



HIAP TONG CORPORATION LTD.

SUSTAINABILITY REPORT 2021

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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, 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 that of the financial year of the Group (1 April 2020 to 31 March 2021). This report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards – "Core" reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

### **Independent Assurance**

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

## **FEEDBACK**

We are fully committed to our stakeholders, and we welcome feedback on any aspect of our sustainability policies, processes, and performance. Kindly address all feedback to [sr@hiaptong.com.sg](mailto: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 the “**Group**”) is pleased to issue its fourth sustainability report prepared in accordance with the GRI Standards and in compliance with the guidelines on sustainability reporting of the Catalist Rules.

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

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

The Sustainability Reporting (“**SR**”) Committee supports the Management in identifying the type of relevant ESG topics with its day-to-day operations. Thereafter, Management assess and determine the ESG topics to be disclosed in this report based on the materiality, impact and influence on stakeholder values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

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

## ABOUT THE GROUP

### Corporate Profile

Established since 1978, Hiap Tong Corporation Ltd. (“**Hiap Tong**”, or together with its subsidiaries, the “**Group**”) is a leading provider of hydraulic lifting and haulage services to the marine, petrochemical and construction industries in Singapore.

From a single 10 tonne mobile crane in 1980, the Group has expanded its combining lifting and haulage fleet size to an aggregate of 361 vehicles as at 31 March 2021, consisting of 144 cranes (with lifting capacities ranging from 10 to 1200 tonnes) and 217 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. Our current lifting capabilities of up to 1200 tonnes allow us to undertake specialised lifting jobs.

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



With an established customer base of more than 300 customers, some of our notable customers include business units and affiliates of Sembcorp Marine Ltd and Keppel Corporation Limited in the marine industry; ExxonMobil Asia Pacific Pte Ltd, and Sankyu (S) Pte Ltd. in the petrochemical industry; as well as Boon Chang Structure Pte Ltd and 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.

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#### Vision

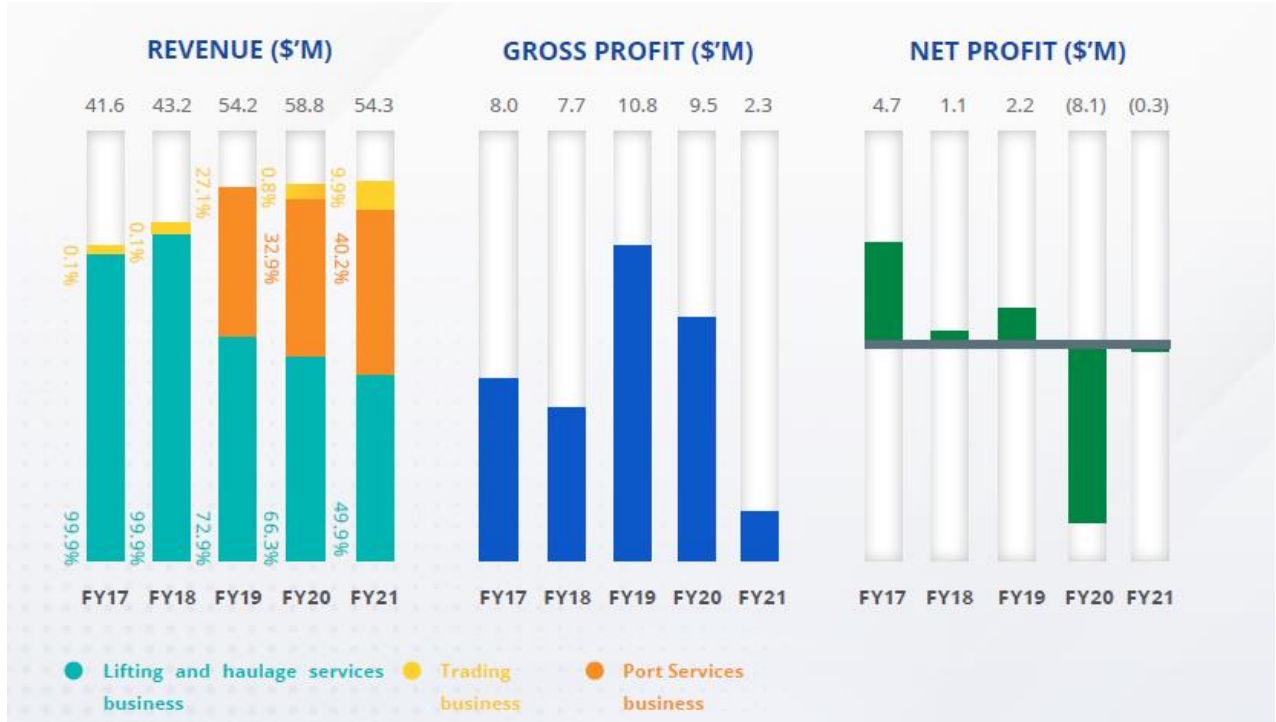
To be the preferred choice in offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes to transportation services with our haulage fleet.

