



CHUAN HUP
HOLDINGS
LIMITED



Built on Passion
Built to Last

SUSTAINABILITY REPORT 2020

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Statement from Our Board

DEAR STAKEHOLDERS,

The Board and Management are pleased to present Chuan Hup Holdings Limited (“Chuan Hup”, the “Company” or the “Group”)’s third Sustainability Report for the financial year ended 30 June 2020 (“FY2020”). This report provides an illustration of key policies and practices to address Environmental, Social and Governance (ESG) opportunities and challenges faced by Chuan Hup. This report also provides an update on Chuan Hup’s ESG performance of key metrics that have been shared in previous sustainability reports.

In our annual report, we highlighted the exceptional difficulties that the Covid-19 pandemic has had on our businesses. While the economic impacts are severe, Covid-19 also has a profound impact on how businesses manage issues of sustainability as the pandemic has placed ESG issues at the forefront for many governments and business globally. This pandemic represents both opportunities and risk to the business. Adaptation is required to successfully navigate through challenging times. For Chuan Hup, the pandemic has affected the way in which we operate on a day to day basis. From the adoption of new technology and changes to working arrangements, efforts have been undertaken to ensure that the needs of all our stakeholders are addressed during the pandemic.

In FY2020, the Board and Management reviewed our ESG factors in the context of their relevance to addressing key challenges posed by the pandemic. In its review, the Board and Management have determined that the ESG factors identified in our inaugural report are still relevant to Chuan Hup. In this year’s report, special emphasis is placed on the relevance of our response to the pandemic to these material matters. The Board will continue to closely monitor all developments of the pandemic as well as other developments that may affect the long term sustainability of Chuan Hup. We appreciate the support that our stakeholders have provided us in these challenging times.



About the Report

This is Chuan Hup's third Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards 2016 – "Core" reporting requirements and referenced GRI 403 Standard: Occupational Health and Safety 2018. This report details our approach in managing material sustainability matters identified as part of the Group's operations for the period of 1 July 2019 to 30 June 2020 ("FY2020") on an annual reporting cycle. Where applicable, one year of historical performance data has been included for comparative purposes.

The scope of this report covers the sustainability performance of Chuan Hup's investment holding business, and performance relating to issues from Chuan Hup's operations. As Chuan Hup itself is not an operating company, the report does not consider issues which may be relevant for investee companies at their local operations or subsidiaries.

While we have not sought external assurance for this report, we will work towards doing so as our reporting matures over time. We welcome feedback from all stakeholders on our Sustainability Report. For any queries or comments on this report, please contact corpsec_legal@chuanhup.com.sg.



About Chuan Hup

Founded in 1970, Chuan Hup Holdings Limited ("Chuan Hup") has grown into an investment company with a diversified portfolio of strategic investments, including investment properties and property development in Perth, Western Australia and the Philippines. The Group also engages in equity investments. Chuan Hup began as a tug and barge service provider to PSA Corporation in Singapore, establishing a reputation as one of the leading owners and operators of marine transportation equipment to the resource industry. Following its listing on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1983, the Group diversified its business footprint to include residential and commercial property development.

With a focus on delivering long-term sustainable growth, Chuan Hup continues to explore investment opportunities with prudence to further augment its portfolios and generate sustainable value for its stakeholders.



