

SUSTAINABILITY REPORT 2018





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BOARD STATEMENT

The Board of EnGro Corporation Limited (“EnGro”, or “the Company” and together with its subsidiaries “the Group”) affirms that it provides strategic direction to the Group and specifically considers sustainability issues as part of its strategic formulation.

The Board also acknowledges its responsibility for the Group’s sustainability reporting and believes that the following report provides a reasonable and transparent presentation of the Group’s strategy and Environmental, Social and Governance (“ESG”) Performance.

Scope of This Report^(102-46, 102-49, 102-50, 102-51, 102-52)

EnGro is pleased to present its second Sustainability Report (the “Report”), which discusses the developments and progress of our sustainability journey in the year 2018. The Report references the Global Reporting Initiative (“GRI”): Core Option issued by the Global Sustainability Standards Board, and is guided by the SGX-ST Sustainability Reporting Guide (Practice Note 7.6).

In preparing the Report, we continue to focus on communicating value creation through our ESG strategies. The Report covers the ESG performance of business divisions and subsidiaries of EnGro in Singapore and Malaysia over the reporting period. Information is extracted from primary internal records to ensure accuracy and presented using internationally accepted measurement units.

Reporting Process^(102-53, 102-54)

The Board has assigned the responsibility for monitoring and overseeing the Company’s sustainability efforts to the Sustainability Committee (the “Committee”). The Committee comprises senior executives from major functions who provide the direction for reporting. It reviews, assesses and determines the sustainability context, material topics, scope, boundary, and prioritisation of issues included in the Report. It considers formal and informal feedback from both internal and external stakeholders throughout the year to determine the material issues in the Report. The Committee is supported by a cross-functional team that gathers and verifies the data.



CHAIRMAN'S MESSAGE ON SUSTAINABILITY



EnGro took its first steps to go green nearly two decades ago with the intent to promote Ground Granulated Blastfurnace Slag (“GGBS”), a low carbon yet high performance material that could partially displace Ordinary Portland Cement (“OPC”), which had a high carbon footprint of almost 20 times that of GGBS.

By raising environmental awareness among our stakeholders, the steel players and the cement players, it opened doors to grow our GGBS business in China. Our green actions started to bear fruits shortly after we submitted our products to be certified with eco-labels promoted by the Singapore Environment Council (SEC) and the Singapore Green Building Council (SGBC) since 2007. Subsequently, in year 2008 we were the first among our peers to adopt carbon footprint assessment for our products, and provide third party assessed carbon footprint certificates to our customers for the products they procure from us.

PROGRESS AFTER THE PARIS AGREEMENT

The Paris Agreement signed in December 2015 set the tone for more countries and businesses to step up to the call of mitigating reliance on fossil-fuel based energy growth to stop the damaging effects of global warming.

The 196 nations that signed the Paris Agreement in 2015 are stepping up efforts to tackle climate change. Researchers correlate changes in global temperature with economic performance. On 2 May 2019, the U.S. House of Representatives passed its first climate-change bill in a decade, voting 231-190 to require that Trump administration keep the US as a party to the Paris Climate Agreement. This sends a positive signal to the rest of the world that the largest economy of the world recognises the seriousness of the climate crisis and its political system is committed to play its role to mitigate further damage to the environment.

SUSTAINABILITY IS AN INTEGRAL COMPONENT OF OUR BUSINESS

Concrete, the most widely used man-made material, generates eight percent of global carbon dioxide emissions. Cement, the primary component of concrete, is the major source of emissions related to concrete.

Researchers continue to conjure innovative solutions such as carbon capture or carbon sequestration programs to address the reliance on high carbon intensity materials such as the OPC. In recent years, while cement production capacity continued to grow unabatedly driven by rapid urbanisation and population growth across the world, the cement industry has also increased the use of Supplementary Cementitious Materials (SCMs) such as GGBS and Pulverised Fly Ash (PFA) to reduce its reliance on clinker-based OPC which still dominates the larger volume of cementitious materials used in construction.

Over the past one and a half decade, green building certifications, such as the US LEED, Singapore BCA Green Mark, and China Three Star, gained prominence across the world. These green building certification standards recognise the value-add of GGBS and Green Cement to reduce the embodied carbon of concrete supplied to green developments. This trend is aligned with global consensus to reduce over-reliance on fossil fuel and products with large carbon footprint. Steel, cement and concrete, contribute nearly 70 percent of the embodied carbon in buildings across the world. And this is where EnGro could contribute, by promoting greater adoption of low carbon GGBS. Our 10.8 million tons of GGBS produced annually in China and South Korea, provides a significant carbon reduction in the construction sector.

As a leading promoter and producer of green building materials – GGBS and Green Cement - efforts to strive towards low carbon footprint for our materials is reflected in our corporate tagline, **Building Sustainability**.

Low carbon impact to the environment means that our manufacturing presence would not detriment the environment and the adjacent community where we operate in. The Group's green initiatives continues to accentuate our drive in upholding the **Environmental, Social and Governance** criteria.

Our core values of **Harmony, Trust, Excellence and Win-win** help strengthen our focus and resolve in continuing to make the environment clean and safe for our future generations.

The Group's GGBS and Green Cement are distinguished with independent eco-label certifications and carbon footprint certificates to help consumers identify and adopt truly green materials.

Apart from existing applications that our green materials address, various programs are on-going to develop new applications for a multitude of projects in the region, and align with the advent of recycling economy across the region. These efforts call for careful planning and commitment to soldier on in spite of anticipated hurdles. Team EnGro has the perseverance and unbeaten spirit to develop innovation projects to fruition.

This is our second Sustainability Report and we are pleased to share that we have also included our subsidiary unit in Malaysia in our sustainability reporting. In future reporting, we will continue to update the progress of the Group's efforts in promoting sustainability. As the various stakeholders attain greater awareness of the impact of climate change, we believe in a collective effort with the community in going green and going the extra mile, while upholding corporate governance practices towards achieving a balance between people, planet, and profit.

