



**YONGNAM HOLDINGS LIMITED**



## **SUSTAINABILITY REPORT 2017**

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## About Yongnam

Yongnam Holdings Limited is listed on the Mainboard of the Singapore Exchange since 11 October 1999.

With more than 40 years of experience in steel fabrication, Yongnam excels in adding value to steel construction. Its multi-disciplinary engineering and construction expertise extends from structural steelwork and specialist civil engineering solutions to design and build, as well as mechanical engineering. The Group's two production facilities in Singapore and Nusajaya, Johor, Malaysia have a total annual production capacity of 84,000 tonnes of steel fabrication. We also have a wide network of subsidiaries and project offices in the region and have undertaken projects globally including China, Thailand, Hong Kong, India among others.

Yongnam utilises the latest fabrication technologies and design innovation to offer solutions to its clients on a fast-track basis. Yongnam's modular strutting system continues to give the Group a strong competitive edge in meeting increasingly stringent design and project requirements in infrastructure and construction projects. We have an in-house pool of experienced and qualified engineers, detailers, technicians, welders, riggers and fitters, allowing us to consistently add value to our clients' projects. Yongnam aims to be the partner of choice in providing solutions for the steel construction industry.

Yongnam is a member of the Structural Steel Society and Singapore Construction Association (SCAL).



**Structural Steelwork**



**Specialist Civil Engineering**



**Design & Build**



**Mechanical Engineering**

*Figure 1: Yongnam's Areas of Expertise*

## About The Report

Yongnam Holdings Limited (“Yongnam”, the “Company” or the “Group”) is pleased to present its inaugural Sustainability Report 2017 for the financial year ended 31 December 2017 (“FY2017”). This sustainability report is in compliance with the requirements of SGX-ST Listing Rules 711A and 711B, and in accordance to the Global Reporting Initiative (“GRI”) Standards: Core option. The GRI Standards were selected for their universal application and standardised approach for businesses to report on critical sustainability issues. The report will be published on an annual cycle.

Our report covers the management approach and performance of material ESG factors of the Group in Singapore and operations of our subsidiary, Yongnam Engineering & Construction Pte Ltd, including local construction projects and our in-house production facilities<sup>1</sup>. For any given project, the main contractor (“our Client”) is ultimately responsible for the Health, Safety and Environment (HSE) performance of the project while in others, Yongnam might be the main contractor. Nonetheless, where Yongnam is a subcontractor working at the project site, Yongnam is responsible for the employees under our charge on-site, as well as any subsequent sub-contractors whose work is controlled by Yongnam. Any incident or accident involving these workers will be reported back to the headquarters.

While we have not sought assurance for this inaugural report, we will strive towards doing so as our reporting matures overtime. For any queries and feedback related to this sustainability report, please contact: [info@yongnamgroup.com](mailto:info@yongnamgroup.com).

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<sup>1</sup> Production for Singapore as a percentage of total production was 69% in FY2017.

# Yongnam's Commitment to Sustainability

## Sustainability Governance

The Board is ultimately responsible for the Company's sustainability by ensuring sustainability is part of its strategic formulation and that management of key ESG matters is integrated in business operations. As delegated by the Board, the sustainability team made up of representatives of the following business units is responsible for driving sustainability strategies across the company. This team monitors different aspects of sustainability practices and reports the performance to the Board annually.

