



**SUSTAINABILITY REPORT 2023**

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## About Us

### *Our Vision*

***“We are committed to providing our customers with the best lifting services available. Our vision is to provide high quality and reliable services to our customers throughout South East Asia.”***

Sin Heng Heavy Machinery Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**Sin Heng**”) was founded in 1969 and has been listed on the Main Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 2010. Sin Heng’s core business activities consist of rental and trading of cranes, aerial lifts, and other heavy lifting equipment. Headquartered in Singapore, Sin Heng has expanded its presence throughout the ASEAN region, including countries such as Malaysia and Indonesia. Our expertise in the lifting service business has been recognised by renowned crane manufacturers such as Kobelco and Kato, who have appointed Sin Heng as their regional distributor. Sin Heng also provides our customers with maintenance services and the related equipment parts as part of our commitment to customers.



With fifty years of experience, Sin Heng has developed valuable technical skills and knowledge to enhance the effectiveness of our lifting services. Over the years, the Group has produced excellent results and has established itself as a leading lifting service provider in the region. Our portfolio includes customers in sectors such as infrastructure and geotechnics, construction, civil engineering works, offshore and marine as well as oil and gas.

As a validation of our commitment to excellence, Sin Heng is currently the regional distributor for world-renowned brands such as Kobelco (crawler crane specialist) and Kato (hydraulic cranes specialist), including the cranes and original equipment parts.

## Board Statement

Dear Stakeholders,

Singapore has ratified the Paris Agreement in 2016 and pledged to achieve “net zero emissions by 2050”. At Sin Heng, we recognise the importance and urgency of taking climate action in line with the Singapore government’s call for action. We are committed to reviewing and improving our sustainability efforts as the business continues to develop. In our seventh Sustainability Report (“**SR**” or “**Report**”), we have highlighted the efforts taken in addressing our economic and environmental, social and governance (“**ESG**”) obligations, including our achievements in FY2023.

Embedding ESG in our management systems is key to our overall sustainability strategy. In FY2023, we reviewed our material topics and included one additional material topic, Water Conservation. The materiality review ensures the relevance of our ESG topics and facilitates our continuous efforts to meet our stakeholders’ expectations. To further enhance our understanding of the environmental impacts from our operations, we have begun to measure our corporate carbon footprint of our operations in Singapore and Malaysia.

Our Board of Directors (the “**Board**”) is committed to providing leadership guidance and establishing the Group’s values and ethical standards to meet stakeholders’ expectations. In FY2022, all our directors have completed the sustainability training course prescribed under SGX to enhance their knowledge on sustainability matters.

Sustainability continues to be one of Sin Heng’s operational focuses. We will continuously incorporate sustainability practices into our current business processes to enhance our operational eco-efficiency. This year, we have included climate-related disclosures which are aligned with the Task Force on Climate-related Financial Disclosures (“**TCFD**”) recommendations. We also seek to enhance our climate-related disclosures in the subsequent financial years. This will allow our stakeholders to gain a comprehensive understanding of the Group’s overall performance and future business prospects.

In closing, we would like to thank our dedicated team of employees, shareholders and stakeholders for your continued support and collaboration with us as we look towards strengthening and driving sustainability into the core of our business identity.

Tan Ah Lye

Executive Director & CEO

## About this Report

### Scope of the Report

Sin Heng is pleased to present this SR for the financial year that ended on 31 December 2023 (“FY2023” or the “Reporting Period”). We publish our SR annually and this SR covers the sustainability strategy, initiatives, and performance of our operations for FY2023, from 1 January 2023 to 31 December 2023, unless otherwise stated.

This Report has been prepared in accordance with Rules 711A and 711B of the SGX-ST Listing Rules. Sin Heng has reported the information cited in the Global Reporting Initiatives (“GRI”) Content Index with reference to the GRI Standards. The GRI framework was chosen for this reporting as it is one of the most widely used and globally recognised standard for sustainability reporting, providing higher comparability of the Group’s disclosures with its peers. The GRI Content Index is available on page 26 of this report. Additionally, this Report was also prepared in accordance with recommendations from the TCFD framework.

The Group continues to enhance and embed sustainable practices across its operations through various economic, environmental, and social initiatives. We review our Environmental, Social, and Governance (“ESG”) indicators annually, ensuring their relevance to current business operations and current and emerging material issues pertaining to sustainability while addressing the interests of our stakeholders. To promote transparency and accountability, the Group is also dedicated to responsibly disclosing its sustainability performance to its stakeholders.

There has been no significant change in relation to the organisation, operations, and Sin Heng’s supply chain compared to the previous report.

We will continue to enhance our sustainability reporting processes to increase our stakeholders’ confidence in the accuracy and reliability of the sustainability information disclosed. Sin Heng has relied on internal monitoring and verification to ensure the accuracy of data quality and information disclosed in this report. Sin Heng has not sought external assurance on this SR.

### In-scope Entities

This Report covers the following entities of the Group during the Reporting Period:

S/N	Entity
<b>Singapore</b>	
1	Sin Heng Heavy Machinery Limited
2	Sin Heng Aerial Lifts Pte Ltd
3	SH Equipment Pte Ltd <sup>1</sup>
<b>Malaysia</b>	
4	SH Heavy Machinery Sdn Bhd
5	SH Equipment Holdings Sdn Bhd <sup>1</sup>
6	Bestari Industrial Holdings Sdn Bhd <sup>1</sup>

S/N	Entity
<b>Vietnam</b>	
7	Sin Heng Vina Co. Ltd <sup>1</sup>
<b>Indonesia</b>	
8	PT SH Machinery Indonesia <sup>1</sup>
<b>Myanmar</b>	
9	SH Equipment (Myanmar) Company Limited <sup>1</sup>

### Contact Us

<sup>1</sup> Environmental and social disclosures are not included in scope due to the limited operations of the entities.

We are fully committed to listening to our stakeholders. We welcome feedback, suggestion and remarks on this report and any aspects of our sustainability performance. Please direct and address all enquiries and feedback to:

**Chief Financial Officer**

**Yang Yung Kang**

**Sin Heng Heavy Machinery Limited**

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# Sustainability at Sin Heng

## Sustainability Governance

As an established provider of heavy lifting equipment in Singapore, Sin Heng recognises the impact we have on our employees and the environment we operate in. We strive to continuously create and build sustainable value together with all our stakeholders.

The Board believes that to achieve our sustainability goals, a fundamental integration of strong corporate governance elements in business strategies is required. The Board is responsible for setting the overall strategic direction of the Group and considering sustainability issues such as environmental and social factors as part of its strategic formulation of the Group's objectives and directions.

To achieve its sustainability goals, the Group has established clear lines of accountability to promote effective and efficient decision-making. The Board has appointed Mr Tan Ah Lye, our CEO, to lead the implementation of Sin Heng's sustainability efforts. He is supported by the respective head of departments who are tasked with setting the Group's sustainability agenda, roadmap, monitoring of the Group's action plan and overseeing of the execution of sustainability initiatives.