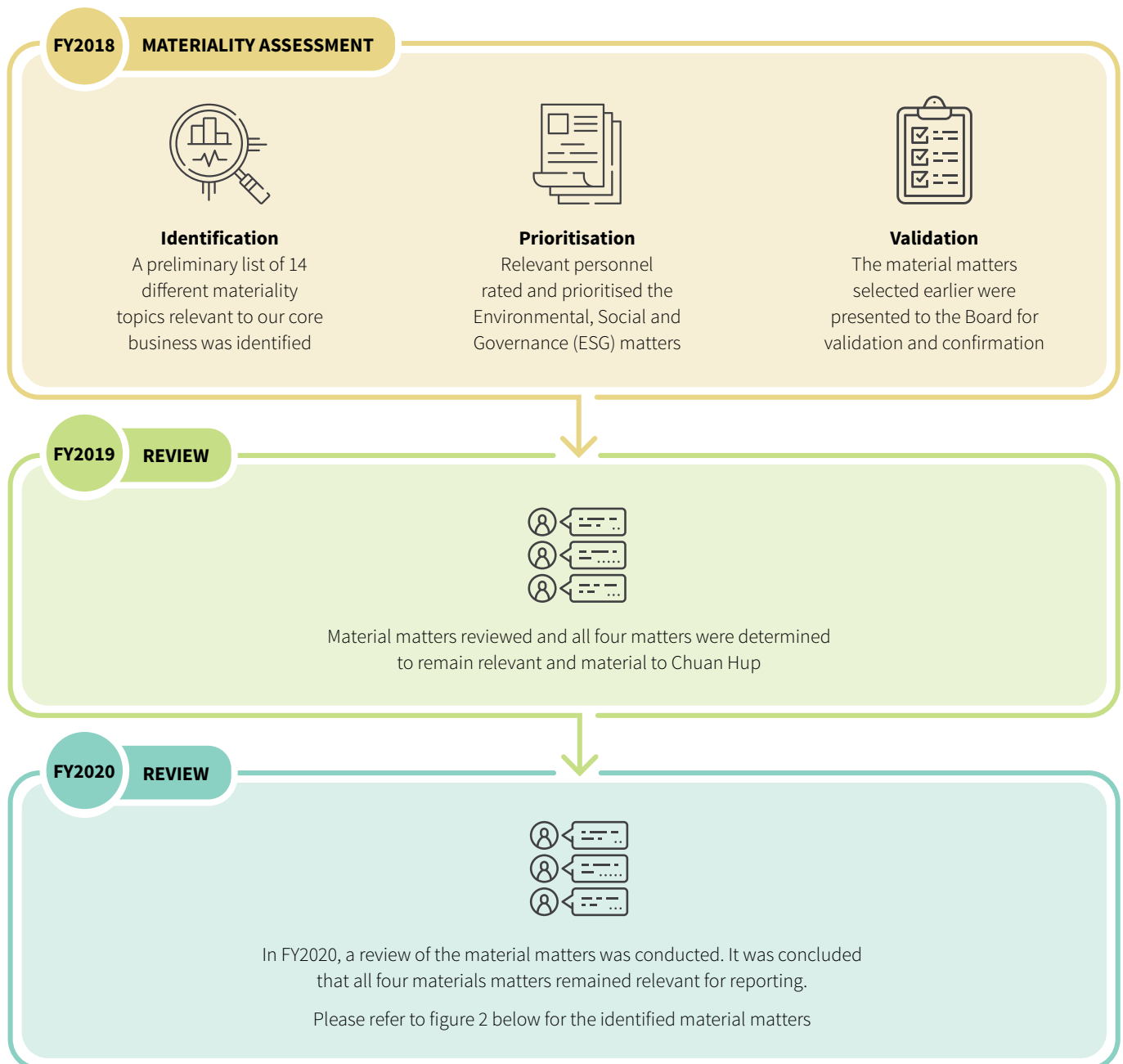
Sustainability Approach at Chuan Hup

Having a systematic approach enables Chuan Hup to quickly and competently address key matters that may affect the sustainability of our business. At Chuan Hup, the Board of Directors provides the overall direction for Management for matters pertaining to ESG issues. Management is responsible for the day to day implementation of key ESG policies and practices within Chuan Hup's operations. The Board and Management work in tandem with stakeholders to ensure that all relevant ESG matters are accounted for during the formulation of its business strategy.

MATERIALITY ASSESSMENT

By focusing resources on the most critical matters of our business, Chuan Hup is able to ensure that it adequately addresses the sustainability concerns of our stakeholders. Chuan Hup conducted its first materiality assessment in 2018 and identified four material matters and one reporting matter as summarised in figure 2. In FY2020, Chuan Hup re-examined these matters and found that they were still relevant to Chuan Hup. Moving forward, Chuan Hup will continue to monitor these material matters to ensure that they remain relevant and material.

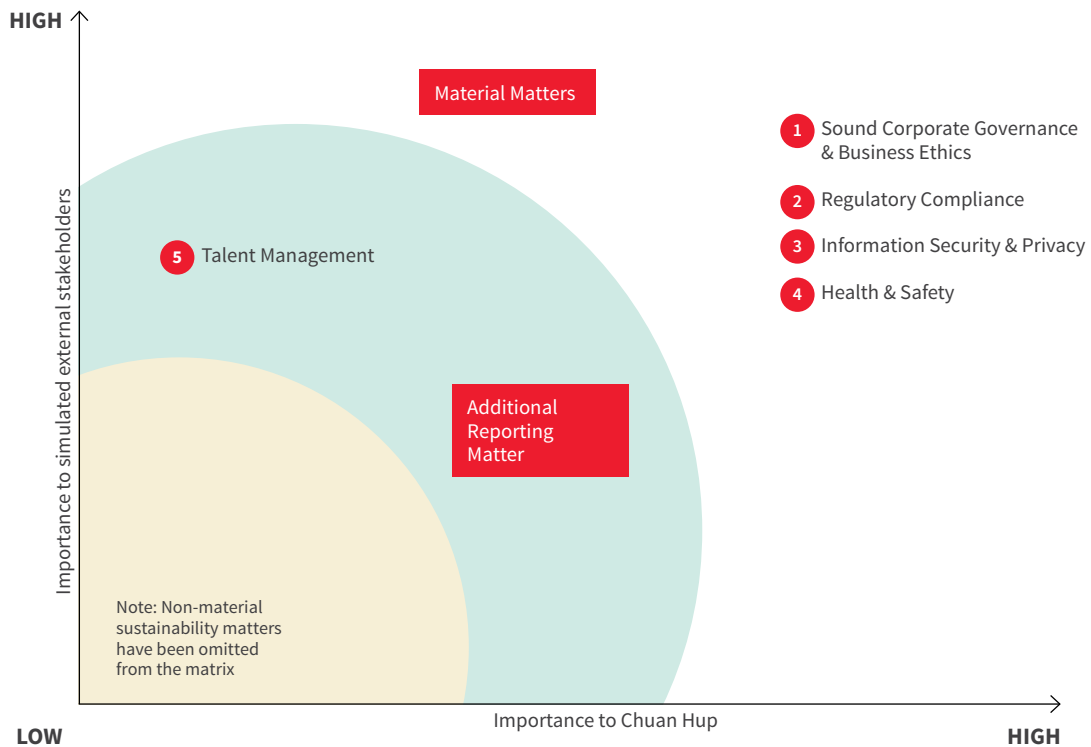
Figure 1. Steps in our Materiality Assessment





Sustainability Approach at Chuan Hup (cont'd)

Figure 2. Chuan Hup's Materiality Matrix



MATERIAL MATTERS	MAPPED GRI STANDARDS TOPICS	TOPIC-SPECIFIC DISCLOSURES
Sound Corporate Governance and Business Ethics	GRI 102: Ethics and Integrity, Governance GRI 205: Anti-corruption	205-3 – Confirmed incidents of corruption and actions taken
Regulatory Compliance	GRI 307: Environmental compliance GRI 419: Socioeconomic compliance	307-1 – Non-compliance with environmental laws and regulations 419-1 – Non-compliance with laws and regulations in the social and economic area
Information Security & Privacy	Non-GRI ¹	Non-GRI – Substantiated complaints concerning breaches of privacy and loss of organisation's data
Health & Safety	GRI 403 (2018): Occupational Health & Safety	403-9 – Work-related injuries 403-10 – Work-related ill health