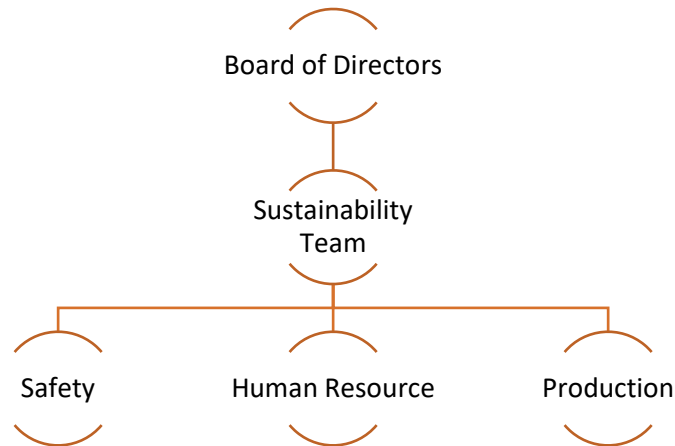


Figure 2: Yongnam's Sustainability Team

## Statement from our Board

Dear Stakeholders,

This year marks the inaugural issuance of our sustainability report, in accordance with the Singapore Exchange Securities Trading Limited's ("SGX-ST") introduction of sustainability reporting for all listed companies. We recognise the increasing importance that our stakeholders are attaching to Environmental, Social and Governance ("ESG") issues and the significant impact that our company can have on the environment and society, operating within the construction industry. This report aims to communicate Yongnam's strong commitment to corporate sustainability.

Together with Management, the Board of Directors ("Board") has identified material ESG issues as part of our first formal materiality assessment and will continue to consider sustainability issues in our overall strategy formulation. This includes identification, management and monitoring of sustainability-related risks and opportunities relevant to our business strategy.

We believe that a responsible business is the only way to do business. We would like to thank our stakeholders for their support thus far and look forward to working together with all of you on this journey.

## Stakeholder Engagement

Active stakeholder engagement is a key component of our sustainability management approach as it ensures that we will work on what truly matters. The process also helps to build good rapport with all of our stakeholders which is fundamental for our long term growth. Our key stakeholders and engagement activities are tabulated below.







Stakeholder Group	Key Concerns	Yongnam's Approach	Engagement Method	Frequency
 Shareholders	<ul style="list-style-type: none"> <li>▶ Growth strategy</li> <li>▶ Economic Performance</li> <li>▶ Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular and proactive communication</li> </ul>	<ul style="list-style-type: none"> <li>▶ AGM</li> <li>▶ Annual reports</li> <li>▶ SGX announcements</li> </ul>	<ul style="list-style-type: none"> <li>▶ Yearly</li> </ul>
 Government	<ul style="list-style-type: none"> <li>▶ Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide feedback proactively when necessary</li> <li>▶ Participate in consultation sessions throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>▶ Direct dialogues</li> <li>▶ Policy briefings, feedback sessions</li> </ul>	<ul style="list-style-type: none"> <li>▶ As and when required</li> </ul>
 Customers (Existing and potential)	<ul style="list-style-type: none"> <li>▶ High quality of services</li> <li>▶ Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>▶ Review measures regularly</li> <li>▶ Implement appropriate QA/QC procedures</li> <li>▶ Hold regular engagement events</li> </ul>	<ul style="list-style-type: none"> <li>▶ On-going dialogues</li> </ul>	<ul style="list-style-type: none"> <li>▶ On-going</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>▶ Career Development</li> <li>▶ Employee welfare and well-being</li> </ul>	<ul style="list-style-type: none"> <li>▶ Review measures regularly</li> <li>▶ Create and enhance communication platforms</li> <li>▶ Offer learning &amp; development programmes</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular staff meetings</li> <li>▶ Open annual performance appraisal system linked performance with remuneration</li> </ul>	<ul style="list-style-type: none"> <li>▶ On-going</li> <li>▶ Yearly for annual performance appraisal</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>▶ Labour shortage</li> <li>▶ Health and Safety</li> <li>▶ Timely Payment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Monitor compliance to ensure they have capability and proven ability to meet requirements</li> </ul>	<ul style="list-style-type: none"> <li>▶ Review meetings</li> <li>▶ Safety briefings and workshops</li> </ul>	<ul style="list-style-type: none"> <li>▶ On-going</li> </ul>
 Industry Associations	<ul style="list-style-type: none"> <li>▶ Quality, environment, health and safety</li> </ul>	<ul style="list-style-type: none"> <li>▶ Engage closely and regularly to align good practices and contribute to unified voice for construction industry</li> <li>▶ Detailed checks</li> </ul>	<ul style="list-style-type: none"> <li>▶ Industry forums and events</li> </ul>	<ul style="list-style-type: none"> <li>▶ On-going</li> </ul>

Figure 3: Stakeholder Engagement

## Material Matters

We conducted our first materiality determination process under the guidance of independent sustainability consultants, involving key internal stakeholders. A four-step process is described in the figure below. Five material factors were identified as material to the Group, with two additional matters considered by the Board as relevant to demonstrate the full impacts of our business on the supply chain. All matters were validated by the Board in August 2018.