## Stakeholder Engagement

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders. Our stakeholders include individuals or groups that have interests that are affected or could be affected by the operations of the Group. Key stakeholders of the group comprise of shareholders and investors, employees, investors, regulators, and customers. We strive to establish a two-way dialogue when engaging our stakeholders to understand their feedback and to proactively share updates in relation to our sustainability efforts.

By regularly engaging our stakeholders through various channels, we seek to build and maintain strong relationships with all stakeholders.

The insights gained from these engagements contributes to the development of our organisation's strategy, which also enables us to better align our sustainability strategy with the needs of our stakeholders.

Stakeholders	Topics/ Issues raised/ discussed	Engagement Methods	Frequency
Employees	• Job security	Performance appraisals	Annually
	• Occupational safety, health and well-being	Annual lunch/dinners	Annually
	• Career development • Diversity and equal opportunities	Dialogue sessions with senior management	Ad-hoc
Investors		Half yearly results communication	Bi-annually



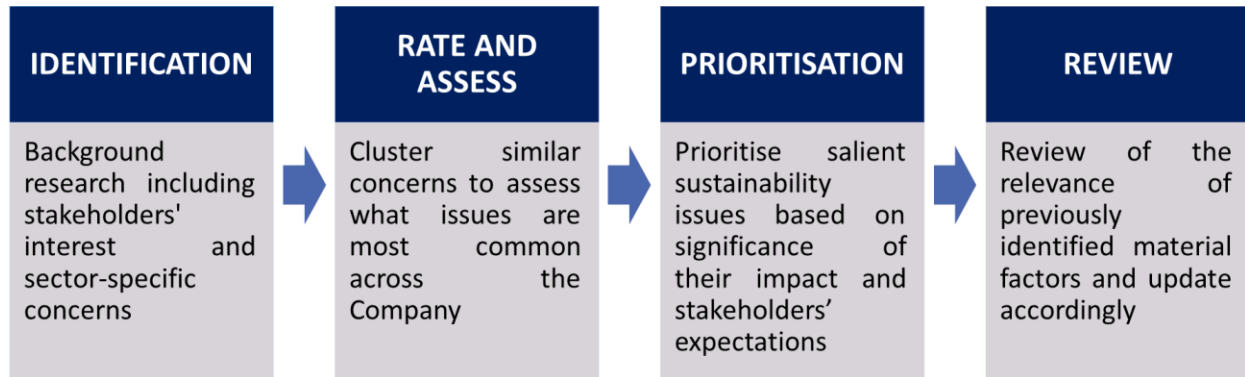
Stakeholders	Topics/ Issues raised/ discussed	Engagement Methods	Frequency
	<ul style="list-style-type: none"> <li>• Business performance and outlook</li> <li>• Corporate governance</li> <li>• Return on investment</li> </ul>	Website Announcement on SGXnet Annual General Meeting Annual and Sustainability Reports Extraordinary General Meeting	Perpetual Ad-hoc Annually Annually When required
Regulators	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Corporate governance</li> <li>• Regulatory / industry trends and standards</li> </ul>	Announcement on SGXnet Circulars Website AGM/EGM Annual and Sustainability Reports Consultation with regulators such as SGX and MAS	Ad-hoc Ad-hoc Perpetual Annually Annually Ad-hoc
Customers	<ul style="list-style-type: none"> <li>• Customer service and experience</li> <li>• Quality of products and services</li> <li>• Ethical business practices</li> </ul>	Satisfaction feedback	Ad-hoc
Suppliers	<ul style="list-style-type: none"> <li>• Policy and requirements</li> <li>• Occupational health and safety practices</li> <li>• Strong and lasting cooperation</li> </ul>	Supplier feedback Supplier meetings	Perpetual Ad-hoc



## Materiality Assessment

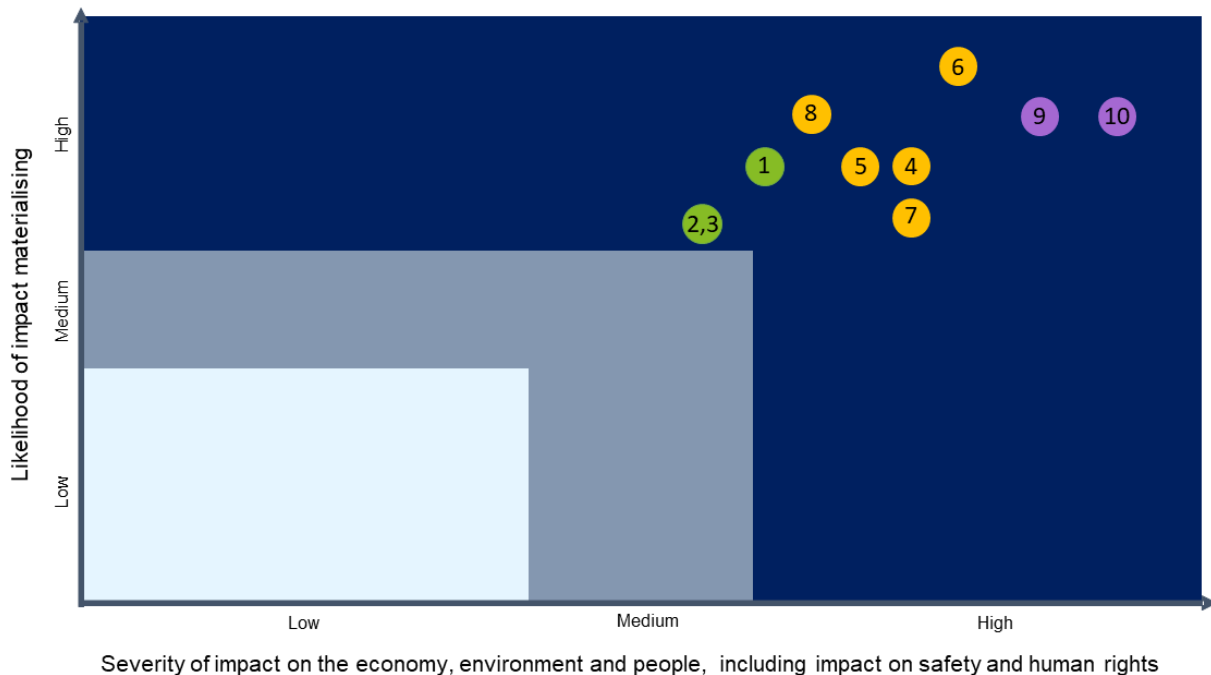
In 2023, Sin Heng carried out a comprehensive materiality assessment which aimed to identify the ESG topics that matter most to our stakeholders and which are most important for Sin Heng’s long-term success.

In determining the material ESG topics, we referenced GRI’s guidance and undertook a four-stage process:



In FY2023, timely management reviews on our existing material topics prioritisation were conducted through peer and industry benchmarking.

