2020 Sustainability Report





EXECUTIVE SUMMARY

2020 was an unexpected year. A global pandemic swept across the world and Singapore wasted no time in implementing control measures to curb the growing spread of COVID-19. From the first imported case in January, development of local transmission in February and March, subsequent Circuit Breaker in April, to the gradual reopening of workplaces in June, HSL remained vigilant, cautiously optimistic and prepared to protect our employees' livelihoods as much as we could.

For those in the construction industry, our foreign workforce was badly affected by the dormitories lockdown. Besides the essential services workforce, which comprise about 20% of our employees, the majority of our staff and workers either worked from home or were cooped up in dormitories.

This report follows its precedents in its sustainability framework reporting and covers what HSL has done in response to the COVID-19 pandemic in seven key aspects:

- 1. Labour
- 2. Safety & Health
- 3. Recreation & Wellness
- 4. Environment
- 5. Knowledge Management
- 6. Corporate Social Responsibility
- 7. Strategic Planning & Risk Management

LABOUR

WHAT WE DID

The HSL Care Fund is contributed by the Management team to help employees whose livelihoods have been severely impacted by COVID-19.

500

employees

whose livelihoods have been severely impacted have benefited from the HSL Care Fund.

30%

of available funds or approximately SGD95,000 have been disbursed.



"HSL is doing our best to take care of our employees and their families. We are supporting our staff as they adjust to working from home amidst the cacophony of school-aged children on home-based learning and other family members who are also working from home. Our workers are confined in narrow quarters and anxious about not being able to work, but we have assured them that the Company will continue to care for them. They do not have to worry about food, accommodation and paying their utility bills. HSL is committed to protecting our employees' jobs."

- Charles Quek, CEO

LABOUR



WHAT WE DID

- Introduced daily lunch order-and-delivery service with one free lunch weekly at our "HSL Salad Bar" (Mar - Apr 2020) to encourage employees to eat in and minimise risk of exposure to community spread of disease.
- Embarked on a WeCare mission to project sites to share on Dr. Anywhere, an app-based, 24/7 video consultation service for employees, solicit concerns on COVID-19 and reinforced CEO's message to our workers.
- Prepared and distributed 500 Care Packs containing groceries and other basic living necessities for S/E Pass holders on Stay Home Notices and foreign workers who were affected by dormitory lockdowns.
- Gave RM300 each for 150 workers (Malaysia) during Movement Control Order and SGD100 for 274 workers (Singapore) during Circuit Breaker
- Constantly engaged our workers with videos of Chairman that were disseminated to over 400 workers; CEO also personally engaged them.
- Regular WeCare check-ins with more than 700 of our workers and staff.
- CEO Webinar in April addressed close to 300 employees, which was followed up with HSL annual townhall in August.
- Launch of WICEP for the new norm where majority of employees work from home and only come into the office to collaborate.

SAFETY & HEALTH

WHAT WE DID

2021

Goal to be the no.1 contractor in terms of Safety The sustainability of a company depends on the quality of our people, workmanship, and project delivery. HSL prioritises the safety of our people and safety performance of our projects, striving to uphold our values of excellence and no harm to others.

- Implemented safe management measures at project sites and in our HQ so that our essential services workforce could continue to work safely.
- Arranged safe alternative accommodation for affected staff and safe transport for foreign employees, as well as COVID-19 swab tests for more than 500 employees.
- Ensured all of our foreign workers had access to smartphones and were able to download the required mobile applications by the Singapore government for contact tracing purposes.
- Familiarised over 400 workers with Zoom and taught them how to attend virtual training, with a successful 95% take-up rate for more than 20 Safety and Productivity-related courses (ASPRI-IPI).
- Over 50 e-HITS sessions conducted twice a day, by in-house subject matter experts.
- Sponsored and arranged courses for 13 Safe Management Officers for both construction sites and HQ.
- Ramped up on technology adoption and a progressive safety culture with KNOW app, onsite feedback system and virtual inspection
- Inter-dorm competition to come up with Faster Safer Initiatives (FSI)

SAFETY & HEALTH





PRACTISE THE 5CS

CORONAVIRUS? SAY NO!