#### Mission

Enhance the strength and trust in our brand name through:

- Commanding diversified range of products and customers;
- Ensure continuity of businesses and preserve shareholder investment; and
- Explore opportunities and growth prospects employees and invest in them, our most important asset, as they are the fuel for our growth as an organisation.

## Financial Highlights



Please refer to the Group’s annual report (“**Annual Report**”) for the financial year ended 31 March 2021 (“**FY2021**”) for detailed analysis and commentary of financial performance.

## Awards & Certification

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

- Certification for ISO 9001 Quality Management System
- BizSAFE Star Certification
- Certification for ISO 45001 Occupational Health and Safety

## SR GOVERNANCE STRUCTURE

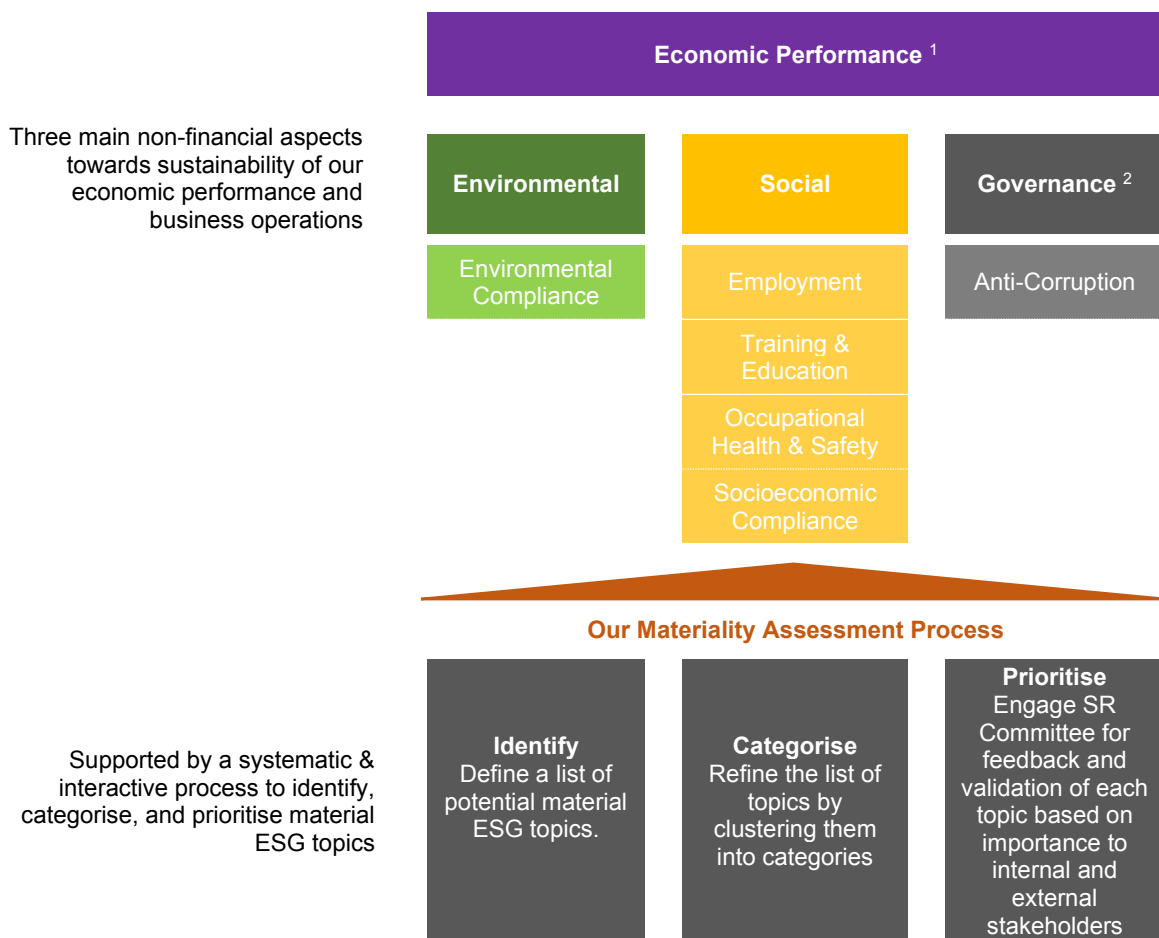
Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee comprising of specific working groups with senior management and board level representatives from across our different businesses executes and reports on the material ESG aspects. The Board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

