






HIAP TONG CORPORATION LTD.

SUSTAINABILITY REPORT 2024

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This sustainability report has been reviewed by the Group’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 2023 to 31 March 2024). This report was prepared with reference to Global Reporting Initiatives ("GRI") Standards (2021). 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. The report also complies with Singapore Exchange ("SGX") Practice Note 7F and incorporates climate-related disclosure consistent with the Task Force on Climate-Related Disclosure ("TCFD") recommendations.

No restatements were made from the previous report, except for Training and Education on page 20, due to the identification of double counts in the data from prior year, and Occupational Health and Safety on page 27 due to an error in the Employee's data headcount made in the previous reporting period, on pages 17 to 18.

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.

The Sustainability Reporting processes have been included in the internal audit cycle and be included in the risk-based internal audit plan, as approved by the Audit Committee. The internal review shall be conducted in accordance with the Guide to Internal Review of Sustainability Report by Institute of Internal Auditors Singapore.

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 seventh sustainability report prepared with reference to 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. All Board members have completed the mandated sustainability training course as required under the enhanced SGX sustainability reporting rules.

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 assesses and determines 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 are 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 balanced disclosure on the management and monitoring of material ESG topics for continual improvement.



ABOUT THE GROUP

Corporate Profile

Established since 1978, Hiap Tong's supply chain mainly consists of its rental fleet from its lifting and haulage fleet as well as machinery parts for maintenance of our fleet but is deemed to be insignificant. The entities downstream consist of:

Hiap Tong Trading Pte Ltd (HTT) & Hiap Tong Crane & Transport Pte Ltd (HTCT)	HT Ports Services Pte Ltd (HTPS)	Hiap Tong Construction Pte Ltd (HTCON)
<ul style="list-style-type: none"> • Renting of cranes, prime movers, heavy machinery and equipment and trading of cranes and heavy equipment 	<ul style="list-style-type: none"> • Provision of labour support for container lashing/ unlashing, prime mover driving services, repair and maintenance of motor vehicles. 	<ul style="list-style-type: none"> • Provision of work train operation services.
HTV Equipment Company Limited (HTV)	Hiap Tong Crane & Transport Sdn Bhd (HTCTSB)	HT Infrastructure Pte Ltd (HTI)
<ul style="list-style-type: none"> • Provision of heavy lifting and haulage services, as well as the trading of cranes and heavy equipment, mainly in Vietnam. 	<ul style="list-style-type: none"> • Renting of cranes, prime movers and heavy machinery and equipment, mainly in Malaysia. 	<ul style="list-style-type: none"> • Supporting and auxiliary transport activities, mainly in India. Dormant.

From a single 10 tonne mobile crane in 1980, the Group has expanded its combined lifting and haulage fleet size to an aggregate of 447 vehicles as at 31 March 2024, consisting of 222 cranes (with lifting capacities ranging from 10 to 1200 tonnes) and 225 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 450 customers, some of our notable customers include business units and affiliates of Seatrium 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

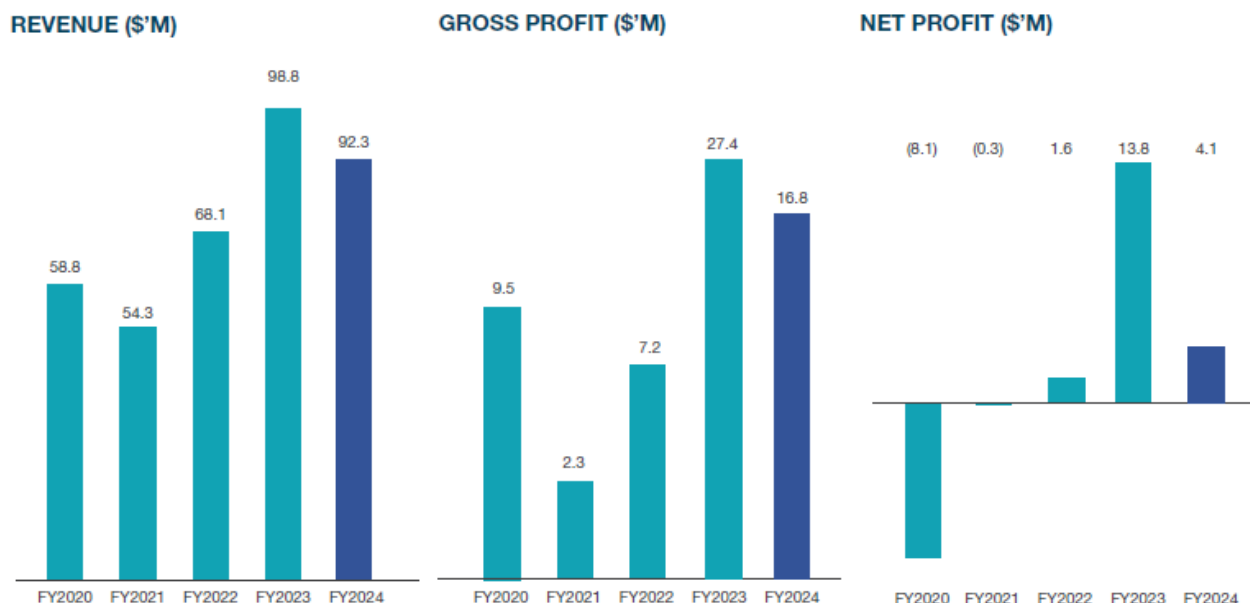
To be the preferred choice in offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes to transportation services with our haulage fleet.

Mission

Enhance the strength and trust in our brand name through:

- Commanding a 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, fueling our growth as a Group.

Financial Highlights



Economic Performance provides a basic indication of how the Group has created wealth for stakeholders. Several components of the economic value generated and distributed also provide an economic profile of the Group. This topic is determined to be with high importance to the stakeholders and Group, impacts regardless positive or negative would affect all stakeholders ranging from suppliers, upstream (business enablers), support (operations enablers, customers, shareholders and investors). The Group has always act in the best interests of the shareholders and stakeholders, striving to improve economic performance such as expanding its operations to not mainly just providing lifting and haulage services, but also providing manpower and other related services for work train operations with its recent incorporation of Hiap Tong Construction Pte Ltd during the financial year ended 31 March 2022.

