



DYNA-MAC SUSTAINABILITY REPORT 2019

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INTRODUCTION

About Dyna-Mac

Headquartered in Singapore and listed on the Mainboard of the Singapore Exchange, Dyna-Mac Holdings Ltd. and its subsidiaries ("Dyna-Mac" or "Group") is a global leader in the detailed engineering, procurement, fabrication and construction of offshore floating production storage offloading (FPSO) and floating storage offloading (FSO) topside modules as well as onshore plants and other sub-sea products for the oil and gas industries.

Transformation for Growth

As the industry evolves, we aim to stay ahead by harnessing our facilities and diverse strengths. We are also venturing into new areas like LNG (liquefied natural gas) modules and renewable energy. By diversifying our core capabilities, Dyna-Mac is poised to move up the value chain and meet the changing demands of industry.

To fortify our strategic presence, we actively partner with leading institutes and specialists abroad, as well as with world engineering leaders in executing large projects in both local and international markets. This deep partnerships enable Dyna-Mac to expand our operations to stay closer to our clients and project locations, develop new capabilities as well as training opportunities while expanding our production capacity to undertake larger and more complex projects.

Dyna-Mac has made commendable achievements in productivity over the years through infrastructure enhancements, innovation and training. To further enhance efficiency, product quality and reduce reliance on manual labour, we strive to leverage automation in our fabrication process through automated CNC beam-cutting and edge-rounding machines, as well as a semi-automatic production line for pipe fabrication and beam fabrication of various sizes.

Corporate Vision & Mission

A global leader in providing reliable, affordable products and services of unsurpassed quality at competitive pricing for the oil & gas industries.

We will achieve this by upholding the highest levels of quality, safety, reliability and service excellence.

Corporate Core Values

Our core values support the vision, shape the culture and chart the direction of the Group. Putting these values into practice creates benefits for customers, employees, partners and the communities we serve.

- Integrity
- Customer Focus
- People Development
- Health, Safety and Environment
- Positive Attitude
- Teamwork

BOARD STATEMENT

At Dyna-Mac, sustainability means building businesses that deliver long-term shareholder value and growth. In order to achieve this, we aim to adopt a disciplined and accountable approach founded on high standards of corporate governance and integrity.

The Board of Directors (“Board”) incorporates long-term consideration of environmental, social and governance (“ESG”) issues when formulating Dyna-Mac’s sustainability strategies. In doing so, we strive to create value for our shareholders, as well as customers, employees, suppliers, contractors, partners and the communities in which we operate in.

In the process of formulating our sustainability report, the Board recognises the importance of sustainability practices and how it can benefit our business operations and performance, and oversees the identification of ESG material topics that are pertinent to our business and aligns with our long-term business targets.

Through the development of this report, the Board works closely with the Management for the monitoring and management of these ESG material topics.

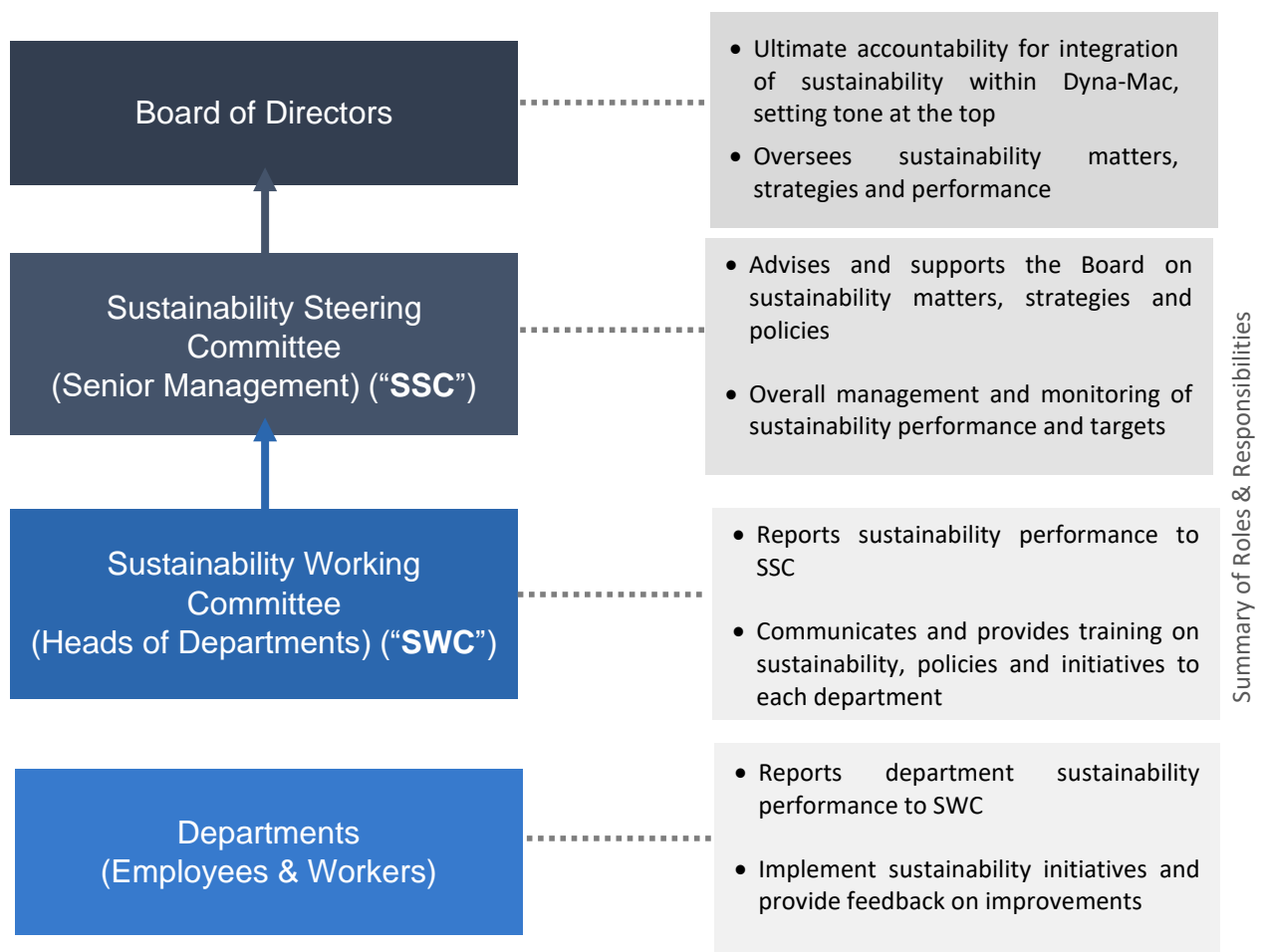
Dyna-Mac demonstrates its continuous commitment to sustainability through its second sustainability report for the period 1 January 2019 to 31 December 2019 and shall publish its report by May 2020. The report will focus on our sustainability strategies and covers our environmental, social and governance performance across our operations in Singapore for 2019. In line with the Group’s commitment to environmental sustainability, no hardcopies of the report will be printed. The report can be viewed on our website: <http://www.dyna-mac.com/sustainability/sustainability-reports/>.