## STRATEGIC APPROACH FOR SUSTAINABILITY

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

In FY2021, the Group with the help of an independent external consultant, has reviewed and defined our approach to sustainability management. We have reviewed the economic performance aspect and three main non-financial topics for FY2021 sustainability reporting disclosure in Exhibit 1 below. The Management concluded that these topics remain material to the sustainability of our economic performance and business operations. The Management have also, with the proposal by the consultant, incorporated a new topic for disclosure – Socioeconomic Compliance (See Exhibit 1).

**Exhibit 1. An Overview of Our Approach to Sustainability Management**



1. Please refer to Financial Statement of the Annual Report FY2021.

2. Please refer to the Corporate Governance section of the Annual Report FY2021 for more details.

## STAKEHOLDER ENGAGEMENT

Hiap Tong recognises the key role stakeholder management plays in ensuring sustainable growth and the Group proactively consider the demands and concerns of anyone who has a stake in the organisation. The Group believes that regular engagement with stakeholders helps us foster connections and better determine material areas of focus.

The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions. In FY2021, the SR Committee, with the support of the independent external consultant, has reviewed and ascertained that employees, customers, shareholder and investors, and business partners are our key stakeholder groups (See Exhibit 2).

**Exhibit 2. Our Key Stakeholder Groups**



### Employees

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

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



### Shareholders and Investors

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

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



### Customers

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

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



### Business Partners

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

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



## List of Memberships of Association

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices. The Group participate as members of organisations that include:

- Singapore Crane Association
- Association of Process Industry
- Singapore Transport Association

## MATERIALITY ASSESSMENT

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

Guided by an external independent consultant and having considered the topics of concerns and expectation of identified key stakeholders, the SR Committee together with the Management have assessed and prioritised the material topics to focus on for the Group.

The below material ESG topics were also reviewed by the Board and determined as being relevant.

Material ESG Topics	FY2022 Targets and Commitments
<b>ECONOMIC</b>	
<b>Economic Performance</b>	Please refer to Financial Statements contained in the Annual Report FY2021. ❖ Continue to be vigilant and respond swiftly to any adverse situation due to economic uncertainties
<b>ENVIRONMENTAL</b>	
<b>Environmental Compliance</b>	❖ Zero incidents of non-compliance ❖ No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations
<b>SOCIAL</b>	
<b>Employment</b>	❖ Continue to promote diversity and equal opportunity in the workplace ❖ 100% compliance to local labour regulations across our operations ❖ Strictly prohibits discrimination and maintain a track record of zero incidents of reported discrimination
<b>Training &amp; Education</b>	❖ Maintain an average of 10 hours of training per employee annually ❖ Ensure learning and development roadmap account for future skills required to improve the efficiency of the business ❖ Maximise the benefits of all schemes granted to upgrade employees' skills
<b>Occupational Health and Safety</b>	❖ Zero fatalities and/or workplace injuries ❖ Conduct annual safety training to educate employees on the best safety practices
<b>Socioeconomic Compliance</b>	❖ Zero cases of non-compliance in social or economic area resulting in significant fines and non-monetary sanctions

GOVERNANCE	
<b>Anti-Corruption</b>	❖ Zero incidents of bribery and corruption, including facilitation payment

The Group was able to achieve all targets set for FY2021 in all Material ESG Topics, with the exception of the environmental compliance and occupational health and safety. Further explanation of deviation will be discussed under the environmental compliance and workplace health & safety performance section of this report respectively.