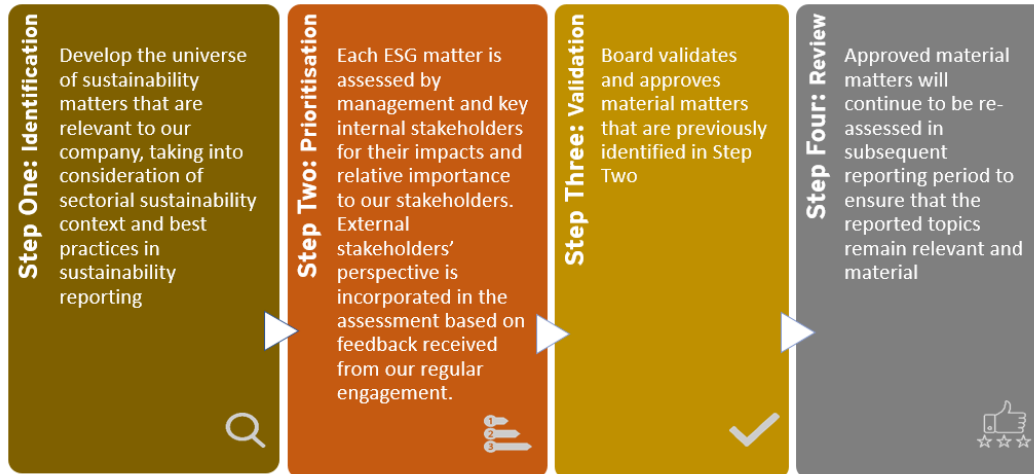


Figure 4: Yongnam's Materiality Determination Process

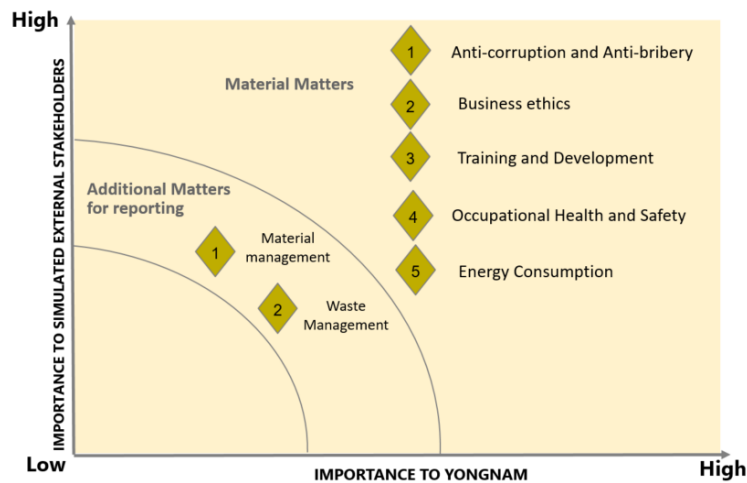


Figure 5: Yongnam's Materiality Matrix

Figure 6: Yongnam's Material (No.1 to 5) and Additional Matters

No.	Key Issue (not ranked in order of priority)	Corresponding GRI Framework Disclosure
1	Anti-Corruption and Anti-Bribery	GRI 205-3
2	Business Ethics	GRI 205-3
3	Training and Development	GRI 404-1
4	Occupational Health and Safety	GRI 403-9 (GRI Standards 2018)
5	Energy Consumption	GRI 302-1
<b>Additional Matters</b>		
1	Material Management	GRI 301-1
2	Waste Management	GRI 306-2, GRI 306-3



## Sustainability Policy

Our Quality, Environment, Workplace Health and Safety (QEHS) Policy demonstrates Yongnam's holistic approach to sustainability which covers good corporate stewardship, commitment to high quality of services and products, employee welfare and well-being and strong health and safety performance, all while caring for the environment.