Please refer to the Group's annual report ("**Annual Report**") for the financial year ended 31 March 2024 ("**FY2024**") for detailed analysis and commentary of financial performance. In FY2024, the Group received government grant income from the Singapore government, aimed at providing financial assistance. These grants include a Training Grant, SkillsFuture, Jobs Growth Incentive, Senior Employment Credit, Paternity/Childcare/NSMen and other employment grants.

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 9001:2015 Quality Management Systems
- BizSAFE Level Star Certification
- Certification for ISO 45001:2018 Occupational Health and Safety Management
- SOCOTEC Certified with Occupational Health & Safety Management System (OHSMS)
- Certified and licensed by Singapore Building and Construction Authority

SUSTAINABILITY REPORTING GOVERNANCE STRUCTURE

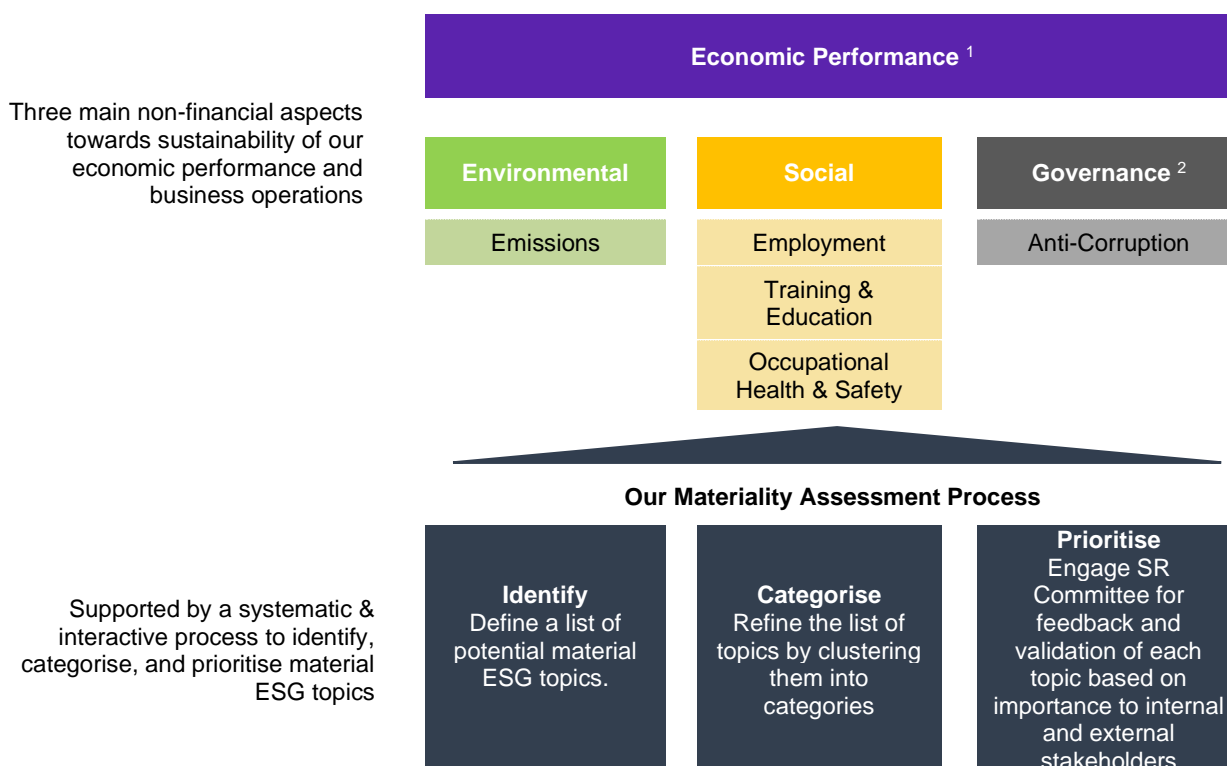
Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee comprises of specific working Groups with senior management and board level representatives from our various businesses and is responsible for executing and reporting on the material ESG aspects. The Board and the Audit Committee is responsible for the Group sustainability reporting and 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 on an ongoing basis.

STRATEGIC APPROACH FOR SUSTAINABILITY

Hiap Tong has 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 FY2024, the Group, with the help of an independent external consultant, reviewed and defined our approach to sustainability management. We have reviewed the four main aspects and existing non-financial topics for FY2024 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 the Financial Statement of the annual report FY2024.






2. Please refer to the Corporate Governance section of the annual report FY2024 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 FY2024, the SR Committee, with the support of the independent external consultant, has reviewed and ascertained that employees, customers, shareholder and investors, business partners, and government and regulatory are our key stakeholder Groups (See Exhibit 2).

Exhibit 2 – Our Key Stakeholder Group

Stakeholders	How We Engaged	Main Concerns & Expectations	How We Respond
<p>Employees</p> 	<ul style="list-style-type: none"> • Regular meetings • Internal communication through emails/mobile application • Annual performance appraisals 	<ul style="list-style-type: none"> • Training & career development opportunities • Health & Safety • Job security 	<ul style="list-style-type: none"> • Establishing sound HR policies and practices that promote fair treatment, safe working conditions, and opportunities for rewards and development.
<p>Customers</p> 	<ul style="list-style-type: none"> • Customer service feedback 	<ul style="list-style-type: none"> • Provision of quality service • Group's positive reputation in the market 	<ul style="list-style-type: none"> • By establishing policies for quality control and assurance to ensure that our operations follow the industry's best practices
<p>Shareholders/ Investors</p> 	<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 	<ul style="list-style-type: none"> • Actively engage with stakeholders and remain transparent about Group's operations. All concerns are addressed timely and communicated via various communication channels.
<p>Business Partners</p> 	<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 • Performance reviews 	<ul style="list-style-type: none"> • Guidelines and policies are established to ensure a fair selection and procurement process.
<p>Regulators & Government Authorities</p> 	<ul style="list-style-type: none"> • Obtain up to date information about changes in regulations. • Review policies and procedures to regularly to ensure compliance 	<ul style="list-style-type: none"> • Business disruptions for non-compliance to laws and regulations • Reputational damage resulting in eroded trust to stakeholders. • Financial losses arising from non-compliance to laws and regulations 	<ul style="list-style-type: none"> • Guidelines and policies are established to ensure compliance with all applicable laws and regulations. • Ensure that all relevant employees are kept abreast of changes to statutory requirements.

