and Ethics and briefed on the whistle-blowing policy.

To facilitate the reporting of suspected case of fraud, corruption, workplace harassment or other improper activity, independent investigations are carried out in a timely manner. Appropriate action will also be taken to correct

any weaknesses in internal controls and policies to prevent a recurrence.

In FY2019, there were no incidents of corruption and no public legal cases brought against the organisation or its employees.

Compliance with Laws and Regulations

The Group has put in place policies and procedures to ensure compliance with relevant laws and regulations, particularly those relating to BCA, MOM, SCDF and NEA. At the corporate level, we also ensure that we are in compliance with the SGX-ST Listing Rules, Securities and Futures Act and the Singapore Companies Act.

Through constant monitoring, evaluation, and auditing of our OHSAS18001 certified Occupational Health and Safety (“OHS”) management system, King Wan actively ensures that all our activities and operations comply with existing regulatory requirements. Any changes and non-compliance with the relevant laws are made known to the management, and actions are taken to ensure compliance.

Towards ensuring continued improvement, we have reviewed and streamlined our processes to improve and tighten the procedures at construction sites. In addition, we are also in the process of implementing ISO 14001 certified Environmental, Health and Safety standard (“EHS”) management system. This system will supersede the existing OHSAS18001 with a more stringent level of health and safety protocol and also take into consideration the environmental impact of the business operation.



Environmental Initiative

At King Wan, we strive to carry out our business operations in a socially responsible manner and are committed to protecting the environment. We believe that the efficient use of natural resources such as energy and water will contribute positively to the Group's sustainable growth in the long term.

As part of our continuous effort, we have installed more energy-efficient lightings and upgraded the lift in our office building, thereby reducing electricity consumption. Additionally, we use water-efficient fittings and fixtures in our corporate office to reduce water consumption, as well as adopt environmental friendly methods of waste disposal in our desilting business.

The management also strongly encourages and reinforces the importance of practising 3Rs (i.e. reduce, reuse and recycle) in our daily operations – the responsible usage of electricity, water and paper by every employee. King Wan believes that every small effort counts and goes a long way in contributing to the conservation and protection of the earth's natural resources.

King Wan is a provider of M&E services to numerous BCA Green Mark Projects. We are committed to work with our valued business partners to construct high quality developments for the communities where our operations are found. Central to the realisation of this mission is our proactive adoption of sustainable construction methods and integration of innovative technologies to enhance environmental performance.

Below are some of the BCA Green Mark projects undertaken by King Wan during the year:

BCA Green Mark Platinum

- Woodlands Health Campus

BCA Green Mark GoldPlus

- The Florence Residences
- Grab Headquarter @ One Avenue

BCA Green Mark

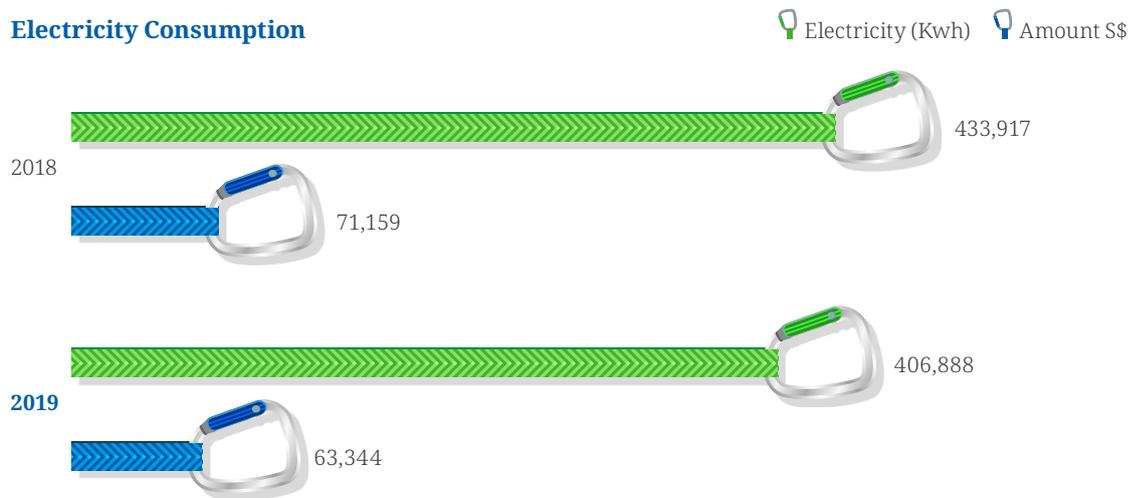
- Nanyang Technological University – Upgrading works