### Holistic approach to sustainability

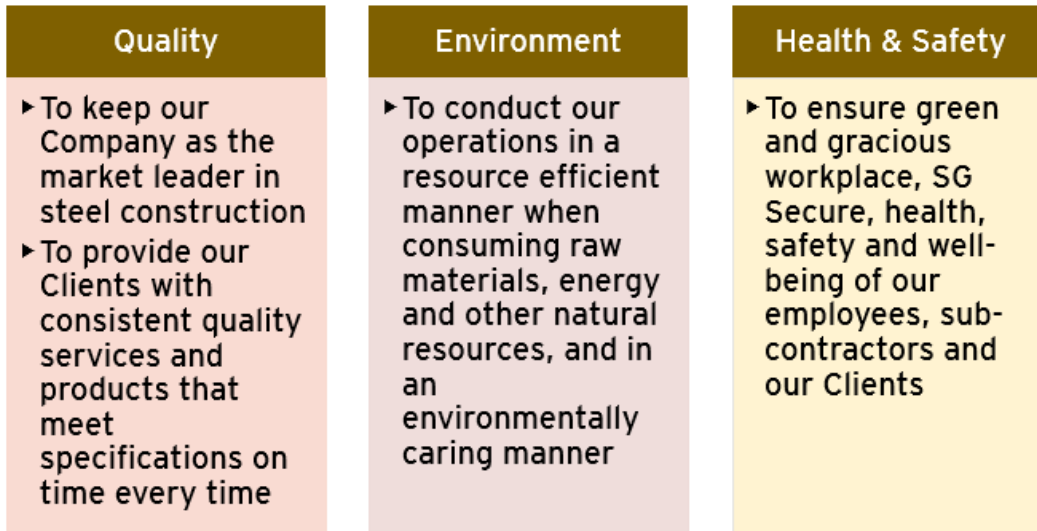


Figure 7: Yongnam's Sustainability Approach



# Maintaining our market leader position through quality and strong business values

## Quality

Yongnam is ISO 9001, ISO14001 and OSHAS 18001 certified, in addition to achieving a bizSAFE Star level award. Our Quality Management system takes a planned approach towards continuous improvement of our products, processes and services. Yongnam prides itself as a leading steel specialist contractor with an unparalleled track record of iconic projects. It remains our core business value to always deliver projects on-time and with quality. Moving forward, a major growth driver for our business is to be a one-stop solutions provider of conceptual design, construction, project management and final delivery.

Key Projects	
<ul style="list-style-type: none"> <li>• Brunei, Royal Pavilion Hangars</li> <li>• Malaysia, Kuala Lumpur International Airport</li> <li>• Singapore, Changi International Airport</li> <li>• Thailand, Suvarnabhumi International Airport</li> <li>• India, Indira Gandhi International Airport</li> <li>• India, Chhatrapati Shivaji International Airport</li> </ul>	
<ul style="list-style-type: none"> <li>• Singapore, Kallang-Paya Lebar Expressway</li> <li>• Singapore, Marina Coastal Expressway</li> <li>• Singapore, MRT Thomson-East Coast Line</li> <li>• Singapore, MRT Downtown Line</li> <li>• Singapore, MRT Circle Line</li> <li>• Singapore, MRT Northeast Line</li> <li>• Singapore, MRT East-west Line</li> <li>• Singapore, MRT North-south Line</li> <li>• Singapore, MRT North-south Line Extension</li> <li>• Hong Kong, Mass Transit Rail</li> <li>• Hong Kong, Express Rail Link</li> <li>• Middle-east, Dubai Metro</li> </ul>	
<ul style="list-style-type: none"> <li>• Marina One</li> <li>• Marina Bay Sands Integrated Resort</li> <li>• Suntec City Exhibition &amp; Convention Centre</li> <li>• Singapore Post Centre</li> <li>• Capital Tower</li> <li>• Singapore MRT Expo Station</li> <li>• National Library Board</li> <li>• Fusionopolis</li> <li>• Sports Hub</li> <li>• Gardens by the Bay</li> <li>• Changi Jewel</li> <li>• Multiuser Light Industrial Dev @ Jln Kilang</li> </ul>	
<ul style="list-style-type: none"> <li>• Singapore, Senoko Power Station</li> <li>• Singapore, Seraya Power Station (Stage II development)</li> <li>• Singapore, Mandai Quarry Plant</li> <li>• Singapore, Senoko Incineration Plant</li> <li>• Singapore, Tuas Incineration Plant</li> <li>• Singapore, Wind Tunnel</li> <li>• Malaysia, Kenyir Power Station (Hydroelectric power plant)</li> <li>• Malaysia, Paka/Pasir Gudang YTL Power Station</li> <li>• Malaysia, Panglima Power Station</li> <li>• Malaysia, Tanjung Bin Power Plant</li> <li>• Malaysia, Naphtha Cracker Plant – Cracking Furnace</li> </ul>	