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

## ENVIRONMENTAL

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

### ENVIRONMENTAL COMPLIANCE

Environmental compliance is an integral part of the Group's sustainability strategy. We strive to not only just comply but also integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem. Over the years, the Group's operations continue to conform to local environmental laws and regulations. All employees of Hiap Tong are also encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

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

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

In FY2021, there was one incident involving fines for non-compliance with environmental law. A \$200 fine was incurred due to the discovery of mosquito breeding at our office which occurred during the monsoon season in late 2020.

The health and safety of the staff and public is of utmost importance to the Group. On top of regular preventive measures have been implemented to prevent the breeding of mosquitoes, we have requested our pest control contractor to step up the oiling and fogging at 22 Soon Lee Road and carry on with proper housekeeping.

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

## SOCIAL

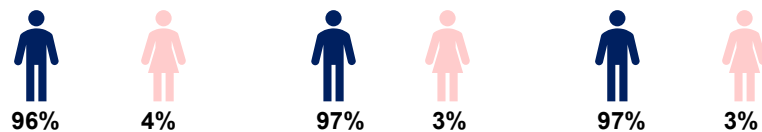
### EMPLOYMENT

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

The Group is committed to fair employment practices, upholding human rights principles, and investing in developing and training our people. Despite the manpower shortage caused by the pandemic, the Group was able to retain its talents and grow its workforce in FY2021. There is an improvement in the gender distribution of the Group in FY2021, with an increase the proportion of females. However, the proportion of males remain larger than females due to the nature of the industry. The percentage of new hires above 50 years is approximately 23% which is an increase from the year before.

	FY2021	FY2020	FY2019
Total No. of Employees	 880	 868	 846

**Distribution by Gender (%)**



**New Hire**

	FY2021	FY2020	FY2019
Total No. of New Hires	229	321	270

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

	FY2021			FY2020			FY2019		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Total No. of New Hire by Age Group	66	109	54	175	109	37	89	162	19
% Of New Hire by Age Group	29%	48%	23%	55%	34%	11%	33%	60%	7%

**Turnover**

	FY2021			FY2020			FY2019		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Total Turnover	217			244			71		
Total No. of Turnover by Age Group	88	109	20	87	119	38	40	21	10
% Of Turnover by Age Group	41%	50%	9%	36%	49%	15%	56%	30%	14%

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 is no preference or prejudice towards religion, age, ethnicity, any physical disability, or gender. Employees are required to observe and adhere to all relevant policies and practices. The Group remains committed in continuing to embrace diversity, and equal opportunity in the workplace and remained compliant with respective to local regulations across operations.

Due to the inherent nature of labour-intensive work and physically challenging working conditions, the majority of our employees are male. Hiap Tong makes a conscious effort to maintain diversity in the middle management, to generate creativity and innovation and improve the organization's culture. There were no reported incidences of discrimination raised by our employees in FY2021.

The Group also has an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This is to reinforce our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no workplace grievance cases reported in FY2021.

### Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and sets packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2021, in addition to the competitive remuneration offered, the Group continue to maintain its list of employees' benefits including but not limited to:

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

In FY2021, the Group remained in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. The Group endorses Singapore's Tripartite Guidelines on Fair Employment Practices and the Employers' Pledge of Fair Employment Practices and makes contributions to the Central Provident Fund scheme in Singapore, a defined pension scheme. For employees below 55 years old, Hiap Tong makes an additional contribution of 17% as an employer on top of the employee's 20% contribution.




In support of the Singapore government's pro-family legislation, eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen are entitled to 16 weeks of maternity leave and 2 weeks of paternity leave respectively. Eligible working parents of at least one Singapore citizen child who is less than seven years old; or between ages of 7 to 12; and employed by Hiap Tong at least for 3 continuous months are entitled to 6 days of paid childcare leave annually. The allocation of parental leave for employees are in line with the Ministry of Social and Family Development's guidelines. A total of 8 employees took parental leave FY2021 and the Group saw a 100% return-to-work rate.

