MENCAST HOLDINGS LTD

Sustainability Report
FY2019

CONTENTS

ABOUT THE REPORT

Reporting Boundary
As a guide, this report covers operations and all subsidiaries for which Mencast Holdings Limited ("**Mencast**" or together with its subsidiaries, the "**Group**") has management control, unless otherwise stated. It seeks to provide an overview of our sustainability practices, commitment, and performance of the Group's material Environmental, Social and Governance ("**ESG**") topics.

Reporting Period & Standard
The reporting period is the same as that of the financial year of the Group (1 January 2019 to 31 December 2019 – FY2019). This report was prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards – "Core" reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

Independent Assurance
The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but have relied on internal verification to ensure the accuracy of data.

FEEDBACK

We are fully committed to our stakeholders and we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to ir@mencast.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

BOARD STATEMENT ON SUSTAINABILITY

Mencast Holdings Limited ("**Mencast**" or together with its subsidiaries, the "**Group**") is pleased to issue its third sustainability report prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Group endeavours and is committed to continually consider material environmental, social and governance topics as part of our core business strategy. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board of Directors ("**Board**") and senior management ("**Management**") remains committed to establish and maintain an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives and performance measurements.

The Sustainability Reporting ("**SR**") Committee supports the Management in identifying the type of relevant ESG topics caused by its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, and influence on stakeholder values, and the achievement of the Group's strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

The ESG topics in this report reviewed by the Board and Management is assessed to be material and relevant. The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring the material ESG topics for continual improvement.

ABOUT THE GROUP

Mencast Holdings Ltd and its subsidiaries ("**Mencast**" or the "**Group**") is a regional Engineering and Maintenance, Repair and Overhaul ("**MRO**") solutions provider. We also have growing business in waste remediation, recycling and manufactured products.

Headquartered in Singapore, the Group was successfully listed in June 2008 as the first sponsor-approved listing on Singapore's SGX Catalist and later became the first such company to transfer to the SGX Mainboard. From its establishment in 1981, the Group has grown into a leader in the manufacture and repair of propellers and stern gear equipment and has built on its core competencies to steadily expand business into new areas.

Mencast constantly innovates to create customer value and drive sustainable business growth. In 2017, Mencast Innovation Centre Pte. Ltd. ("**MIC**") was established as an incubator that provides mentorship, facilities and networking opportunities for growth companies synergistic with our Group. Mencast will continue to seek technology driven growth opportunities in MRO, environmental remediation, manufacturing and the recycling of waste products.

FOUR (4) SERVICE PRINCIPLES	SIX (6) PILLARS OF STRENGTH
1. **We work hard to retain our technical expertise** Customers partner with Mencast for the high standards we set ourselves. We are continuously learning, sharpening our skills and striving to improve ourselves to be the best possible partner to our customers.	✓ **Commercially Minded / Corporate Ethos** ✓ **Full Engagement** ✓ **Responsiveness/Speed**
2. **We always seek solutions** At Mencast, we are determined to find a solution to your problem. Our flexibility, resourcefulness, and innovation approach equips us to anticipate, avoid and overcome any obstacles you might face.	✓ **Superior Technical Ability** ✓ **Resourceful/Solution Oriented/Dependability**
3. **We look out for one another** We believe in the value of teamwork and think of our Mencast team as a family; someone we can count on and trust. Not just when things go wrong but to share our successes too.	✓ **Environmental Championship**
4. **We focus on developing and maintaining long-term customer relationships** We consider our customers to be our partners not just today, but in the long run. We place our customers at the forefront of our business and make sure that our industry relationships and commercial acumen inform our service and capabilities.	

Awards & Certification

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, the Group have upheld a reputation for quality and high standards in our operations, as well as excellence in our operations management. In FY2019, we have attained, as well as continue to maintain various awards and certifications, such as the following:

- ISO 9001 Certification – Quality Management Systems
- ISO 14001 Certification – Environmental Management System
- OHSAS 18001 Certification – Occupational Health & Safety

GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by Mr Sim Soon Ngee Glenndle, our Executive Chairman and Chief Executive Officer ("**CEO**"), comprises senior management of all businesses to provide an oversight on the integration of sustainability practices into all aspects of the business. The Board maintains overall responsibility and ensure that sustainability matters are considered as part of business strategy. There were no changes in the composition of the Committee since the first year of reporting.