Figure 8: Yongnam's Key Projects

## Strong Business Values

The Board of Directors of Yongnam is committed to maintaining high standards of corporate governance, business integrity and professionalism within the Company and its subsidiaries to protect the interests of all its stakeholders and to promote investors' confidence and support. Policies and practices such as our Whistle-Blowing Policy and Code of Conduct on Safety are communicated to all employees. This is the mechanism through which concerns about plausible improprieties may be raised. A dedicated secured e-mail address allows whistle blowers to contact the Chairman of the Audit Committee (AC) directly. The Policy also offers reassurance that the employees will be protected from reprisals or victimisation for whistle blowing in good faith. The Policy is reviewed annually by the Board of Directors.

Guidelines are available on gifts received by employees and gifts given to or received from business partners. As a control mechanism, our CEO makes the final decision on sales and purchases made. The Group addresses concerns raised and arranges for investigation and/or follow-up of appropriate action. The AC reports to the Board any issues received at the ensuing Board meeting. Where appropriate or required, a report shall be made to the relevant government authorities.

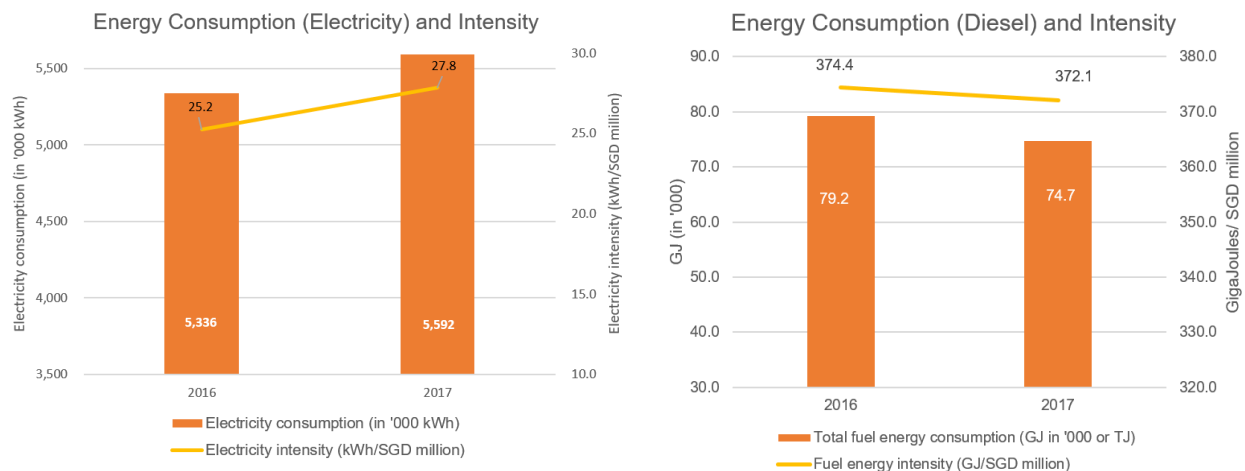
For the financial year ended December 2017, there has been no confirmed incidents of corruption. There has been no confirmed incidents in which employees were dismissed or disciplined for corruption and when contracts with business partners were terminated or not renewed due to violations related to corruption. We will continue to maintain this strong record going forward.

## Conducting our operations in a resource-efficient and environmentally caring manner

Yongnam recognises the importance and value of protecting the environment and we take pride in carrying out our operations in a resource-efficient and environmentally-friendly way. Our key environmental initiatives include reduction in energy consumption, improvement of material use efficiency and a robust waste management system.