TAN CHENG GAY

Chairman and CEO

ABOUT ENGRO

EnGro was incorporated on 27 November 1973 under the name SsangYong Cement (S) Pte Ltd. It was originally formed as a joint venture between SsangYong Cement Industrial Co Ltd of South Korea, Afro-Asia Shipping Co (Pte) Ltd and The Development Bank of Singapore Ltd. The Company was converted into a public limited company on 31 May 1983 and assumed the name SsangYong Cement (S) Ltd.

In 1976, the Company started off with manufacturing OPC but from 2003 onwards, it ceased to produce OPC but expanded its product offering to include high performance blended cement, Ready-Mix Concrete ("RMC"), low carbon GGBS, microfine cement and other innovative construction materials.

In 2002, the Company marked the beginning of a new chapter as it witnessed the end of the Singapore-Korea partnership over the Company's 30-year history. Afro-Asia International Enterprises Pte Ltd acquired shares divested by SsangYong Cement Industrial Co Ltd and subsequently made a mandatory cash offer for shares not owned by Afro-Asia International Enterprises Pte Ltd or parties acting in concert.

In 2005, the Company changed its name to EnGro Corporation Limited with a new logo that reflects its vision of growth in North Asia and growth through strategic partnerships. The striking blue and orange curves symbolises EnGro and its partners. The curve design of the logo simulates the hemisphere of a globe reflecting EnGro's determination to expand globally.

Over the years, EnGro diversified its business by investing in specialty polymer, high-tech venture capital funds, property developments as well as food and beverage. At present, the main businesses of the Group are:



The "Building Sustainability" corporate tagline reflects EnGro's commitment towards promoting green and achieving the triple bottom-line equilibrium of PEOPLE, PLANET, and PROFIT.

VISION AND MISSION

VISION: To be the preferred integral partner of innovative and sustainable material solutions.

EnGro envisions itself to be the preferred integral partner of innovative and sustainable material solutions. In order to realise this vision, we strive to be at the forefront of product innovations through intensive research and development to develop our expertise and insights. Our recent innovations have been centralised around green and sustainable materials as denoted by our corporate tagline “Building Sustainability”. We believe in innovating in this field as a new urban lifestyle will be needed in our resource-scare future and we are confident that eco-friendly products would play a key role in shaping the future of construction industry.

MISSION: To provide integrated material solutions that are value-adding, sustainable and cost-effective.

To support this vision, EnGro established a mission to provide integrated material solutions that are value-adding, sustainable and cost-effective. We rely on our knowledge-based and continuous learning culture and spirit of innovation in developing environmentally-friendly products. Together with our research team and external partners, EnGro develops new environmentally-friendly solutions to create new applications that generate long-term benefits to our stakeholders.

OUR CORE VALUES

和顺 **HARMONY**

We adopt a balanced approach in everything we do.

诚信 **TRUST**

We uphold integrity in everything we do.

卓越 **EXCELLENCE**

We go the extra mile to achieve breakthrough in innovation.

共赢 **WIN-WIN**

We work together with all stakeholders to achieve mutually beneficial goals.

Ingrained into our culture are the above core values of Harmony, Trust, Excellence and Win-Win. Each word has profound elements culminating in a calm and balanced approach that nurture and guide Team EnGro to achieve our goals.

WHAT SUSTAINABILITY MEANS TO ENGRO

The global community's commitment to limit global warming to 2°C between now and 2100, requires global greenhouse gas ("GHG") emissions to decrease by 40 percent to 70 percent by 2050 and achieve net zero emissions by the end of the century. As such, many countries have committed towards reducing their GHG footprints. As part of the contribution to achieving this goal, the Singapore government has pledged to reduce its emissions intensity by 36 percent from 2005 levels by 2030. In addition, in early 2017, the Singapore government announced its intention to implement the carbon taxation scheme beginning 2019. Meanwhile, China has eight pilot carbon market schemes and is expected to start its national carbon market in year 2020 to further curb its emissions level on a national scale.

These recent developments clearly justify EnGro's early focus and attention on sustainability. The building and construction sector is the second largest contributor of GHG emissions as building materials generate significant amount of embodied GHG emissions throughout their product life cycle due to the substantial amount of embodied GHG emissions contributed by the use of steel and concrete as the core building elements of

buildings. The building and construction industry is a labour-intensive industry while the sector is also one of the key GDP contributors to the country. Therefore, one of the ways to reduce emissions from the sector while maintaining growth of the industry is through the greater use of green or sustainable materials.

As we continue to be among the leading suppliers of building materials in Singapore and realise our vision to be the integral partner of innovative and sustainable material solutions, EnGro has the responsibility to promote the use of environmentally-friendly materials. In the long run, we aim to increase the use of recycled materials in our products and commit to doing more research and development of innovative sustainable building materials, leveraging on our success in handling blastfurnance slag from iron producing steel mills.

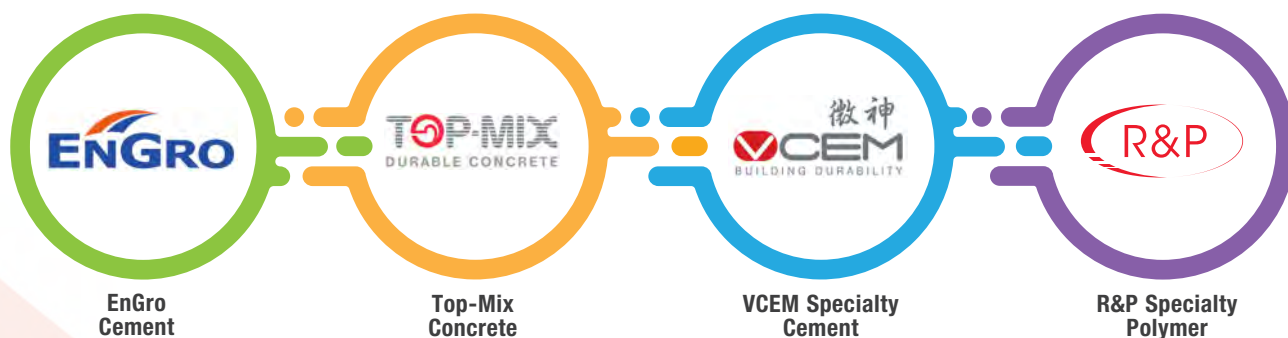
EnGro also continues to provide a safe working environment for its employees and contractors. Safety is paramount in EnGro's operations and we have put in place policies and initiatives to ensure minimal injuries occur in our operations. On these fronts, we are proud that we have achieved internal targets for 2018.