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

The Group has identified material topics based on sustainability issues impacting its stakeholders (financial and non-financial, internal and external). The Group has identified various impacts that it has on the current economy, environment and stakeholders and has assessed the significance of impact and risk that each material issue has. Furthermore, to determine how the Group can put in place policies and action plans to better manage the issues both in the short run and long run. The Group will also seek approval from the management and board and monitor sustainability performance.

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 determined to be relevant.

Material ESG Topics	FY2025 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.
Emission	<ul style="list-style-type: none"> ❖ Continue to adapt to the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD) in managing climate related risks and opportunities. ❖ Aim to maintain greenhouse gas (“GHG”) emission intensity ratio annually. Continue evaluating long-term goals on overall greenhouse gas emission.
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 fines 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 FY2024, the Group has managed to achieve all targets and commitments set in FY2023, except one instance of non-compliance with workplace safety regulation and a decrease in business revenue. 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.

SUMMARY OF SUSTAINABILITY PERFORMANCE INDICATORS AND TARGETS

Material ESG Topics	FY2024 Targets and Commitments	FY2024 Performance against FY2024 targets
Economic Performance	<ul style="list-style-type: none"> ❖ Continue to be vigilant and respond swiftly to any adverse situations due to economic uncertainties. 	<ul style="list-style-type: none"> ❖ Target achieved. In response to high interest rates, Hiap Tong reduced its exposure by acquiring more fixed-rate borrowings and decrease the allowance for account receivable impairment.
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. 	<ul style="list-style-type: none"> ❖ No incidents of non-compliance, fines or non-monetary sanctions relating to environmental compliance.
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. 	<ul style="list-style-type: none"> ❖ Target achieved. Refer to page 18 for further details on Group performance. ❖ No reported cases of non-compliance with local labour regulations across operations resulting in significant fines and non-monetary sanctions. ❖ No reported incidents of discrimination at the workplace.
Training and 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. 	<ul style="list-style-type: none"> ❖ Exceeded FY2024 target by 10.5 hours per employee. ❖ Group had spent \$238,000 to identify and upgrade employee's skill to facilitate continued employability. ❖ Group leveraged on government scheme (e.g. SkillsFuture) to upgrade employee's 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. 	<ul style="list-style-type: none"> ❖ No reported incidents of fatalities and the number of reported workplace injuries remained 5. ❖ Annual safety training conducted.
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 	<ul style="list-style-type: none"> ❖ One case of non-compliance in relation to Workplace Safety and Health resulting in a \$5,000 fine. There are no cases of non-monetary sanctions.
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. 	<ul style="list-style-type: none"> ❖ No reported incidents of bribery and corruption, including facilitation payment. ❖ Group continues to adopt a zero-tolerance stance in relation to corruption and bribery.

Material Topics and Indicators	Reporting Period (Financial year unless indicated) ¹	
	FY2024	FY2023
Scope 1 Emission(s)²		
Stationary Combustion	-	-
Mobile fuel combustion	3,459 tonnes	3,829 tonnes
Fugitive emissions (refrigerants)	533 tonnes	426 tonnes
Scope 2 Emission(s)³		
Electricity (Location Based)	278 tonnes	245 tonnes
GHG Emission Intensity (t CO₂ / Revenue) <i>Revenue denominated in Singapore Dollars ("SGD")</i>	0.046 t CO ₂ / revenue	0.045 t CO ₂ / revenue
Total confirmed incidents of corruption and action taken	-	-
Total non-compliance with law & regulations	1	0
Total number of Employee(s)		
Male	1,090	1,008 ⁵
Female	43	33 ⁵
Total Turnover Rate⁴ (%)	20.7%	28.5% ⁵
Average Training Hours Per Employee	20.5	17.7 ⁶

¹ Refer to financial year unless otherwise stated.

² Direct emissions from sources that are owned or controlled by the reporting company, including activities such as on-site combustion of fossil fuels for electricity generation, heating, and other industrial processes.

³ Indirect emissions associated with the consumption of purchased electricity, heat, or steam by the reporting company. These emissions occur at sources not owned or controlled by the company but are a consequence of its activities.

⁴ Formula to calculate turnover based on GRI 2021 standards - Turnover Rate (%) = (Number of Employees Who Left during the Reporting Period / Average Number of Employees during the Reporting Period) × 100

⁵ The previous year's figures have been restated due to an error in the data headcount made in previous reporting periods.

⁶ The previous year's figures have been restated due to the identification of double counts in the data and due to an error in the employee's data headcount made in previous reporting periods.

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

How do we manage this topic?

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 have continued 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)

Our Performance and Targets

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

Hiap Tong's primary goal towards environmental compliance is to meet all relevant laws, regulations and permits related to environmental protection. This includes the laws governing air quality, water pollution, waste management, hazardous materials handling, emissions, and more.

EMISSION

How do we manage this topic?

Greenhouse gas, ozone-depleting substances, nitrogen oxides and sulphur oxides among other significant air emissions are major contributors to climate change. Reductions in emission of regulated pollutants lead to improved health conditions for workers and local communities and can enhance relations with affected stakeholders.

Hiap Tong recognizes the importance of integrating environmental considerations into the Group's overall strategy formulation and business decisions. We are committed to managing and minimising our environmental footprint across our value chain, including offering solutions to customers from lifting services, with our extensive fleet of mobile cranes to transportation services with our haulage fleet and business operation.

To reduce greenhouse gas ("GHG") emissions specific to scope 1, all gas and electrical equipment are maintained to run efficiently. We have service contracts in place for preventative maintenance. In addition, regular health checks and servicing are conducted on all refrigeration and diesel storage units to ensure that any potential leaks are minimised. We will continue exploring the transition of more motor vehicles to electric vehicles and will invest more in electric cranes and other equipment, which will reduce exposure to future fuel price increases and less exposure to changes in the cost of carbon.

Additionally, to reduce GHG emissions specific to scope 2, the Group had replaced several high energy-usage lights to energy-saving LED lights at common areas such as the stairways and workplaces with high human traffic, installed timers to air-conditioners, and replaced selected ceiling lights with motion-sensor lights. We have also implemented the use of solar panels at some of the sites and invested in sustainable safety jackets or coats for the workers.