Our Approach

Sustainability Leadership

At Dyna-Mac, sustainability leadership starts with a tone at the top. We believe that every individual in Dyna-Mac plays an important role in ensuring that sustainability is embedded deeply within everything we do. To that end, we have taken steps to put in place a systematic monitoring and reporting process.

We are committed to conduct our business in a responsible and sustainable manner. A Sustainability Steering Committee comprising senior management was set up to drive sustainability efforts within the Group. It is supported by a Sustainability Working Committee comprising the various heads of department who gather and verify the performance data, as well as introduce initiatives to drive the management of our material issues.



Stakeholders Engagement

Dyna-Mac constantly strives to create value for all our stakeholders. Regular engagement is critical for us to understand their needs and key concerns so that we can work towards addressing them.

Effective stakeholders' engagement is critical to ensuring Dyna-Mac's continued success as it allows us to be responsive to their evolving needs. We interact with them regularly and a summary of their key interests and the Company's engagement approach is presented in the table below.

Dyna-Mac's Stakeholders' Engagement

Key Stakeholder Groups	How we engage them?	What are their key concerns?
Employees	Meetings, calls and conferences Interviews and surveys Trainings and courses Newsletters and campaigns Policies and procedures Appreciation dinners and other festive events	Vision, strategy and direction Training and development Occupational health and safety Equal opportunities Fair remuneration and progression Job stability
Customers	Meetings, calls and conferences Site visits Feedbacks channels	Product and service quality Innovation Occupational health and safety
Investors	Dedicated Investor Relations Annual General Meetings, meetings, calls, conferences Annual Reports Financial information, SGX announcements and circulars Corporate website	Vision, strategy and direction Economic performance Corporate governance
Vendors	Meetings, calls and conferences Interview and surveys Site visits Trainings and courses	Occupational health and safety Corporate governance Compliance
Communities	Corporate website Annual Reports SGX announcements Community involvement activities	Social responsibility and impact Environmental impact (Air, Water, Waste, Noise etc.)
Government and Regulators	Meetings, calls and briefings Site visits Industry networking functions	Corporate governance Compliance Socioeconomic, environmental impact Business collaboration and investment Sharing of industry best practices

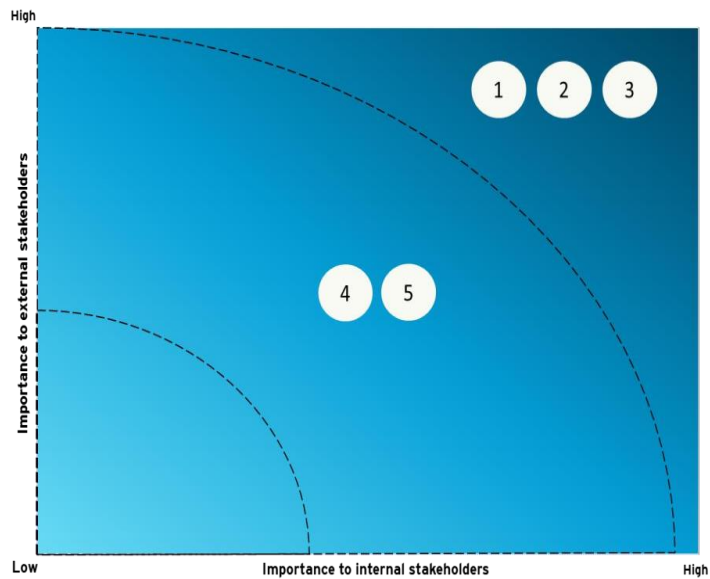
Materiality Assessment

Prioritising sustainability topics is a critical process for us as it sets out the areas that we must focus on as an organisation. It also enables us to systematically report on matters that impact Dyna-Mac and its stakeholders most. To do that, our Sustainability Steering Committee embarked on a formalised Materiality Assessment process.

The materiality principle applied in this Sustainability Report is based on an internal materiality review held in 2019 to review the significant sustainability topics that impact our business activities and its external stakeholders. After validation, the results showed no change to the assessment performed in 2018. The Board and Management determined the five key sustainability matters to be of highest priority to the Group's sustainability risks and opportunities and the Board is satisfied with the relevance of the selected matters to its business strategy and performance.

A Identification and Analysis	B Evaluation and Prioritisation	C Validation and Assimilation
<p>We work closely with an independent team of sustainability consultants on a list of potential sustainability matters identified through:</p> <ul style="list-style-type: none"> • Analysis of trends and developments pertinent to Dyna-Mac and the industry it operates in • Analysis of commonly reported sustainability matters amongst Dyna-Mac's peer groups and leading reporters in Singapore • Internal stakeholder interviews and focus group discussions with members of our Sustainability Steering Committee 	<p>Members of our Sustainability Steering Committee individually evaluated the list of potential sustainability matters and participated in a formalised Materiality Assessment workshop.</p> <p>An anonymous electronic voting exercise was conducted to prioritise the sustainability matters that are deemed significant to both Dyna-Mac and its external stakeholders.</p>	<p>Our Sustainability Steering Committee reviewed Dyna-Mac's Materiality Matrix and selected 5 key sustainability matters ranked as significant to both Dyna-Mac and its external stakeholders, for reporting.</p> <p>The process and the results were presented to Dyna-Mac's Board of Directors for their validation and approval.</p>

The following are the material factors identified and prioritised:



No.	Material Sustainability Matter	Category	Mapped GRI Standards Topics
1	Corporate governance	Governance	GRI 102: General Disclosure (Governance) GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance GRI 205: Anti-Corruption
2	Fair employment practices	Social	GRI 401: Employment GRI 404: Training and Education GRI 406: Non-discrimination
3	Health and safety	Social	GRI 403: Occupational Health and Safety
4	Energy and carbon footprint	Environment	GRI 302: Energy GRI 305: Emissions
5	Waste and effluents management	Environment	GRI 306: Effluent and Waste

ABOUT THE REPORT

Dyna-Mac demonstrates our commitment to its third sustainability report for the period 1 January 2019 to 31 December 2019 (“FY2019”) and shall publish its report by May 2020. The report will focus on our sustainability strategies and covers our ESG performance across our operations in Singapore for FY2019.

In line with the Company’s commitment to environmental sustainability, no hardcopies of this report have been printed. The report can be viewed on our website: <http://www.dyna-mac.com/sustainability/sustainability-reports/>.

CORPORATE GOVERNANCE

At Dyna-Mac, we are committed to conducting our business ethically and in compliance with all applicable legal and industry requirements. We are guided by our Vision, Core Values and Code of Conduct that have been implemented to govern the actions and behaviours of our employees.