ABOUT THE REPORT

EnGro's Sustainability Report 2018 is prepared in accordance with the Core Option of GRI Standards. The Report is based on the principles and requirements in the SGX sustainability reporting guidelines and we publish our Report annually. Unless specified otherwise, this Report covers our ESG performance and initiatives for the period of 1 January 2018 to 31 December 2018. This Report covers EnGro's operations in Singapore and Malaysia as well as our three primary building materials and specialty polymer brands:

1. *EnGro and Top-Mix for our Integral Cement and RMC business and products,*
2. *VCEM for our Speciality Cement business and product, and*
3. *R&P for our Specialty Polymer business and products.*



EnGro has not sought external independent assurance for the information disclosed in this Report. However, we will where necessary consider seeking external assurance for future Reports.

This Report and our previous Report are available on EnGro Corporation Limited's website (www.engro-global.com/sustainability/). If you have any comments or feedback on our Report, please reach us at:



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COMPANY PROFILE

Company name	EnGro Corporation Limited	
Total number of operations	Singapore <ul style="list-style-type: none"> ▶ 1 management office ▶ 3 operational facilities 	Malaysia <ul style="list-style-type: none"> ▶ 2 management offices ▶ 4 operational facilities
Nature of legal entity	Singapore Listed Company	
Total sales amount in 2018	Cement & building material, and Specialty polymer S\$141.1 million	
Total number of employees	Singapore – 134 Malaysia – 78	

MEMBERSHIPS AND CERTIFICATIONS

EnGro has been a member of the following associations since the beginning of the associations.

1. Singapore Green Building Council (SGBC) – Member
2. Singapore Environment Council (SEC) – Member
3. Singapore Contractors Association (SCAL) – Member
4. Cement and Concrete Association of Singapore (CCAS) – Member
5. American Concrete Institute – Singapore Chapter (ACI-SC) – Member
6. China Concrete and Cement Products Association (CCPA) – Member
7. Singapore Business Federation (SBF) – Member
8. Singapore Chinese Chamber of Commerce & Industry (SCCCI) – Member
9. Singapore Manufacturing Federation (SMF) – Member

Name & Address of Site	Certification	Certification Expiry Date
EnGro Corporation Limited 30 Pulau Damar Laut Singapore 618311	ISO 9001: 2015	12/05/2020
	ISO 14001: 2015	22/10/2021
	SS 506 Part 1: 2009	11/03/2021
	OHSAS 18001: 2007	11/03/2021
	bizSAFE Star	11/03/2021
Top-Mix Concrete Pte Ltd (“TMS”) 10 Changi East Close Rd Singapore 498785 2 Tuas South Street 13 Singapore 637081	ISO 9001: 2015	28/10/2021
	ISO 14001: 2015	26/08/2021
	SS 506 Part 1: 2009	11/03/2021
	OHSAS 18001: 2007	11/03/2021
	bizSAFE Star	11/03/2021

Top Mix Concrete (M) Sdn Bhd (“TMM”) is planning to attain the ISO 9001: 2015 certification by first half of 2020.

For R&P Technologies Pte Ltd (“RPT”), the model of collaboration with its JV partner in Malaysia enables it to leverage on the ISO 9001: 2015 and IATF 16949 of its JV partner.

SUPPLY CHAIN

Supply chain forms an important aspect of EnGro’s operations. The Company relies on logistics companies to ship raw materials from other countries into Singapore. In Singapore, raw materials are received at EnGro’s Pulau Damar Laut bulk terminal and blended into our blended cement products. These products are then transported to our concrete batching plants to produce concrete or sold to customers directly while a small volume is sold in bagged form through distributors.

In Malaysia, TMM produces RMC with raw materials sourced locally and sold directly to customers. Separately, our specialty polymer operation unit, RPT purchases raw material from oil refiners and other suppliers from overseas to manufacture and supply to customers outside China.

In our facilities, EnGro primarily utilises its own employees to run the operations. Logistics service providers are employed to transport our products to and from Company sites. The latter’s workforce forms around 20 percent of our manpower in Singapore. In order to be selected as EnGro’s service providers or suppliers, potential suppliers must adhere to the requirements prescribed in EnGro’s Supplier Code of Conduct. The Code of Conduct governs suppliers’ compliance to various national rules and regulations including on fair labour practices. Suppliers of EnGro are also subjected to regular performance appraisal or supplier assessment to ensure compliance to the Code of Conduct. In the future, EnGro is considering to carry out supplier audit as the next step towards ensuring compliance to the Code of Conduct.

370

Number of
active suppliers

25

New vendors in 2018
who have met the
pre-qualification criteria

STAKEHOLDER ENGAGEMENT

EnGro engages its key stakeholders regularly through various means effective for each stakeholder group. The Company believes this process is important for the Company to identify new opportunities and to manage risks associated with each stakeholder group. Below is a summary of EnGro's approach to each stakeholder group.

Stakeholder group	Purpose and goal	Mode of engagement	Frequency
Shareholders	Understand shareholders concerns	Annual General Meeting Annual reports Corporate website	Annual Quarterly
Suppliers	Informing updates to EnGro's expectations or changes in Code of Conduct	Emails Meetings	Periodic basis
Customers (mostly building contractors)	Understanding product requirements	Emails Meetings	Periodic basis
Employees	Understand employee concerns	Regular meeting Performance appraisals	Annual Regularly
Regulators/Industry Association	Compliance with rules and regulations Understand industry requirement	Meetings Industry events and seminars	Periodic basis
Community	Understand social community needs and offer corporate social responsibility	Corporate website Charitable contributions	Periodic basis