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

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

## TRAINING & EDUCATION

The Group believes that training and education play an essential role in advancing the business productivity. In this continuously evolving work environment, it is important for employees to stay informed. Training and education programmes, which are provided both on-the-job and ad-hoc basis, are available for employees, creating an environment that build resilience and improve skills and performance. These programmes provided encouragement and support our employees to maximise their potential and have a rewarding career.

	FY2021	FY2020	FY2019
<b>Average Hours of Training Per Employee</b>	 23	 16	 32

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

### Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocating budget and planning skills upgrading to equip employees to discharge their duties effectively. In FY2021, the budget spent on training for the Group totalled to \$261,196. Despite the disruptions caused by Covid-19, the Group was flexible in adapting to the restrictions in place to allow training programmes to proceed. Training sessions were held online via zoom and for courses that require physical attendance, the number of attendees was restricted with safe distancing measures in place.

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 in construction site	Mandatory training programme for workers of the construction industry
2	Apply Workplace Safety and Health in process plant	Training programme that covers all process sectors of the Process Industry
3	Basic concept in construction productivity enhancement	Training programme to introduce various key productivity initiatives, technology awareness and best practices as well as basic concepts of Design for Manufacturing and Assembly (DfMA)

4	Construction safety Orientation Course	Safety regulations in construction sites
5	Shipyards safety instruction course for workers general trade (SSIC)	Shipyards safety programme
6	Workforce Skills Qualifications (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 (WTA)	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

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

The Group also undertook the Building and Construction Authority (“**BCA**”) apprenticeship for tower crane. Apart from the apprenticeship programme, the Group has also sent selected employees for BCA courses such as the “Basic Concept in Construction Productivity Enhancement” course. Participation in these programmes has provided an invaluable opportunity for our employees to learn from industry experts.

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. For HTCT, the company continuously monitors the best practices in the industry and provide 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 HT Ports Services Pte. Ltd. (“**HTPS**”), the company works closely with Port of Singapore Authority (“**PSA**”) to ensure employees are trained to keep in line with best practices and technological advances in the industry.

### **Performance and Career Development Review**

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

Upon completion of the appraisal process, consideration of career advancement such as promotion; quantum of salary increments, and annual variable bonus (disbursed yearly before Chinese New Year) will be determined based on the performance appraisal results. In FY2021, all

employees are assessed and remunerated fairly based on their experience, qualifications, and performance.

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

### **OCCUPATIONAL HEALTH & SAFETY**

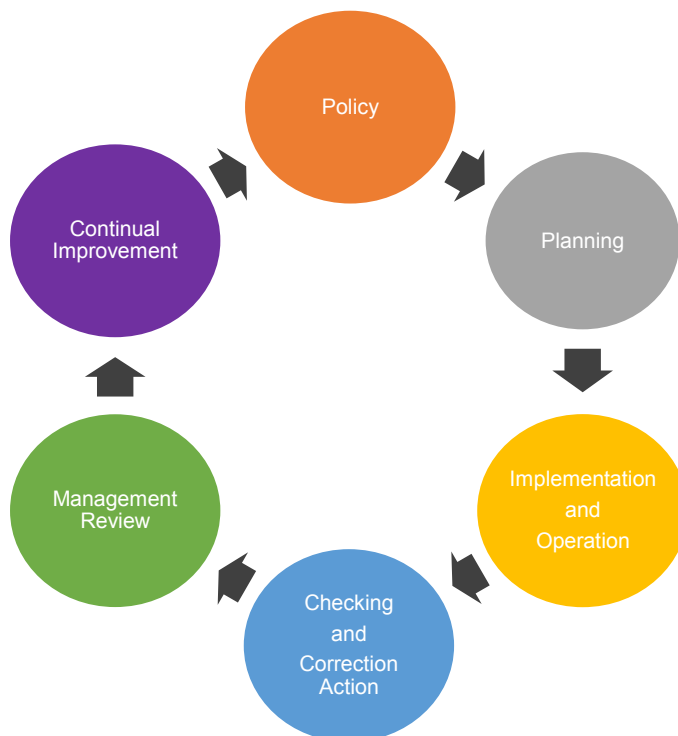
Safety is an integral part of our business and a key focus area for our board of directors and senior management. The Group recognises that it is the company’s responsibility to provide and maintain a safe and conducive work environment for all our employees and continuously strive to minimise incidence of workplace accidents. We firmly believe that all our employees deserve to work in a safe and healthy environment and that a conducive working environment will not only boost employees’ morale but also increase the overall workforce’s productivity and efficiency.

