



HIAP TONG CORPORATION LTD.

SUSTAINABILITY REPORT 2022

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This sustainability report has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

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ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers operations and all subsidiaries for which the Group has management control over, unless otherwise stated. It seeks to provide an overview of our approach, 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 the financial year of the Group (1 April 2021 to 31 March 2022). 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 has 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 sr@hiaptong.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

Hiap Tong Corporation Ltd. and its subsidiaries ("**Hiap Tong**" or together with its subsidiaries, the "**Group**") are pleased to issue its fifth sustainability report prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Group endeavour to continually integrate material ESG 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 types of relevant ESG topics caused by its day-to-day operations. Thereafter, Management assess and determine the ESG topics to be disclosed in this report based on the materiality, 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 of material ESG topics for continual improvement.



ABOUT THE GROUP

Corporate Profile

Established since 1978, Hiap Tong is a leading provider of hydraulic lifting and haulage services to the marine, petrochemical, and construction industries in Singapore.

From a single 10 tonne mobile crane in 1980, the Group has expanded its combined lifting and haulage fleet size to an aggregate of 402 vehicles as at 31 March 2022, consisting of 175 cranes (with lifting capacities ranging from 10 to 1200 tonnes) and 227 units of haulage equipment.

Hiap Tong offers the largest range of lifting capabilities in the hydraulic mobile crane category, and we believe we are the only Singapore company with the ability to provide mobile lifting services with lifting capacities of up to 1200 tonnes, which allows us to undertake specialised lifting jobs.

We pride ourselves as an integrated one-stop service provider, offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes, to transportation services, with our haulage fleet.



With an established customer base of more than 300 customers, some of our notable customers include business units and affiliates of Sembcorp Marine Ltd and Keppel Corporation Limited in the marine industry; ExxonMobil Asia Pacific Pte Ltd and Sankyu (S) Pte Ltd. in the petrochemical industry; as well as GS Engineering and Construction Corp. in the construction industry. With our strong track record, business reputation and superior quality services, many of our major customers are recurring customers with repeat orders who have been doing business with us for more than 10 years.

Vision

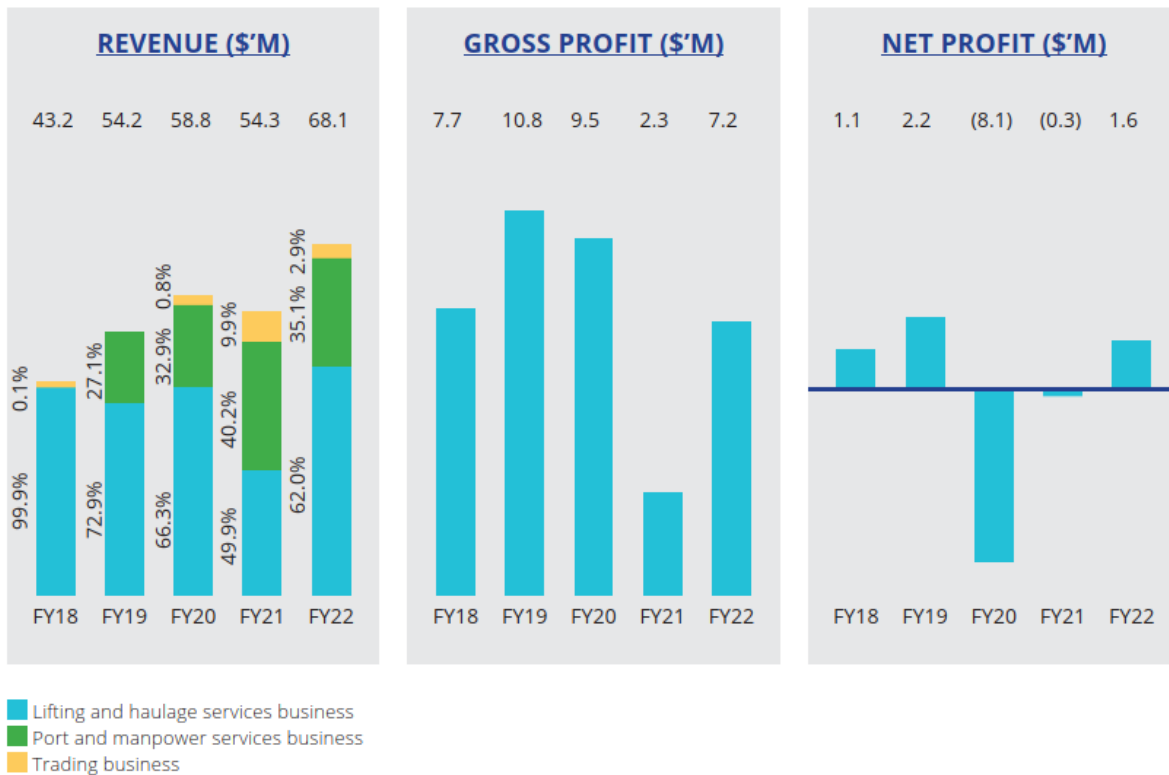
To be the preferred choice in offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes to transportation services with our haulage fleet.