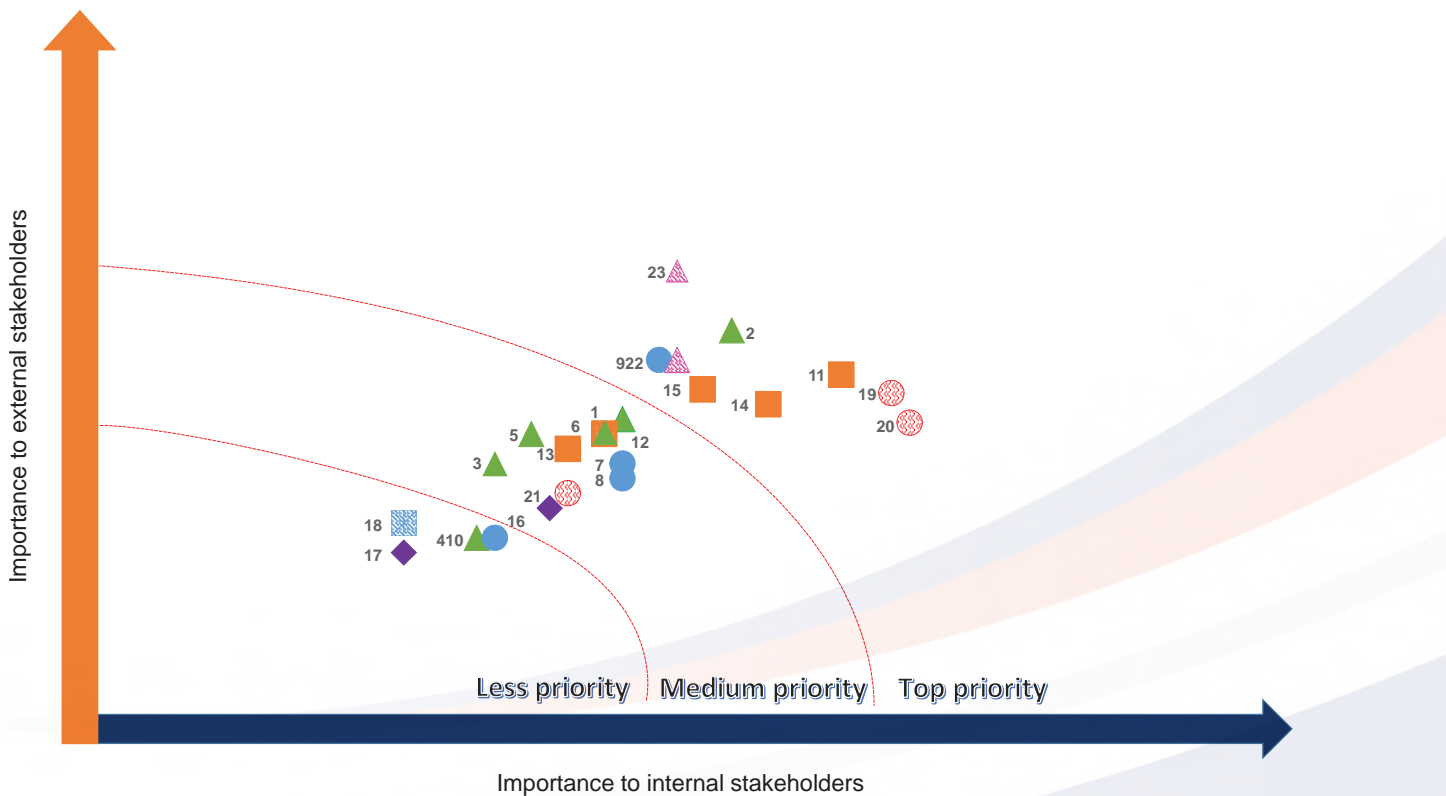
MATERIALITY ASSESSMENT

Previous year, EnGro carried out a materiality assessment exercise. EnGro's senior management and key representatives from operations team (together as "the core group of EnGro's representatives"), who interacted significantly with external stakeholders, had identified sustainability issues relevant to the Company from both internal stakeholders' and external stakeholders' perspective and covering the ESG aspects. In 2018, the core group of EnGro's representatives reviewed the materiality from the Group's perspective and affirmed that the materiality matrix remained relevant to both internal and external stakeholders. There are nine sustainability issues as its material issues.

The nine materials issues related to ESG selected for reporting in this Report are:



The result of the materiality assessment can be seen below.



List of sustainability issues assessed in materiality assessment exercise

Issue Number	Priority	Sustainability Issues
19	Top	Economic performance
23	Top	Regulatory compliance
2	Top	Environmental compliance
11	Top	Product/service quality
20	Top	Enterprise risk management
9	Top	Occupational health and safety
14	Top	Customer health and safety
22	Top	Ethical business conduct
15	Top	Customer satisfaction
1	Medium	Waste management and recycling
6	Medium	Water management
7	Medium	Employment practices
12	Medium	Security of information
5	Medium	Use of sustainable materials
8	Medium	Human rights
13	Medium	Clear product labelling
21	Medium	Responsible supply chain management
3	Medium	Energy and carbon footprint
16	Medium	Community investment
4	Less	Other atmospheric emissions
10	Less	Career advancement
18	Less	Stakeholder engagement
17	Less	Driving economic development (Indirect economic impact)



MAPPING OF MATERIAL ISSUES TO GRI

Following materiality assessment, the material issues identified were subsequently mapped to the GRI Topics. The mapping of the material issues to GRI Topics are based on the definition of each issue as agreed among the Core Group of EnGro's representatives participating in the materiality assessment.