### Energy Consumption

Yongnam relies on diesel for transporting heavy equipment. We monitor the usage of diesel in our fleet of 21 transport vehicles through receipt records of diesel refueling. In addition, there are 4 cameras installed in each truck to ensure that the trucks are not left idling, preventing the wastage of fuel. Electricity usage for our corporate building and steel production site are also closely monitored. Yongnam will be embarking on energy-saving LED lighting projects and PV solar panels when our lease is due for extension.



*Note: Fuel and electricity consumption at individual project sites are not included as information is not available. Intensity is calculated based on consumption data and revenue from Yongnam Engineering & Construction Pte Ltd.*

Figure 9: Yongnam's Electricity and Fuel Energy Consumption and Intensity

We are committed to reduce our energy consumption and corresponding intensity. However, this could vary considerably from year to year due to changing project specifications and needs. These figures are monitored and reported to Management yearly. We will continue to track our diesel and electricity consumption and reduce to a minimum as far as possible.

### Waste and Resource Management

We recognise that proper waste and resource management is crucial for us to protect the environment and for the health and safety of our community. In addition, the wastage has a negative impact on economic performance as it increases cost and makes us less competitive compared to our peers.

Our key material used for production process is steel. Yongnam does not generate any hazardous waste or wastewater from our production and there were no significant spills at our facilities and projects for the financial year ended December 2017.



Yongnam has put in place a robust material waste and resource management system with stringent checks and monitoring as depicted below.




Waste and Resource Management system	Management Practices
Close Monitoring	<p>Steel wastage depends on project requirements which is outside of Yongnam's control. However, all material use is monitored carefully to ensure wastage is minimised every step of the way on a project basis. The steel waste level is closely monitored to be around 7-10% in any given project.</p> <p>Any other waste (e.g. blasting dust) generated from the activities is collected and disposed of by a specialist contractor.</p>
Stringent Tracking	<p>Wastage is one of the many quality objectives monitored under ISO 9001. We have a monthly reporting system to track the material usage, which is consolidated in an annual report for management review.</p>
Recycle materials	<p>Where waste steel is generated from the project, 100% of this is sold to scrap collectors for recycling. Some of the waste steel is also reused as various engineering controls for our operation.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Leftover plate &amp; pipe material used to segregate machines from workers.</p> </div> <div style="text-align: center;">  <p>Leftover steel plates and sheets used to shield heat or light source.</p> </div> <div style="text-align: center;">  <p>Steel beams reused to provide stable supports during fabrication work.</p> </div> </div>
Proper storage and disposal	<p>We also have a proper chemical and diesel storage facility to collect residues and leakages during fuel transfer, in line with Singapore Civil Defence Force (SCDF) regulations.</p>

Figure 10: Waste and Resource Management Process

In 2017, we purchased 27% more steel than the year before. This was due to the nature of project requirements which differs year on year. Hence, we are unable to set targets to reduce our absolute steel consumption. Instead, we will always strive to keep our steel waste level to 7-10% for all projects, and continue recycling 100% of the waste that is generated. Our consumption values for 2016 and 2017 (current reporting year) are tabled below.

Steel Consumption	Unit	2016	2017
Steel purchased	Ton	33,993	26,673
i. Steel fabricated	Ton	30,079	23,132
ii. Steel waste	Ton	3,119	2,691
iii. Steel yet to be fabricated	Ton	795	850
Steel waste as a percentage of steel used (fabricated + waste)	%	9.4	10.4 <sup>2</sup>

Figure 11: Material Used by Yongnam

<sup>2</sup> Steel waste exceeded our target levels slightly in 2017. This could possibly be attributed to measurement and accounting errors. We will continue to monitor our waste closely in every project.

## Creating a Gracious Workplace

### Our Workforce

Yongnam believes that human capital is crucial to the growth of the company. The majority of our workforce consists of direct labour who work on projects where we are contracted as well as at our production facilities involving engineering and fabrication work. Where necessary, subcontractors are engaged on a project basis to support the work required for which Yongnam does not have the in-house capabilities for (e.g. hot dip galvanising).