The Committee focuses in formulating, implementing and reviewing the Group's sustainable policies and practices, sustainability development programs and initiatives. Periodic reviews are carried out at both the Committee and business department level to ensure the effective implementation and that initiatives remain in line with the Group's strategic development.

STRATEGIC APPROACH FOR SUSTAINABILITY

Mencast firmly believes that while our businesses are driven by earnings, what we do must also have a positive impact on environment, employees and all other stakeholders in our value chain. In FY2019, with the help of an Independent External Consultant ("**Consultant**"), the Group reviewed and defined our approach to sustainability management. We have reviewed the four main aspects and existing non-financial topics for FY2019 reporting disclosure. The Management concluded that these topics remain material to the sustainability of our economic performance and business operations. As proposed by the Consultant, the Management incorporated two new topics for disclosure – Anti-Corruption and Energy (See Exhibit 1).

Exhibit 1. An Overview of Our Approach to Sustainability Management

Three main aspects towards sustainability of our economic performance and business operations

Economic Performance[1]		
Procurement Practices		
Environmental Management	**Organisational & Relationship Management**	**Corporate Governance & Risk Management**[2]
Energy	Employment	Anti-Corruption
Environmental Compliance	Training & Development	
Supplier Environmental Assessment	Occupational Health & Safety	

Our Materiality Assessment Process

Supported by a systematic & interactive process to identify, categorise and prioritise material ESG topics

Identify Define a list of potential material ESG topics	**Categorise** Refine the list of topics by clustering them into categories	**Prioritise** Engage SR Committee for feedback and validation of each topics based on importance to internal and external stakeholders

1. Please refer to Financial Statements of the Annual Report 2019 ("**AR2019**").
2. Please refer to the Corporate Governance section of the AR2019.

STAKEHOLDER ENGAGEMENT

Mencast recognises that knowing and understanding the demands and concerns of stakeholders is key to sustainable growth and that regular engagement with stakeholders helps us to understand and establish material areas of focus. The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions.

Our stakeholders are those who have a considerable influence on our business, and whom our business has a significant impact on. In FY2019, the SR Committee with the support of our Consultant has reviewed and ascertained that employees, bankers, customers, shareholders and investors and business partners remained as our key stakeholder groups (See Exhibit 2).

Exhibit 2. Our Key Stakeholder Groups

Employees
We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.

Customers
We strive to maximise our customers satisfaction, which reflects sales and revenue. We ensure that we understand our customers' needs and expectations and we aim to build long lasting relationships with our customers so that they are likely to engage our services again.

Shareholders and Investors
We aim to maintain profitability in our Group and maximise shareholders' return. We also strive to maintain corporate governance and improve level of transparency through reporting and communication.

Business Partners
We work closely with our business partners / subcontractors to ensure that all our operations that were carried out are in line with our sustainability efforts and industry practices.

Community
We work closely with our community and remain fully committed to continue procuring responsibly while generating positive economic and social benefits for the local community we operate in.

Membership of Associations
Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, Mencast and its subsidiaries have joined and taken active participation in the following industry associations:

- Singapore Business Federation
- Association of Singapore Marine Industries
- Singapore Chinese Chamber of Commerce & Industry
- Commercial Diving Association (Singapore)
- Association of Diving Contractors (International)
- Industrial Rope Access Trade Association
- International Marine Contractors Association

MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Guided by our Consultant and having considered the topics of concerns and expectation of identified key stakeholders, the SR Committee, together with the Management, have assessed and prioritised the material topics to focus on for the Group, as well as targets and commitments.

OUR TARGETS AND COMMITMENTS

ECONOMIC	
Financial Performance	• To improve our internal efficiency and effectiveness in our existing business and also, to leverage on our existing strengths for new business opportunities.
Procurement Practices	• Continue to collaborate with right business partners and suppliers to redesign our product offerings to reduce negative impact on the environment.
ENVIRONMENTAL MANAGEMENT	
Energy	• Maintain and achieve energy efficiency and a balance energy intensity usage correlated with business growth.
Environmental Compliance	• Zero incidents of non-compliance • No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations
ORGANISATIONAL & RELATIONSHIP MANAGEMENT	
Fair Employment	• Continue to promote diversity and equal opportunity in the workplace. • Comply with local labour regulations across our operations.
Training and Education	• Achieve an average of 2 hours of training per employee annually.
Occupational Health and Safety	• Zero fatalities and/or workplace injuries.
CORPORATE GOVERNANCE	
Anti-Corruption	• Zero incidents of bribery and corruption, including facilitation payment. • Zero tolerance towards all forms of bribery and corruption.