Since FY2023, the Group has adopted a waste management system which requires segregation of general waste to ensure that all housekeeping duties are performed in an environmentally friendly manner, includes recycling initiatives and programmes and waste disposal to reduce GHG emissions relating to scope 3.

We recognize that there is more to be done and will continue to strengthen our efforts and build strategic initiatives that will yield a greater positive impact in the future. To further strengthen the group's awareness and understanding of climate change impact, the group have in FY2024 continue to adopt the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD) in managing climate related risks and opportunities.

Governance	Risk Management
<ul style="list-style-type: none"> Climate risks & opportunities and associated metrics have been presented to the Board of Directors. Climate related risks & opportunities are evaluated by the Board of Directors in the Group's business & strategy as part of its overall oversight on sustainability topics of the Group. Climate risks & opportunities are managed by the SR committee on a day-to-day basis involving the development and execution of policies and processes to manage risks. 	<ul style="list-style-type: none"> Climate risks & opportunities will be integrated into the overall risk management process. Climate physical and transition risks will be assessed in accordance to the Group's risk parameters and action plans identified to mitigate risks. The Group's risks, impact and action plans are reviewed at least annually by the SR committee.
Strategy	Metrics
<ul style="list-style-type: none"> The Group continues to assess its climate-related risks annually, and a refresher workshop was conducted to identify relevant physical and transition risks and their financial impact on the business from short, medium and long-term perspectives. Climate-related risks and opportunities are reviewed by the SR committee and the Board of Directors on a regular basis. 	<ul style="list-style-type: none"> GHG Scope 1 & 2 intensity targets are established to evaluate climate-related risks & opportunities. Selected Scope 3¹ emission analysis had been included to provide a monthly comprehensive analysis of the indirect emissions of the Group.

¹Scope 3 emissions analysis for FY2024 encompasses only category 6 (Business Travel) and 7 (Employees Commuting).

The relevant physical and transition risks and associated financial impact are described below. The risk ratings are aligned with the Group's risk parameters and definition of risk ratings:

Description		Financial Impact	Time Period*
Physical (Chronic)	Heat stress (rising mean temperatures) resulting in loss of care or increase in absenteeism (e.g., health, safety, absenteeism).	Reduction in revenue and higher costs from negative impacts on workforce.	Long Term
Physical (Chronic)	Increase in precipitation patterns and extreme variability in weather patterns. Reduced revenue and high costs from negative impacts on workforce (e.g., health, safety, absenteeism).	Reduction in revenue Increase in asset replacement costs	Medium - Long Term
Physical (Acute)	Increase severity of extreme weather events such as floods. Reduced revenue from decreased production capacity (e.g., commuting difficulties, supply chain interruptions).	Reduction in revenue	Medium - Long Term
Transition (Policy & Legal)	Tightening regulations on local Greenhouse Gas Emission - carbon pricing, energy standards & disclosure reporting.	Increase in cost of operations	Medium - Long Term
Transition (Market)	Increased production costs due to changing input prices (e.g., energy or electricity).	Increase in cost of operations	Medium - Long Term

*Short Term (< 1 year), Medium Term (1 – 3 years), Long Term (> 3 years).

Our Performance and Targets

GRI 305 Emission was identified as the metrics used to assess climate related risks & opportunities. The Group will continue to monitor and develop a better understanding of its emission exposure before determining a reasonable target to reduce carbon emission where applicable. The Group's Scope 1, 2 and 3 CO₂ emissions are detailed below:

	FY2024	FY2023
Total Carbon Emission (tonnes CO₂ equivalent)¹	4,270 tonnes	4,500 tonnes
Scope 1 Emission (s)		
• Stationary Combustion ²	-	-
• Mobile fuel combustion ³	3,459 tonnes	3,829 tonnes
• Fugitive emissions (refrigerants) ⁴	533 tonnes	426 tonnes
Scope 2 Emission (s)		
• Purchased electricity (location based) ⁵	278 tonnes	245 tonnes
GHG Emission Intensity (t CO₂ / Revenue) <i>Revenue denominated in SGD</i>	0.046 tCO ₂ /Revenue	0.045 tCO ₂ /Revenue

¹ GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report. The equivalent CO₂ emission for electricity based on the operating margin factors from the Energy Market Authority of Singapore.

² Stationary combustion is primarily facilities that burn fuels on-site (e.g. natural gas, propane, coal, fuel oil, diesel fuels etc)

³ Mobile fuel combustion is primarily fuel consumed by heavy-duty vehicles and passenger vehicles.

⁴ Fugitive emissions are primarily use emissions from the air-conditioning and refrigerators from the Group's facilities.

⁵ Purchased Electricity are primarily location-based with data derived from the national grids of Singapore.

In FY2024, there was a decrease in total carbon emissions, primarily due to a reduction in mobile consumption by 370 tCO₂. The decrease in mobile fuel consumption is offset by the increased electricity usage attributed to the Electric Vehicle (EV) charger installed in FY2023, which continued to be utilised throughout FY2024, alongside higher acquisitions of electric forklifts and other electric vehicles.

The Group also noted an increase in fugitive emissions, which are associated with the maintenance of cranes. Due to the addition of more cranes during the year, maintenance activities increased, leading to a corresponding rise in fugitive emissions and maintenance expenses. In FY2025, the Group aims to maintain its greenhouse gas (GHG) emission intensity ratio.

Over the long term, the Group will continuously monitor and deepen its understanding of its emission profile. This thorough understanding will form the foundation for setting practical and relevant goals to reduce carbon emissions wherever feasible and appropriate. The Group continues to transition to the usage of electric vehicles as well as other energy saving technologies.