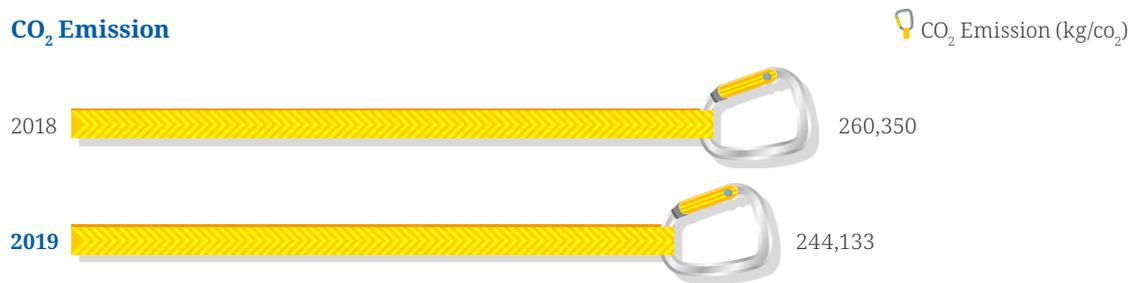
Energy Efficiency

As a result of our efforts to reduce energy and water consumption in FY2019, we recorded a 6.2% reduction in electricity consumption. This improvement allowed us to reduce our carbon footprint and enjoy 10% cost savings on our electricity bills. We also maintained water consumption below the target limit of 35,000M³.

Electricity Consumption

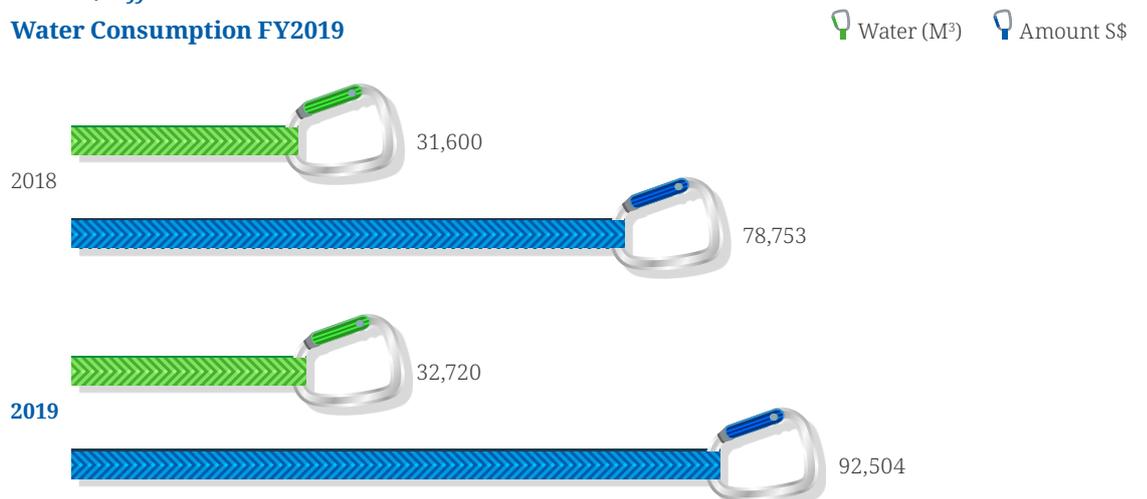


CO₂ Emission



Water, Effluents and Waste

Water Consumption FY2019



Workplace Safety and Health

At King Wan, we are guided by our philosophy “Lead the Way – Safety First” in our care for our employees and communities. Workplace safety and health (“WSH”) is of paramount importance to us. We firmly believe that work progress cannot be achieved at the expense of safety. Management sets the tone by defining and enforcing clear WSH management guidelines, fostering a safe and conducive working environment.