The material ESG topics were also reviewed by the Board and determined as being relevant. Moving forward, to keep abreast of critical issues, the SR Committee, supporting the Board in its oversight, will continue to review annually material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends.

ECONOMIC

PROCUREMENT PRACTICES

The Group firmly believes that the suppliers and subcontractors we engage are critical to creating positive economic impact, thus enhancing stakeholder's return. In this respect, the Group maintains a rigorous selection process in vendors selection, which are based on the past track records and adherence to occupational health and safety standards.

As we consider sustainability as one of the key factors in selecting a supplier, we evaluate the potential candidates based on their sustainability performance and practices. Often, there would be a collaboration with business partners and suppliers to redesign our product offerings to reduce the negative impact on the environment in this area. For the purpose of this disclosure, we took into account the entities located in Singapore as the "significant locations of operations".

Purchases from local material suppliers accounted for approximately 89% (FY2018*: 68%) of the total purchases in FY2019. The remaining raw materials were procured from overseas suppliers as they were not available locally.

Currently, the use of foreign subcontractors and import purchase is kept to a minimum, and we remain fully committed to continue procuring responsibly while generating positive economic and social benefit for the local community we operate in.

* restated due to disposal of 50% shareholdings in Vac-Tech (no longer a subsidiary)

ENVIRONMENTAL MANAGEMENT

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group's business decisions. We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers. Our environment efforts are largely focused on maximising material utilisation and optimising energy consumption. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.

ENERGY

In FY2019, the Group consumed approximately 6.92 million kWh of electricity, which comprises a mix of direct and indirect sources of energy. Direct energy refers to primary sources of energy from our solar generation on site, whereas indirect energy is electricity purchased from external suppliers – the grid. The breakdown of consumption by respective businesses as follows:

Offshore & Engineering ('000 kWh)	**Marine** '000 kWh)	**Energy** ('000 KWh)
2,617	2,873	1,430

To improve energy efficiency, the Group will continue to optimise operations and processes; technological improvements, including the adoption of more sustainable building designs and materials; and the use of energy-efficient equipment and devices.

ENVIRONMENTAL COMPLIANCE

Environmental compliance forms an integral part of the Group's sustainability philosophy. With increased pressure on corporations to be accountable for their environmental footprint and rising cost of natural resources, we endeavour to not just comply but also integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem.

Over the years, the Group's operations continue to conform to local environmental laws and regulations. The Group maintains a zero tolerance for non-compliance and encourage our stakeholders to report any incidences via our established whistle blowing channels. All employees of Mencast are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

In FY2019, there was a "Notice of Offence" from PUB for traces of contaminants in the trade effluent. This was subsequently resolved with no stop work from the authorities. There were no other incidents of non-compliance and penalties pertaining to environmental-related issues. The Board and Management continues to review and improve current environmental management system and practices and ensure that all our activities and operations comply with regulatory and customers' requirements.

Moving Forward

To maintain the highest standard of environmental compliance, our commitment and target, the Management will continue to review and improve current environmental management system and practices and ensure that all our activities and operations comply with existing regulatory requirements.

FAIR EMPLOYMENT

Our employees are one of our most valuable assets and the Group believes in and is committed to fair employment practices, upholding human rights principles and investing in developing and training our people. We provide equal opportunities to all employees without discrimination.

As of 31 December 2019, we have a total of 368 full-time employees.

	FY2019			FY2018*		
Total No. of Employees	368			377		
Distribution by Gender (%)						
	Male 88%		Female 12%	Male 87%		Female 13%
	FY2019			**FY2018**		
New Hires	86			59		
	78% of new hires in FY2019 were male due to the nature of industry, compared to 85% in FY2018.					
Age Group	**< 30**	**30 - 50**	**> 50**	**< 30**	**30 - 50**	**> 50**
Total No. of New Hire by Age Group	37	37	12	13	37	9
% of New Hire by Age Group	43%	43%	14%	22%	63%	15%
Turnover	98			57		
	< 30	**30 - 50**	**> 50**	**< 30**	**30 - 50**	**> 50**
Total No. of New Hire by Age Group	35	53	10	10	29	18
% of Turnover by Age Group	36%	54%	10%	17%	51%	32%

We strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group has instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability or gender. Employees are required to observe and adhere to all relevant policies and practices.

* Figures restated due to disposal of 50% shareholding in Vac-Tech (no longer a subsidiary of Mencast).