As illustrated below, these topics were subsequently placed on a materiality matrix, and their relative position is dependent on the likelihood of impact and the significance of their impact. We have identified 10 key ESG Material Topics as follows:



Environmental			Social			Governance		
1	Energy Efficiency and Emissions	and	4	Diversity and Opportunity	Equal	9	Anti-corruption	
2	Water Consumption		5	Employment		10	Economic Performance	
3	Complying with Environmental Standards		6	Occupational Health and Safety				
			7	Training and Development				
			8	Customer Health and Safety				

## Maintaining Strong Corporate Governance

Sin Heng is committed to upholding high standards of corporate governance at all levels to safeguard the interests of all our stakeholders and continue to create long-term value for them.

Our Board of Directors is the highest governance body of the Group. Our Board sets the strategic direction of the Group to protect and enhance long-term shareholder value and returns.

The Board is committed to establish a strong corporate governance structure. The Board has set up various committees to assist in discharging its duties, namely the Audit and Risk Committee, Nominating Committee and Remuneration Committee. Each committee functions within clearly defined terms of reference and operating procedures, while providing robust support towards the Board. The effectiveness of each committee is also constantly reviewed by the Board.

We strive to develop an environment where the highest standards of governance and best practices are upheld within our daily operations. Moving forward, Sin Heng aims to stay true to our core values of transparency, integrity, and accountability while successfully meeting our business objectives.

For further details on our corporate governance policies and commitments, please refer to the Corporate Governance Report in our Annual Report for FY2023.

## Risk Management

We believe that effective risk management and mitigation are vital in realising strategic business objectives. Sin Heng has adopted a structured and robust risk management framework in identifying areas of significant business and operational risks. This allows us to highlight relevant internal controls and procedures to the Audit and Risk Committee and the Board, while implementing suitable risk mitigation processes in a timely and agile manner. We have extended the scope of our risk management framework to cover broader sustainability-related aspects, including climate-related risks and opportunities, and made the disclosures in accordance with the TCFD recommendations.

## Anti-Corruption Measures

The Group has zero-tolerance for corruption and bribery, with a strong emphasis on prevention and detection, through establishing anti-corruption guidelines in our Employee Code of Conduct

and incorporating it within our corporate core values. This approach encompasses top level commitment, enterprise-wide risk assessment, control measures, monitoring, and training.

Sin Heng's Employee Code of Conduct establishes the standards and values which Sin Heng upholds while operating our business and applies to all employees of the Group. The Employee Code of Conduct sets out comprehensive guidelines on a range of issues, including conflict of interest, bribery, and corruption. Sin Heng views fraud, bribery, and corruption as serious offences. Employees are prohibited from soliciting or accepting any form of favours, either directly or indirectly, from customers, contractors, and business associates in exchange for preferential treatment in business dealings.

Sin Heng is compliant with all applicable laws and regulations on anti-corruption, such as the Prevention of Corruption Act 1960 ("**PCA**") in Singapore and the Malaysian Anti-Corruption Commission Act 2009 ("**MACCA**"). As part of Sin Heng's corporate governance practices, a yearly refresher on our Anti Bribery Policy is sent out to all staff, to reiterate the importance of anti-corruption practices and Sin Heng's stance on corruption and bribery. In FY2023, there were no reported incidents of corruption, bribery, or non-compliance within our business operations.

#### Whistleblowing Procedures

The Group's zero-tolerance stance on corruption is further strengthened by our Whistleblowing Policy, which provides internal and external stakeholders with a confidential channel to report any suspected or actual instances of financial or operational improprieties. The policy ensures that all concerns raised are appropriately investigated, and necessary measures are taken to address any wrongdoing.

The Group is committed to managing employee grievances constructively and has established an effective grievance mechanism that provides multiple channels of communication, including anonymous hotlines, to allow employees to raise grievances or flag concerns without the fear of reprisal. The Chairman of the Audit and Risk Committee and the designated whistleblowing officers are tasked with overseeing, monitoring, and reviewing any concerns raised through this mechanism. The Whistleblowing Policy ensures that arrangements are in place for independent investigations of alleged improprieties and for appropriate follow-up action(s). During FY2023, no reports were received through this whistleblowing channel.

## Economic Performance

Sin Heng's ongoing success is rooted in our steadfast commitment to long-term value creation for our stakeholders. With a strong focus on providing best-in-class products and services, we strive to exceed our clients' expectations at every turn.

The table below shows the economic highlights of Sin Heng's performance for FY2023:

Economic highlights (S\$'000)		
	FY2023	FY2022
Revenue	66,230	51,570
Profit before Income tax	9,774	4,395
Profit for the year	7,995	3,651
Economic value generated	67,521	51,987

Economic highlights (S\$'000)			
Economic Value Distributed	Operating costs	43,813	34,316
	Employee wages and benefits	15,238	14,307
	Payments to providers of capital	4,152	5,735
	Payments to government	2,784	253
Economic value retained		23,708	17,671
By geographical segment (S\$'000)			
Singapore		42,041	34,620
Indonesia		10,968	5,838
Malaysia		3,604	3,461
Myanmar		-	796
Taiwan		6,913	6,526
Japan		2,588	-
Others		116	329

For additional information, please refer to disclosures in the Group's Annual Report.

## Championing Environmental Stewardship

### Our Approach

Sin Heng is committed to minimising our environmental impact to bring long-term value to our clients and stakeholders. We recognise that our operations involve the use of carbon-based fuels. Hence, we take the necessary measures to ensure that our business operations are carried out sustainably. Moreover, we actively cooperate with our business partners and encourage them to implement similar environmentally friendly practices.

### TCFD Report

As the world rallies to meet the required goal of limiting global temperature rise to well below 2°C as set out in the Paris Agreement, the Group recognises the imperative need to curtail our ecological footprint. We are committed to the responsible usage of energy resources and reduce greenhouse gas (“**GHG**”) emissions in our business activities to work towards developing strategies to build climate resilience across our business divisions.

This section details our approach to the disclosure recommendations of the TCFD framework under the four core elements: Governance, Strategy, Risk Management, and Metrics and Targets.

#### Governance Structure

The Board has the overall responsibility for the Group's sustainability strategy, including evaluating and monitoring climate-related risks and opportunities. Refer to section “Sustainability Governance” on page 7 of this Report for further details.

## Strategy

Sin Heng has integrated climate-related risks and opportunities into its strategy and operations to drive continued improvement and to enhance our resilience to climate change. Our overarching climate strategy is to identify, assess and mitigate potential impacts of climate-related physical risks and transition risks in our business. We also seek to capitalise on climate-related opportunities with the global transition to a lower-carbon economy by 2030 and a net-zero standard by 2050. We expect our strategies to evolve as we progress with a deeper analysis of risks and opportunities over the coming years.