We place great emphasis on proper installation methods, fire and emergency safety compliance, as well as maintenance of equipment and materials integrity. Qualified professionals such as engineers and technical supervisory staff are engaged to monitor construction progress and ensure that developments are built in accordance with building regulations and codes. All our employees and subcontractors are expected to meet King Wan’s high standards of quality, safety and sustainability for projects.

Health and Safety Policies

Our commitment to WSH is based on the belief that a good working environment not only makes our employees safer, but also enables them to focus better, enjoy high work morale, and increase their work productivity and efficiency.

Safety Courses and Training Hours

We ensure that our employees are adequately orientated on site safety measures and regulations, in addition to being well-trained in WSH standards and regulations through WSH courses. Employees with designated job scope are also further assessed based on specialised requirements and sent for training in relevant courses.

During the year, in partnership with SCDF, we conducted a Community Emergency Preparedness Programme (“CEPP”) for employees at our office. Other than gaining first aid skills, the employees also learnt about emergency, as well as fire safety and evacuation procedures. Many of our employees found the session useful and beneficial.

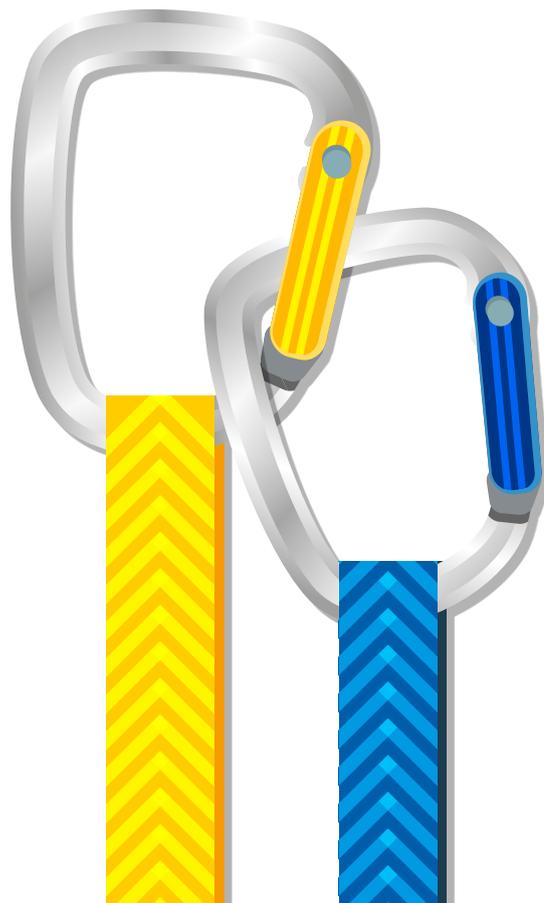
Our endeavour in achieving and maintaining high WSH standards sees King Wan putting in place a comprehensive Safety and Health management system, which has been certified in OHSAS 18001, ISO 9001 and awarded with the bizSAFE Star accreditation.

Regular Health and Safety Meetings

During our regular project meetings, arising health and safety matters and reports on any related issue or incident are prioritised and promptly highlighted. Attendees are also constantly reminded to follow recommended safety measures and regulations. Relevant findings and new policies are communicated in a timely manner to the rest of the project team.

Our respective Project-in-charge will also carry out regular site safety inspections to ensure that WSH standards and measures are fully observed at all times.

In FY2019, we have achieved zero fatality both at the corporate office and project sites. The quality of our project determines how well we add value to our customers. It is our priority to deliver innovative green designs, high standards of workmanship without compromising on functionality or price. Established in 1989, CONQUAS is the industry benchmark for quality and workmanship standards of construction projects in Singapore. In FY2019, with an average CONQUAS score of 97.3, King Wan’s score is significantly above the latest industry’s average of 88.9 obtained from BCA website.