SOCIAL

EMPLOYMENT

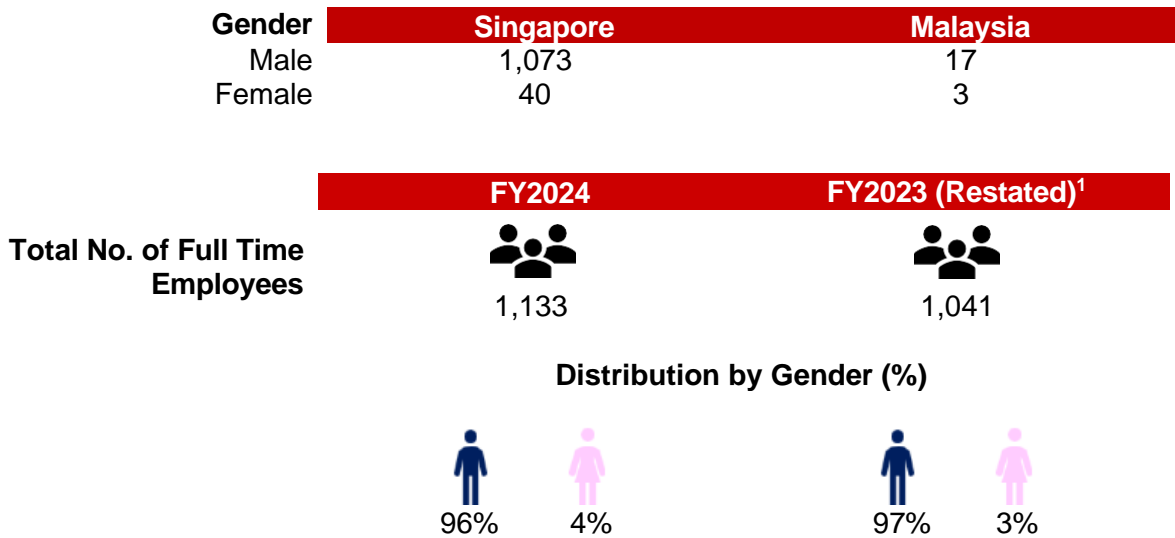
How do we manage this topic?

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 number, age, gender, and region of a Group new employee hires can indicate its strategy and ability to attract diverse, qualified employees. Employee turnover can indicate levels of certainty and satisfaction among employees. It can also signal a fundamental change in the structure of Group core operations.

The Group is committed to fair employment practices, upholding human rights principles, and investing in developing and training our people. Hence, the Group was able to retain its talents and grow its workforce in FY2024.

The Group has employment data broken down by region and gender shown in the table below for FY2024:



New Hire Distribution

Total No. of New Hires	FY2024			FY2023 (Restated)¹		
	327			283		

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

	FY2024			FY2023 (Restated)¹		
	<30	30-50	> 50	<30	30-50	> 50
Total No. of New Hire by Age Group	132	168	27	79	181	23
% of New Hire by Age Group	40%	51%	9%	28%	64%	8%

Turnover Distribution

	FY2024			FY2023 (Restated)¹		
	<30	30-50	> 50	<30	30-50	> 50
Total Turnover	235			297		
Total No. of Turnover by Age Group	95	125	15	72	173	52
% of Turnover by Age Group	40%	53%	7%	24%	58%	18%

¹ The previous year's figures have been restated due to an error in the employee's data headcount made in previous reporting periods.

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 preferences 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 to continuing to embrace diversity, and equal opportunity in the workplace and remains 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 Group culture. There were no reported incidences of discrimination raised by our employees in FY2024.

The Group also has an open-door policy promoting open communication and accessibility 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 FY2024.

Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and setting 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 FY2024, 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 balance at the workplace by allowing employees flexibility to work from home to better manage personal commitments and work responsibilities.
Various Allowances benefits	Group has various allowances for entitled staff 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, the 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.

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 employed by Hiap Tong for at least three continuous months, with at least one Singapore citizen child who is either below 7 years old or between the ages of 7 and 12, are entitled to six days or two days of paid childcare leave annually, respectively. The allocation of parental leave for employees is in line with the Ministry of Social and Family Development's guidelines. Zero employees took parental leave in FY2024, hence, a zero percent return-to-work rate.

Our Performance and Targets

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. Moreover, the Group has a diversity policy, setting out its policy and framework for promoting diversity. To achieve an optimum balanced composition, the Group will consider candidates based on merit, diversity (in terms of gender, age and ethnicity) and the nature and scope of the Group operations and business requirements.

The Group continually cultivates a transparent and inclusive environment for all employees, as well as ensuring 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

How do we manage this topic?

This includes the Group approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

The Group believes that training and education play an essential role in advancing 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 builds resilience and improves skills and performance. These programmes provide encouragement and support our employees to maximise their potential and have a rewarding career.

In FY2024, the increase in the average hours of training per employee as compared to FY2023 was attributable to the increase in the total number of employees. The Group has also exceeded FY2024 targets by providing 10.5 hours more of the average hours of training per employee.

	FY2024	FY2023 (Restated)
Average Hours of Training Per Employee	 20.5	 17.7 ¹

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

¹ The previous year's figures have been restated due to the identification of double counts in the data and due to an error in the employee's data headcount made in previous reporting periods.

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 FY2024, the budget spent on training for the Group totaled to \$238,000 (FY2023: \$192,000). 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	Workforce Skills Qualifications ("WSQ") Supervise Safe Lifting Operations	Training for supervising of safe lifting operations
4	WSQ WSH Management in Construction Industry	Safety regulations in construction sites.
5	Apply WSH in Shipyard	Shipyard safety programme.
6	WSQ Perform Rigger & Signalman Tasks	Training for the securing loads for safe lifting by any form of lifting equipment.
7	ITE Skills Certificate ("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	Hazmat Transport Driver Permit	Training for drivers involved in transportation and handling of hazardous materials on Singapore roads.
16	Supervise WSH in Process Plant	Training to supervise WSH in a Process Plant.
17	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 FY2024, Hiap Tong Crane & Transport Pte Ltd (“HTCT”), Hiap Tong Port Services Pte Ltd (“HTPS”), Hiap Tong Trading Pte. Ltd. (“HTT”), Hiap Tong Construction Pte Ltd (“HTCON”) receives grants from the Inland Revenue Authority of Singapore (IRAS), such as the Jobs Growth Incentive, Senior Employment Credit, and Enabling Employment Credit. Additionally, the company receives grants from Enterprise Singapore, including the Tech Grant and SkillsFuture.

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 is 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 to 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 FY2024, the table below shows all employees received performance and career development review.

	FY2024 ¹		FY2023 ¹	
	Male	Female	Male	Female
For Staff Employees	100%	100%	100%	100%
For Supervisor Employees	100%	100%	100%	100%
For Middle Management Employees	100%	100%	100%	100%
For Senior Management Employees and above	100%	100%	100%	100%

¹In FY2023 and FY2024, the number of full-time staff who had gone through annual performance and career development review did not include employees who had left the Group within the year.