Due to the inherent nature of labour-intensive work and physically challenging working conditions, the majority of our employees are male. Mencast makes a conscious effort to maintain diversity in the middle management, to generate creativity and innovation and improve the organisation's culture. There were no reported incidences of discrimination raised by our employees in FY2019.

The Group also has an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This is to reinforce our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no workplace grievance cases reported in FY2019.

Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and sets packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2019, in addition to the competitive remuneration offered, we extended our employees a set of benefits including but not limited to:

Employment Benefits	Descriptions
Life Insurance	In the event that our employee becomes critically ill or permanently disabled, their loved ones will receive a sum of money to provide them with financial protection and coverage against risks.
Medical Insurance	Employees are reimbursed for outpatient treatments, surgery or hospitalisation expenses covered under medical insurance.
Disability Insurance	Our employees are covered under personal accident insurance and work-related injury. For instance, the organisation will reimburse any rehabilitation costs or monthly pay-outs for each case of disability.
Parental Leave	Both female and male employees are entitled to maternity leave and paternity leave when applicable. We provide other leave benefits catering to our employees' children during the stages of infant care and childcare. In FY2019, the Group had a return-to-work rate of 80% and remained employees of the Group for more than a year. The Group will continually work towards building a pro-parent workplace through enhancing our Group welfare practices and culture.
Retirement Provision	For employees qualified for pension approaching the retirement age, the government will provide them with monthly cash pay-outs of their CPF contributions.
Workers Dormitory and Canteen	Workers are granted dormitory accommodation, coupled with basic necessities such as proper sanitation and water.

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. Being in an industry that is largely labour-intensive, we are dedicated to constantly reviewing our employment policies, benefits and remuneration practices to ensure compliance with the updated employment laws, and to keep up with the best industry practices to provide the optimal working conditions for our people.

Some of the recreation and welfare activities/events arranged for staff in 2019 are:
- Teambuilding bowling games at Orchid Bowl @ The Chevron.
- Mid-Autumn Festival Lunch for the employees.
- 7th Lunar Month Dinner for all staff, including an onstage Karaoke session.

The Group continually cultivates a transparent and inclusive environment for all employees, as well as ensures a top-down approach to promote fair and ethical business dealings. Mencast maintains zero tolerance towards unethical labour practices such as child labour, forced labour, slavery and human trafficking across all our operations.

Teambuilding bowling games at Orchid Bowl @ The Chevron.

7th Lunar Month Dinner for all staff, including an onstage Karaoke session.

TRAINING & DEVELOPMENT

The Group recognises that employees need to stay informed and be updated in their skill sets in the ever-changing work environment. To encourage and support our employees to develop their fullest potential and have a fulfilling career, both on-the-job and ad-hoc trainings are made available to our employees. Employees are encouraged to attend courses which are relevant to their work nature.

In FY2019, the company invested approximately S$53,000 and clocked a total of 4,052 hours in training. This was lower compared to 5,530 hours* clocked during FY2018 because of a reduction in total employee numbers.

	FY2019	FY2018
Average Hours of Training Per Employee	**11.71 hours**	**~15 hours***

* Figures restated due to disposal of 50% shareholding in Vac-Tech (no longer a subsidiary of Mencast).

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to continually allocate budget and plan skills upgrading to equip employees to meet strategic targets of the Group. We believe that more skilled employees enhance Mencast's human capital and contribute to employees' satisfaction, which will then enhance overall performance.

Training sessions to educate the employees on the technical skills and safety across different modes of operations, such as:

Mandatory Trainings	Other trainings (depends on job function)
• Shipyard Safety Instruction Course (SSIC) • Apply Workplace Safety & Health in Metal Work • Recognise Terrorist Threats (RTT) • ISO/IEC 17025:201 Internal Auditor Training Course • Shipyard Supervisors Safety Course	• WSQ Specialist Diploma in Workplace Safety & Health • WSQ – Hazardous Substances Training • WSQ – Forklift Operator Trainings • WSQ – Risk Management Training • WSQ – Workplace Safety & Health in Process Plant

In FY2019, the Group has also piloted initiatives and automation programmes to boost productivity:

3D Pattern Scanning and Printing

3D printers were implemented to create the propeller pattern (or prototype), effectively shortening stage one of propeller-making process. Instead of replacing the older workers, the company valued their experience and tapped on WorkPro Job Redesign Grant to roll out job redesign so that they could be trained to use the new technology.