Labour Practices and Conducive Work Environment

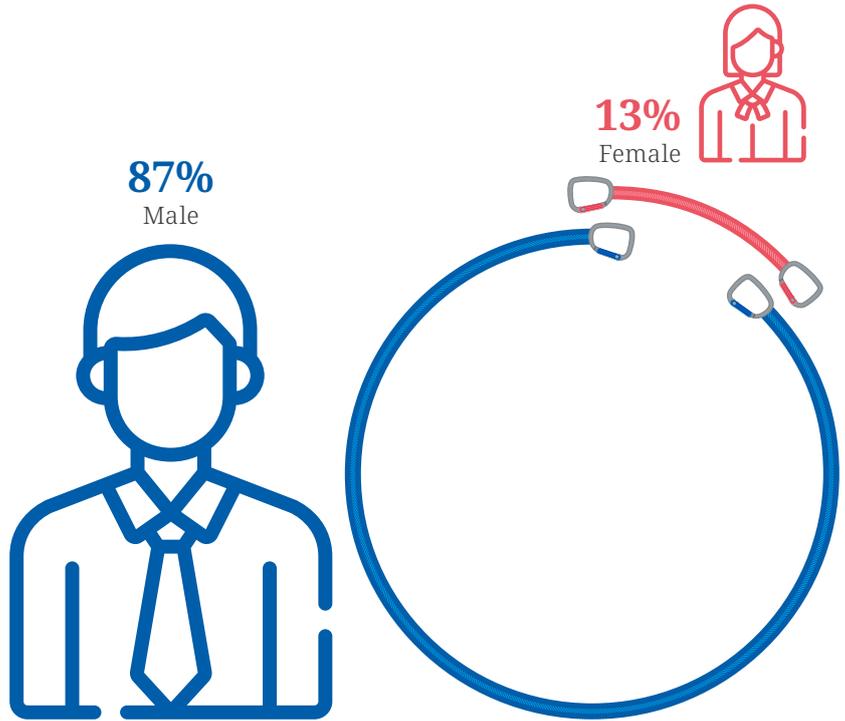
We recognise our employees as the Group's most important asset, vital to our business sustainability. We strongly believe that with fair remuneration, the provision of equal opportunities, and a culture of nurturing and empowering through training and development, our engaged workforce will be able to contribute positively to the Group. This process has been responsible for building a dynamic culture at King Wan.

We have in place a Human Resource ("HR") framework with goals and objectives to attract, retain and develop a motivated and modernised workforce. Our HR policies, which cover our employees from recruitment to retirement, are reviewed regularly to ensure relevance and effectiveness. We encourage our staff to provide feedback so as to help us align expectations and make decisions.

One of our core values at King Wan is to perform our jobs at the highest level of integrity and professionalism. As such, we are fully committed to comply with all applicable Singapore local employment laws, regulations and training requirements stipulated by various agencies such as BCA, MOM and SCDF.