Mission

Enhance the strength and trust in our brand name through:

- Commanding wide range of products and having a diversified customer base;
- Ensure continuity of businesses and preserve shareholder investment; and
- Explore opportunities and aim to groom high-potential employees as they are our most important asset, fuelling our growth as an organisation.

Financial Highlights



Please refer to the Group's annual report ("**Annual Report**") for the financial year ended 31 March 2022 ("**FY2022**") for detailed analysis and commentary of financial performance.

Awards & Certification

As a group and across our various subsidiaries, we have attained and maintained various awards and certifications, such as the following:

- Certification for ISO 9001 Quality Management System
- BizSAFE Star Certification
- Certification for ISO 45001 Occupational Health and Safety
- Certified with Occupational Health & Safety Management System (OHSMS)
- The Straits Times Singapore's Best Employer 2022 – Hiap Tong has emerged 189th of top 200 employers in this assessment with a score of 7.04

SUSTAINABILITY REPORTING GOVERNANCE STRUCTURE

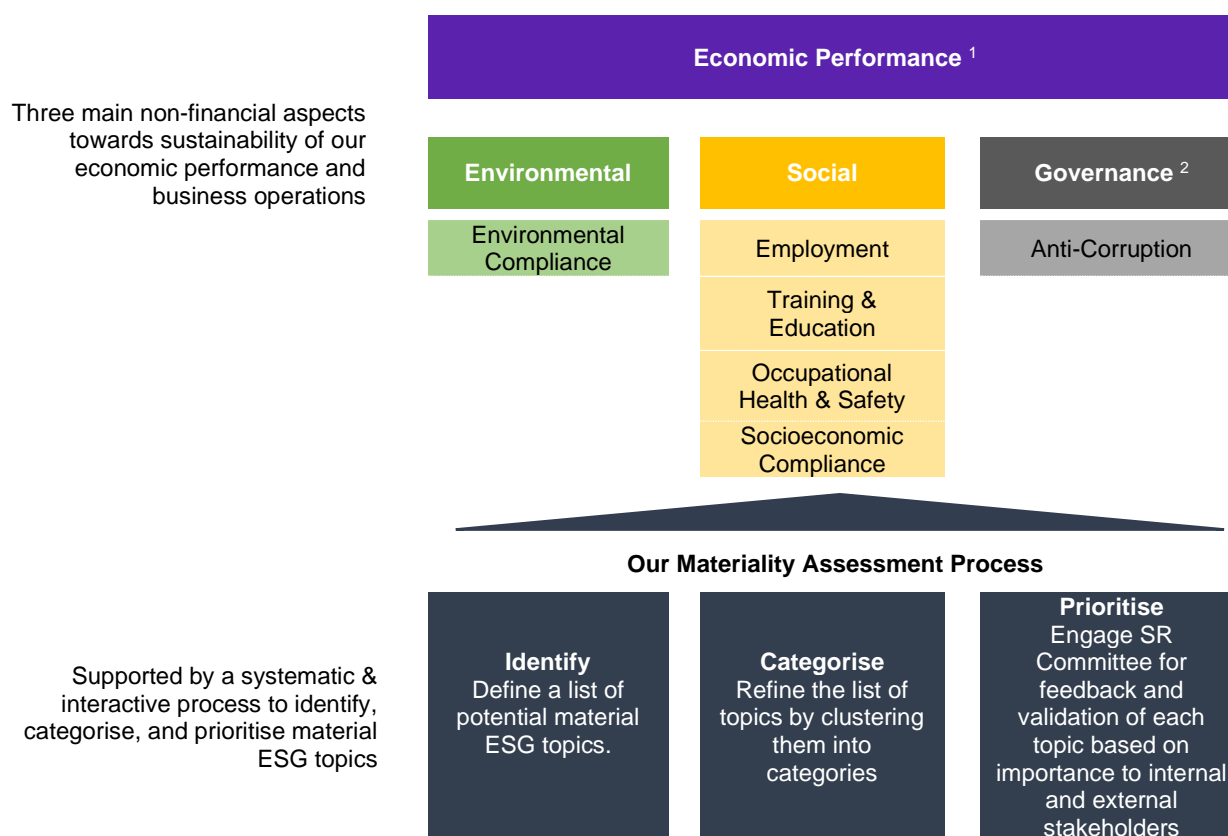
Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee comprises of specific working groups with senior management and board level representatives from our various businesses and is responsible for executing and reporting on the material ESG aspects. The Board and the Audit Committee review and oversee the Management and their monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