ADDITIONAL REPORTING MATTER	MAPPED GRI STANDARDS TOPICS	TOPIC-SPECIFIC DISCLOSURES
Talent Management	GRI 404: Training and Education	404-1 – Average hours of training per year per employee 404-2 – Programmes for upgrading employee skills and transition assistance programmes 404-3 – Percentage of employees receiving regular performance and career development reviews

1 GRI 418: Customer Privacy is not applicable to Chuan Hup as we do not have any business relationships with customers.

STAKEHOLDER ENGAGEMENT

Given the rapid developments of the past year, it is important for Chuan Hup to be in tune with the concerns of our stakeholders. To achieve this, Chuan Hup has a formalised approach to gathering feedback from and communicating to key stakeholders on issues related to Chuan Hup's sustainability. Figure 3 provides a summary of Chuan Hup's key stakeholder groups and the way that we manage these stakeholder groups.

Figure 3. Summary of Chuan Hup's Stakeholder Groups and how their concerns are managed

			
 SHAREHOLDERS	Key Concerns: <ul style="list-style-type: none"> - Sustainable and long-term growth - Sustainable returns to the business 	COVID-19 specific concerns: <ul style="list-style-type: none"> - Business resilience to the shock posed by COVID-19 	Our approach and engagement platforms: <ul style="list-style-type: none"> - Reporting of performance of the business through the annual report - Release of financial results, announcements and other relevant disclosures through SGXNet and Chuan Hup Website - Reporting of sustainability policies and practices through the sustainability report - Annual General Meeting (AGM) - Extraordinary General Meeting
 GOVERNMENT	Key Concerns: <ul style="list-style-type: none"> - Compliance with law and regulations 	COVID-19 specific concerns: <ul style="list-style-type: none"> - Adherence to new workplace safe distancing guidelines by the government 	Our approach and engagement platforms: <ul style="list-style-type: none"> - Engagement through annual reports, audit reports and consultation with regulatory bodies as required - Implementation of safe distancing practices in the workplace
 COMMUNITY	Key Concerns: <ul style="list-style-type: none"> - Good and responsible business that contributes back to society in a meaningful way 	COVID-19 specific concerns: <ul style="list-style-type: none"> - Maintenance of support for community initiatives despite challenges posed by COVID-19 	Our approach and engagement platforms: <ul style="list-style-type: none"> - Giving back to society through programmes and activities focused on youth and education and supporting charitable causes - Provision of financial support programmes
 EMPLOYEES	Key Concerns: <ul style="list-style-type: none"> - Fulfilling career - Competitive wages - Safe working environment 	COVID-19 specific concerns: <ul style="list-style-type: none"> - Job security - Workplace flexibility - Enhanced safety protocols in the office to prevent the spread of COVID-19 	Our approach and engagement platforms: <ul style="list-style-type: none"> - Regular training programmes - Performance review - Providing timely updates on COVID-19 specific working arrangements



Our Governance



CORPORATE GOVERNANCE, BUSINESS ETHICS AND COMPLIANCE TO LAWS

Chuan Hup is committed to maintaining high standards of corporate governance and business conduct to safeguard the interests of its stakeholders. We understand that any non-compliance to applicable laws and regulations or breach of trust could cause disruptions to operations and result in serious financial and reputation loss. Chuan Hup has paid close attention to any regulatory changes that have occurred, especially in relation to the management of COVID-19, to ensure that we remain compliant to said guidelines. Chuan Hup's Board of Directors is directly responsible for the implementation and management of policies and practices on corporate governance.

POLICIES AND PRACTICES

It is mandatory for all employees to adhere to Chuan Hup's Corporate Governance policies and practices stated as summarised in Table 1 below. To ensure compliance, all employees are required to submit an annual declaration of non-conflict of interest with the Company's business.

Table 1. Summary of Chuan Hup's Corporate Governance Policies

POLICIES/PRACTICES	DESCRIPTION
 <p>Policy on Work Ethics</p>	<p>All employees are expected to adhere to a high standard of personal conduct at all times and not to engage in any activities or interests that conflict with any of the Group's business. This policy covers the following elements:</p> <ul style="list-style-type: none"> • General conduct • Management of data and intellectual property • Anti-corruption (Conflict of interests, prohibition, non-solicitation)
 <p>Whistleblowing Policy</p>	<p>The policy serves to encourage and provide a channel to employees of the Company and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing, or breach of applicable laws, regulations, policies or other matters.</p>
 <p>Internal Code on Dealing in Securities</p>	<p>Chuan Hup's internal code on securities trading sets out the implications of insider trading and provides guidance and internal regulation on dealings in the Company's securities by its Directors and employees.</p>

Chuan Hup conducts internal and external audits regularly to review the Company policies and practices and reinforce our commitment. Feedback from all stakeholders during Annual General Meetings and Extraordinary General Meetings are communicated to Management to further enhance and improve the Company's business operations. Also, to ensure alignment with all regulatory requirements, Directors and Senior Management have attended seminars on changes to the Code of Corporate Governance and SGX Listing Rules.

More detailed corporate governance practices are set out in our Corporate Governance Report, found from pages 21 to 32 of Chuan Hup's 2020 Annual Report, with specific reference to the principles of the Code of Corporate Governance 2018.