In 2017, our workforce consisted of 1,340 employees, of which 1,241 are males and 99 are females. Due to the nature of our service involving more labour intensive activities, our workforce is more male-dominated. Among the 1,241 males, 1,227 are full-time staff, while the remaining 14 are our crane operators working on a part-time basis. There were no new hires and significant changes in our workforce over the year.

The charts below provide more information on the employee demographics of Yongnam.

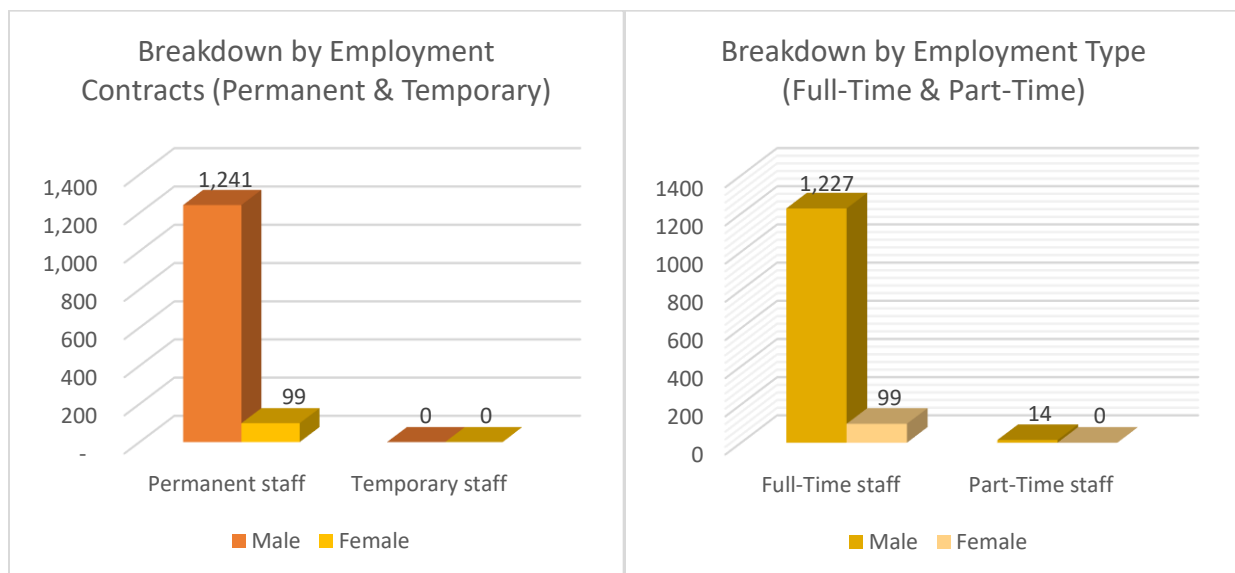


Figure 12: Employee demographics, broken down by employment contracts, employment type and gender