STRATEGIC APPROACH FOR SUSTAINABILITY

Hiap Tong have been strategically pursuing a sustainability agenda over the years. The Group recognises the importance of creating a positive impact on the environment, employees, and all other stakeholders in the value chain, while seeking greater profit margins.

In FY2022, the Group with the help of an independent external consultant, has reviewed and defined our approach to sustainability management. We have reviewed the four main aspects and existing non-financial topics for FY2022 reporting disclosure. The Management concluded that these topics remain material to the sustainability of our economic performance and business operations.

Exhibit 1. An Overview of Our Approach to Sustainability Management



1. Please refer to Financial Statement of the annual report FY2022.

2. Please refer to the Corporate Governance section of the annual report FY2022 for more details.

STAKEHOLDER ENGAGEMENT

Hiap Tong recognises that the management of key stakeholders plays an important role in ensuring sustainable growth and drives the Group to consider how its business activities may impact its stakeholders. The Group believes that regular engagement with stakeholders helps us better understand and establish material areas of focus.

The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions. In FY2022, the SR Committee, with the support of the independent external consultant, has reviewed and ascertained that employees, customers, shareholder and investors, and business partners are 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.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Regular Meetings Internal communication through emails Annual performance appraisals 	<ul style="list-style-type: none"> Training & career development opportunities Health & Safety Job security 	Establishing sound HR policies and practices that promote fair treatment, safe working conditions, and opportunities for rewards and development.



Customers

We strive to maximise our customer satisfaction, to increase our sales and revenue. We ensure that we understand our customers’ needs and expectations and we aim to build long-lasting relationships with our customers to win their support and confidence.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Customer service feedback Regular direct engagement and active partnership. 	<ul style="list-style-type: none"> Provision of quality service. Group’s positive reputation in the market. 	By establishing policies for quality control and assurance to ensure that our operations follow the industry’s best practices.



Shareholders and Investors

We aim to maintain profitability and maximise shareholders’ return, as well as uphold a high standard of corporate governance and transparency.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Company website, phone, and email channels AGM, Analyst, Investor’s meetings SGX announcement and media release 	<ul style="list-style-type: none"> Key strategic development Current financial performance Future business outlook 	Actively engage with stakeholders and remain transparent about Group’s operations. All concerns are addressed timely and communicated via various communications channels.



Business Partners

We work closely with our business partners/subcontractors to ensure that all their operations are in line with our sustainability efforts and industry practices.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Regular meetings and visits Phone and email channels 	<ul style="list-style-type: none"> Integrity and effectiveness of the tender process Environmental and Health & Safety practices Performance reviews 	Guidelines and policies are established to ensure a fair selection and procurement process.

List of Memberships of Association

To widen its exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, the Group participates as a member of the following organisations:

- Singapore Crane Association
- Association of Process Industry
- Singapore Transport 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 an external independent 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.

The below material ESG topics were also reviewed by the Board and deemed to be relevant.

Material ESG Topics	FY2023 Targets and Commitments
ECONOMIC	
Economic Performance	<ul style="list-style-type: none"> ❖ Continue to be vigilant and respond swiftly to any adverse situations due to economic uncertainties.
ENVIRONMENTAL	
Environmental Compliance	<ul style="list-style-type: none"> ❖ Zero incidents of non-compliance. ❖ No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.
SOCIAL	
Employment	<ul style="list-style-type: none"> ❖ Continue to promote diversity and equal opportunity in the workplace. ❖ Zero cases of non-compliance in relation to local labour regulations across our operations resulting in significant fine and non-monetary sanctions. ❖ Strictly prohibits discrimination and maintain a track record of zero incidents of reported discrimination.
Training & Education	<ul style="list-style-type: none"> ❖ Maintain an average of 10 hours of training per employee annually. ❖ Ensure learning and development roadmap caters for future skills required to improve the efficiency of the business. ❖ Maximise the benefits of all available schemes granted to upgrade employees' skills.
Occupational Health and Safety	<ul style="list-style-type: none"> ❖ Zero fatalities and reduce workplace injuries. ❖ Conduct annual safety training to educate employees on the best safety practices.
Socioeconomic Compliance	<ul style="list-style-type: none"> ❖ Zero cases of non-compliance in social or economic area resulting in significant fine and non-monetary sanctions.
GOVERNANCE	
Anti-Corruption	<ul style="list-style-type: none"> ❖ Zero incidents of bribery and corruption, including facilitation payment. ❖ Zero tolerance towards all forms of bribery and corruption.