Dyna-Mac has a zero-tolerance stance for corruption and has in place effective corporate practices and policies. The Group is committed towards full compliance with all applicable laws and regulations and has established corporate policies to ensure the long-term success of the Group.

1. Whistle-blowing Policy
2. Dealing with Securities
3. Anti-Corruption Policy
4. Anti-Bribery Policy
5. Gifts, Hospitality and Entertainment Policy
6. Code of Conduct

In 2019, there were:

- No reported cases of bribery and corruption
- No cases received through whistle-blowing channels
- No incidences of non-compliance to legal and regulatory requirements resulting in significant fines or sanctions
- Implementation of compulsory code of conduct training for all employees

Risk Management

The Group believes that risk management is an integral part of good corporate governance and has in place an Enterprise Risk Management Framework to manage its risk exposure. We have conducted an Enterprise Strategy and Risk Assessment Exercise to identify, filter, assess and compile our enterprise strategies and key risks, as well as to assess our general control environment. Through this exercise, the Management works closely with the Board to better align, manage and increase Dyna- Mac's resilience to emerging scenarios and environments.

For more information on Corporate Governance, please refer to our Annual Report 2019, available online at <http://investor.dyna-mac.com/ar.html>.

FAIR EMPLOYMENT PRACTICES

In Dyna-Mac, our employees and workers are the heart of our business operations. We recruit and reward our people on a meritocratic basis and advocate an inclusive workplace built on mutual respect and trust.

We believe that building a diverse and inclusive work environment is increasingly important to boost the morale and productivity of our employees. We value our employees and are committed to human resource policies that help us attract, retain and grow talent. Equality and meritocracy are the values that impact employee satisfaction and retention, and ultimately achieving sustained value creation for our stakeholders.

We have put in place systems and practices that are fair, merit-based and non-discriminatory to attract, reward and retain our employees. The Group is also a signatory of the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), pledging to adopt fair and progressive human resource practices and providing a harmonious and inclusive work environment for our diverse workforce, regardless of race, ethnicity, religion, age and gender. Our employee retention strategy focuses on training, career development and employee engagement. We also have a grievances mechanism in place for employees to report incidences without fear of reprisal, discrimination of other consequences.

To affirm our philosophy and commitment, we have adopted the following TAFEP Tripartite Standards since 2018:



Employment of Term Contract Employees

The Group complies with all statutory benefits under the Employment Act and the Child Development Co-Savings Act, in particular leave benefits and termination/non-renewal of contract specifications.

Flexi Work Arrangements

We support part-time employment and have revised to shorten work week for some of the support functions employees (from 5.5 days to 5 days). We will review and explore more flexible working patterns to support our operations and yet not lose out on our competitiveness and productivity.

Grievances Handling

A grievances procedure is in place as a mean for employees to exercise their rights. Employees can bring to the attention of supervisors and management any potential issues that they face.

Recruitment Practices

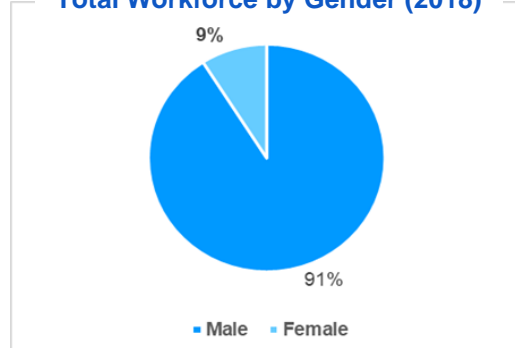
The Group believes in fair employment practices and great emphasis is placed on people.

We progressively review and implement employment practices to be in line with the key principles of fair employment and employees are evaluated based on qualification, experience and aptitude for the position.

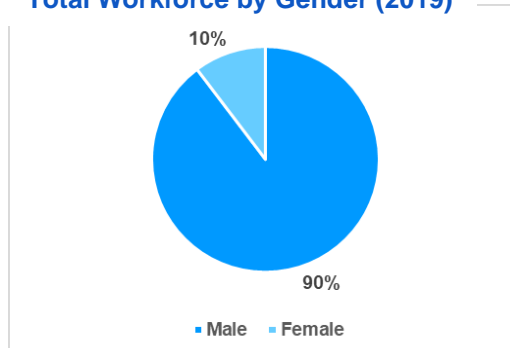
OUR PEOPLE

Overall Group Workforce¹ increased by 3.5% from 817 in FY2018 to 846 as at end of 2019. The breakdown of workforce is presented in the following charts:

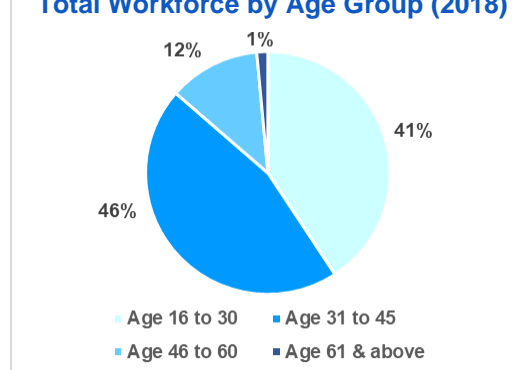
Total Workforce by Gender (2018)



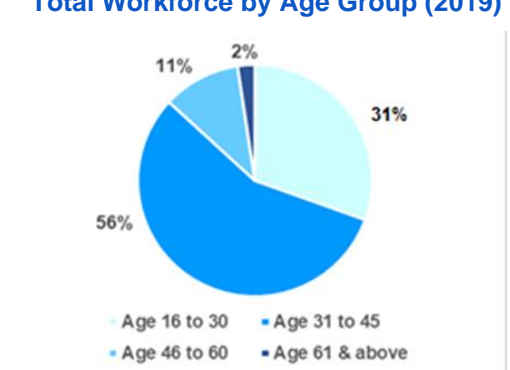
Total Workforce by Gender (2019)



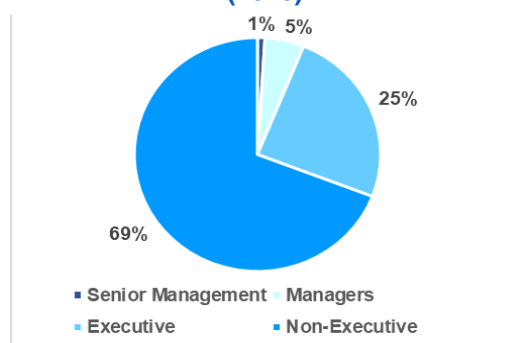
Total Workforce by Age Group (2018)



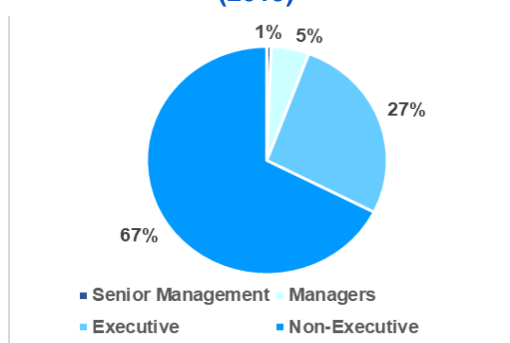
Total Workforce by Age Group (2019)