#### **Occupational Health & Safety Management Framework**

The Group pledges for zero accidents throughout all work activities to safeguard the environment and safety and health of all employees, subcontractors, supplier and public. Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our employees and stakeholders to ensure that they understand our requirements and expectations.

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

#### **Key Elements of Our Occupational Health & Safety Management Framework**





As the Covid-19 pandemic continues to affect industries worldwide, including Singapore, the Group has proactively implemented precautionary measures across our organisation in accordance with the guidelines stipulated by the Ministry of Health. Some measures include mandatory TraceTogether check-in for all employees and visitors before entering the office premise, provision of sanitizers at the premise for employees and visitors and adoption of safe-distancing measures. In addition, employees were encouraged to exercise flexible work arrangements such as choosing to work-from-home. This helped to minimise face-to-face interactions and risk of outbreaks. The Group will continue to monitor the situation closely and adapt our measures accordingly.

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

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

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

The Group seeks to learn from past mistakes and strive to prevent similar incidents from reoccurring. All near-miss incidents and accidents would be promptly reported to the Safety Committee, which comprises of management personnel and representatives from various departments in the company, these reports 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 gears. We have also developed a list of protocols and precautions for workers, to ensure that their safety is fully covered in all areas of work.

## Workplace Health & Safety Performance

Category	FY2021	FY2020	FY2019
	Total	Total	Total
Number of Injuries	4	8	7
Injury Rate ("IR") <sup>1</sup>	0.613	2.05	1.56
Lost Day Rate ("LDR") <sup>2</sup>	40.6	29.71	35.82
Absentee Rate ("AR") <sup>3</sup>	0.92	0.0082	0.0066*

\* Restated to include HT Port Services for comparisons with FY2020 and FY2021.

The Group have implemented necessary safety measures and reminders for all employees to prevent and reduce work-related injury. However, as every job entails some risk of work-related injuries, there were 4 recorded injuries in FY2021. Based on internal investigations, the injuries were caused by employee negligence, which is difficult to eradicate in nature. To further prevent work-related injury due to employee negligence, safety reminders and safety newsletters were published to re-emphasize the importance of work safety to all employees.

With adequate safety measures in place and frequent reminders, the Group still strives to achieve zero fatalities and/or workplace injuries in the coming years.

An increase in Lost Day Rate ("**LDR**") in FY2021 was largely due to the pandemic as there was a decrease in the number of hours worked. To minimise the chances of potential outbreaks, the Group had encouraged all employees to report in sick if they exhibit Covid-19 related symptoms. The increase was also a result of medical leaves taken due to the side effects from the Covid-19 vaccine. The Group has been encouraging employees to get vaccinated, and in the long term, we would expect the LDR to decrease.

In FY2021, there were no incidents of fatalities across Hiap Tong's business operations and there were no incidents of non-compliance with safety laws, requirements and/or standards.

## SOCIOECONOMIC COMPLIANCE

The Group's operations are subject to compliance requirements of Singapore Building and Construction Authority ("**BCA**") and the Ministry of Manpower. Our fleets are inspected and maintained regularly to ensure fully compliance with local regulations. Safety load tests are conducted to ensure all equipment and machinery are operating at optimal performance. Visual tests are conducted annually by professional engineer, 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 the lifting equipment safely. In addition, the Group's operations are in full compliance with the Workplace Safety and Health Act and its subsidiary regulations.

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

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

<sup>2</sup> Lost day rate refers to the number of man-days lost for every million hours worked.

<sup>3</sup> Absentee rate refers to number of days lost due to incapacity of any kind, not just as the result of work-related injury or disease, which expressed with the proportion to the total days scheduled to be worked.