TARGET AND PERFORMANCE

We are pleased to report that in FY2020, there were no reported cases of corruption and non-compliance with environmental and socioeconomic laws and regulations.

INFORMATION SECURITY & PRIVACY

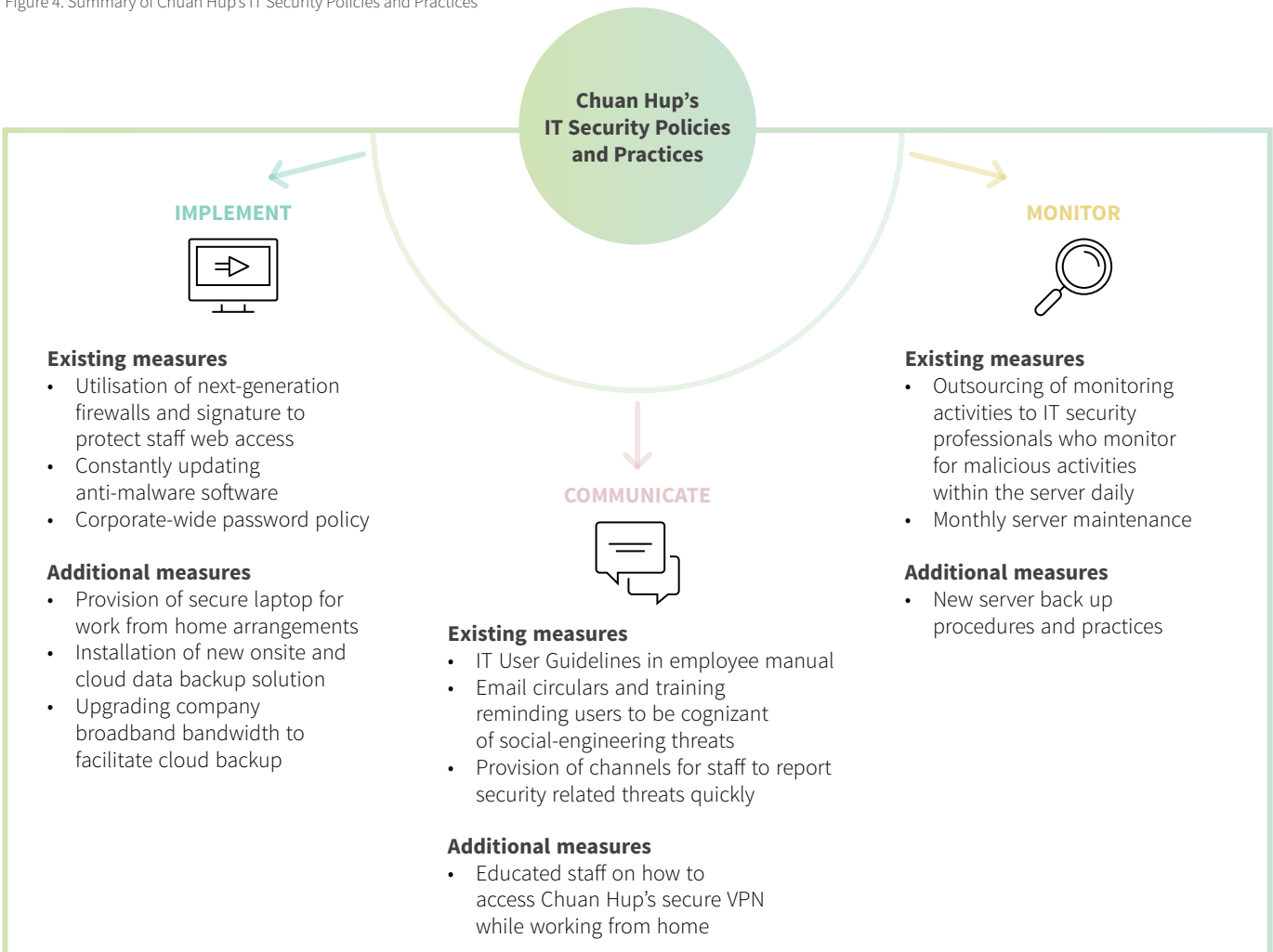
As a consequence of the pandemic, most companies have been forced to explore alternative working arrangements including remote working. While remote working provides employees with flexibility and safety, it also comes with its own set of risks. In particular, managing risk arising from information security & privacy becomes increasingly complex outside of the closed environment of the office. In light of this, Chuan Hup has enhanced several of its digital security protocols and infrastructure to manage this risk.

POLICIES AND PRACTICES

Chuan Hup adopts a three-pronged approach to address the issue of information security. In FY2020, these measures have been enhanced to better meet the challenges arising from new workplace arrangements. An overview of these enhancements has been summarised in Figure 4.



Figure 4. Summary of Chuan Hup's IT Security Policies and Practices





Our Governance (cont'd)

The first approach taken by Chuan Hup has been through the implementation of the latest technologies and data management best practices to secure our data. This includes the use of firewalls, anti-malware software, and password management policies that have been core to our data management infrastructure. This year, we have been focused on improving our data backup process, which has been affected by the changes to the work from home arrangements. This has been done through the implementation of a two-tier digital backup system – onsite with a Synology RS820 server as well as an offsite cloud-based server through a Microsoft Azure Cloud Subscription. Additionally, internal systems such as accounting, and HR systems have been upgraded to allow for better management of electronic documents.

Chuan Hup directly communicates with our staff to ensure that they comply with all the necessary best practices. This communication is done through the employee manual, Chuan Hup's House Rules Policy, and email circulars. Employees were also informed on how to use Chuan Hup Virtual Private Network (VPN) whilst working from home. The use of a VPN is important as it ensure that only authorised individuals can access sensitive files in the server.