In FY2022, save as disclosed, the Group has managed to achieve most targets and commitments set in FY2021. 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.

ENVIRONMENTAL

Environmental excellence plays an important role in our Group's sustainability agenda. To prevent serious or irreversible environmental degradation, the Group has made minimising environmental impact an essential part of our daily operations through efficient processes and activities. We are committed to understanding, managing, and minimising our environmental footprint across our business operations.

ENVIRONMENTAL COMPLIANCE

Environmental compliance is an integral part of the Group's sustainability strategy. Apart from compliance with environmental laws and regulations, we strive to 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. All employees of Hiap Tong are also encouraged to be proactive and forthcoming in managing and reporting environment-related issues and complaints.

The key environmental regulations that the Group is required to comply with are:

- Environmental Protection and Management Act (Cap. 94A)
- Environmental Public Health Act (Cap. 95)

In FY2022, there was one incident involving fines and non-monetary sanctions for non-compliance with environmental law. A \$200 fine was incurred due to the discovery of mosquito breeding under a mobile crane outrigger.

The health and safety of the staff and public is of utmost importance to the Group. On top of regular preventive measures implemented to prevent the breeding of mosquitoes (i.e., regular housekeeping by workers), we have also requested our pest control contractor to be more diligent in their work to ensure that all fogging and larviciding activities cover all grounds in our yard.

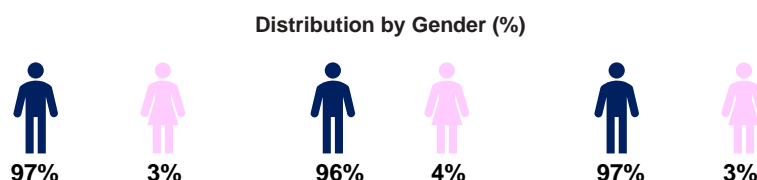
The Board and Management continues to review and improve current environmental management systems and practices to ensure that all our activities and operations comply with regulatory requirements.

SOCIAL

EMPLOYMENT

Our employees are one of the most valuable assets of the Group. We believe in the importance of attracting people with diverse range of skills, expertise, experience, and socio-cultural backgrounds. This will enable the Group to successfully overcome industry challenges and rise above our competitors.

The Group is committed to fair employment practices, upholding human rights principles, and investing in developing and training our people. Despite the manpower shortage caused by the pandemic, the Group was able to retain its talents and grow its workforce in FY2022.



New Hire Distribution

	FY2022	FY2021	FY2020
Total No. of New Hires	416	229	321

Majority of new hires were male due to the nature of the industry.

	FY2022			FY2021			FY2020		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Total No. of New Hire by Age Group	204	156	56	66	109	54	175	109	37
% of New Hire by Age Group	49%	38%	13%	29%	48%	23%	55%	34%	11%

Turnover Distribution

	FY 2022			FY 2021			FY 2020		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Total Turnover	333			217			244		
Total No. of Turnover by Age Group	108	153	72	88	109	20	87	119	38
% of Turnover by Age Group	32%	46%	22%	41%	50%	9%	36%	49%	15%

The creation of an inclusive culture remains a key priority of the Group, allowing us to benefit from all our employees' unique skill sets and perspectives. We strive to foster a 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 are 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. The Group remains committed in continuing to embrace diversity, and equal opportunity in the workplace and remained compliant with respective to local regulations across operations.

Due to the inherent nature of labour-intensive work and physically challenging working conditions, the majority of our employees are male. Hiap Tong 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 FY2022.

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 reinforces 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 FY2022.