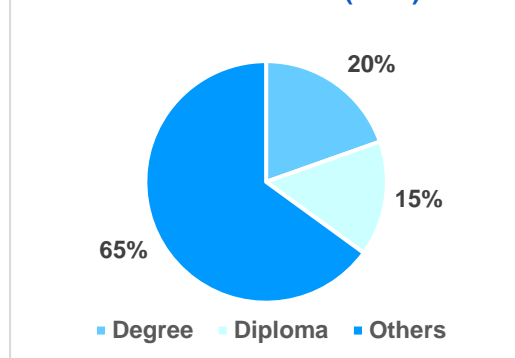
Total Workforce by Employee Group (2018)



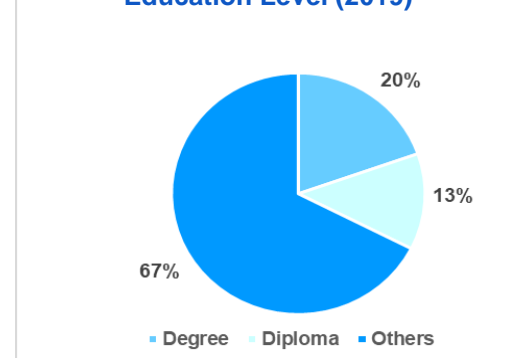
Total Workforce by Employee Group (2019)



Education Level (2018)



Education Level (2019)

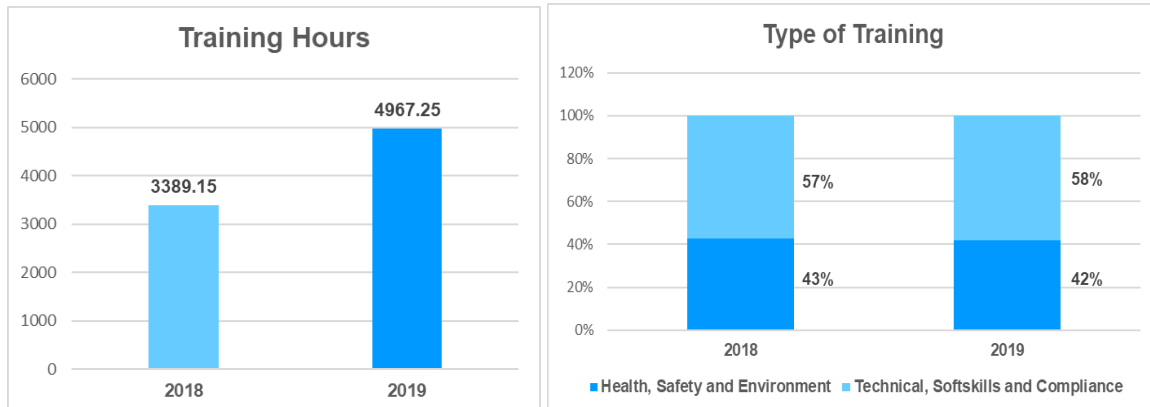


Note: Group Workforce¹ refers to Total Employees for Dyna-Mac's operations in Singapore only.

Training and Development

We believe that training and development are essential ingredients in the continuing well-being of the Group. Employees are encouraged to improve their effectiveness and productivity through various enrichment and training courses.

Total Group training hours (exclude internal training conducted by HSE Department) stood at 4,967.25 hours as at end of 2019, which is 46.6% higher than of FY2018 at 3,389.15 hours.



Code of Conduct, Policies and Compliance Training

The Group had organised 5 sessions of Code of Conduct Training which covered existing policies and updated changes as at end of 2019 to provide familiarisation and refresher training for new and existing staff respectively.



Briefing on Code of Conduct, Policies and Compliance



Company Training on Internal Auditors.

Engagement and Welfare

As part of on-going employee engagement initiatives, we have organised lunch talks and appreciation lunch cum long service award for staff in 2019. In addition, we have also participated the following events as part of corporate social responsibility program:

TOUCH Giving Festival Charity Run

We have participated in the TOUCH Giving Festival 4 Km Charity Run on 31 August 2019 at the Singapore Sport Hub. TOUCH Giving Festival is a charity carnival by TOUCH Community Services which seeks to fundraise and highlight the needs in support of 200,000 individuals that TOUCH reaches out to, including children and youth, families, people with special and healthcare needs and the elderly.



2nd Migrant Workers' Assistance Fund (MWAFF) Charity Golf / Fund Raising

We have sponsored and sent a flight of golfers to participate in the 2nd Migrant Workers' Assistance Fund (MWAFF) Charity Golf / Fund Raising Dinner on 26 April 2019. The MWAFF, the humanitarian charity of MWC, was set up to support the provision of direct humanitarian and emergency assistance services to migrant workers as they await the resolution of their employment claims and disputes.



HEALTH, SAFETY AND ENVIRONMENT

Dyna-Mac instills a strong safety and health culture in every stakeholder, be it our clients, subcontractors, employees or workers. A strong focus on pro-activeness and accountability ensures that the safety management system continuously improve and progress.

With many high-risk activities involved in the operation of our business, health and safety is a key business challenge that must be overcome. Health and safety are of the utmost importance and are prioritized in every aspect. In addition to health and safety, Dyna-Mac strives to minimize harm to the environment and promotes sustainable practices. To achieve these goals, Dyna-Mac fully commits to the execution and compliance of the company policies and the legal requirements. In complement with the well-constructed safe work procedures, we successfully enhance our training programs that cater to workers' needs and work requirements.

Company Policies

With the commitment and support from Dyna-Mac's top management, a comprehensive health, safety and environment management system was implemented. This system encompasses policies that direct and provide the workforce with a favorable work condition that pro-actively prevent incidents and unsafe conditions.

Occupational Health and Safety (OH&S) Policy

The Occupational Health and Safety (OH&S) Policy is a set of principles that guides the workforce to create a safe and healthy environment for all. The OH&S policy includes, but is not restricted to the following:

1. Promote a strong safety culture in the organization
2. Fulfill all legal requirements and other requirements
3. Eliminate hazards and reduce OH&S risks
4. Achieve continual improvement in OH&S management system and performance
5. Promote participation among workers and their representatives
6. Communicate to all personnel on their individual OH&S obligations
7. Ensure the availability of the policy to all interested parties

Environmental Policy

The Environmental Policy aims to reduce our footprint on the environment and execute all activities in the most sustainable method. The Environmental Policy involves:

1. Ensuring the prevention of any pollution including noise pollution
2. Protecting the environment and all personnel working under the control of the organization
3. Fulfill its compliance obligations and comply to all applicable legislations and other environmental requirements to which the organization subscribes

Legal Requirements

To maintain an incident-free workplace, the Singapore Workplace Safety and Health (WSH) council and the International Organization for Standardization (ISO) have developed risk management strategies and stringent standards that help organizations foster better, safer working conditions. As a company that seeks continual improvement, Dyna-Mac prides herself for complying and executing with the standards.