Finally, we constantly monitor for malicious activities within our server and conduct monthly server maintenance to ensure that the system is kept up to date against any new threats that may compromise our systems. We have also implemented new policies to ensure that data backup procedures occur regularly to prevent loss.

TARGETS AND PERFORMANCE

Despite changes to the workplace arrangements, Chuan Hup is pleased to report that there were no substantiated complaints with respect to breaches to our data system.

**Perpetual Targets
FY2020**



ACHIEVED

ZERO
substantiated complaints concerning breaches
of privacy and losses of organisation's data



Our People

EMPLOYEE PROFILE

Maintaining a capable and committed workforce is key in ensuring Chuan Hup’s ability to grow. We recognise that we have a responsibility to provide support to our staff especially during the severe disruptions caused by the pandemic. Chuan Hup is committed to providing a nurturing, inclusive and safe environment for all our employees. In FY2020, Chuan Hup workforce decreased slightly to 18 employees compared to 21 employees in FY2019. A majority of these employees work on a permanent and full-time basis. Notably, most of our employees (61%) have worked with the Company for more than 10 years.

Figure 5. Employee profile by employment contract, employment type, employee category, gender² and length of service in FY2020



2 Total employees by gender in FY2019 have been restated as follows: Male 24%, Female 76%.



Our People (cont'd)

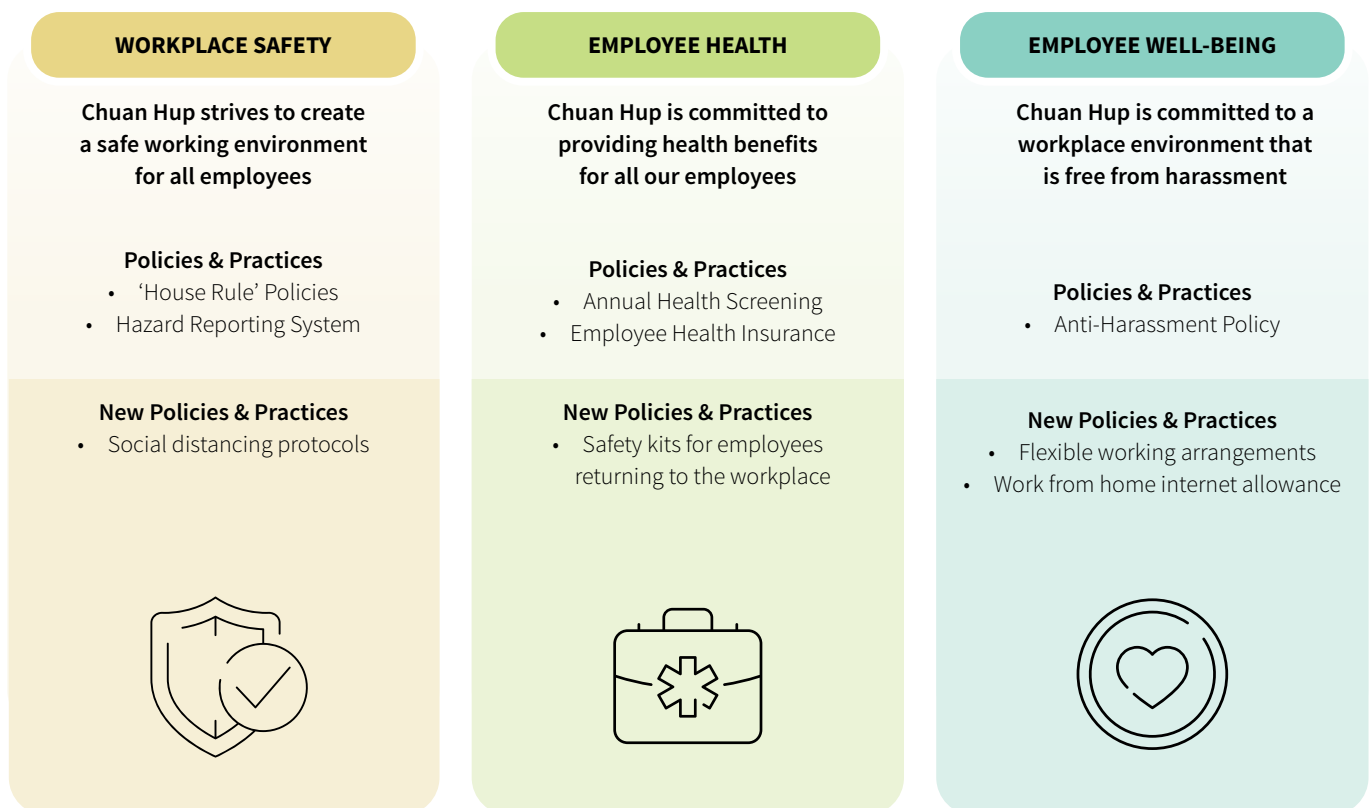
HEALTH AND SAFETY

The onset of the global pandemic has placed health and safety in the workplace as a central concern for all businesses. As an employer, we recognise that we have a responsibility to provide a safe and healthy environment for all our employees. Whether it is through implementing safe distancing measures in the office or facilitating staff to work from home, we have taken every step to ensure that our employees are protected from the risks of the virus.

POLICIES AND PRACTICES

In FY2020, we maintained our policies and practices concerning health and safety, focusing on three different aspects – workplace safety, employee health, and employee well-being – which has been summarised in figure 6. In response to the pandemic, Chuan Hup has introduced additional policies and practices, please see the section below for more details on our pandemic response.