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 considers the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2022, in addition to the competitive remuneration offered, the Group continues to maintain its list of employees' benefits including but not limited to:

Employment Benefits	Descriptions
Foreign worker medical	Covering foreign worker medical claims.
Work Injury Compensation Insurance	Covering worker work injury.
Flexible Work Arrangement	Creating work-life harmony at the workplace.
Various Allowances benefits	Group has various allowances for entitled staffs such as housing allowance, attendance incentive, Sunday allowance, performance allowances, safety allowances etc.
Annual Variable Bonus	Annual variable bonus will be issued before each Chinese New Year. This bonus will be based on current market conditions, Group's overall performance, as well as employee's performance.
Salary increment	Salary increments amount determined based on annual appraisals after year end.
Annual festival celebrations	Arranged for individual bento sets to be provided to employees during festive celebrations.

In FY2022, due to labour shortage resulting from Covid-19, there was one incident where HT Ports Services Pte. Ltd. ("**HTPS**") had contravened Employment Act in relation to workers exceeding allowable monthly overtime hours. This resulted in work pass privileges suspension imposed by Ministry of Manpower ("**MOM**") on HTPS for 3 months. Currently, MOM has lifted the suspension as the Group has put in place measures to resolve the matter such as issuance of internal memo to inform managers and workers on the allowable monthly overtime hours to prevent future infringement and also continuously sourcing for additional headcount to distribute the workload properly.

The Group endorses Singapore's Tripartite Guidelines on Fair Employment Practices and the Employers' Pledge of Fair Employment Practices and makes contributions to the Central Provident Fund scheme in Singapore, a defined pension scheme. For employees below 55 years old, Hiap Tong makes an additional contribution of 17% as an employer on top of the employee's 20% contribution.

In support of the Singapore government's pro-family legislation, eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen are entitled to 16 weeks of maternity leave and 2 weeks of paternity leave respectively. Eligible working parents of at least one Singapore citizen child who is less than seven years old; or between ages of 7 to 12 (by extension); and employed by Hiap Tong at least for 3 continuous months are entitled to 6 days of paid childcare leave annually. The allocation of parental leave for employees are in line with the Ministry of Social and Family Development's guidelines. A total of 11 employees took parental leave FY2022 and the Group saw a 100% return-to-work rate.

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, to keep up with the best industry practices to provide the optimal working conditions for our people.

Due to safe distancing measure in place to reduce risk of Covid-19, the Group has organised some welfare activities including Christmas Eve Celebrations via Zoom calls and prepared care packages for employees infected with Covid-19.

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. Hiap Tong maintains a zero-tolerance stance towards unethical labour practices such as child labour, forced labour, slavery, and human trafficking across all our operations.

TRAINING & EDUCATION

The Group believes that training and education play an essential role in advancing the business productivity. In this continuously evolving work environment, it is important for employees to stay informed. Training and education programmes, which are given both on-the-job and ad-hoc basis, are available for employees, creating an environment that build resilience and improve skills and performance. These programmes provide encouragement and support our employees to maximise their potential and have a rewarding career. In FY2022, the Group has over-exceeded FY2021 targets by providing 29 hours more of average hours of training per employee.



*On-job training hours were not included in this record.

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocating budget and planning skills upgrading to equip employees to meet strategic targets of the Group. In FY2022, the budget spent on training for the Group totalled to \$217,459. We believe that with more skilled employees, Hiap Tong's human capital and contribution to employees' satisfaction will be enhanced, which will undoubtedly improve overall performance.

With this, Hiap Tong adopts various skill upgrading programmes with the objective of assisting to provide the upgrading of employees' skills and to facilitate continued employability. These internal and external programmes include the following:

Item	Name of Programme	Descriptions
1	Apply Workplace Safety and Health ("WSH") in Construction Site	Mandatory training programme for workers of the construction industry.
2	Apply WSH in process plant	Training programme that covers all process sectors of the Process Industry.
3	Basic Concept in Construction Productivity Enhancement	Training programme to introduce various key productivity initiatives, technology awareness and best practices as well as basic concepts of Design for Manufacturing and Assembly.