Our Performance and Targets

The Group shall continue to provide training and education opportunities through development programmes where applicable and promote a conducive workplace environment where everyone can achieve their potential. The Group also provides training courses and workshops for its employees, to keep up to date on the latest policies and safety procedures.

OCCUPATIONAL HEALTH AND SAFETY

How do we manage this topic?

Healthy and safe work conditions are recognized as a human right and it involves both prevention of physical and mental harm, and promotion of workers' health. It is essential that workers participate and are consulted in the development of occupational health and safety policies such as hazard identification and risk assessment, worker training and incident identification and investigation. Health and Safety is the Group top priority. A professional engineer would conduct an annual visual test on our machineries, to ensure safety requirements are fulfilled.

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 is committed to meeting high occupational health and safety standards, including ISO 45001 and the bizSAFE Level Star, among others.

By maintaining these certifications, Hiap Tong shows its dedication to providing a safe and healthy workplace for its employees. The Board and Management maintains oversight and monitors the health and safety performance of the Group.

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.

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 (including evacuation, reporting, and firefighting) are carried out twice a year to ensure preparedness in the event of a fire or an emergency. Practical training courses are also held to train employees in ways to handle an emergency (e.g., how to carry the injured, etc.).

Key Elements of Our Health & Safety System



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.

Hazard Identification

The first step is to identify potential hazards in the workplace. This can be done through various methods such as workplace inspections, job hazard analysis, review of incident reports, consultation with employees, health risk assessments, and exposure monitoring to evaluate the potential risks associated with various work tasks and exposures. The goal is to identify all sources of potential harm to workers, including physical, chemical, biological, ergonomic, and psychosocial hazards.

Risk Assessment

Once the hazards are identified, a risk assessment is conducted to evaluate the likelihood and severity of potential harm. The risk assessment considers factors such as the frequency and duration of exposure, the nature of the hazard, and the number of employees exposed. This helps prioritize risks and determine appropriate control measures.

Risk Evaluation

In this step, the assessed risks are evaluated to determine their significance. This involves comparing the identified risks against predetermined criteria, such as legal requirements, industry standards, and Group policies. Risks are typically classified as low, medium, or high based on their potential consequences.

Control Measures

Based on the risk evaluation, control measures are implemented to eliminate or mitigate the identified hazards. This may involve a hierarchy of controls, starting with elimination or substitution of hazards, followed by engineering controls, administrative controls, and personal protective equipment (PPE). The effectiveness of control measures should be regularly reviewed and adjusted as needed.

Monitoring and Review

Continuous monitoring ensures the control measures work effectively and identifies any new or changed risks. Regular checks, incident analysis, health monitoring, and employee feedback are crucial for ongoing improvement.

Health and Safety Surveillance

Monitor the health and safety of employees exposed to specific hazards or working in high-risk occupations. This involves conducting medical examinations, health screenings, and biological monitoring to detect early signs of occupational diseases or adverse health effects. Health surveillance helps identify individual vulnerabilities and provides data for evaluating the effectiveness of control measures. The Group promotes a culture of continuous improvement within their occupational health services. This involves regular evaluations, audits, and reviews of processes, protocols, and performance to identify areas for enhancement and ensure the delivery of high-quality services.

Health Screening and Assessments

Voluntary health screenings and assessments are often provided to workers to detect and monitor health risks. These screenings may include measurements of blood pressure, cholesterol levels, body mass index (BMI), and blood glucose. By offering these assessments, the Group aims to raise awareness of potential health concerns and encourage early intervention. Workers are typically informed about the availability of these screenings through communication channels such as email, posters, or intranet announcements.

The Group may also conduct voluntary health risk assessments to help employees identify their individual health risks and develop personalized health improvement plans. These assessments may include questionnaires or online tools that evaluate factors such as lifestyle choices, family history, and health habits. The assessments provide workers with insights into their health risks and may offer recommendations for lifestyle modifications or preventive measures.

The Group provides health insurance coverage for employees, which includes access to non-occupational medical and healthcare services. The Group also provides health promotion initiatives and educational resources to increase awareness of non-occupational health issues. Resources may cover topics such as ergonomics, healthy eating, physical fitness, stress management, smoking cessation, and disease prevention. These initiatives aim to boost awareness and help employees make better health decisions. By providing employees with knowledge and resources, the Group empowers them to make informed decisions about their health and seek appropriate non-occupational medical services when needed.

Qualified Personnel

The Group ensures that occupational health services are staffed by qualified professionals, such as occupational health physicians, nurses, hygienists, and ergonomists. These professionals possess the necessary expertise to assess and manage workplace health risks effectively.

Compliance with Standards and Regulations

The Group ensure that their occupational health services comply with applicable legal and regulatory requirements. This includes adhering to standards related to occupational health, safety, and medical practices to maintain the quality and effectiveness of the services provided.

Continuous Improvement

There is a focus on continuously enhancing occupational health services through regular evaluations, audits, and performance reviews to improve processes and outcomes.

Incident Investigation & Analysis

The SR committee together with the Management participate in incident investigations to identify root causes and contribute to the development of corrective actions. They analyze incident trends, propose preventive measures, and monitor the effectiveness of implemented controls.

Program Evaluation and Improvement

The SR committee is responsible for evaluating the effectiveness of the occupational health and safety management system. They review performance indicators, audit reports, and worker feedback to identify areas for improvement and make recommendations.

Training and Communication

Adequate training and communication are critical to ensure that employees are aware of the identified hazards, associated risks, and control measures in place. This includes providing comprehensive training on safe work practices, emergency procedures, proper use of PPE, and raising awareness about potential hazards and risk mitigation strategies. By raising awareness and

disseminating relevant information and contribute to the development and delivery of training programs for workers. Workers are empowered to make healthier choices and prevent work-related health problems.

Training sessions may be conducted during onboarding, as regular refresher courses, or in response to specific safety concerns. Interactive and engaging training methods, such as hands-on exercises, simulations, and real-life case studies, are often employed to enhance learning and retention.

Open communication channels between workers, management, and occupational health services. This includes encouraging workers to report health concerns, incidents, and hazards promptly, as well as ensuring that workers have access to information and resources related to occupational health services. Two-way communication channels are also encouraged, allowing employees to provide feedback, ask questions, or share safety-related suggestions.