Workplace Health and Safety Framework

In line with the legislative requirements and initiatives by the WSH Council, Dyna-Mac fulfills all requirements of the WSH Act and achieves the bizSAFE certificate, making strides towards the national vision to create a safe and healthy workplace for everyone.

WSH audits are regularly carried out across all Dyna-Mac facilities. Conducted by accredited auditors and qualified staff, these audits relate to certification, management systems standards required by global customers and their partners, as well as annual internal checks of operations. Risk management teams also monitor and evaluate health, safety and environment performance.

Dyna-Mac adopts a robust risk management system and excels beyond the requirements of the WSH Act. In Dyna-Mac, we have a dedicated team of experienced individuals who perform extensive risk assessment of all work activities and commitment from everyone to ensure a safe workplace for all. All our risk assessments are reviewed after an unsafe act or condition is observed and improved risk assessments that close up gaps discovered are made available to everyone.

Risk assessments are communicated effectively to all workforces through dedicated trainings, daily toolbox talks and Think Safety, Work Safely sessions, building a safety mindset in everyone.

Dyna-Mac's effort in delivering an all-rounded risk management system is further confirmed by the accreditation of the bizSAFE program. Dyna-Mac promotes in-house safety and health capabilities through involvement from management, WSH meetings, risk assessments, training and supervision and incident reporting.

ISO Standards

In addition to complying with Singapore's legislative requirements, Dyna-Mac has been granted ISO 45001:2018 and ISO 14001:2015 certification.

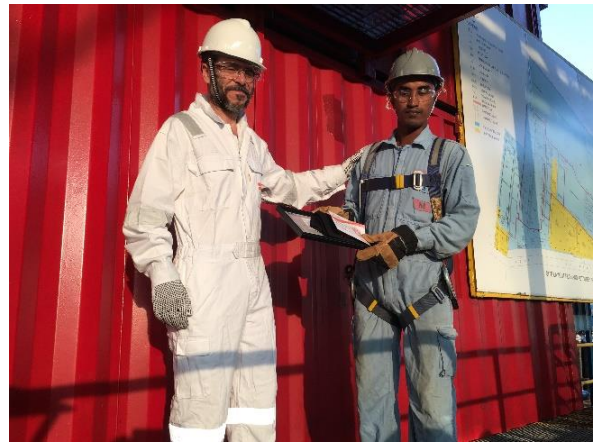
With the establishment, implementation and maintenance of an occupational health and safety (OH&S) management system, Dyna-Mac has successfully migrated from OHSAS 18001 to ISO 45001:2018 in 2018. With the ISO 45001:2018 OH&S management system in place, an integrated health and safety approach has been in motion.

Dyna-Mac took a huge leap forward in sustainability by integrating the ISO 14001:2015 environmental management system in our framework. We have contributed to protecting the environment through improvements in hygiene and waste management and responding to environmental conditions. These help Dyna-Mac to strike a balance between the environment, society and the economy, meeting the needs of the present without compromising future generations of their ability to meet theirs.

Leadership and Commitment

Good leadership is the backbone of any successful organization and in Dyna-Mac, involvement from DM senior and client management is every step to maintain the OH&S management system proposed.

Mass Toolbox



The weekly Mass Toolbox highlights the hazards and safe work procedures and is conducted in three languages that caters to the diverse workforce in Dyna-Mac. Support and presentation by the senior management reaffirms the company's vision in leading by example. Safety award was presented to Worker, Supervisor and Company to encourage the development of safety skills on the job and to reward people and companies demonstrating diligence in safety awareness in the performance of their profession.

Leadership and Worker Engagement walkabout

The **Management, Supervisor Worker Engagement** is an avenue for Dyna-Mac's managers and HODs to interact with the workers and identify unsafe practices. With the commitment from experienced individuals, health and safety can be more effectively identified and communicated to all departments.



Awareness and Training

Awareness and Training are important features of Dyna-Mac's OH&S management system, so much that it is the first encounter for anyone who steps into our premise. Our Safety Corridor and daily trainings remind everyone that safety is an indispensable aspect in the operation of our business



Trainings and Safety Awareness Briefings

From our daily in-house trainings to our weekly safety awareness briefings, Dyna-Mac never stops enriching our overall OH&S management systems and programs that aims to make health and safety and innate quality in everyone.



Dyna-Mac's Health, Safety and Environment (HSE) training programs include Safety Induction, HSE-specific training, Project-specific trainings, Work-at-Height practical and daily special trainings (such as Leadership Competency, Fire Watchman, Think Safety Work Safely, Environmental Awareness, Noise Monitoring etc).



The Safety Awareness Briefings are directed to specific workgroups to remind them on risk management for their work activities. Some examples of the Safety Awareness Briefings are Electrical Safety, Structural Work, Work-at-Height and Dropped Object Demonstration.

15 Life Saving Rules (LSR)



In 2019, the LSR has been revised to reflect our dynamic operation. The updated 15 LSRs are the 15 most essentials rules that all workforce must follow to protect themselves and others from injury. Strict enforcement is carried out to ensure everyone complies and pro-actively contribute to a healthy and safe workplace

Collaboration with Clients and Subcontractors



To establish a common understanding among our clients and subcontractors, Dyna-Mac cooperate with our stakeholders through weekly Supervisor Meeting, weekly Project Management Walkabout, monthly Supervisor Engagement Session, 60-Days Look Ahead and Appreciation Lunch.

Emergency Preparedness Drill (ERP)

Dyna-Mac is dedicated to preventing any workplace incident and is well prepared for any emergency. This is attained through emergency drills and training are conducted throughout the year and having a group of trained and outstanding individuals representing the Emergency Response Team.



The emergency drills simulate possible incidents and in 2019, 13 such emergency drills had been carried out. These 13 drills include Rescue from Height, Confined Space Rescue, Structure Collapse, Electrocution, Fire & Rescue and Oil Spillage.

Environmental Management

As part of the ISO 14001:2015, we have taken a conscious effort to control our impact on the environment. Firstly, the hygiene and waste management has been greatly improved for the benefits of everyone through the campaigns, joint inspection with HR and the High Pressure washing.



Additionally, solar panels have been installed at various locations and utilized to generate electricity as Dyna-Mac work purposely towards renewable and sustainable energy sources.