Sin Heng has identified and managed our climate-related risks and opportunities through a climate change scenario analysis as follows:

Scenario	Paris-aligned scenario (below 2°C)	No mitigation scenario (4°C)
Rationale	We selected this scenario to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming to under 2°C.	We selected this scenario to assess our physical risk under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying model	International Energy Agency's Sustainable Development Scenario <sup>2</sup>	Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5 <sup>3</sup>
Used to analyse	Transition impacts	Physical impacts
Assumptions	Transition features: <ul style="list-style-type: none"><li>• Carbon price introduced</li><li>• Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters</li><li>• Increased generation from renewable energy</li></ul>	Physical features: <ul style="list-style-type: none"><li>• Global emissions continue to rise because of high carbon intensity</li><li>• Global mean sea level rise of 0.63m by 2100</li><li>• High frequency and intensity of heat waves and extreme precipitation events</li></ul>

## Climate-related Risks and Opportunities

Considering the above scenario, we have identified the following risks and opportunities, as well as their impacts on our business should the above scenario materialise:

<sup>2</sup> "Net Zero Emissions by 2050 Scenario (NZE) – Global Energy and Climate Model – Analysis." IEA, [www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze](http://www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze).

<sup>3</sup> "IPCC AR5 Assessment Report" IPCC, <https://www.ipcc.ch/reports/?rp=ar5>

Climate-related Risks	
Risk Type	Impact
<b>Physical Risks</b>	
Acute Increased severity of extreme weather events	Increased insurance premiums.
Chronic Rising mean temperatures	Higher electricity costs to maintain indoor temperatures. Longer dry spells leading to higher water costs. According to research <sup>4</sup> , to offset a 1°C rise in temperature may result in increased electricity consumption by 1 to 5%. This suggests a long-term projection of an estimated 20% rise in electricity charges under the no mitigation scenario.
<b>Transition Risks</b>	
Policy and legal changes	Increased professional fees and training expenses to meet reporting requirements. As per industry expectations, it is projected that all related expenses for supporting Sustainability/ TCFD reports will likely see a rise of 5% to 10% in the medium to long term.
Market	Increase in utilities cost due to carbon tax. In Singapore, carbon tax was raised to S\$25/tCO <sub>2</sub> e in 2024 from S\$5/tCO <sub>2</sub> e previously and will be raised to S\$45/tCO <sub>2</sub> e in 2026, with a forecast to reaching S\$50-80/tCO <sub>2</sub> e by 2030. <sup>5</sup> While our Group is not directly impacted by increases in carbon taxes, these increases in carbon tax may translate to higher utilities cost for the Group. We expect an increase of 1 to 5% increase in utilities cost in the short to medium term.
<b>Climate-Related Opportunities</b>	
Resource efficiency	Enhancing energy efficiency, water conservation and encouraging duplex printing in our operations can reduce costs.
Energy source	Reduce exposure to fossil fuel price increase. Increase energy resilience.

### Risk Management

Sin Heng acknowledges that maintaining a sound system of risk management is imperative to safeguarding the interests of the company and foster trust with our shareholders. To keep abreast of any changes in existing regulatory requirements and maintain good corporate governance, Sin Heng has formulated an Enterprise Risk Management (“**ERM**”) Framework to guide the Group’s management approach and mitigate sustainability-related risks.

<sup>4</sup> “Climate Change and Space Heating Demand” NCEE, [https://www.epa.gov/sites/default/files/2015-01/documents/climate\\_change\\_and\\_space\\_heating\\_energy\\_demand.pdf](https://www.epa.gov/sites/default/files/2015-01/documents/climate_change_and_space_heating_energy_demand.pdf)

<sup>5</sup> “Carbon Pricing Act” Ministry of Sustainability and the Environment, Singapore, <https://www.mse.gov.sg/policies/climate-change/cpa>

With this systematic ERM framework in place, the Group’s capabilities in identifying and mitigating any risks, coupled with competencies are continuously enhanced. As part of our annual ERM exercise, ESG risks are considered regular business risks and are identified, assessed, and managed to ensure that these risks remain within our risk appetite.

The table below illustrates our key mitigation strategies for material transition risks:

Climate-Related Risks	
Risk Type	Mitigating Measures
Increased severity of extreme weather events	Develop climate-resilient policies and procedures as well as integrate them as part of our ERM efforts.
Rising mean temperatures	Add more energy and water efficient fittings.
Transition Risks	
Policy and Legal	Sustainability reporting training for Board and Management.
	Hire of external professional to guide us on the compliance requirement.
	Use of sustainable practices that are compliant with laws and regulations.
	Adoption of renewable energy.
Market	Prioritise the reduction of emissions and air pollutions in our value chain.

### Metrics and Targets

In addition to our existing metrics and targets, we continue to enhance our disclosures, including identifying and tracking of GHG emissions. We track, measure and disclose our environmental performance including energy, GHG emissions and water in this Report. Sin Heng’s environmental metrics are detailed in the below sub-sections. Please also refer to the section “Target Setting” for targets of the Group’s climate-related disclosures.

## Complying with Environmental Standards

At Sin Heng, we are fully committed to upholding local laws and regulations in all the countries where we operate. This includes stringent compliance with environmental protection laws, which we achieve through routine inspections and preventive maintenance on our cranes. We take care to ensure that all cranes delivered to project sites meet local noise and emissions criteria, and that our cranes adhere to maximum age limitations as stipulated by the relevant local authorities. To minimise our environmental footprint, we also recycle the waste oil by-product from our operations, in compliance with the regulations set by the National Environment Agency (“NEA”) in Singapore.

At Sin Heng, we believe that our employees and crane operators are key stakeholders in ensuring our compliance with laws and regulations, particularly in environmental matters. As such, we provide environmental training to our employees to help them better understand the impacts of our operations on the environment we operate in. Through these trainings, our employees gain a deeper understanding of sustainability and are empowered to adopt environmentally friendly



practices in their daily work. This not only benefits the environment but also contributes to a more sustainable future for our business and the communities we serve.

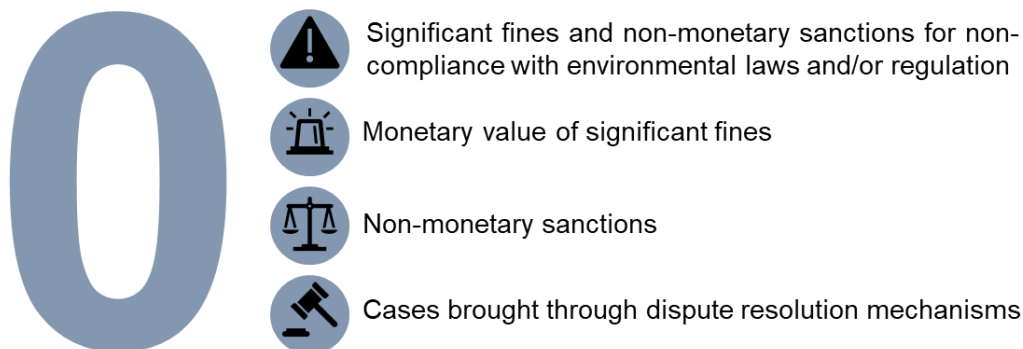


Figure 6: Environmental Compliance Performance

The Group remained compliant with all environmental laws and regulations in FY2023, and there were no reported non-compliances with environmental and public health regulations in Singapore and Malaysia (FY2022: none). We take pride in this clean record and strive to continue this trend in the future. To achieve this, we are committed to adopting a progressive approach to our environmental management.