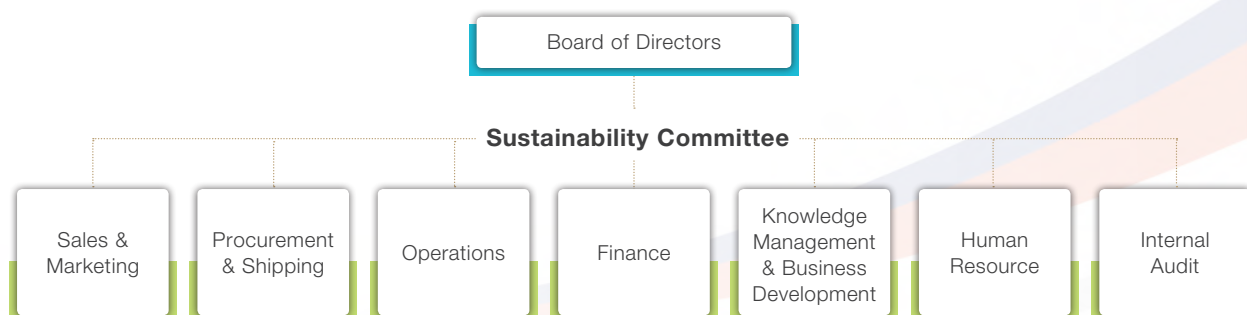
Material Sustainability Issues	GRI Topics	Topic Boundary
Economic performance	Economic Performance	Within organisation
Regulatory compliance	Compliance	Within organisation
Environmental compliance	Environmental	Within organisation
Product/service quality	Product and Service Labelling	Within organisation
Enterprise risk management	Compliance	Within organisation
Occupational health and safety	Occupational Health and Safety	Within organisation
Customer health and safety	Product and Service Labelling	Within organisation
Ethical business conduct	Compliance	Within organisation
Customer satisfaction	Product and Service Labelling	Within organisation

Following the identification of material issues and mapping to the GRI Topics, EnGro started to conjure processes to gather information required by the GRI Standards. Although this is our second Report, we may not have a complete set of information required for full disclosure in accordance to the GRI Standards as we are still streamlining the internal information gathering process. Nonetheless, we are committed to providing complete and accurate disclosures and we are working towards enhancing the quality of our disclosures in subsequent Reports.

GOVERNANCE AND RESPONSIBILITY TO SUSTAINABILITY

EnGro upholds the highest standard in governance and ethical conduct. We comply with the Code of Corporate Governance 2012 as required by the listing rules of the Singapore Exchange. Please refer to page 24 of the FY2018 Annual Report for the details of EnGro's Corporate Governance.

In addition, in light of the SGX listing rule 711(B) on sustainability reporting, EnGro has established a sustainability reporting team, which reports directly to the Committee. The Committee consists of representatives from various departments of the corporate headquarters. Under the guidance of the Board, the Committee is responsible to integrate sustainability principles and policies throughout the business in the coming years.



ECONOMIC

Healthy economic or financial performance is paramount for EnGro's foundation as a key pillar to support the Company's efforts in other aspects of sustainability. The Company recorded a profit before tax of S\$7.0 million in year ended 31 December 2018 ("FY2018").

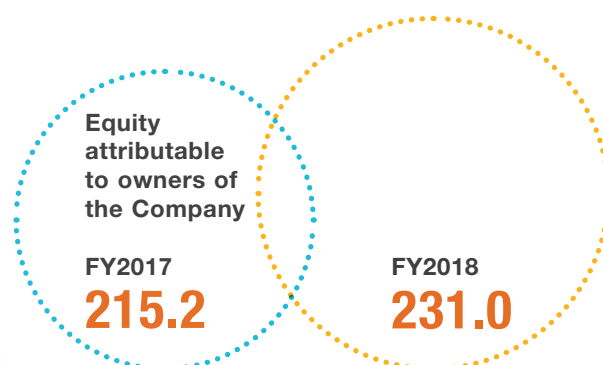
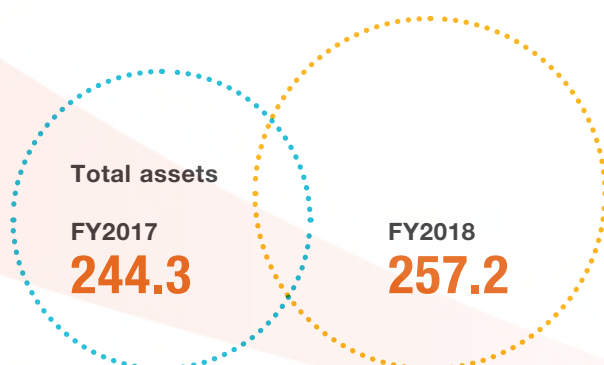
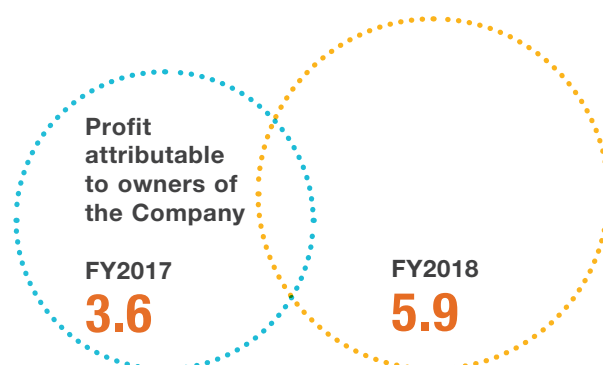
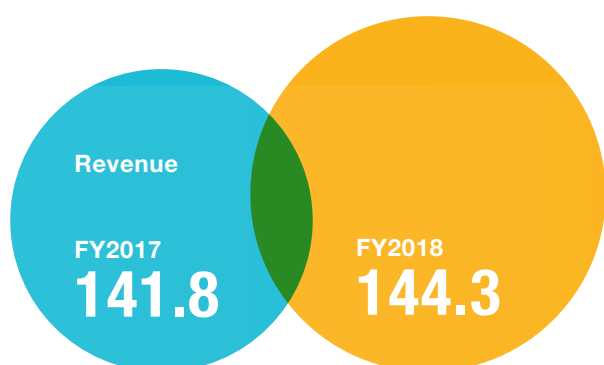
EnGro recorded a revenue of S\$144.3 million for FY2018, a 1.8 per cent increase compared to the S\$141.8 million in FY2017, due to higher revenue from Integral Cement and RMC segment, offset by a 27.7 per cent drop in Specialty Polymer revenue.

The Group reported a higher profit after tax of S\$6.0 million compared to S\$3.8 million for FY2017, attributed to better performance from Integral Cement and RMC segment, a one-off gain from divestment of a subsidiary in China and lower foreign currency exchange loss.

Details of EnGro's business units' performance in FY2018 can be referenced to EnGro's FY2018 Annual Report on EnGro Corporation Limited's website (www.engro-global.com/annual-report/).

HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (S\$'Million)



SOCIAL

EMPLOYMENT PRACTICES

The majority of EnGro's workforce is full-time employees under our payroll. We rely on logistics service providers to transport our products to and from our facilities, which make up approximately 20 percent of our total workforce in Singapore. Ensuring that each employee and worker are treated fairly is important to EnGro to promote welfare and talent retention.

EnGro is fully compliant with the Singapore government's employee practices listed under the Ministry of Manpower. The Human Resources team at EnGro formulated the Human Resource Policies and Procedures which are applied to EnGro's business units in Singapore and Malaysia. This ensures consistency of internal practices among business units so that EnGro can remain competitive by being aligned with industry norms. The document communicates grievance procedures, dictates employee benefits, reminders on work-life balance, and freedom to collective bargaining, and governs our hiring and promotion policies, which are reliant on merit-based.

Employees have access to anonymous whistle blowing avenues if they find our practices, including remuneration to be suspect according to legal and industry standards. EnGro's whistle blowing policy is designed for employees raising concerns without fear of reprisal, to an internal authority (Chairman of Audit Committee, CEO and the Internal Auditor). Employees can choose to voice their grievance to their supervisors or anonymously through an electronic mail box of the Company. The policy makes

a commitment to protect the reporter, address issues raised and keep the reporter updated on the progress of the resolution. The policy is reviewed annually to ensure effectiveness and relevance to the dynamic environment.

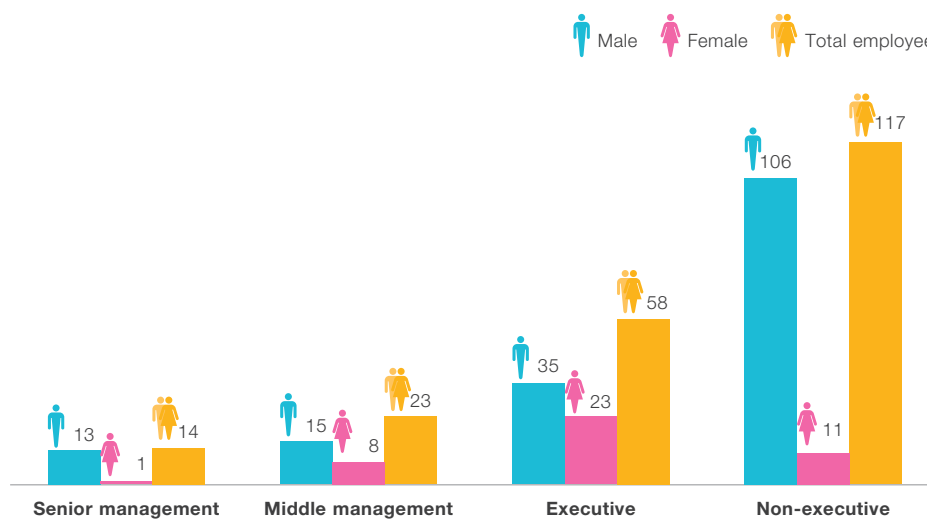
As demonstration of our commitment towards providing transparent and merit-based compensation package, we disclose the remunerations of our directors and our top five key management personnel in page 42 of our FY2018 Annual Report.

In order to ensure employees and contractors receive proper labour and social protection as entitled by the law, before confirming employment of individuals, EnGro conducts verification of workers' legal status. The Company also carries out verification of work pass and daily roll-call during Toolbox Meeting to ensure workers on site are legally employed by the respective companies, including contractors. If there is a breach in contractual agreement, EnGro will conduct due investigation of the breach and, if found guilty, the work contract could be terminated.

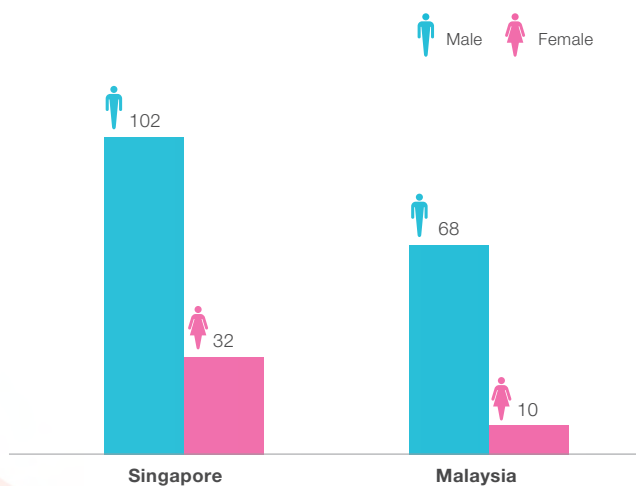
Similarly, employees or contractors are accorded appropriate avenues to air their grievances on unfair labour practices. EnGro communicates its grievance procedures policy to its employees and contractors. The procedure involves reporting to the Supervisor, Department Head, Branch Union and Ministry of Manpower. The grievance case will be escalated to a higher level if the issue is not resolved within three working days at each reporting level.

Year 2017	Year 2018
• Life Insurance	• Life Insurance
• Healthcare	• Healthcare
• Disability and Invalidity Coverage	• Disability and Invalidity Coverage
• Provision for Retirement	• Provision for Retirement
• Parental Leave	• Parental Leave
• Maternity Leave	• Maternity Leave
• Marriage Leave	• Marriage Leave
• Family Care Leave	• Family Care Leave
• Childcare Leave	• Childcare Leave
• Compassionate Leave	• Compassionate Leave
• Dental Benefits	• Dental Benefits