Awards



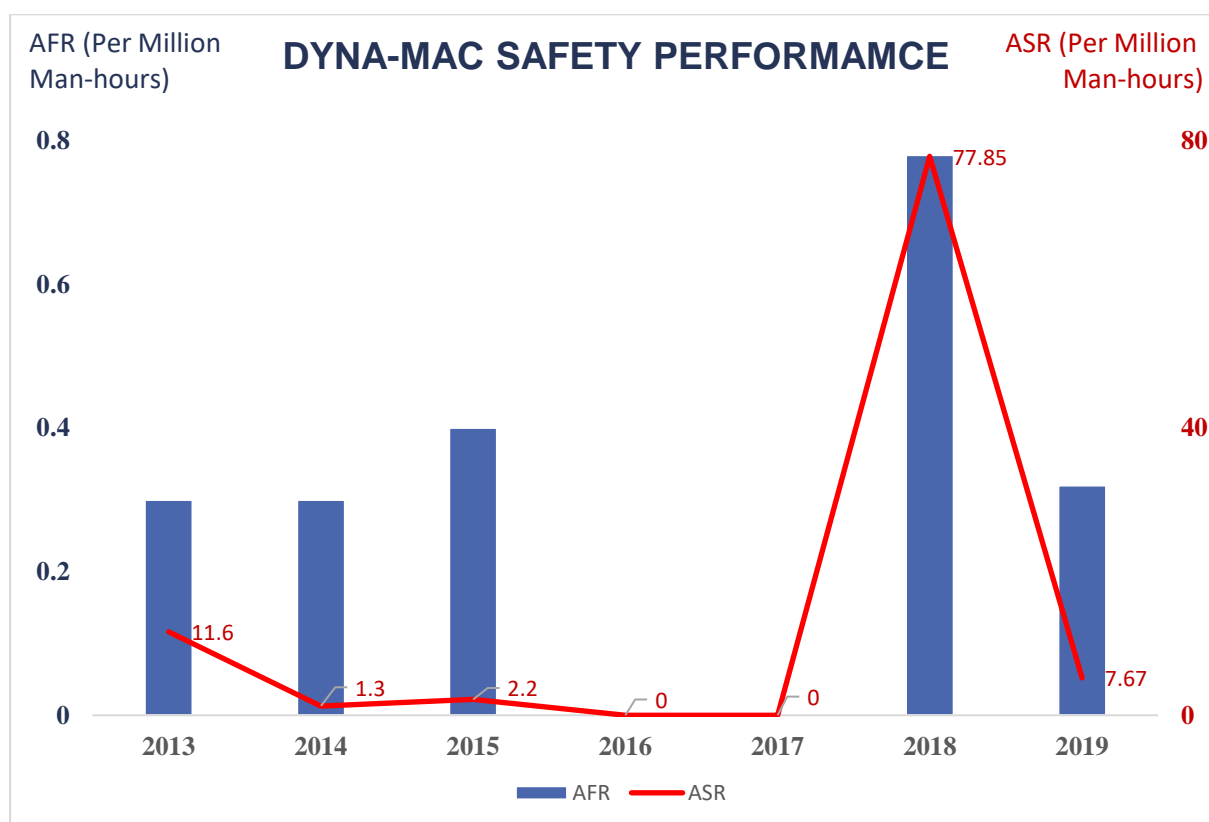
In 2019, Dyna Mac was a recipient for Safety and Health Award Recognition for Projects (SHARP) for Leviathan Project by Workplace safety and Health council and SEC-SETSCO Singapore Environmental Achievement Award (Manufacturing) by the Singapore Environment Council (SEC). The award **recognizes** the company's concerted efforts to promote safe work practices; ensure high standards for safety, health and welfare of the workers; and give due consideration to protecting the public and the environment with focus on industry leading initiatives through continuous innovation in sustainability.

Incident Management and Performance

With business comes great responsibility to ensure that Dyna-Mac is a safe workplace for all – thus, our HSE objective is to achieve zero lost time incidents.

In 2019, Dyna-Mac clocks in a total of 3,080,938 man-hours and sees only one lost time incident. The Accident Frequency Rate (AFR) is reported to be 0.048 and the Accident Severity Rate (ASR) is reported to be 7.67. Although the HSE goal was not realized, we see a decrease in the AFR, ASR and the number of lost time injury from 2018 to 2019. This gave our stakeholders and us confidence that our OH&S management system is constantly evolving and improving albeit it is not perfect.

	Total Man-hours	No. of Lost Time Incident	AFR	ASR
2018	5,561,978	3	0.78	77.85
2019	3,080,938	1	0.48	7.67



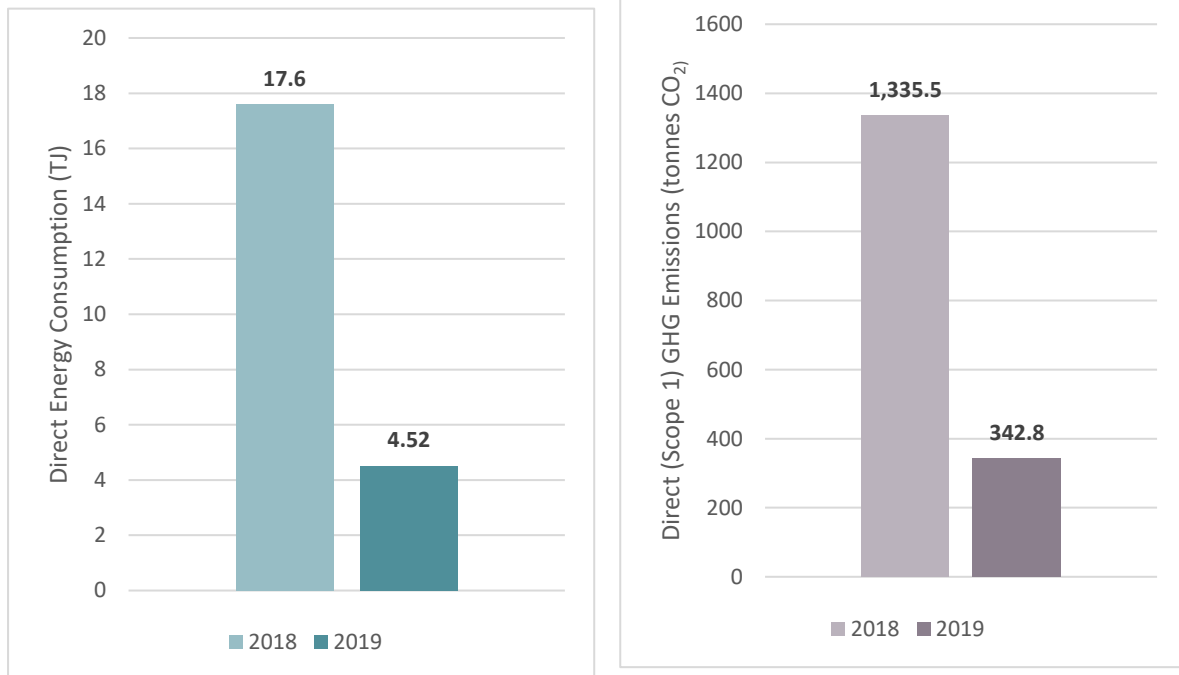
ENERGY AND CARBON FOOTPRINT

At Dyna-Mac, we recognise that our business operations have an impact on the environment. We are committed towards environmental protection and constantly work towards minimising our environmental impact to ensure sustainable business development. We strive towards operating in a sustainable manner so that we can continue delivering quality service and products to our clients. Within Dyna-Mac, we have a core focus in nurturing a culture of environmental consciousness among our employees, partners, clients and the communities we operate in.