Figure 6. Summary of Chuan Hup's Health and Safety focus



Addressing the threat from COVID-19

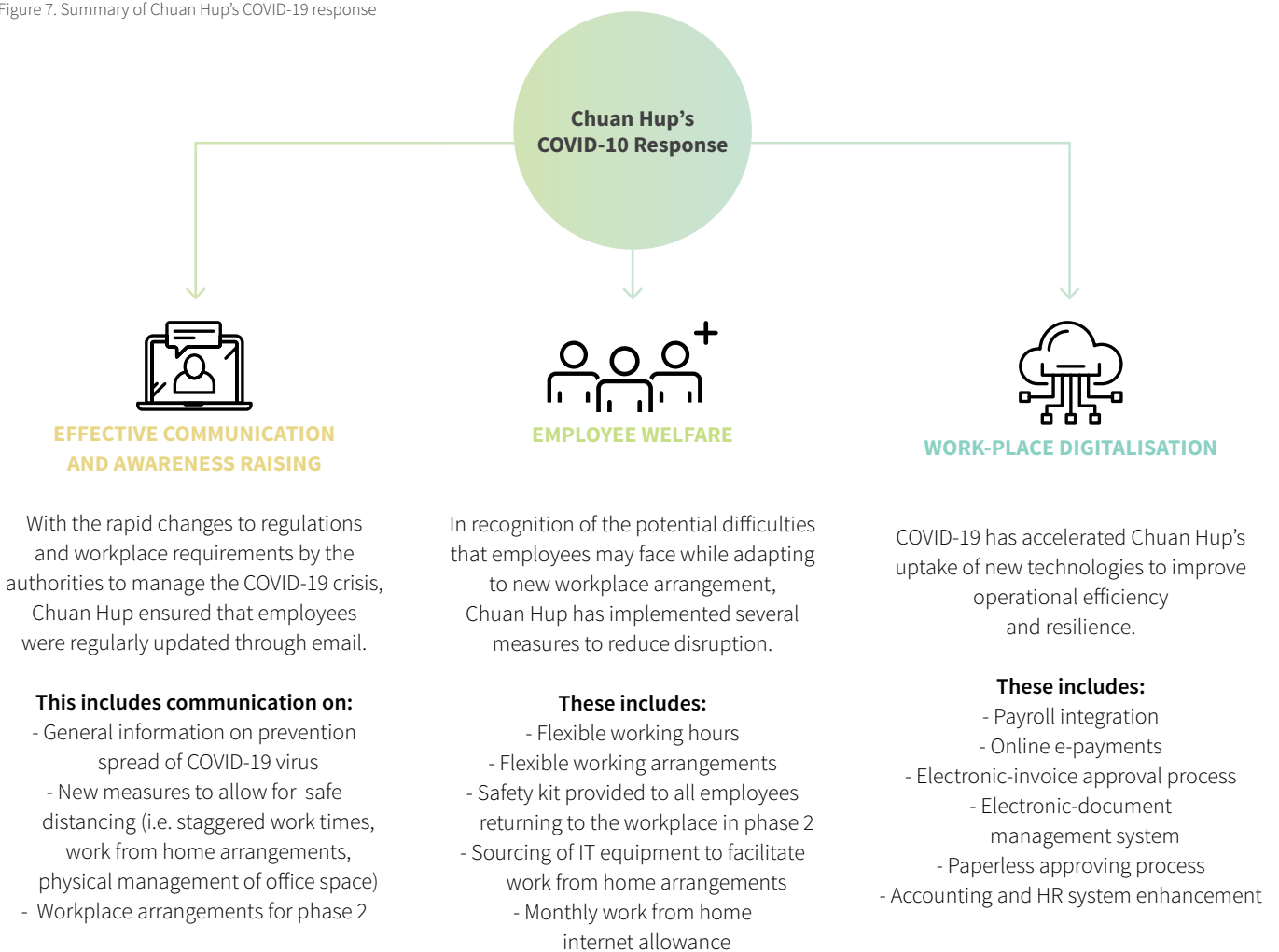
Throughout the pandemic, we have taken cues directly from MOM’s advisories to implement measures to reduce the spread of the virus at the workplace. Chuan Hup has focused on three primary areas to manage this epidemic – effective communication, employee welfare, and digitalisation. These strategies have been summarised in figure 7.

Effective communication was a key part of our strategy to manage our pandemic response. Through a series of emails by HR and management, employees were kept abreast of new internal policies and safe workplace guidelines by the MOM. These helped to prevent any confusion that might have resulted in breaches to safe workplace guidelines by MOM. Additionally, employees were able to reach out to HR or their managers if they had any concerns or difficulties whilst they were working from home.

Chuan Hup also took the opportunity to enhance benefits provided to its employees during this period. In recognition of difficulties that employees may face adapting to the change in working conditions, we have provided employees with more flexibility in their working hours. Additionally, we provided all employees with laptops and IT equipment and provided monthly internet allowances to make the transition to working from home a smoother process. Upon returning to the office in Phase 2 reopening of Circuit Breaker, employees were provided with safety kits which had essential items such as face mask to allow them to safely work from the office.

Finally, Chuan Hup took the opportunity to digitalise several of its workplace procedures carried out by employees. This includes implementing payroll integration, online e-payment, e-invoice approval process, e-document management system and paperless approving process.

Figure 7. Summary of Chuan Hup’s COVID-19 response





Our People (cont'd)

TARGETS & PERFORMANCE

In FY2020, we maintained our commitment towards providing a safe and healthy working environment for our employees, adapting to the global pandemic situation. There were no reports of work-related fatalities, high consequence injuries³, injuries⁴, or work-related ill health cases⁵.