Item	Name of Programme	Descriptions
4	Apply Workplace Safety And Health In Construction Sites	Safety regulations in construction sites.
5	Shipyards safety instruction course for workers general trade	Shipyards safety programme.
6	WSQ Perform Rigger & Signalman Tasks	Training for the securing loads for safe lifting by any form of lifting equipment.
7	ISC in Container Lashing Operations	Training for the securing containers.
8	Wharf Operations for Wharf Traffic Assistant	Training for assistance of wharf operations for wharf traffic.
9	Perform Advanced Lashing Operations	Training for the securing loads.
10	Supervise Lashing Operations ISC PRIME Mover class 3	Training for supervising of lashing operations.
11	Apply Prime Mover Defensive Driving	Training for operating of mobile equipment.
12	Work At Height Course	Training to provide learners with the knowledge and skills in performing work at height in construction.
13	Forklift Refresher Course	Refresher training on operation of forklifts.
14	JTC Safety Induction Course	Training on JTC requirements for workers working in JTC worksite.
15	Occupational First Aid Refresher Course	Refresher training on CPR-AED, First Aid Theory and Bandaging.
16	Hazmat Transport Driver Permit	Training for drivers involved in transportation and handling of hazardous materials on Singapore roads.
17	Supervise WSH in Process Plant	Training to supervise WSH in a Process Plant.
18	Supervise Construction Work for WSH (Synchronous E-Learning)	Training for WSH Coordinator or Supervisor with application skills to supervise at constructions sites and construction-related environments.

In addition, since FY2021, the Group has received grants under the WorkPro Scheme to retain employees during Covid-19. Hiap Tong Trading Pte. Ltd. (“**HTT**”) was granted the Work-Life Grant while Hiap Tong Crane & Transport Pte. Ltd. (“**HTCT**”) was granted the Work-Life Grant (Time - Banking) which was launched in October 2020. These Work-Life Grant provides funds over a period of 2 years for the Group to sustain flexible work arrangements (“**FWAs**”). This provides support for the Group, allowing employees to vary their working arrangements to better suit their individual work-life needs.

The Group also was involved in the Industry Built Environment Building Specialist Sponsorship-Crane Operation Programme (“**BSS-COP**”) offered by Building and Construction Authority (“**BCA**”). This programme is a collaboration between BCA and firms within the industry which help firms attract and retain local workers (to become crane operator) at the higher value-adding trades in the built environment sector. The Group will provide employment to the sponsored employees for 2 years with conditions that they must complete the BCA-approved crane training courses and obtain a crane license. During their employment, the Group will provide a structured On-Job-Training and an upgrading opportunity through value-adding courses to the sponsored employee. In support of this programme, BCA will provide an incentive of \$5,000 per year per sponsored employee, to the sponsor firm, subject to fulfilment of BSS-COP programme terms and conditions

These learning and development roadmaps are established to equip all employees with skills that are required to improve the efficiency of the Group's operations and the development of skills to provide opportunities for future expansion of the business. For HTCT, the company continuously monitors the best practices in the industry and provides training to keep employees up to date with the industry's best practices. Equipment operators are provided training to keep up with new crane technologies when new cranes are purchased. On the other hand, for HTPS, the company works closely with Port of Singapore Authority ("PSA") to ensure employees are trained to keep in line with best practices and technological advances in the industry.

Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This review is conducted on an annual basis whereby it provides a platform for two-way communication and engagement between supervisors and subordinates to assess the performance of the employee. It also serves as a vehicle for supervisors to highlight the strengths of employees and encourage them continue to pursue excellence.

Upon completion of the appraisal process, consideration of career advancement, such as promotion; quantum of salary increments; and annual variable bonus (disbursed yearly before Chinese New Year), will be determined based on the performance appraisal results. All employees are assessed and remunerated fairly based on their experience, qualifications, and performance.

In FY2022, all employees received performance and career development review.

The Group shall continue to provide training and education opportunities through development programmes where applicable and promote a conducive workplace environment where everyone has the opportunity to achieve their potential.

OCCUPATIONAL HEALTH & SAFETY

Safety is an integral part of our business and a key focus area for our Board and Management. We recognise that we are responsible for providing and maintaining a safe and conducive work environment for all our employees and continuously strive to minimise incidents of workplace accidents. We firmly believe that all our employees deserve to work in a safe and healthy environment and that a conducive working environment will not only boost employees' morale but also increase the overall workforce's productivity and efficiency.

Occupational Health & Safety Management Framework

The Group pledges for zero accidents throughout all work activities to safeguard the environment and safety and health of all employees, subcontractors, supplier and public. 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.

Hiap Tong strives to continually achieve safety certifications in line with global best practices. The Group continues to maintain its Occupational Health and Safety and bizSAFE Level Star certifications, reflecting our strong commitment in providing a safe working environment for all employees. The Board and Management maintains oversight and monitors the health and safety performance of the Group.