## Energy Efficiency and Emissions

With the aim to enhance our environmental stewardship, we embarked on measuring and evaluating the Group’s Scope 1 and 2 GHG emissions in FY2022 to obtain a better understanding of our corporate carbon footprint. Emissions are accounted for based on GHG Protocol, where the operational control approach has been chosen. The primary GHG emissions within our operations arise from our use of diesel and petrol fuel (Scope 1 emissions) and electricity in our facilities in Singapore and Malaysia (Scope 2 emissions).

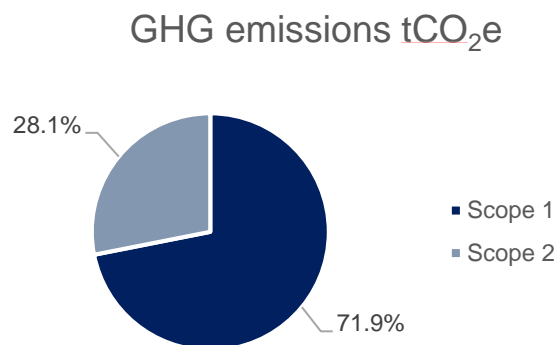


Figure 7: Scope 1 and 2 GHG Emissions

In FY2023, we recorded a total GHG emissions of 497.16 tCO<sub>2</sub>e (FY2022: 483.95 tCO<sub>2</sub>e). Of which 357.63 tCO<sub>2</sub>e (FY2022: 359.67 tCO<sub>2</sub>e) are Scope 1 emissions and 139.53 tCO<sub>2</sub>e (FY2022: 124.28 tCO<sub>2</sub>e) are Scope 2 GHG emissions.

Key data on our energy consumption and GHG emissions are as follows:

	FY2023	FY2022 <sup>6</sup>
<b>Scope 1 emissions</b>		
Diesel Consumed (L)	127,981.18	129,127.22
CO <sub>2</sub> Emissions (tCO <sub>2</sub> e)	346.62	349.72
CH <sub>4</sub> Emissions (tCO <sub>2</sub> e)	0.39	0.40
N <sub>2</sub> O Emissions (tCO <sub>2</sub> e)	0.74	0.75
Petrol Consumed (L)	4,274.12	3,810.51
CO <sub>2</sub> Emissions (tCO <sub>2</sub> e)	9.84	8.77
CH <sub>4</sub> Emissions (tCO <sub>2</sub> e)	0.012	0.011
N <sub>2</sub> O Emissions (tCO <sub>2</sub> e)	0.023	0.020
Total Scope 1 GHG Emissions (tCO <sub>2</sub> e) <sup>7</sup>	357.63	359.67
Revenue (S\$ 'million)	66.2	51.6
Scope 1 GHG Emissions Intensity (tCO <sub>2</sub> e/S\$ 'million)	5.4	6.9
<b>Scope 2 emissions</b>		
Electricity Consumed (kWh)	295,379.93	263,369.08
Total Scope 2 GHG Emissions (tCO <sub>2</sub> e) <sup>8</sup>	139.53	124.28
Revenue (S\$ 'million)	66.2	51.6
Scope 2 GHG Emissions Intensity (tCO <sub>2</sub> e/S\$ 'million)	2.1	2.4

## Water Conservation

At Sin Heng, we recognise the importance of managing our water consumption efficiently and prevent the depletion of the Earth's valuable water resources. The increase in water usage is attributed to heightened crane trading activities. Specifically, the operation team must conduct more thorough cleaning of the cranes before delivering them to customers. Office staff are reminded to practice water saving measures whenever possible. Water consumption statistics during the Reporting Period are as follows:

	FY2023	FY2022
<b>Water consumption</b>		
Water consumption (Cu M)	16,526.6	15,620.2
Revenue (S\$ 'million)	66.2	51.6
Water consumption intensity (Cu M/ S\$ 'million)	250	300

<sup>6</sup> Due to the use of updated emission factors in the Scope 1 and Scope 2 GHG emissions computations, the total Scope 1 and Scope 2 GHG emission figures for FY2022 have been restated from 503.89 tCO<sub>2</sub>e to 359.67 tCO<sub>2</sub>e and 127.16 tCO<sub>2</sub>e to 124.28 tCO<sub>2</sub>e respectively.

<sup>7</sup> GHG emissions from the consumption of diesel and petrol fuel (Scope 1 emissions) are calculated based on the Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

<sup>8</sup> GHG emissions from electricity purchased by the Company (Scope 2 emissions) are calculated based on the average emissions factor published by the Energy Market Authority.

## Putting Our People First

### Diversity and Equal Opportunity

We understand that diversity in the composition of our workforce strengthens its function. When hiring, we consider various competencies and experiences of potential candidates, such as an appropriate balance of skills, industry, business experiences and competencies, gender, age, ethnicity and culture, geographical background and nationalities, tenure of services and other distinguishing qualities. These diversity elements are considered to ensure that all appointments are based on merit and fair.

As at 31 December 2023, Sin Heng has employed a total of 149<sup>9</sup> (31 December 2022: 193) full-time staff in Singapore and Malaysia. The breakdown of our employee statistics are as follows:

<b>Employee Statistics</b>						
<b>By age group and gender (Number)</b>						
	As at 31 December 2023		As at 31 December 2022		As at 31 December 2021	
	Male	Female	Male	Female	Male	Female
<b>Under 30 years old</b>	8	3	21	2	9	4
<b>30 to 50 years old</b>	58	17	84	18	80	15
<b>Over 50 years old</b>	58	5	64	4	65	4
<b>Total</b>	124	25	169	24	154	23
<b>By age group and gender (Percentage)</b>						
	Male	Female	Male	Female	Male	Female
<b>Under 30 years old</b>	6%	12%	12%	8%	6%	17%
<b>30 to 50 years old</b>	47%	68%	50%	75%	52%	65%
<b>Over 50 years old</b>	47%	20%	38%	17%	42%	17%
<b>By region (Number)</b>						
	Singapore		Malaysia		Total	
<b>Singapore</b>	126		126		126	128
<b>Malaysia</b>		23		67		49
<b>Total</b>	126	23	126	67	149	177
<b>By region (Percentage)</b>						
	Singapore		Malaysia		Total	
<b>Singapore</b>	85%		65%		85%	72%
<b>Malaysia</b>		15%		35%		28%

### Employment

Sin Heng recognises the significance of building a resilient workforce, and one way to achieve this is by attracting and retaining diverse and qualified talents. Our human capital is the foundation of our business, and as such, we place a great deal of importance on talent engagement from the very beginning. Additionally, our human resource policy is rooted in our commitment to ethical, professional, and legal standards that uphold and protect human rights.