Automation and Remote Monitoring of Slop Pre-treatment Process

The Group also embarked on a project to improve the pre-treatment process by implementing the following:

- Remote monitoring of SLOP pre-treatment
- Automation of transfer of oily wastes

Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted on an annual basis whereby there will be two-way communication and engagement between supervisors and subordinates to assess the performance of the employee. Upon completion of the appraisal process, consideration of career advancement such as promotion; quantum of salary increments, and annual variable bonus will be determined based on the performance appraisal results. Employees are assessed and remunerated fairly based on their experience, qualifications and performance.

In FY2019, 100% of total employees (those with more than one year service), received performance and career development review.

The Group shall continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

OCCUPATIONAL HEALTH & SAFETY

Safety is an integral part of our business, and a key focus area for our board of directors and senior management.

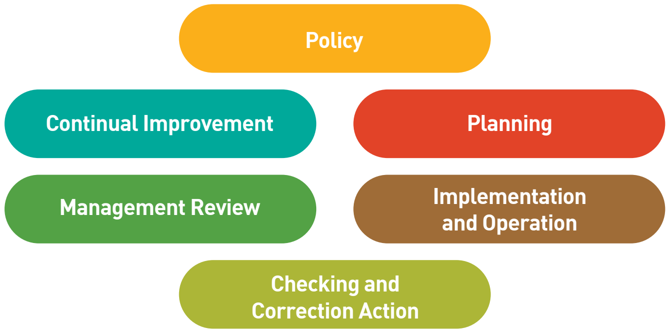
Occupational Health & Safety Management Framework

In FY2019, the Group continue to be certified to meet the Singapore standard for occupational safety and health management system, as well as OHSAS 18001 occupational health and safety assessment series and ISO 14001 environmental management system.

Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our employees and stakeholders to ensure that they understand our requirements and expectations.

Our safety management system continues to be routinely audited by independent consultants.

Key Elements of Our Health & Safety System



To facilitate the physical supervision of the workplace safety and the relaying of Workplace Safety and Health ("**WSH**") related messages, each individual subsidiary has established its own Health, Safety and Environment ("**HSE**") Committee. The HSE Committees are headed by a chairman appointed by the director, typically a senior personnel from the Operations or Production department. They oversee the subsidiaries' operations to ensure that safety standards are upheld at all times and also up to industry leading practices.

The Committee conducts regular and surprise inspections on their workers' workplace safety. In addition, the role and responsibilities of the HSE Committee includes reviewing, effectively implementing and reinforcing safety standards and regulations to ensure all areas of safety are adequately covered. Committee meetings are conducted minimally once a month to review safety inspection results, ensure corrective actions are taken promptly, as well as coordinate and organise HSE campaigns. We also constantly seek feedback from non-committee members regarding areas of improvement and all relevant HSE matters. We estimate nearly 100% of the workforce are represented well as they have the right to participate fully in the establishment and implementation of occupational health and safety policies, procedures, investigations and risk assessments.

In FY2019, the Group continues to maintain a balanced proportion of managerial to non-managerial staff in the committee. Moving forward, we will continue to maintain the ideal proportion and better facilitate workplace safety with a less hierarchical organisation.

Inherent Occupational Risk

As a Group, we periodically assess the occupational injuries and diseases risks that may occur due to workplace conditions. In FY2019, due to the nature of the work, we continue to consider the following as high-risk:

- **Decompression illness or Barotrauma11** - Adherence to accepted diving safety standards and dive exposure tables; and
- **Chemical Exposure** – Provision of Personal Protective Equipment ("**PPE**") and annual medical examinations.

Findings from our risk assessments are considered in the determination of facility requirements, training programmes and operational controls. The Group ensures each worker is well protected before the start of each assignment through documenting on the PPE record to ensure that each worker is sufficiently equipped with protective gears. We have also developed a list of protocols and precautions for workers to ensure that their safety is fully covered in all areas of work.

Workplace Health & Safety Performance

	FY2019	FY2018
	Total	**Total**
Death or Total Permanent Disabilities	0	0
Reportable Injuries	2	3
Occupational Disease	0	0

In FY2019, a total of 17 man-days were lost due to injury*, a significant drop as compared to 106 days in FY2018. For each of these injuries reported, the Group Quality, Health & Safety, Environmental ("**QHSE**") Manager prepares an Investigation report, consisting of mainly the details of the accident, and a corrective action plan to minimise the likelihood of similar accidents occurring again.