Key Elements of Our Health & Safety System



Despite the reclassification of the Covid-19 pandemic as an endemic, the effects of the Covid-19 are still apparent and affects industries worldwide. The Group has proactively implemented precautionary measures across the organisation in accordance with the guidelines stipulated by the Ministry of Health. Employees are encouraged to exercise flexible working arrangement, such as choosing to work-from-home. In the event that employees are physically onsite at the workplace, they are required to wear their mask at all times, except when they are eating or drinking. Employees are recommended to exercise social responsibility and maintain an appropriate safe distance from each other, especially when they are unmasked. Additionally, all employees are fully vaccinated against Covid-19, which boosts their immunity against Covid-19. This helps to minimise face-to-face interactions and risk of outbreaks. The Group will continue to monitor the situation closely and adapt our measures accordingly.

The Group follows the Safety and Health Policy, that has been established based on 3A approaches (Actual place, Actual part, Actual situation). We will strive to continually strengthen our risk assessment process to prevent work-related injuries.

Safety programmes, such as risk assessment training and implementation, and safety workshops were initiated by the Safety and Health Committee. These programmes strive to raise awareness of safety practices and allow employees to acquire the ability to effectively assess the safety of their surroundings. This helps to maintain and ensure the effectiveness of our policies and management system.

As a form of monitoring, periodic safety walkthroughs on the floor are conducted to identify potential dangers with equipment and during operations. In addition, emergency drills were also conducted. Comprehensive drills (includes evacuation, reporting, and firefighting) are carried out twice a year to ensure preparedness in an event of a fire or an emergency. Practical trainings are also held to train employees on ways to handle an emergency (e.g., how to carry the injured, etc.).

The Group seeks to learn from past mistakes and strive to prevent similar incidents from occurring again. All near-miss incidents and accidents would be promptly reported to the Safety and Health Committee, which will further provide timely incident analysis briefings to the employees. These safety briefings aim to strengthen the safety awareness of employees and to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

We also ensure each worker is well protected before the start of each assignment, through documenting on the personal protective equipment record to ensure that each worker is sufficiently equipped with protective gear. 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

Category	FY2022	FY2021	FY2020
	Total	Total	Total
Number of Injuries	10	4	8
Injury Rate ("IR") ¹	3.55	0.613	2.05
Lost Day Rate ("LDR") ²	103.04	40.6	29.71
Absentee Rate ("AR") ³	0.0374	0.92	0.0082

1. Injury rate refers to the number of work-related incidents per million manhours worked.

2. Lost day rate refers to the number of man-days lost for every million hours worked. The increase in LDR is due to the increase in the number of workplace injuries sustained by employees.

3. Absentee rate refers to unplanned absence due to sickness or other causes. It does not include work-days lost due to workplace injuries.

The Group has implemented necessary safety measures and reminders for all employees to mitigate work-related injuries. However, due to industry nature, each role and responsibilities entails some risk of work-related injuries. As a result, there were 10 recorded injuries on FY2022 mainly due to injuries from pinch point, slips and falls from employee negligence in which the Group tries its best to mitigate by taking relevant actions. For each of the injuries reported, the Group has investigated the accidents and carried out corrective action plans such as conducting briefings on the situations to create awareness and issued of monthly safety newsletters to employees as a reminder on the importance workplace safety. Training and education on workplace safety are also reinforced to minimise the likelihood of similar accidents from occurring. The Group has maintained zero incidents of fatalities across Hiap Tong's business operations and there were no incidents of non-compliance with safety laws, requirements and/or standards. Moving forward, the Group seeks to reduce the Work-Related Injuries and hope to eventually reach its goal of zero workplace injuries

SOCIOECONOMIC COMPLIANCE

The Group's operations are subject to compliance requirements of Singapore BCA and the Ministry of Manpower. Our fleets are inspected and maintained regularly to ensure fully compliance with local regulations. Safety load tests are conducted to ensure all equipment and machinery are operating at optimal performance. Visual tests are conducted annually by professional engineers, who will issue a certificate of test and examination for our lifting machinery.

Our crane operators are professionally certified and licensed by BCA to operate lifting equipment safely. In addition, the Group's operations are in full compliance with the Workplace Safety and Health Act and its subsidiary regulations.

Apart from the fine resulting from mosquito breeding disclosed under Environmental Compliance section, there is no other fines and penalties due to socioeconomic non-compliance. The Group continuously reviews its operations to ensure compliance with regulatory developments, reducing its exposure to regulatory uncertainty that would affect business prospects.