<sup>9</sup> We have no temporary employees, non-guaranteed hours employees and part-time employees.

## Sin Heng's Human Resource Policy





-  Developing employees' working competencies through learning and development
-  Creating a well-balanced workplace to attract talent
-  Foster fair and equitable workplace culture
-  Caring for employees' well-being and benefits

Figure 9: Core tenets of human resource policy

Our turnover rate has increased from 14.0% in FY2022 to 44.3% in FY2023. This increase is due to the transition from crane rental and trading business to crane trading in Malaysia. Consequently, crane operators opted to resign and depart from the Company. Sin Heng practises meritocracy and provides equal opportunities for all employees of the Group. The Group promotes workplace diversity and inclusivity and adopts a zero-tolerance approach towards any form of discrimination based on race, gender, religion, nationality, age, political affiliations, physical and mental disability, or any other forms of discrimination. There were no incidents of discrimination reported for FY2023.

The details of our new employee hires and turnover based on geographical, gender and age demographics are presented in the table below:

New Hires						
By age group and gender (Number)						
	FY2023		FY2022		FY2021	
	Male	Female	Male	Female	Male	Female
Under 30 years old	4	3	17	1	3	1
30 to 50 years old	10	2	19	3	8	4
Over 50 years old	3	0	2	1	4	1
By region (Number)						
<b>Singapore</b>	17		13		18	
<b>Malaysia</b>	5		30		3	
New employee hire rate (%)						
<b>Hire rate</b>	14.8		22.3		11.9	

<b>Employee Turnover</b>						
<b>By age group and gender (Number)</b>						
	Male	Female	Male	Female	Male	Female
Under 30 years old	17	2	4	1	9	1
30 to 50 years old	32	2	10	2	23	4
Over 50 years old	13	0	9	1	7	1
<b>By region (Number)</b>						
Singapore	17		15		21	
Malaysia	49		12		24	
<b>Turnover rate (%)</b>						
<b>Turnover rate</b>	44.3		14.0		25.4	

The breakdown of parental leave taken by employees is presented below:

	<b>FY2023</b>		<b>FY2022</b>	
	Male	Female	Male	Female
Number of employees entitled to parental leave	83	20	89	18
Number of employees that took parental leave	7	5	9	7
Number of employees that returned to work in reporting period after parental leave ended	7	5	9	7
Number of employees that returned to work in reporting period after parental leave ended that were still employed 12 months after their return to work	7	5	9	7
Return to work rate <sup>10</sup>	100%	100%	100%	100%
Retention rate <sup>11</sup>	100%	100%	100%	100%

## Training and Education

Sin Heng recognises the value of investing in our employees and promoting lifelong learning. We are committed to providing opportunities for skills training and development, which fosters growth and development for our employees. Our approach encourages continuous improvement and keeps our workforce adaptable, agile, and competitive. By upskilling and nurturing our employees, we seek to enhance the overall efficacy of our operations and improve productivity.

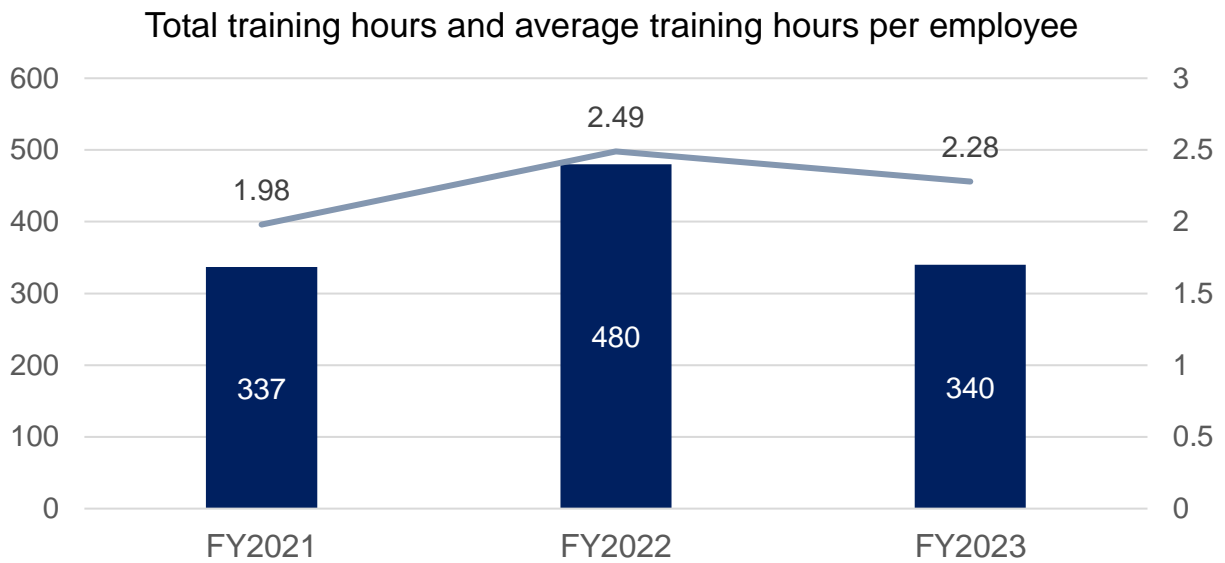
Sin Heng has remained committed to equipping our employees with the necessary resources to enhance their professional growth. In FY2023, our employees received a total of 340 training hours (FY2022: 480 training hours), with each employee receiving an average of 2.28 (FY2022: 2.49 training hours per person).

<sup>10</sup> Return to work rate is calculated by dividing the total number of employees that did return to work after parental leave by the total number of employees due to return to work after taking parental leave.

<sup>11</sup> Retention rate is calculated by dividing the total number of employees retained 12 months after returning to work following a period of parental leave by the total number of employees returning from parental leave in the prior reporting period.

The breakdown of average training hours by employee category and gender are presented below:

	FY2023	FY2022	FY2021
<b>By employee category (hours)</b>			
<b>Management</b>	0.00	2.00	0.36
<b>Non-Executive</b>	2.41	2.52	2.02
<b>By gender (hours)</b>			
<b>Female</b>	0.08	0.08	0.22
<b>Male</b>	2.73	2.83	2.16



■ Total training hours (left axis) — Average training hours per employee (right axis)

Our Management has also conducted annual performance reviews as part of our regular engagement with our employees to better understand the problems and issues they face on the ground to provide solutions and streamline employee expectations. This process helps to improve and yield higher work efficacy, as better communication aligns overall work expectations and eliminates any possible expectation gaps or misunderstandings between management and our employees.