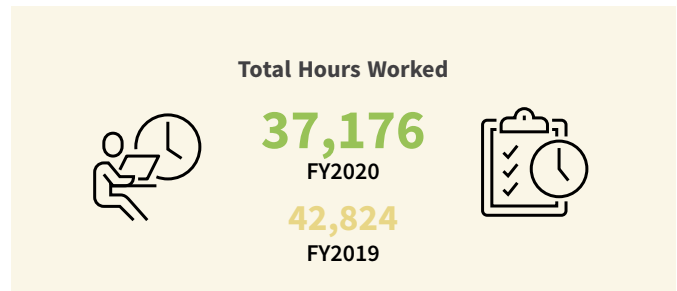
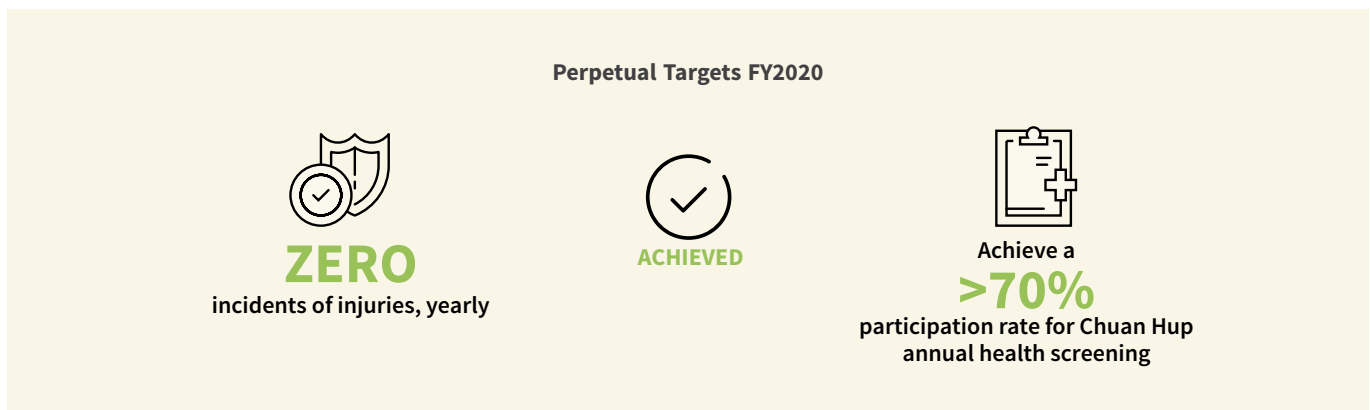


Table 2. Summary of Chuan Hup's Workplace Health and Safety Performance

Performance Indicators	FY2019		FY2020	
	Number	Rate	Number	Rate
Employees	21		18	
Work-related Fatalities	0	0	0	0
Work-related High-consequence Injuries	0	0	0	0
Work-related Recordable Injuries	0	0	0	0
Work-related Ill Health Cases (including fatalities)	0	0	0	0
Total Hours worked (Hours)	42,824		37,176	

In addition, we have managed to achieve a 77% participation rate for our annual health screening. This is in line with our target of a greater than 70%. Moving forward, we will continue to encourage all our employees to take part in this health screening.



3 Under GRI, high consequence injuries refer to injuries where the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months

4 Injury Rate is calculated as the total number of fatal and non-fatal workplace injuries per 200,000 hours worked during the reference period.

5 Under GRI, work-related ill health covers, but is not limited to, occupational diseases as defined by the International Labour Organisation.

TALENT MANAGEMENT

Despite challenges posed by the pandemic, Chuan Hup has continued to place significant emphasis on developing and managing our talent. We believe that a competent workforce would be able to better seize new opportunities as the economy charts its path towards recovery. Chuan Hup is committed to hire, manage, develop, and retain talented and excellent employees in the Company. We take the effort to effectively manage employees to help them develop their skills and capabilities, helping to improve the Company's business performance.

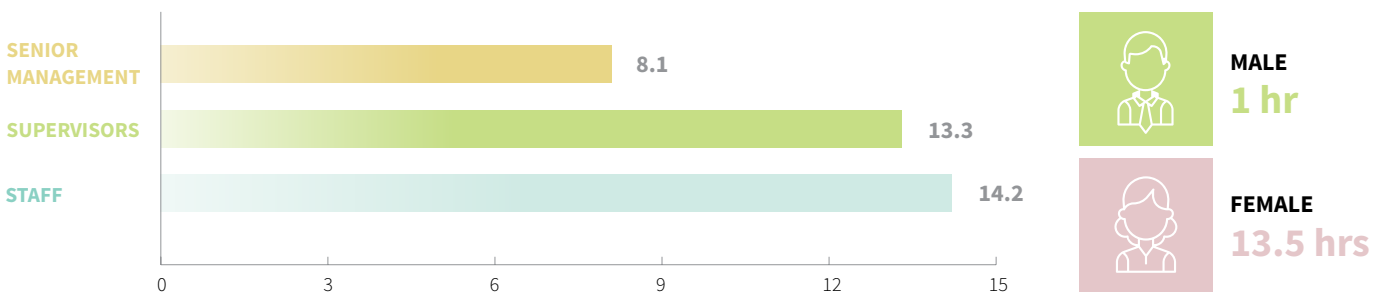
POLICIES AND PRACTICES

Chuan Hup learning and development policy places emphasis on self-development – employees could explore specific skills that they want to develop and the Company would provide appropriate support. This allows employees the flexibility to explore areas that they find essential for their career developing including in topics such as accounting and IT.

TARGETS AND PERFORMANCE

In FY2020, Chuan Hup employees at all levels participated in both training conducted internally as well as by external vendors. Examples of the training include information sessions about regulatory changes, market-specific seminars and training on the use of new digital software. As a result, Chuan Hup employees underwent 182 hours of training, a decrease from FY2019 (310 hours). This can be attributed to variations in hours required for new staff orientations, followed by suspension of physical seminar amidst COVID-19 pandemic.