GOVERNANCE



ANTI-CORRUPTION

We hold ourselves to the highest standard of professional behaviour, which is essential for the long-term viability of the Group's businesses and the enhancement of shareholder value. The Group ensures that all employees and members abide by the principles of professional integrity. Creation of an environment that encourages employees to be confident to speak up about potential concerns is of great importance to the Group. We believe that by upholding a high level of business integrity, we will be able to attract and retain the best employees and partners.

The Management maintains strict disciplinary standards and requirements on its employees starting from the recruitment process. A zero-tolerance stance is adopted in relation to corruption and bribery and any employees caught engaging in such activities would face disciplinary action, potentially resulting in their termination.

The Board is responsible for investigating complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy. The policy provides 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 whistle-blowing policy and procedures 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 FY2022, there were no incidents of regulatory non-compliance across the Group. There were also no reported incidents pertaining to whistleblowing for this reporting period under review. The Group continues to work towards reinforcing a full compliance culture.

Moving forward, the Audit Risk Management Committee will continue to support the Board in its oversight of anti-corruption and is responsible for driving Hiap Tong'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 organisation	Cover Page
	102-2	Activities, brands, products, and services	Page 4 of SR
	102-3	Location of headquarters	Page 4 of SR
	102-4	Location of operations	Page 4 of SR
	102-5	Ownership and legal Form	Page 4 of SR
	102-6	Markets served	Page 4 of SR
	102-7	Scale of the organisation	Page 4 of SR
	102-8	Information on employees and other workers	Page 10 of SR
	102-9	Supply chain	Page 4 of SR
	102-10	Significant changes to the organisation and its supply chain	No significant changes in supply chain
	102-11	Precautionary Principle or approach	Page 2 of SR
	102-12	External initiatives	Page 4 of SR
	102-13	Membership of associations	Page 7 of SR
GRI 102: Strategy	102-14	Statement from senior decision-maker	Page 3 of SR
GRI 102: Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	Page 4 of SR
GRI 102: Governance	102-18	Governance structure	Page 5 of SR

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Stakeholder Engagement	102-40	List of stakeholder groups	Page 7 of SR
	102-41	Collective bargaining agreements	Page 7 of SR
	102-42	Identifying and selecting stakeholders	Page 7 of SR
	102-43	Approach to stakeholder engagement	Page 7 of SR
	102-44	Key topics and concerns raised	Page 7 of SR
GRI 102: Reporting Practice	102-45	Entities included in the consolidated financial statements	Refer to AR FY2022 Notes to The Financial Statement – Note 6
	102-46	Defining report content and topic Boundaries	Page 2 of SR
	102-47	List of material topics	Page 4 of SR
	102-48	Restatements of information	No restatement of information
	102-49	Changes in reporting	No changes in reporting
	102-50	Reporting period	Page 2 of SR
	102-51	Date of most recent report	Page 2 of SR
	102-52	Reporting cycle	Page 2 of SR
	102-53	Contact point for questions regarding the report	Page 2 of SR
	102-54	Claims of reporting in accordance with the GRI Standards	Page 2 of SR
	102-55	GRI content index	Page 18 of SR
	102-56	External assurance	The Group has not sought external assurance
GRI 307: Environmental Compliance	DMA	Management approach disclosures	Page 9 of SR
	307-1	Non-compliance with environmental laws and regulations	Page 9 of SR

Category	Disclosure	Description	Page Reference and Remarks
GRI 401: Employment	DMA	Management approach disclosures	Page 9 of SR
	401-1	New employee hires and employee turnover	Page 10 of SR
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 11 of SR
	401-3	Parental leave	Page 11 of SR
GRI 403: Occupational Health and Safety	DMA	Management approach disclosures	Page 14 of SR
	403-1	Occupational health and safety management system	Page 14 of SR
	403-9	Work-related injuries	Page 16 of SR
GRI 404 Training and Education	DMA	Management approach disclosures	Page 12 of SR
	404-1	Average hours of training per year per employee	Page 12 of SR
	404-2	Programs for upgrading employee skills and transition assistance programmes	Page 12 of SR
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 14 of SR
GRI 419 Socioeconomic Compliance	DMA	Management approach disclosures	Page 16 of SR
	419-1	Non-compliance with laws and regulations in the social and economic area	Page 16 of SR
GRI 205 Anti-corruption	DMA	Management approach disclosures	Page 17 of SR
	205-3	Confirmed incidents of corruption and actions taken	Page 17 of SR