We have approximately 500 workers (Singapore) spread out in 33 rooms across five dormitories around the island. The Management took steps to reassure our workers that all of them will continue to receive support from the company:

- All 33 rooms were given a care package each containing Dettol antiseptic liquid and hand soap, latex gloves, multi-purpose cleaning cloths, 3-ply masks and a \$100 cash top-up for buying other necessities.
- In a gathering of dormitory leaders and representatives, HSL Management instilled confidence and assurance that the company will continue to support them.
- Room inspection and friendly competition among the dormitories to promote personal hygiene.

REINFORCING OUR COMMITMENT TO OUR WORKERS

Distributing hygiene packs, addressing concerns, and communicating the importance of upkeeping personal hygiene.

RECREATION & WELLNESS

10% improveme emotional In April, HS

improvement challenge in physical, mental and emotional well-being

In April, HSL CEO Charles Quek implored more than 270 employees who tuned in to the CEO Webinar not to waste the opportunity and make good use of the extra time to improve themselves.

resources created in Looop,

an employee learning and performance platform to keep employees active and engaged during circuit breaker. The "Reconstruct Your Inner Self" programme includes topics centred around Body, Mind and Wisdom teachings, curated in-house.

Momsalim sessions led by Chairman

encourage employees to maintain a good posture as a healthy body leads to a healthy mind. He also shares about the importance of personal values like filial piety and humility in bite-sized videos, believing that they can be demonstrated in the way we conduct our business and strengthen the sustainability of a company.

WICEP

WEEKLY

<30

a place to Work, Innovate, Collaborate, Eat & Play In preparation for the new norm where more employees would be working from home, HSL launched the WICEP in August as a conducive and comfortable environment for employees to collaborate in the office.



Environment



SOLAR PANELS ON EQUIPMENT

In line with the United Nations Sustainable Development Goals (SDGs) 7 (Affordable and Sustainable Energy) and 13 (Climate Change), we installed solar panels onboard our piling barge. This will fuel the essential lights and controls for our vessel, reducing our reliance on carbon-based fuels and contributing to a cleaner, greener and more sustainable world. HSL consistently seeks new and improved ways of conducting our business and executing our projects toward our purpose, "Together, we engineer a better world".



WATER, ENERGY, FOOD, ENVIRONMENT (WEFE)

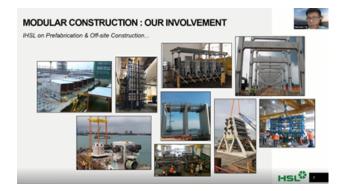
Since 2019, we have been pivoting our business and strengthening our regional presence in the Water, Energy, Food and Environment (WEFE) sectors. We have the resources, experience and capabilities to contribute significantly to these sectors and we think that these are meaningful and important sectors that concern us and our future generations.



FORUM FOR CLIMATE CHANGE ADAPTATION (FCCA)

In 2020, HSL initiated the FCCA, which aims to harness the expertise and experience of industry leaders on various topics related to climate and coastal adaptation. The forum tackles the problem of rising seawater levels and brings this ecosystem together in hopes of creating engineering solutions that will contribute towards a better, more sustainable and prosperous Asia.

Knowledge Management



HSL IN-HOUSE TRAINING & SHARING (HITS)

A platform for employees to share their knowledge, experience and expertise in any topic. Over the 2-month circuit breaker, our management team and other technical subject experts spent many hours developing their content to train and upskill fellow colleagues. Over 75% of our employees attended 85 e-HITS courses, racking up 2,500 hours in total which is equivalent to approximately 8 e-HITS per person.

DIGITAL LIBRARY

We are also building our Risk Assessment and Method of Statement (MOS) digital libraries, as well as a Project Risk Register that highlights things to look out for throughout a project cycle.

General Management 16.5% Technical 9.4% Safety 65.9%

FOR THE YEAR OF 2020

Knowledge resides in our people. By building up a

encouraging a culture of learning and sharing, we

digital library of knowledge, not only are we

are also recognising talents, promoting skills

mastery and encouraging excellence.

NO. OF E-HITS CONDUCTED BY CATEGORY

85

e-HITs courses conducted over the circuit breaker



key areas in Safety, General Management, Technical, International Business and Commercial



in-house subject matter experts

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even as we do our best to take care of our employees and be there for the companies who have businesses with us, HSL consistently looks beyond our immediate ecosystem for ways we can help the more vulnerable communities around us and in the region we operate.