Figure 8. Breakdown of average training hours by employee category and gender



The HR department conducts regular performance review for all employees. These reviews may come in the form of performance and career development evaluations. This allows employees to keep track of their progress and also identify potential areas of improvement that they should work on in subsequent reporting periods. In FY2020, 100% of our employees were provided with performance reviews.



GRI Content Index

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	About Chuan Hup; Page 2
102-2	Activities, brands, products, and services	About Chuan Hup; Page 2
102-3	Location of headquarters	About Chuan Hup; Page 2
102-4	Location of operations	About Chuan Hup; Page 2
102-5	Ownership and legal form	About Chuan Hup; Page 2
102-6	Markets served	About Chuan Hup; Page 2
102-7	Scale of the organisation	About Chuan Hup; Page 2
102-8	Information on employees and other workers	Our People; Page 9
102-9	Supply chain	NA as Chuan Hup does not engage any suppliers
102-10	Significant changes to the organisation and its supply chain	None
102-11	Precautionary principle or approach	Chuan Hup does not specifically address the Precautionary Principle. However, our approach to sustainability matters is risk-based
102-12	External initiatives	None
102-13	Membership of associations	None
Strategy		
102-14	Statement from senior decision-maker	Statement from our Board; Page 1
Ethic and Integrity		
102-16	Values, principles, standards, and norms of behavior	Our Governance; Page 6
Governance		
102-18	Governance structure	Chuan Hup's Board and Senior Management maintain oversight for sustainability matters
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement; Page 5
102-41	Collective bargaining agreements	No collective bargaining agreements are in place
102-42	Identifying and selecting stakeholders	Stakeholder Engagement; Page 5
102-43	Approach to stakeholder engagement	Stakeholder Engagement; Page 5
102-44	Key topics and concerns raised	Stakeholder Engagement; Page 5
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Refer to Annual Report
102-46	Defining report content and topic Boundaries	About the Report; Page 2
102-47	List of material topics	Materiality Assessment; Pages 3-4
102-48	Restatement of information	Employee data has been revised this year due to a printing error in FY2019
102-49	Changes in reporting	None
102-50	Reporting period	About the Report; Page 2
102-51	Date of most recent report	About the Report; Page 2
102-52	Reporting cycle	About the Report; Page 2
102-53	Contact point for questions regarding the report	About the Report; Page 2
102-54	Claims of reporting in accordance with the GRI Standards	About the Report; Page 2
102-55	GRI content index	GRI Content Index; Pages 14-16
102-56	External assurance	About the Report; Page 2

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
Topic-specific Standards and Disclosures		
Sound Corporate Governance and Business Ethics		
103-1	Explanation of the material topic and its boundary	Corporate Governance, Business Ethics and Compliance to Laws; Page 6-7
103-2	The management approach and its components	Corporate Governance, Business Ethics and Compliance to Laws; Page 6-7
103-3	Evaluation of the management approach	Corporate Governance, Business Ethics and Compliance to Laws; Page 6-7
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance, Business Ethics and Compliance to Laws; Page 6-7
Regulatory Compliance		
103-1	Explanation of the material topic and its boundary	Corporate Governance, Business Ethics and Compliance to Laws; Pages 6-7
103-2	The management approach and its components	Corporate Governance, Business Ethics and Compliance to Laws; Pages 6-7
103-3	Evaluation of the management approach	Corporate Governance, Business Ethics and Compliance to Laws; Pages 6-7
307-1	Non-compliance with environmental laws and regulations	Corporate Governance, Business Ethics and Compliance to Laws; Pages 6-7
419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Governance, Business Ethics and Compliance to Laws; Pages 6-7
Information Security & Privacy		
103-1	Explanation of the material topic and its boundary	Information Security and Privacy; Pages 7-8
103-2	The management approach and its components	Information Security and Privacy; Pages 7-8
103-3	Evaluation of the management approach	Information Security and Privacy; Pages 7-8
Non-GRI	Substantiated complaints concerning breaches of privacy and loss of organisation's data	Information Security and Privacy; Pages 7-8
Health & Safety		
103-1	Explanation of the material topic and its boundary	Health and Safety; Pages 10-12
103-2	The management approach and its components	Health and Safety; Pages 10-12
103-3	Evaluation of the management approach	Health and Safety; Pages 10-12
403-1	Occupational health and safety management system	Not Applicable
403-2	Hazard identification, risk assessment and incident investigation	Not Applicable
403-3	Occupational Health Services	Not Applicable
403-4	Worker participation, consultation, and communication on occupational health and safety	Not Applicable
403-5	Worker training on Occupational Health and Safety	Not Applicable
403-6	Promotion of worker health	Health and Safety; Pages 10-12
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not Applicable
403-9	Work-related injuries	Health and Safety; Pages 10-12
403-10	Work-related ill health	Health and Safety; Pages 10-12



GRI Content Index (cont'd)

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
Talent Management		
103-1	Explanation of the material topic and its boundary	Talent Management, Page 13
103-2	The management approach and its components	Talent Management, Page 13
103-3	Evaluation of the management approach	Talent Management, Page 13
404-1	Average hours of training per employee	Talent Management, Page 13
404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Management, Page 13
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management, page 13



Chuan Hup Holdings Limited

(Co. Reg. No. 197000572R)

8 Eu Tong Sen Street

#24-90 The Central

Singapore 059818

Tel: (65) 6559 9700 Fax: (65) 6268 1937

Website: www.chuanhup.com.sg

Email: corpsec_legal@chuanhup.com.sg