Managing our energy consumption and carbon emissions is a key focus area for Dyna- Mac and we have implemented several good practices to reduce energy consumption. The health of our planet is important for the quality of life and survival of all stakeholders and future generations to come. The environment is also a critical external force that impacts our business decisions and operations. At Dyna-Mac, energy consumed is mainly fuel and electricity.

Fuel consumption

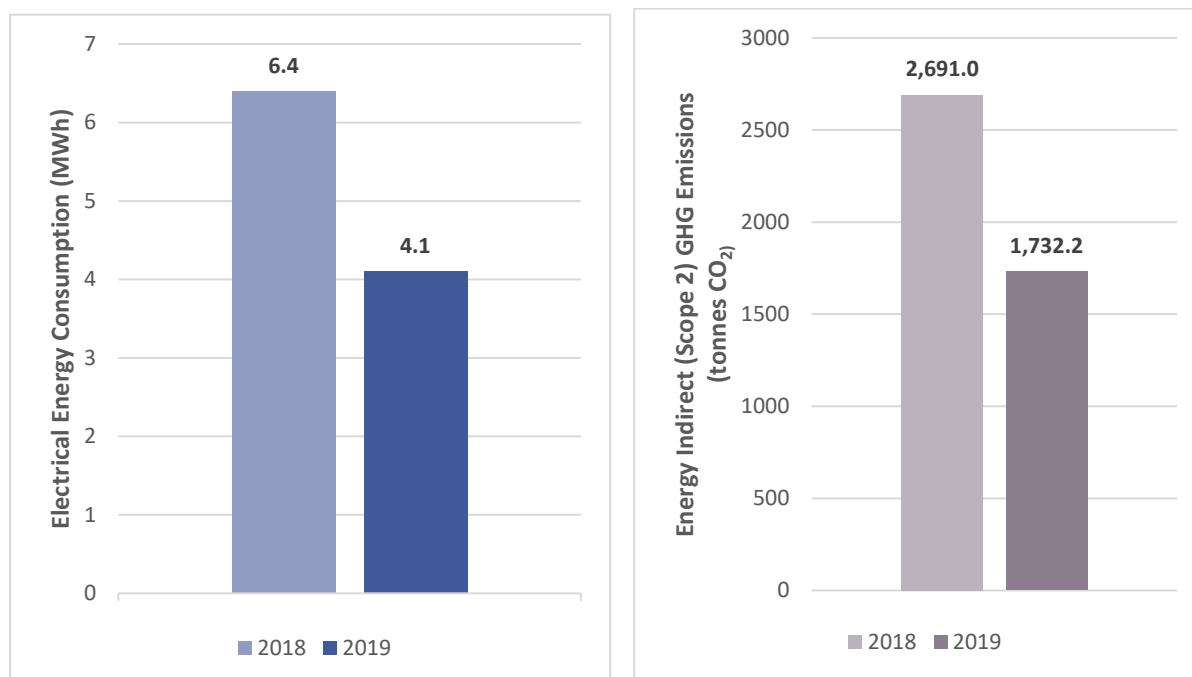
Fuel consumption was mainly in the form of diesel oil used to operate Dyna-Mac's vehicles (lorries and self-propelled modular transporter) and machineries (mobile crane, forklift and portable air compressor for blasting/painting). During the year, a total of 4.52 TJ (FY2018: 17.6 TJ) of direct energy was consumed which directly translates to 342.8 tonnes (FY2018: 1,355.5 tonnes) of CO₂ emitted². The decrease by 74.3% from FY2018 levels was due to an decrease in business activities in FY2019 which was reflected in the decrease in revenue by \$17.5m or 15.2% from \$115.3m for the year ended 31 December 2018 to \$97.8m for the year ended 31 December 2019.



² Scope 1 GHG emissions are emissions from sources that are owned or controlled by the organisation. In the scope of reporting, this relates to diesel oil consumed and it is expressed in tonnes of CO₂.

Electricity consumption

The electricity usage from the yards is mainly derived from welding machine, CNC plasma cutting machine, band saw/pipe cutting machine, bevel machine of pipe joint, electrical hand tools, main air-compressor and workshop lightings. In FY2019, Dyna-Mac's total electrical energy consumption decreased by 36% to 4.1 MWh compared to 6.4 MWh in FY2018, corresponding to an decrease in CO₂ emitted to 1,732 tonnes of CO₂³. This is due to an decrease in business activities in FY2019 which was reflected in the decrease in revenue by \$17.5m or 15.2% from \$115.3m for the year ended 31 December 2018 to \$97.8m for the year ended 31 December 2019.



³ Scope 2 GHG emissions are emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation. In the scope of reporting, this only relates to purchased electricity and is expressed in tonnes of CO₂. In Singapore, the emission factor used is the grid emission factors for 2018 which is the latest estimate, obtained from "2019 Singapore Energy Statistics" published by the Energy Market Authority of Singapore in 2019.

Environmental Risk Identification

Energy use and carbon emissions is a key aspect in our environmental risk identification. We regularly assess our environmental impact based on significance, likelihood and consequence, and our controls and practices are designed to minimise our impact.

Energy Reduction Initiatives

The Group continually look for opportunities to reduce the environmental impact of our operations. During 2019, we have implemented energy-saving measures to reduce our energy consumption such as replacement of 20% workshop lights (300w type) with energy-efficient LED lights with a saving of 80% energy consumption per light.

Besides, workers are deployed to patrol around workshops and office compound after office hours to ensure idling machines and office lights are switched off to cut down on electricity wastage.

Additionally, we have also implemented various paper reduction strategies such as setting all copier machines to print with default double-side printing, black and white settings. By controlling paper usage, paper consumption and its related carbon emissions are reduced.

WASTE AND EFFLUENTS MANAGEMENT

We recognise that proper waste management is crucial for us to protect the environment and for the health and safety of the communities we operate in. Managing the proper disposal of waste is especially important for our industry. In shifting towards the adoption of the 3Rs (Reduce, Reuse, Recycle), we are also able to reap cost savings for our business.