Additionally, we ensure that our employees attend medical consultations for early detection. These medical consultations include:

- Audiometry tests for employees exposed to excessive noise hazards; and
- Medical examinations for employees exposed to oil and tar.

Though the Group managed to maintain a zero occupational injury and disease and zero serious injury or death, there was a composition fine by MOM on the Offshore and Marine division due to a damaged safety latch on a crane hook. The safety latch was damaged due to wear and tear of daily use.

Moving forward, the Group shall strive to continue to maintain its health & safety standards with continuous improvement in its Operational Health and Safety processes and performance.

* Lost days indicate scheduled workdays, and we standardised the count to commence the day after the accident.

ANTI-CORRUPTION

Mencast is committed to uphold the highest standards of corporate governance and business integrity across its business activities, which are essential for the long-term viability of the Group's businesses and the enhancement of shareholder value. The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group, including a direct channel to the Audit Committee, for reporting suspected bribery, corruption, dishonest practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. The policy and its effectiveness will be reviewed by the Audit Committee periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required.

In FY2019, there were no incidents of regulatory non-compliance across Mencast's group of businesses. There were also no reported incidents pertaining to whistle-blowing for this reporting period under review. The Group continues to work towards reinforcing a full compliance culture.

Moving Forward

The Audit Committee continues to support the Board in its oversight of anti-corruption and is responsible for driving the Group's focus on implementing effective compliance and governance systems. At an operational level, the respective department within the Group continues to be responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, information technology, compliance and reputational related risks.

Please refer to the Corporate Governance section of the annual report for more information.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organization	Cover Page
	102-2 *	Activities, brands, products, and services	Refer to AR FY2019 – Notes to The Financial Statement – Note 1
	102-3 *	Location of headquarters	42E Penjuru Road, Mencast Central, Singapore 609161
	102-4 *	Location of operations	42E Penjuru Road, Mencast Central, Singapore 609161 and 42B Penjuru Road, Mencast Central, Singapore 609163
	102-5 *	Ownership and legal form	Refer to AR FY2019 – Group Structure
	102-6 *	Markets served	Refer to AR FY2019 – Note 4 Revenue by Geographical Segment
	102-7 *	Scale of the organisation	Page 9
	102-8 *	Information on employees and other workers	Page 9
	102-9 *	Supply chain	Page 7
	102-10 *	Significant changes to the organization and its supply chain	No significant changes
	102-11 *	Precautionary principle or approach	Page 4
	102-12 *	External initiatives	Page 3
	102-13 *	Membership of associations	Page 5
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Refer to AR FY2019 Chairman's Message
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Page 3
GRI 102: Governance	102-18 *	Governance structure	Page 4 Refer to AR FY2019 – Corporate Governance Corporate Structure

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Page 5
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	Page 5
	102-43 *	Approach to stakeholder engagement	Page 5
	102-44 *	Key topics and concerns raised	Page 6
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Refer to AR FY2019 – Notes to The Financial Statement – Note 16
	102-46 *	Defining report content and topic Boundaries	Page 1
	102-47 *	List of material topics	Page 6
	102-48 *	Restatements of information	Page 7, Page 9 and Page 12
	102-49 *	Changes in reporting	No significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50 *	Reporting period	Page 1
	102-51 *	Date of most recent report	FY2018 Sustainability Report
	102-52 *	Reporting cycle	1 Jan 2019 to 31 Dec 2019
	102-53 *	Contact point for questions regarding the report	Page 1
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core option
	102-55 *	GRI content index	Page 16 - 18
	102-56 *	External Assurance	The Group has not sought external assurance for this sustainability report.
GRI 302: Energy	DMA	Disclosure of Management Approach	Page 7
	302-1	Energy Consumption	Page 7
GRI 307: Environmental Compliance	DMA	Disclosure of Management Approach	Page 8
	307-1	Non-compliance with environmental laws and regulations	Page 8

Category	Disclosure	Description	Page Reference and Remarks
GRI 401: Fair Employment	DMA	Disclosure of Management Approach	Page 9 - 11
	401-1	New employee hires and employee turnover	Page 9
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 10
	401-3	Parental leave	Page 10
GRI 403: Occupational Health and Safety	DMA	Disclosure of Management Approach	Page 13 - 14
	403-1	Occupational Health and Safety Management System	Page 13 - 14
	403-2	Types of injury and rate of injury	Page 14
GRI 404: Training & Education	DMA	Disclosure of Management Approach	Page 12
	404-1	Average hours of training per year per employee	Page 12
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 12
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