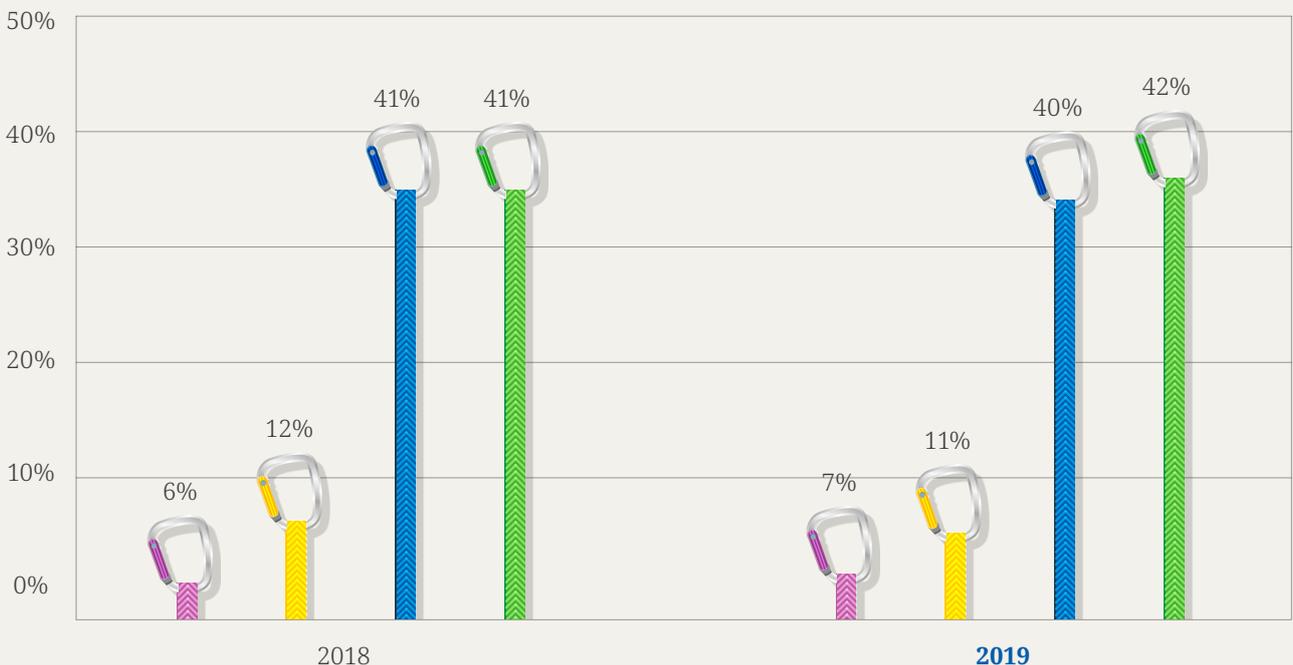
Gender Ratio of Full Time Employees

King Wan has a headcount of over 300 full-time employees for our Singapore operations. Currently, there is no part-time or temporary employee.



Age Demographic

Age range: 62-74 (Purple), 51-61 (Yellow), 35-50 (Blue), 20-34 (Green)

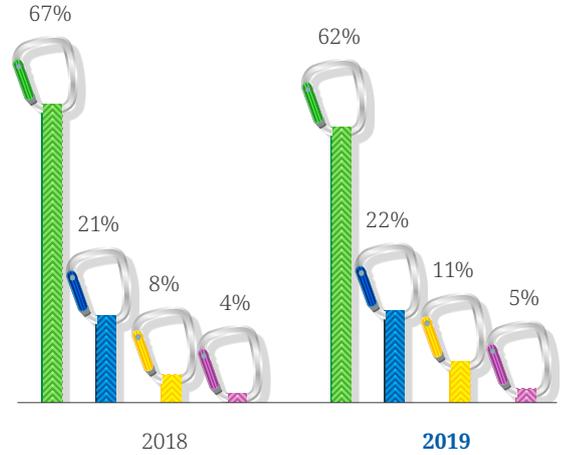


Employee Retention

King Wan’s success in employee engagement is evident from our employees’ average length of service. As illustrated in the figure below, over 38% of our staff has stayed with King Wan for more than 5 years.

Employee Tenure
as at 31 March 2019

- 1-5 years
- 6-10 years
- 11-20 years
- 21 and above

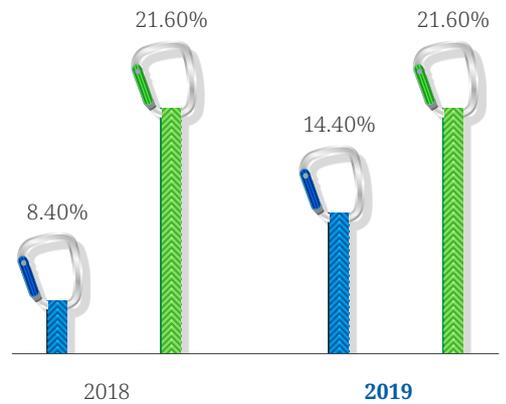


Employee Turnover Rate

Our employee turnover rate at 14.4% is below the national average of 21.6% for the construction sector in 2018 – obtained from MOM website.