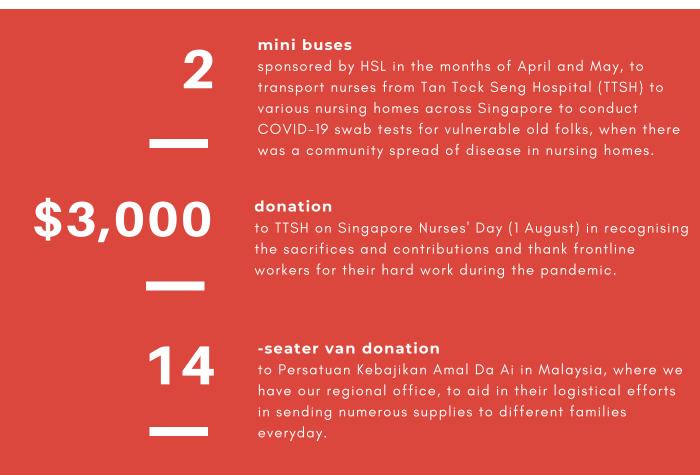
"It is important now more than ever to embrace the human spirit of grace, kindness and compassion, and to help each other in ways we can contribute."

-Charles Quek, CEO





CSR FACTS & FIGURES





loan

to our partner in Philippines when the pandemic broke out and Philippines declared an emergency lockdown, to help them through the difficult period.



STRATEGIC PLANNING & RISK MANAGEMENT

Other than timely action in line with the local government recommended measures on pandemic management, we also focused our efforts on bouncing back as quickly as possible.

Since the first imported COVID-19 case surfaced in Singapore on 23 January, HSL introduced esclating precautionary measures at our offices including:

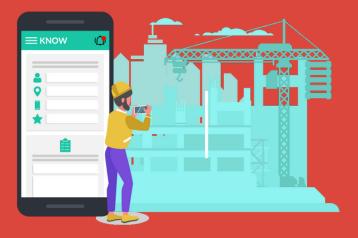
- Travel and health declaration for all employees, tenants and visitors
- Restricting all employee travels and observing compulsory Leave of Absences (LOA) for employees and tenants returning from affected areas
- Twice daily temperature checks for all employees and tenants
- Increased frequency of cleaning and disinfection of common areas
- Minimising face-to-face meetings in favour of digital teleconferencing platforms
- Issuing face masks to all employees and deploying hand sanitizers in common areas

Our project sites and regional offices in Malaysia, Indonesia and Vietnam follow the same internal protocol where possible and work together with our clients and partners to complement their requirements, while observing local governmental regulations.

During the circuit breaker, we continued to engage external stakeholders, partners and clients to demonstrate that their partnership is important to us. We also did our best to process all invoices as quickly as possible so that everyone's cash flow can improve and assured our vendors, subcontractors and tenants that all financial benefits received from the Singapore Government will be passed on fairly to them.

• Campaign on good hygiene habits





PIDRO

First communicated at the beginning of the year, CEO Charles Quek set the direction for all departments to focus on four areas: Partnerships, Internationalisation, Digitalisation, Resource Optimisation (PIDRO).

We continued our momentum during the circuit breaker and embarked on initiatives such as Accounts Payable (AP) Automation, Docusign, Onsite Feedback System and KNOW App.



HSL annual town hall in August saw a strengthening and refinement of PIDRO with the six futures:

Future of Collaboration: Similar to Partnerships, we are determined to make collaboration our competitive advantage. With this came the launch of the new workspace – WICEP, and Collaboration room. We are also embarking on a Global vendor relationship management strategy.

Future of Internationalisation: We restructured our International team so the different teams that were focusing on individual markets can pool their resources. This is the key thrust in the future growth of HSL where everyone shall have a role in our global business.

Future of Digitalisation: Sparked by necessary virtual collaboration brought on by the pandemic, we ramped up on our digitalisation efforts and embraced digital transformation in areas such as Safety, QAQC, Engineering, Finance and Tender.

Future of Work: Similar to Resource Optimisation, we are shifting towards an outcome-based incentive, which will drive employees to think about better ways of managing their time and how to do things more productively.

Future of Business: We also strengthened our commitment to increase our regional presence in the Water, Energy, Food and Environment (WEFE) sectors.

Future of Knowledge Management: We believe that knowledge resides in our people and hence we want to build up a digital library of knowledge that will stay on long after the people are gone.