Environmental Protection Procedure

As set out in our OHSEM, we focus on three aspects:

Minimising Waste	Control of Dangerous and Harmful Materials	Disposal Modes
All staff – ranging from procurement, planning and stores, are encouraged to cut down on the amount of waste generated during our operations. This includes returning excess quantities of products for future use.	All staff are trained to be familiar with hazardous materials and undertake precautions to safeguard the environment.	Our Standard Work Procedures (SWPs) set out the procedures for disposing waste at Dyna- Mac. These include disposal modes for: Scrap Metal General Rubbish Waste Wood Blasting Grit Hydro test Water/ Corrosion Inhibitors Acids, Corrosives and Other Dangerous Substance Paints and Solvents Ionising Radiations Oil & Hydraulic Fluids Waste Segregation

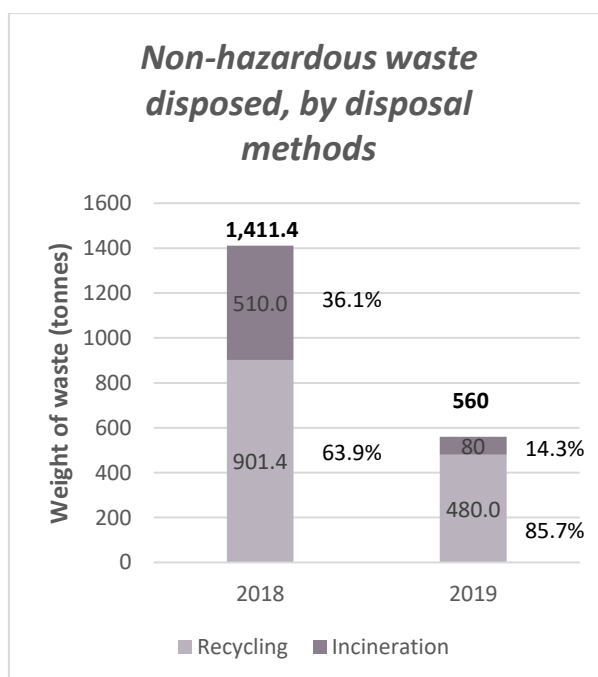
Waste and Resource Management Initiatives

Dyna-Mac is committed to prudent waste and resource management. Our initiatives currently include the use of:

- ▶ Waste segregation and recycling programme
- ▶ Control and monitoring of welding consumables
- ▶ Control and monitoring of chemical usage
- ▶ Standard Work Procedures (SWPs) for welding to minimise re-work
- ▶ SWPs for blasting to minimise air pollution and enable controlled collection of dust
- ▶ Expended electrode to be returned to store for recycling and in exchange of new electrode
- ▶ Diesel storage facility has a dip tray to collect residues and leakages during fuel transfer
- ▶ Used chemical/contaminated water to be collected and sent to licensed waste management contractor for disposal

Targets and Performance		
Target	2019 Performance	Status
By 2019, achieve a scrap margin of below 15%.	Achieved	

Waste mainly relates to general waste and scrap metal. In FY2019, a total of 560 tonnes (FY2018: 1,411.4 tonnes) of non-hazardous waste was disposed. Due to the adoption of waste reuse and reduction initiatives, we have achieved a 60.3% decrease in total waste disposed from FY2018 levels.



Waste Reuse Initiative

In 2019, a material management control team was set up in production department, which one of its functions is to manage offcut materials. The management of offcut materials information enables the Group to have better control over leftover materials in hand (eg. leftover materials reuse for next project instead of dispose as scrap) which can be effective in minimising scrap metal disposal.

Waste Reduction Initiative

Dyna-Mac is committed to reducing its wastage in material and consumables used in construction. In 2019, the Group has come out with an automation yard upgrade plan to procure automation machines mainly to reduce manual labour and wastage of materials due to human errors. The automation machines procured, namely robotic profile cutting machine and edge rounding machine, greatly reduce the current manual operating men from 4 to 20 men per team to 1 to 3 men per team respectively, to complete the same procedures. The material utilisation has increased from 80% utilisation to up to 95% utilisation. Besides, the wastage factor on consumables such as gases, grinding discs has reduced from more than 15% to less than 5%.

With the adoption of waste reuse and waste reduction initiatives, the scrap metal waste disposal is kept to the minimum.

GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s) or Reasons for Omission (if applicable)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	SR: p3
102-2	Activities, brands, products, and services	SR: p3 AR: p110–111
102-3	Location of headquarters	SR: p3
102-4	Location of operations	SR: p3 AR: p1
102-5	Ownership and legal form	AR: p2, 36
102-6	Markets served	AR: p1, 110–111
102-7	Scale of the organisation	SR: p14 AR: p8, 31
102-8	Information on employees and other workers	SR: p11–12
102-10	Significant changes to the organisation and its supply chain	AR: p6–7, 9
102-11	Precautionary principle or approach	SR: p10 AR: p25–27
102-12	External initiatives	SR: p11
102-13	Membership of associations	AR: p34
Strategy		
102-14	Statement from senior decision-maker	SR: p5
Ethic and Integrity		
102-16	Values, principles, standards, and norms of behaviour	SR: p5 AR: p1
Governance		
102-18	Governance structure	SR: p6 AR: p12–15, 20–27
Stakeholder Engagement		
102-40	List of stakeholder groups	SR: p7
102-42	Identifying and selecting stakeholders	SR: p8
102-43	Approach to stakeholder engagement	SR: p8
102-44	Key topics and concerns raised	SR: p8
Reporting Practice		
102-45	Entities included in the consolidated financial statements	AR: p110–111
102-46	Defining report content and topic boundaries	SR: p7–9
102-47	List of material topics	SR: p9
102-48	Restatement of information	Not applicable.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	SR: p5
102-51	Date of most recent report	22 February 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	http://www.dyna-mac.com/contact-us
102-54	Claims of reporting in accordance with the GRI Standards	SR: p9
102-55	GRI content index	SR: p34–35
102-56	External assurance	External assurance has not been sought for this report.

GRI Standards Disclosures		Reference(s) or Reasons for Omission (if applicable)
Material Topic: Corporate Governance		
Management Approach		
103-1	Explanation of the material topic and its boundary	SR: p10
103-2	The management approach and its components	AR: p20–29
103-3	Evaluation of the management approach	
Topic-specific Disclosures		
205-3	Confirmed incidents of corruption and actions taken	SR: p10
307-1	Non-compliance with environmental laws and regulations	
419-1	Non-compliance with laws and regulations in the social and economic area	
Material Topic: Energy and Carbon Footprint		
Management Approach		
103-1	Explanation of the material topic and its boundary	SR: p27–30
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Topic-specific Disclosures		
302-1	Energy consumption within the organisation	SR: p28–29
305-1	Direct (Scope 1) GHG emissions	
305-2	Energy indirect (Scope 2) GHG emissions	
Material Topic: Waste and Effluent Management		
Management Approach		
103-1	Explanation of the material topic and its boundary	SR: p31–33
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Topic-specific Disclosures		
306-2	Waste by type and disposal method	SR: p32
Material Topic: Health and Safety		
Management Approach		
103-1	Explanation of the material topic and its boundary	SR: p15–26
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Topic-specific Disclosures		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR: p25–26
Material Topic: Employment Practices		
Management Approach		
103-1	Explanation of the material topic and its boundary	SR: p11–14
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Topic-specific Disclosures		
404-1	Average hours of training per year per employees	SR: p24