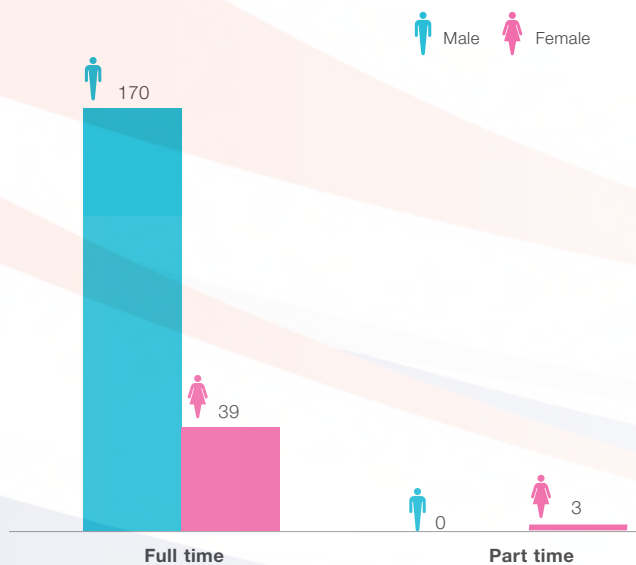
TOTAL NUMBER OF EMPLOYEES IN SINGAPORE AND MALAYSIA AS AT 31 DECEMBER 2018



EMPLOYEES BY REGION



TOTAL EMPLOYEES BY EMPLOYMENT TYPE



OCCUPATIONAL HEALTH AND SAFETY

EnGro places significant emphasis on the health and safety of its employees. Management ensures that the Company complies with legal requirements for all safety and health matters and educate our employees to observe safety requirements at all times. Since 2012, EnGro's operations in Singapore have obtained OHSAS 18001 certification for Occupational Health and Safety Management Systems.

At EnGro's production facility, employees attend toolbox meeting on a daily basis, where safety advisories and reminders are communicated to employees. Before commencing any work, supervisors or project managers must complete a hazard analysis/risk assessment of the work activities and submit to the appropriate EnGro management for approval. This requirement is applicable to both EnGro's employees as well as its contractors.

All accidents, would have to go through the process of reporting and follow-up until proper closure of each accident case. All accident cases have to be reported to the supervisors and plant manager and investigations are carried out to ensure corrective actions have been identified and implemented.

We aim to maintain a "Zero Accident" record at all sites. In order to achieve this target, EnGro has taken the following initiatives:

1. Employ a Safety Officer to educate and identify safety gaps and work towards closing all occupational health and safety gaps.
2. Develop Standard Operating Procedure ("SOP") manual and display the SOP explicitly at all sites with safety rules embedded in all the work processes to ensure that safety rules are strictly and consistently observed.
3. Organise regular in-house safety training and have safety instruction diagrams available visibly near or on starting equipment in both English and Chinese.
4. Provide external safety training to supervisors to upgrade their skills and to keep abreast of latest safety rules and procedures.

EnGro recorded zero case of injuries, lost-time injuries and fatality during the reporting year of 2018.

PRODUCT AND SERVICE QUALITY

EnGro is a leading player with more than 45 years of experience providing innovative, eco-friendly, and high performance building materials to key projects in the region. Mindful of a dynamic and competitive business landscape, EnGro aims to be a trusted, knowledgeable and reliable supplier of eco-friendly high performance building materials.

In order to achieve this goal, EnGro has a stringent quality assurance system in place. All our products are manufactured according to industry standards and regular compliance review is conducted to ensure proper certification of compliance for the Group's wide range of products.

EnGro also adopts a transparent approach to its product labelling. EnGro discloses the following information in its product labelling:

1. Content, particularly on substances that produce environmental or social impact
2. Safe use of product
3. Disposal of product packaging and its environmental or social impact

In 2018, the Company did not receive any formal complaints about its product or service quality.



Product Category	Product Name	Compliance Standard
Product Category	Product Name	Compliance Standard
Portland Cement, CEM-I	CEM-I	SS EN 197-1: 2014
Portland-slag Cement, CEM-II/A-S	P197A	SS EN 197-1: 2014
Portland-slag Cement, CEM-II/B-S	P197B	SS EN 197-1: 2014
Blast Furnace Cement, CEM-III/A	P4246	SS EN 197-1: 2014
Blast Furnace Cement, CEM-III/B	P4246S	SS EN 197-1: 2014
Blast Furnace Cement, CEM-III/C	P197-4S	SS EN 197-1: 2014
Ground Granulated Blast Furnace Slag, GGBS	GGBS	SS EN 15167:2008
Ground Granulated Blast Furnace Slag, GGBS	P8000	SS EN 15167:2008
Microfine Cement	PreFine 60	Singapore Land Transport Authority
Microfine Cement	PreFine 80	NA
Normal Grade Concrete	G15-G50	SS EN 206-2014, SS 544 PART1&2: 2014
High Strength Concrete	G60-G85	SS EN 206-2014, BC2: 2008 (Design Guide of High Strength Concrete to Singapore Standard CP 65)
High Density Concrete	2,600 – 5,000 kg/m ³	SS EN 206-1
Light Weight Concrete	800 – 2,000 kg/m ³	SS EN 206-1
Engineering Polymers	HMU210	Valeo PDTNVB10037
Engineering Polymers	HMU234	Valeo PDTNVB10037
Engineering Polymers	HMU404	Valeo PDTNVB10056
Engineering Polymers	CMW402	Valeo PDTNVB10056
Normal Grade Concrete	G15-G50	BS 5328
High Strength Concrete	G60-G70	BS 5328

COMPLIANCE

EnGro upholds a relentless commitment towards corporate governance which is in accordance with our continuing obligation as a company listed on the SGX. We are committed to go beyond the basics in regulatory compliance and have established a robust internal system, governed by the board and senior management, that diligently cross-checks our compliance to regulations in various countries that we operate in.

EnGro's goal is to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. We have set up a risk assessment structure in the form of an Enterprise Risk Management ("ERM") Committee comprising the key Heads of Departments. The ERM Committee convenes every three months to discuss the key risk areas that affects the Group's

business. The ERM committee submits its findings to the AC Chairman and the Board of Directors for review and comments on a quarterly basis.

By adhering to laws, regulations, guidelines and specifications relevant to EnGro's businesses, it ensures that the Group's long-standing reputation is intact and continues to be preserved. In our view, a strong and ethical reputation forms an integral element of our core values of "Harmony, Trust, Excellence, and Win-Win", which enhance our ability to attract strong partners to expand our various businesses and attract relevant personnel to join our ever-growing capable workforce.

EnGro recorded zero non-compliance case against the Company in 2018.