## GOVERNANCE

### ANTI-CORRUPTION

We hold ourselves to the highest standard of professional behaviour, which is essential for the long-term viability of the Company's businesses and the enhancement of shareholder value. The Company 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 standard and requirements on its employees since the start of recruitment process. In addition, zero tolerance is applied to any employee involved in corruption or bribery.

The Board is responsible to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy. The policy provides employees with well-defined and accessible channels within the Group, including a direct channel to the Audit Committee, for reporting suspected bribery, corruption, dishonest practices, or other similar matters.

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

In FY2021, there were no incidents of regulatory non-compliance across Hiap Tong's group of businesses. There were also no reported incidents pertaining to whistleblowing for this reporting period under review. The Group continues to work towards reinforcing a full compliance culture.

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

Please refer to the Corporate Governance section of the Annual Report FY2021 for more information.

## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

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

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1	Name of the organization	Cover Page
	102-2	Activities, brands, products, and services	Page 4 of SR
	102-3	Location of headquarters	Page 4 of SR
	102-4	Location of operations	Page 4 of SR
	102-5	Ownership and legal Form	Page 4 of SR
	102-6	Markets served	Page 4 of SR
	102-7	Scale of the organization	Page 4 of SR
	102-8	Information on employees and other workers	Page 11 of SR
	102-9	Supply chain	Page 4 of SR
	102-10	Significant changes to the organization and its supply chain	No significant changes in supply chain
	102-11	Precautionary Principle or approach	Page 2 of SR
	102-12	External initiatives	Page 4 of SR
	102-13	Membership of associations	Page 8 of SR
GRI 102: Strategy	102-14	Statement from senior decision-maker	Page 3 of SR
GRI 102: Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	Page 4 of SR
GRI 102: Governance	102-18	Governance structure	Page 5 of SR

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Stakeholder Engagement	102-40	List of stakeholder groups	Page 7 of SR
	102-41	Collective bargaining agreements	Page 7 of SR
	102-42	Identifying and selecting stakeholders	Page 7 of SR
	102-43	Approach to stakeholder engagement	Page 7 of SR
	102-44	Key topics and concerns raised	Page 7 of SR
GRI 102: Reporting Practice	102-45	Entities included in the consolidated financial statements	Refer to AR FY2021 <i>Notes to The Financial Statement – Note 6</i>
	102-46	Defining report content and topic Boundaries	Page 2 of SR
	102-47	List of material topics	Page 4 of SR
	102-48	Restatements of information	Page 17 of SR
	102-49	Changes in reporting	No changes in reporting
	102-50	Reporting period	Page 2 of SR
	102-51	Date of most recent report	Page 2 of SR
	102-52	Reporting cycle	Page 2 of SR
	102-53	Contact point for questions regarding the report	Page 2 of SR
	102-54	Claims of reporting in accordance with the GRI Standards	Page 2 of SR
	102-55	GRI content index	Page 19 of SR
	102-56	External assurance	The Group has not sought external assurance
GRI 307: Environmental Compliance	DMA	Management approach disclosures	Page 10 of SR
	307-1	Non-compliance with environmental laws and regulations	Page 10 of SR
GRI 401: Employment	DMA	Management approach disclosures	Page 10 of SR
	401-1	New employee hires and employee turnover	Page 11 of SR
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 12 of SR

Category	Disclosure	Description	Page Reference and Remarks
GRI 401: Employment	401-3	Parental leave	Page 12 of SR
GRI 403: Occupational Health and Safety	DMA	Management approach disclosures	Page 15 of SR
	403-1	Occupational health and safety management system	Page 15 of SR
	403-9	Work-related injuries	Page 17 of SR
GRI 404 Training and Education	DMA	Management approach disclosures	Page 13 of SR
	404-1	Average hours of training per year per employee	Page 13 of SR
	404-2	Programs for upgrading employee skills and transition assistance programmes	Page 13 of SR
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 14 of SR
GRI 419 Socioeconomic Compliance	DMA	Management approach disclosures	Page 17 of SR
	419-1	Non-compliance with laws and regulations in the social and economic area	Page 17 of SR
GRI 205 Anti-corruption	DMA	Management approach disclosures	Page 18 of SR
	205-3	Confirmed incidents of corruption and actions taken	Page 18 of SR



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