<b>Performance reviews received by employees</b>			
	FY2023	FY2022	FY2021
<b>By employee category</b>			
<b>Management</b>	8	11	12
<b>Employees</b>	141	182	165
<b>By employee category (%)</b>			
<b>Management</b>	100%	100%	100%
<b>Employees</b>	100%	100%	100%

Performance reviews received by employees			
By gender			
Male	124	169	169
Female	25	24	24
By gender (%)			
Male	100%	100%	100%
Female	100%	100%	100%

## Occupational Health and Safety

The heavy machinery and construction industries are commonly associated with a higher level of safety risk given the nature of the work. Thus, it is critical to maintain stringent occupational health and safety ("**OHS**") standards in our workplace. At Sin Heng, we understand that lapses in OHS could result in operational disruptions, increased financial costs, legal repercussions, or damage to our reputation. In severe cases, such incidents may result in our employees suffering permanent disabilities or even loss of life, inevitably affecting their families. Sin Heng is committed to providing a healthy and safe workplace for all employees in compliance with the latest regulations.

To ensure the safety and well-being of all employees, subcontractors, and customers, as well as to prevent wasteful, inefficient operations and damage to property and equipment, Sin Heng is committed to zero incidents in all our work activities. To achieve this, we adhere to the principles outlined in our Workplace Safety and Health ("**WSH**") policy, which include:

- Identifying and mitigating potential risks associated with all work activities that may pose harm to oneself or any other parties involved;
- Offering comprehensive training, guidance, and oversight to enhance employees' awareness and understanding of workplace hazards, including those related to terrorism, as well as promoting safe work practices and emergency protocols;
- Encouraging stakeholders and employees to actively participate in WSH and Security matters and proactively engage them to identify, assess, and manage potential workplace hazards;
- Ensuring that all individuals (including visitors and subcontractors) adhere to the appropriate standards and workplace directions to safeguard their own health, safety, and security, as well as that of others; and
- Ensuring that proper systems and resources are in place to effectively manage the rehabilitation and return to work processes for employees who have experienced workplace injuries or illnesses.

In FY2023, Sin Heng's Workplace Safety and Health Management System ("**WSHMS**") achieved the Level 4 certification from bizSAFE, a nationally recognised capability building programme designed to help companies build workplace safety and health capabilities. Our WSHMS, which is applicable for all employees, operations and entities in scope, was developed in accordance with local regulations, including the Singapore Workplace Safety and Health Act 2006 (Revised 2009).



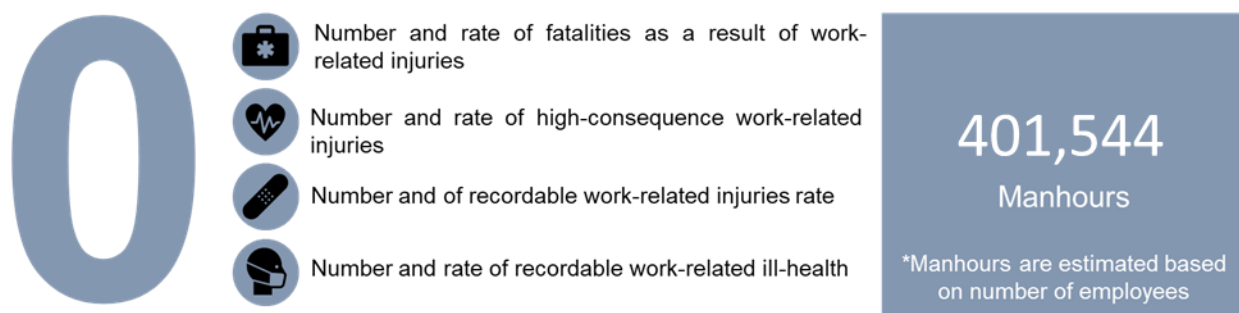
Sin Heng conducts hazard identification, risk assessment, risk control exercises and incident investigation procedures across our work activities, covering all stages of our operations including office activities, mobilisation and maintenance of cranes, hot works operations, including any emergency situations. Our employees of all levels, including but not limited to operations director, risk management team leaders, employees and engineers are assigned different components of the OHS risk management responsibilities. To ensure all employees are aware of the health and safety risks present, management regularly communicates safety requirements through regular briefings and notice board displays. In addition, the Group also ensures that all lifting equipment is operationally safe and adheres to the relevant laws and regulations. Scheduled maintenances are performed on a regular basis, and the machineries are also sent in for regular inspections by Authorised Examiners appointed by the Ministry of Manpower (“**MOM**”).

Employees are trained and encouraged to report any work-related hazards and hazardous situations, and to remove themselves from these situations if necessary. Employees may report such situations to the human resource department and are protected against reprisals. We take all reports made by employees seriously, and will proceed with the established investigative procedures.

The Group understands the importance of safe work practices and fosters a shared responsibility among employees in creating a secure workplace. To ensure that they are equipped with the necessary skills to carry out their work safely, we provide them with relevant training courses such as the Singapore Workforce Skills Qualification (“**WSQ**”) Construction Safety Orientation Course. In addition to physical health, we also monitor the mental and emotional well-being of our employees through regular communication and engagement to identify and support any employees in distress.

We ensure that all our employees are covered by workplace accident insurance and have access to public health and medical facilities.

Sin Heng achieved a commendable occupational health and safety record in FY2023, with no (FY2022: zero) work-related fatalities, no (FY2022: zero) high-consequence work-related injuries, no (FY2022: zero) recordable work-related injuries and no (FY2022: zero) work-related ill-health cases. To sustain this level of excellence, the company will continue to prioritise the safety of its employees by providing training and promoting safety practices. Sin Heng will also strive to maintain a safe and wholesome work environment that enhances the well-being of all our employees.



## Customer Health and Safety

Sin Heng is dedicated to providing top-notch services to our clients and ensuring that our products and services meet their intended purposes satisfactorily, without posing any risk to the health and safety of our customers and employees.

Safety is of utmost importance to us, and we collaborate closely with our customers' site management teams to manage safety issues at job sites. To that end, our crane operators are required to undergo an in-house Safety Induction Course conducted by site owners prior to entering customers' job sites. This course enables our employees to grasp our customers' safety requirements and assess whether any corrective measures are necessary.

0



Incidents of non-compliance with regulations resulting in a fine or penalty



Incidents of non-compliance with voluntary codes



Incidents of non-compliance with regulations resulting in a warning

During FY2023, the Group successfully complied with all local regulations and voluntary codes related to health and safety, with zero reported incidents of non-compliance (FY2022: none). Moving forward, we endeavour to maintain this exceptional track record by proactively strengthening our existing policies to ensure our continued compliance.