ENVIRONMENTAL

Staying true to our vision, EnGro has run its business with responsibility to the environment. We implemented green initiatives more than a decade ago and today we are seeing the results of our efforts. In 2010, EnGro contributed to the establishment of Friends of Building Sustainability, an independent cross-industry platform for peers to exchange information on green practices. EnGro and its subsidiary companies have invariably sought to obtain international certifications, such as the ISO, to demonstrate our environmental commitment. Our Singapore operations were certified ISO14001 since 2012 and we aim to attain ISO certification for our Malaysia concrete operation.

To communicate the results of our green initiatives, EnGro chose to implement carbon footprint assessments at product and company level to communicate the GHG contribution of our operations and products to our

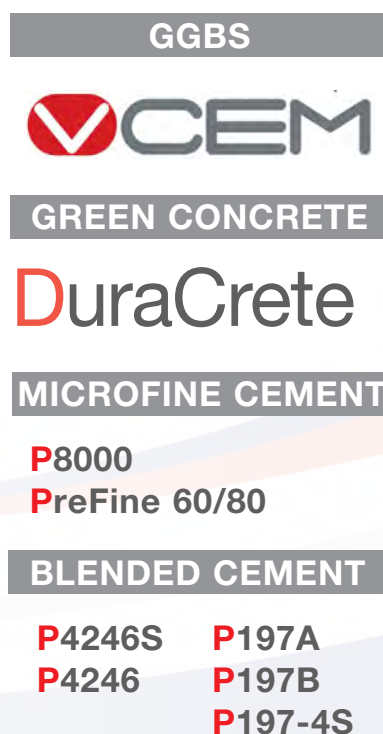
stakeholders. In 2011, EnGro engaged the services of a professional GHG assessor to analyse the product Life Cycle Assessment (LCA) of its products in accordance to international standards ISO14040/44 and PAS2050. In 2012, we were early adopters of the ISO14064 to assess the GHG emissions relating to organisational emissions. EnGro is also proud to have achieved carbon neutrality for China joint venture laboratory building project in 2013 as per PAS2060 certification by offsetting our carbon emissions.

These assessments have enabled EnGro to better understand the true emission sources of our products and our operations, which have helped us to manage our resources more efficiently. Management truly believes in the benefits of monitoring EnGro's GHG footprint and continues to assess its emissions.

USE OF SUSTAINABLE MATERIALS

EnGro's products utilise recycled materials as raw materials. Moreover, EnGro cement and Top-Mix Concrete use EnGro's low-carbon VCEM product to their mixtures. This results in products of lower carbon-content than typical OPC, while maintaining the strength and functionality of the products. Since 2007, EnGro's low carbon products have received accreditation from the Singapore Green Labelling Scheme for its sustainability qualities. In addition, since 2011, our products have also been acknowledged to have met the

highest industry standards for a green product. Our products also eventually received the "4 ticks" or "Leader" rating from the Singapore Green Building Product ("SGBP") accreditation body. This rating is given to eco-friendly products with low-carbon content. High-rated SGBP products can accrue more points in the Singapore BCA Green Mark rating system, with the 4 ticks Leader products scoring 1 additional point per qualifying product.



Our Green Cement and Green Concrete materials are certified with the SEC Green Label and SGBC Singapore Green Building Project label. Among them are products with SGBP's 4 Ticks Leader rank



GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

Profile disclosure	Description	Cross-reference/direct answer
ORGANISATION PROFILE		
102-1	Name of the organisation	EnGro Corporation Limited
102-2	Activities, brands, products, and services	About the Report
102-3	Location of headquarters	29 International Business Park #08-05/06 Acer Building Tower B, Singapore 609923
102-4	Location of operations	About the Report
102-5	Ownership and legal form	Listed company
102-6	Markets served	FY2018 Annual Report (page 3)
102-7	Scale of the organisation	Economic
102-8	Information on employees and other workers	Employment Practises
102-9	Supply chain	Supply Chain
102-10	Significant changes to the organisation and its supply chain	There were no significant changes during the reporting year.
102-11	Precautionary principle or approach	FY2018 Annual Report (Page 24)
102-12	Externally initiatives	<ul style="list-style-type: none"> • Memberships and Certifications • Employment Practices
102-13	Memberships in associations	Memberships and Certifications
STRATEGY AND ANALYSIS		
102-14	Statement from senior decision-maker	Chairman's Message on Sustainability
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Vision and Mission
GOVERNANCE		
102-18	Governance structure	<ul style="list-style-type: none"> • FY2018 Annual Report (Page 24) • Governance and Responsibility to Sustainability

Profile disclosure	Description	Cross-reference/direct answer
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Stakeholder Engagement
102-41	Collective bargaining agreements	Employment Practises
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approaches to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> • Stakeholder Engagement • Employment Practises
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	FY2018 Annual Report (page 2)
102-46	Defining report content and the topic boundaries	Materiality Assessment
102-47	List of material topics	Mapping of Material Issues to GRI
102-48	Restatements of information	About the Report
102-49	Changes in reporting	About the Report
REPORT PROFILE		
102-50	Reporting period	About the Report
102-51	Date of most recent report	31 December 2017
102-52	Reporting cycle	About the Report
102-53	Contact point for questions regarding the report	29 International Business Park #08-05/06 Acer Building Tower B, Singapore 609923 Tel: +65-65617978 Fax: +65-65619770
102-54	Claims of reporting in accordance with the GRI Standards	About the Report
102-55	GRI content index	GRI Content Index
102-56	External assurance	About the Report
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its boundary	Mapping of Material Issues to GRI
103-2	The management approach and its components	Mapping of Material Issues to GRI
103-3	Evaluation of the management approach	Mapping of Material Issues to GRI

SPECIFIC STANDARD DISCLOSURES

Profile disclosure	Description	Cross-reference/direct answer
ECONOMIC		
ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Economic
ENVIRONMENTAL		
MATERIALS		
301-1	Materials used by weight or volume	Use of Sustainable Materials
301-2	Percentage of materials used that are recycled input materials	Use of Sustainable Materials
SOCIAL		
EMPLOYMENT		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Practices
OCCUPATIONAL HEALTH AND SAFETY		
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Occupational Health and Safety
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> • Employment Practices • FY2018 Annual Report (page 9)
SOCIETY		
COMPLIANCE		
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance
PRODUCT AND SERVICE LABELLING		
417-1	Requirements for product and service information and labeling	Product and Service Quality