Employee Turnover Rate (%)
as at 31 March 2019

- KW
- National Average

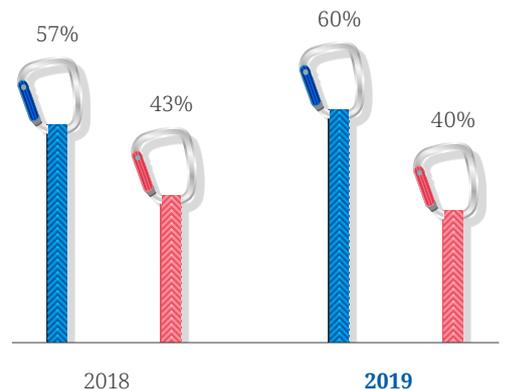


Gender of Heads of Department

100% of Heads of Department (“HODs”) for Singapore operations are either Singaporean or Permanent Residents, hired from our local community. In FY2019, 40% of our 15 HODs were female.

Gender of HODs (%)
as at 31 March 2019

- Male
- Female



Benefits and Welfare

Besides competitive remuneration, we take care of our employees through comprehensive welfare and benefits schemes, including but not limited to insurance coverage, medical and dental benefits for our full-time employees in Singapore.

Pro-family Benefits

King Wan provides benefits and adopts welfare practices in line with the Singapore government's pro-family legislation. Parents whose children are Singapore Citizens at birth get to enjoy maternity leave of 16 weeks and paternity leave of two weeks respectively, as advocated by the government.

Through encouraging teamwork and recognising excellence, we have built a distinctive King Wan culture where employees are passionate and take ownership in their work. In turn, we provide development opportunities for them to realise their potential.



Fair Remuneration

King Wan's compensation packages are aligned with internal parity and market benchmarks. King Wan offers fair and competitive remuneration packages based on employees' performance, and expected roles and responsibilities. This is to ensure that we remain competitive in attracting talent which is key to our sustained growth. King Wan also has a well-structured and open annual performance appraisal system which is reviewed periodically and enhanced to ensure open communication between employees and their reporting officers.

Competitive Remuneration

Remuneration is recommended by the HR Department and the respective HODs, and approved by the Remuneration Committee which consists of members from King Wan's Board of Directors. Compensation packages are benchmarked against market surveys to ensure relevancy of King Wan's salaries to the industry and overall market.

Central Provident Fund ("CPF") Scheme and Contributions

The CPF is a comprehensive social security savings plan which aims to provide working Singaporeans and Permanent Residents with a measure of financial security and confidence in their old age. CPF contribution is computed based on a percentage of the employee's monthly salary and varies with the employee's age.



Employees Relations

Performance-Based Appraisal

As an organisation committed to meritocracy, our rewards and compensation policies emphasise employees' performance. This is judged not only based on what employees have achieved in the review period, but also on how it is achieved. Annually, our employees will receive performance and career development reviews. Our performance management process is reviewed periodically to incorporate employees' feedback and enhancements to the system.

Employees Development

	2018	2019
Total Training Hours	6,859.5	6,286.5
Average Training Hours per Employee	18.19	18.94

King Wan believes that in order for the Group to grow and stay relevant in this competitive business landscape, it is critical that we invest in our employees' learning and development and equip them with knowledge and relevant skills to perform well in their jobs. The Group strives to develop our employees through training, job rotation and internal promotion opportunities. Training needs are identified and implemented at the start of each year. We encourage employees to take up relevant job-related skill courses.

A team that plays together, stays together



Employee Engagement and Bonding

“Teamwork makes the dreamwork”. We are confident that our collective will keep us on track to achieve our vision – delivering sustainable value.

For the second year running, our Recreational Committee continued to foster growth by actively engaging our employees through our “Teams that Play Together, Stay Together” programme. The Zoo-mazing Race was specially customised to boost teamwork and challenged our employees’ knowledge and creativity. Nearly 80 employees worked together to complete the challenge.

Other than our teambuilding activities, we also engage our employees at monthly town hall meetings and management meetings. This promotes staff from various functions and levels to interact and get informed of any organization updates and operational changes. The employee-centric approach has helped us harness the diverse strengths of our employee. In addition, we also organized social welfare talks on insurance policies, CPF changes and Lasting Power of Attorney (LPA).





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