## Target Setting

Material Topics	Short-term Targets (in 1-2 years)	Medium-term Targets (by 2030)	Long-term Targets (by 2050)
<b>Maintaining Strong Corporate Governance</b>			
Anti-corruption	Maintain zero incidents of non-compliance with anti-corruption laws and regulations.		
	Maintain zero public cases and confirmed incidents of corruption of any nature brought against the Group or its employees.		
Economic Performance	Improve or maintain our financial position subject to market conditions.		
<b>Championing Environmental Stewardship</b>			
Energy Efficiency and Emissions	Adopt use of renewable energy sources and vehicles with lower emissions.	Reduce GHG emission levels and emission intensities by 5%.	Achieve net zero GHG emissions.
		Perform Scope 3 emissions assessment and include disclosure of Scope 3 emissions.	
	Adopt use of energy-efficient features and fittings.	Reduce electrical consumption intensities by 5%.	Reduce electrical consumption to meet net zero GHG emissions.
Water Conservation	Reduce water consumption intensity by 3%.	Reduce water consumption intensity by 5%.	Reduce water consumption intensity by 10%.
Complying with Environmental Standards	Maintain zero incidents of environmental-related fines.		
	Comply with environment protection laws.		
<b>Putting Our People First</b>			
Diversity and Equal Opportunity	Maintain zero incident of non-compliance with employment regulations and performance practices.		
Employment	Improve employee retention.	Maintain turnover rate below 15% subject to market conditions.	
Occupational Health and Safety	Maintain zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our office space.		
	Maintain zero workplace fatalities.		
Training and Development	Offer internal and external trainings that fosters growth and development of our employees at all levels	Continue to provide opportunities for skills training and development.	
		Increase the average training hours per employee by 10% from FY2023.	Increase the average training hours per employee by 20% from FY2023.
Customer Health and Safety	Maintain zero incidents of non-compliance with regulation relating to health and safety.		

## GRI Content Index

<b>Statement of use</b>	Sin Heng Heavy Machinery Limited has reported the information cited in the GRI Content Index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
<b>General Disclosures</b>		
2-1	Organisational details	Pg 3
2-2	Entities included in the organisation's sustainability reporting	Pg 5
2-3	Reporting period, frequency and contact point	Pg 5, 6
2-4	Restatements of information	Pg 16
2-5	External assurance	Sin Heng has not sought external assurance for this Report.
2-6	Activities, value chain and other business relationships	Pg 3
2-7	Employees	Pg 18
2-8	Workers who are not employees	Workers who are not employees pertain to workers of sub-contractors. We will commence reporting in the subsequent financial year.
2-9	Governance structure and composition	Pg 7
2-10	Nomination and selection of the highest governance body	Annual Report – Corporate Governance Report (Pg 26-27)
2-11	Chair of the highest governance body	Annual Report – Corporate Governance Report (Pg 23)
2-12	Role of the highest governance body in overseeing the management of impacts	Pg 7
2-13	Delegation of responsibility for managing impacts	Pg 7
2-14	Role of the highest governance body in sustainability reporting	Pg 7
2-15	Conflicts of interest	Annual Report – Corporate Governance Report (Pg 35-37)
2-16	Communication of critical concerns	Pg 11
2-17	Collective knowledge of the highest governance body	Annual Report – Corporate Governance Report (Pg 28-29)
2-18	Evaluation of the performance of the highest governance body	Annual Report – Corporate Governance Report (Pg 28-29)

GRI Standard	Disclosure	Location
2-19	Remuneration policies	Annual Report – Corporate Governance Report (Pg 29-32)
2-20	Process to determine remuneration	Annual Report – Corporate Governance Report (Pg 29-32)
2-21	Annual total compensation ratio	Information is not provided due to confidentiality constraints.
2-22	Statement on sustainable development strategy	Pg 4
2-23	Policy commitments	Our policy commitments are included in the sustainability report which is made publicly available on our corporate website.
2-24	Embedding policy commitments	Throughout the sustainability report.
2-25	Processes to remediate negative impacts	Pg 11
2-26	Mechanisms for seeking advice and raising concerns	Pg 11
2-27	Compliance with laws and regulations	Pg 11
2-28	Membership associations	Master Builders Association Malaysia
2-29	Approach to stakeholder engagement	Pg 7, 8
2-30	Collective bargaining agreements	Not applicable. No collective bargaining agreements are in place.
3-1	Process to determine material topics	Pg 9
3-2	List of material topics	Pg 9, 10
<b>Topic-specific disclosures</b>		
<b>Economic Performance</b>		
3-3	Management approach disclosures	Pg 11, 12
201-1	Direct economic value generated and distributed	Pg 11, 12
<b>Anti-corruption</b>		
3-3	Management approach disclosures	Pg 10, 11
205-3	Confirmed incidents of corruption and actions taken	Pg 10, 11
<b>Water Conservation</b>		
3-3	Management approach disclosures	Pg 17
303-5	Water consumption	Pg 17
<b>Energy Efficiency and Emissions</b>		
3-3	Management approach disclosures	Pg 16, 17
302-1	Energy consumption within the organisation	Pg 16, 17
302-3	Energy intensity	Pg 16, 17
305-1	Direct (Scope 1) GHG emissions	Pg 16, 17
305-2	Energy indirect (Scope 2) GHG emissions	Pg 17

GRI Standard	Disclosure	Location
305-4	GHG emissions intensity	Pg 17
<b>Diversity and Equal Opportunity</b>		
3-3	Management approach disclosures	Pg 18
405-1	Diversity of governance bodies and employees	Annual Report – Corporate Governance Report (Pg 23-25); and Pg 18
406-1	Incidents of discrimination and corrective actions taken	Pg 18
<b>Employment</b>		
3-3	Management approach disclosures	Pg 18
401-1	New employee hires and employee turnover	Pg 18, 19
401-3	Parental leave	Pg 20
<b>Occupational Health and Safety</b>		
3-3	Management approach disclosures	Pg 22, 23
403-1	Occupational health and safety management system	Pg 22, 23
403-2	Hazard identification, risk assessment, and incident investigation	Pg 22, 23
403-3	Occupational health services	Pg 22, 23
403-4	Worker participation, consultation, and communication on occupational health and safety	Pg 22, 23
403-5	Worker training on occupational health and safety	Pg 22, 23
403-6	Promotion of worker health	Pg 22, 23
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg 22, 23
403-9	Work-related injuries	Pg 22, 23
<b>Training and Education</b>		
3-3	Management approach disclosures	Pg 20, 21
404-1	Average hours of training per year per employee	Pg 20, 21
404-2	Programs for upgrading employee skills and transition assistance programs	Pg 20, 21
404-3	Percentage of employees receiving regular performance and career development reviews	Pg 20, 21
<b>Customer Health and Safety</b>		
3-3	Management approach disclosures	Pg 24
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pg 24

## TCFD Disclosures

Code	TCFD Recommendations	Page Reference
<b>Governance</b>		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	Pg 12
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Pg 12
<b>Strategy</b>		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pg 13, 14
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pg 13, 14
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pg 13
<b>Risk Management</b>		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Pg 14
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	Pg 14, 15
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Pg 14, 15
<b>Metrics and Targets</b>		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pg 15, 16, 17
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Pg 16, 17
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Pg 25