With Communication and Benefits Information, it ensures that employees are well-informed about the non-occupational medical and healthcare services available to them. This includes clear communication of the benefits provided, coverage details, contact information for healthcare providers, and any necessary administrative processes for accessing these services. The information is typically shared through employee memos, and regular communication channels.

Safety campaigns

These safety campaigns are designed to create awareness and reinforce safe behaviours among employees. These campaigns may involve posters, banners, newsletters, digital displays, or other visual aids placed strategically in common areas and workstations. The campaigns typically focus on specific safety themes, such as hazard recognition, ergonomics, fire safety, or mental well-being. They aim to grab employees' attention, deliver key messages, and promote safety consciousness.

Safety Committees Representatives

The Group establishes safety committees or appoints safety representatives to actively engage employees in safety-related matters. These committees or representatives serve as advocates for safety, encourage open communication, and gather feedback from employees. They play a vital role in promoting safety awareness and ensuring that employee perspectives are considered in decision-making processes.

Regular Safety Meetings and Toolbox Talks

This provides dedicated platforms for discussing safety topics, sharing best practices, and addressing concerns. These meetings may be conducted at the department, team, or Group level. They offer opportunities for employees to ask questions, contribute ideas, and raise safety-related issues. Toolbox talks, in particular, are short, focused sessions held at the worksite to address specific safety issues or reinforce safe practices.

This also encourages employees to report incidents and near-misses and is a critical initiative for raising safety awareness. The Group implements reporting systems that allow employees to confidentially report unsafe conditions, incidents, or near-miss events. Clear reporting procedures, including non-punitive reporting policies, are communicated to employees to ensure that safety concerns are promptly addressed, and lessons are learned from incidents and near-misses.

Recognizing and Rewarding

Recognizing and rewarding employees for their safety efforts and contributions can significantly raise safety awareness. The Group implements recognition and incentive programs that acknowledge employees for demonstrating safe behaviours, reporting safety hazards, or suggesting safety improvements. This can include awards, certificates, or other forms of recognition to reinforce positive safety actions and encourage a proactive safety mindset.

Documentation

It is important to maintain comprehensive documentation of hazard identification, risk assessment, control measures, and ongoing monitoring activities. This documentation serves as a reference for future reviews, audits, and compliance purposes. Moreover, worker participation is sought during the periodic review and audit processes of the occupational health and safety management system. Workers' insights and perspectives are valuable in evaluating the effectiveness of existing controls, identifying areas for improvement, and establishing action plans for enhancing overall safety performance.

In FY2024, there are a total of 1,133 employees who are covered by an Occupational Health and Safety Management System (SMS). 100% of employees and workers covered by SMS internally audited and certified by external party.

Our Performance and Targets

Category	FY2024	FY2023 (Restated)
No. of fatalities incident	-	-
No. of reportable injuries	5	5
No. of occupational diseases ¹	1	-
No. of loss days due to injuries ²	624	67
Injury rate ³	2.12	2.31 ⁶
Lost day rate ⁴	264.78	30.94 ⁶
Absentee rate ⁵	1.65	0.80 ⁶

¹ The number of occupational diseases refers to chronic health problems, disorders, respiratory diseases, and cancers that are caused or aggravated by work conditions, practices, and physical agents (e.g., noise, radiation, vibration, anxiety, post-traumatic stress disorder). It does not include workdays lost due to workplace injuries.

² The number of loss days lost due to injuries refers to the total number of days absence taken from the total number of reportable injuries.

³ Injury rate refers to the number of work-related incidents per million manhours worked.

⁴ Lost day rate refers to the number of man-days lost for every million hours worked.

⁵ Absentee rate refers to the number of absent hours over the number of manpower hours worked due to unplanned sickness or other health illnesses. It does not include workdays lost due to workplace injuries.

⁶ The previous year's figures have been restated due to an error in the employee's data headcount made in previous reporting periods.

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 responsibility entails some risk of work-related injuries. As a result, there were 5 reportable injuries and 624 lost days due to injuries in FY2024, primarily from pinch points, slips, and falls. The Group is actively working to mitigate these incidents by taking relevant actions.

The decrease in injury rate in FY2024 compared to FY2023 was attributable to higher manhours worked as the number of reportable injuries remained unchanged. The increase in the number of lost days due to injuries and loss day rate in FY2024 can be attributed to several major incidents that required prolonged recovery times. These incidents were more severe compared to those in FY2023, resulting in more serious injuries such as fractures, significant soft tissue injuries, and surgeries, which led to longer recovery periods.

For each reported injury, the Group will continue to conduct investigations of the accidents and regular safety inspections to identify and mitigate hazards. Corrective action plans, such as conducting briefings to create awareness and issuing monthly safety newsletters to remind employees of the importance of workplace safety, are also implemented. Continuous and adequate training and education on workplace safety are implemented to minimize the likelihood of equipment mishandling and similar accidents. The Group also hired a consultant to gain a third-party perspective and enhance their health and safety measures.

Additionally, wellness programs focusing on both physical and mental health are provided to reduce workplace injuries. The Group fosters a strong safety culture where employees feel responsible for their own and others' safety.

In FY2024, the Group had one case of occupational disease resulting in hearing loss, due to exposure to extremely loud noises like explosions or machinery malfunctions. The Group has taken proactive measures to prevent such occurrences from recurring. This includes conducting periodic hearing tests (audiograms) for employees exposed to high noise levels to detect early signs of hearing loss. The Group ensures that all employees in noisy environments consistently use appropriate hearing protection devices and regularly monitor noise levels in the workplace to identify areas needing noise control measures. Engineering controls are implemented to reduce noise at the source, such as installing noise barriers, using quieter machinery, and maintaining equipment to prevent excessive noise.

To further mitigate risks, the Group will rotate employees to limit exposure to high noise levels and schedule noisy activities during times when fewer employees are present. The Group will also educate employees about the risks of noise exposure and emphasize the importance of using hearing protection and following safety procedures.

In FY2024, the Group reported zero fatalities across Hiap Tong's business operations. We aim to achieve zero incidents of non-compliance with laws and regulations in FY2025.

SOCIOECONOMIC COMPLIANCE

The Group's operations are subject to compliance requirements of Singapore Building Construction Authority ("BCA") and the Ministry of Manpower ("MOM"). Our fleets are inspected and maintained regularly to ensure full 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.

In FY2024, a fine of \$5,000 was issued for non-compliance with the Workplace Safety and Health Act due to a breach of safety regulations, specifically related to inadequate safety measures.

Details are provided below:

1. Failure to ensure that all dangerous parts, including flywheels, of electric generators, motors, transmission machinery, or other machinery in the workplace are securely fenced. Specifically, the tools and dies of the hydraulic press machines and the rotary pulleys and belt of the cut-off saw machine were not securely fenced in the building.
2. Failure to ensure that all electrical installations and equipment in the workplace are used and maintained in a safe manner. Specifically:
 - The rubber sleeve of a welding cable connected to a "Riland" brand welding machine was damaged.
 - An exposed conductor was found in a welding cable connected to a "HERO" brand model DS-401 welding machine.
 - Exposed insulated wires were seen in electrical cables connected to an industrial plug, which was in turn connected to a wall isolator switch with a partially dislodged socket outlet, and an electric handheld grinder.
 - Improper joints, such as taped twisted joints, were found in multiple flexible cables of electrical equipment.
 - Not all socket outlet assemblies' enclosures had intermediate barriers to fully enclose live conductors.

To rectify this and prevent recurrence, we have implemented the following measures:

1. Installation of proper fencing

We have ensured that all dangerous parts of the machinery are now securely fenced, including the hydraulic press machines and the cut-off saw machine.

2. Regular inspections

We have daily regular inspections to ensure that the fencing remains secure and effective.

3. Safety training

We have conducted additional training sessions for all employees to emphasize the importance of maintaining and checking safety measures.

4. Updated Standard Operating Procedures (“SOP”)

Our SOPs have been updated to include detailed instructions on securing dangerous parts of machinery.

5. Continuous monitoring

We have implemented continuous monitoring systems to promptly identify and address any potential safety issues.

GOVERNANCE



ANTI-CORRUPTION

How do we manage this topic?

Corruption includes practices such as bribery and embezzlement that are widely associated with negative impacts such as abuse of human rights and undermining the rule of law. The Group are expected to demonstrate their adherence to integrity, governance, and responsible business practices.

We hold ourselves to the highest standard of professional behaviour, which is essential for the long-term viability of the Group's business 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 for 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 Audit Committee ("**AC**") 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 and stakeholders making such reports will be treated fairly and, to the extent possible, be protected from reprisal. The Group has a dedicated and secure e-mail address (leadid@hiaptong.com) to allow individuals to raise contentious issues to the Audit Committee directly. 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.

Our Performance and Targets

In FY2024, there were no reported incidents pertaining to whistleblowing for the reporting period under review. The Group continues to work towards reinforcing a full compliance culture. The Group is very stringent in its internal operations and procedures, and any non-compliance or lapses to its internal controls will always be rectified with corrective measures recommended by the Group internal and external auditors. This will also be reviewed by the Management, various board committees and the board, to ensure that the board is satisfied that adequate and effective controls are put in place.

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 with reference to the GRI Standards (2021).

Statement of use	Hiap Tong Corporation has reported the information cited in this GRI content index for the period 1 st April 2023 to 31 st March 2024 with reference to the GRI Standards (2021).
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organizational details	Sustainability report ("SR") Page 4 & Annual Report ("AR") Page 1 - 3
	2-2	Entities included in the organization's sustainability reporting	SR Page 4, AR Page 6 & Financial Statement Page 68
	2-3	Reporting period, frequency and contact point	SR Page 2
	2-4	Restatements of information	SR Page 2
	2-5	External assurance	SR Page 2
	2-6	Activities, value chain and other business relationships	SR Page 5
	2-7	Employees	SR Page 17
	2-8	Workers who are not employees	N/A
	2-9	Governance structure and composition	AR Page 16
	2-10	Nomination and selection of the highest governance body	AR Page 19 & 21
	2-11	Chair of the highest governance body	AR Page 16
	2-12	Role of the highest governance body in overseeing the management of impacts	AR Page 18
	2-13	Delegation of responsibility for managing impacts	AR Page 30 - 31
	2-14	Role of the highest governance body in sustainability reporting	SR Page 7
	2-15	Conflicts of interest	AR Page 13 & 16
	2-16	Communication of critical concerns	AR Page 19, 30 - 31
	2-17	Collective knowledge of the highest governance body	AR Page 13
	2-18	Evaluation of the performance of the highest governance body	AR Page 22
	2-19	Remuneration policies	AR Page 21 & 22
	2-20	Process to determine remuneration	AR Page 23
	2-21	Annual total compensation ratio	AR Page 23 – 24
	2-22	Statement on sustainable development strategy	SR Page 3
	2-23	Policy commitments	AR Page 18 & 26
	2-24	Embedding policy commitments	AR Page 26
	2-25	Processes to remediate negative impacts	SR Page 18
	2-26	Mechanisms for seeking advice and raising concerns	AR Page 30 - 31
	2-27	Compliance with laws and regulations	SR Page 13 & 29 - 30
	2-28	Membership associations	SR Page 9
	2-29	Approach to stakeholder engagement	SR Page 8 – 9 AR Page 30 & 31
	2-30	Collective bargaining agreement	N/A
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR Page 10
	3-2	List of material topics	SR Page 10
	3-3	Management of material topics	Refer to respective material topics within this report.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SR Page 6 & AR Page 8
	201-4	Financial assistance received from government	SR Page 6 & 22
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	SR Page 31
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR Page 16
	305-2	Energy indirect (Scope 2) GHG emissions	SR Page 16
	305-4	GHG emissions intensity	SR Page 16
	305-5	Reduction of GHG emissions	SR Page 16
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR Page 18
	401-3	Parental leave	SR Page 19

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SR Page 23
	403-2	Hazard identification, risk assessment, and incident investigation	SR Page 24
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR Page 24 - 25
	403-5	Worker training on occupational health and safety	SR Page 25 - 26
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR Page 28
	403-8	Workers covered by an occupational health and safety management system	SR Page 27
	403-9	Work-related injuries	SR Page 27
	403-10	Work-related ill health	SR Page 27
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR Page 20
	404-2	Programs for upgrading employee skills and transition assistance programs	SR Page 21
	404-3	Percentage of employees receiving regular performance and career development reviews	SR Page 22