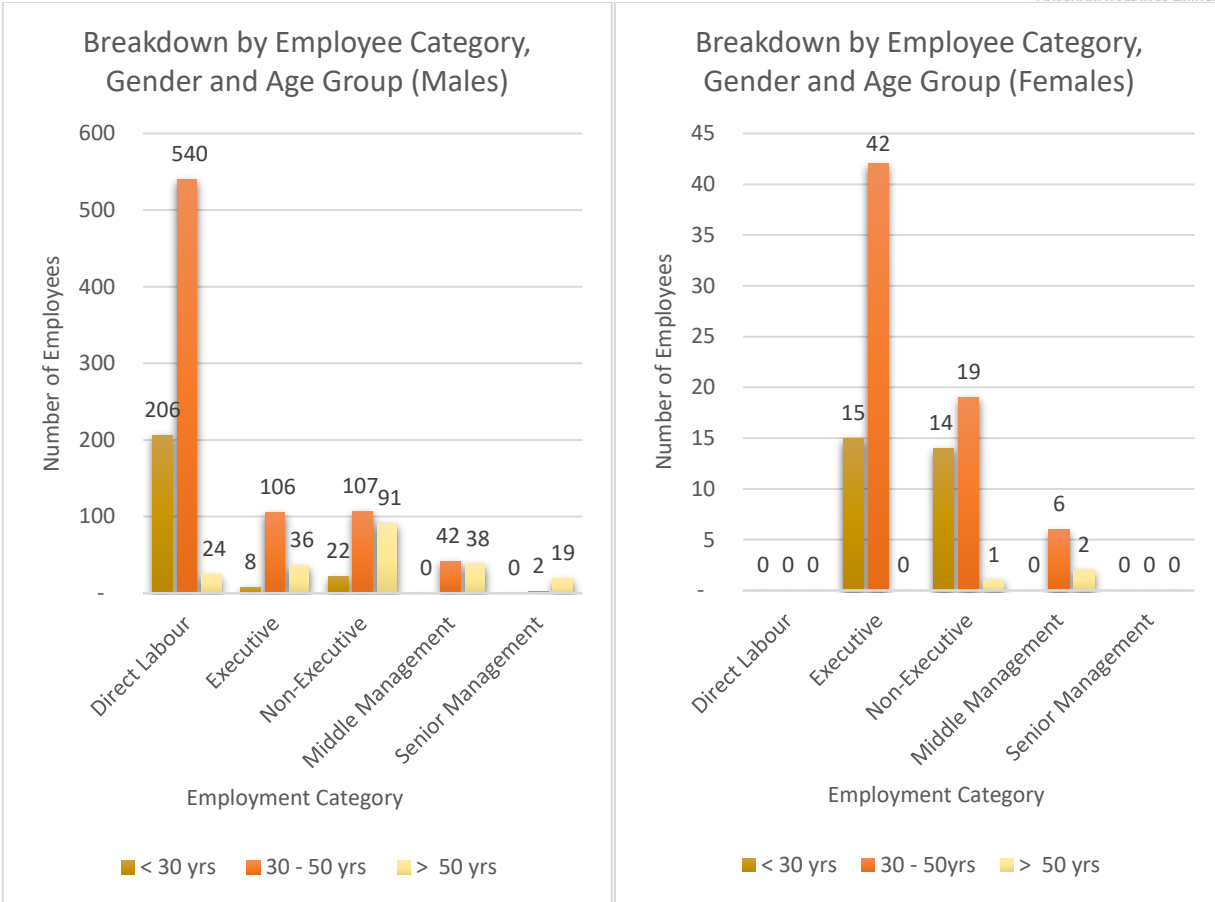


Figure 13: Employment Numbers

## Training & Development

Having the right people for the right job is necessary in ensuring the safety and compliance of our scope of work, as well as boosting the overall efficiency and quality of work delivered to clients. We take pride in our own human capital and seek to ensure that our employees and workers comply with regulations and have the right mindset and skills to carry out their job. Under our **Training & Development Policy**, respective department heads identify the training needs of the staff under their charges which is submitted to HR to establish a yearly “Total Company Training Plan”. This consists of on-the-job training as well as external training that could be compulsory training in compliance to legal requirements. Yongnam bears the cost of training and all examination fees as required by the course.

Employees may also seek approval from management to attend special or ad hoc training courses as desired. Such training can be covered by our Training Sponsorship Scheme for all confirmed employees to support their personal development.

Training courses are matched to the needs of the staff and organisation. For example, while the production department receives construction related courses<sup>3</sup>, the project management and Specialist Civil Engineering departments receives both construction and safety related courses<sup>4</sup>, and the equipment & logistics team attends mostly crane related courses<sup>5</sup>. Other training programmes include finance and HR

<sup>3</sup> Examples include metal scaffold erection, heavy forklift, Core Trade, Signal & Rigger course etc.

<sup>4</sup> Examples include chemical safety awareness course, work at height etc

<sup>5</sup> Examples include forklift operator course, hydraulic excavator operation etc.



related, quality control as well as building or technical related courses. (On specific safety training received, refer to the section below on Health and Safety.) After the training, an employee training effectiveness form is generated for each employee that is tracked by HR to improve training outcomes.

Our target for the next few years is to continue to enhance functional skills training of all our staff as and when identified and required. In the long-term, we aim to continue monitoring training effectiveness, improve employee's overall skillset and knowledge upgrading.

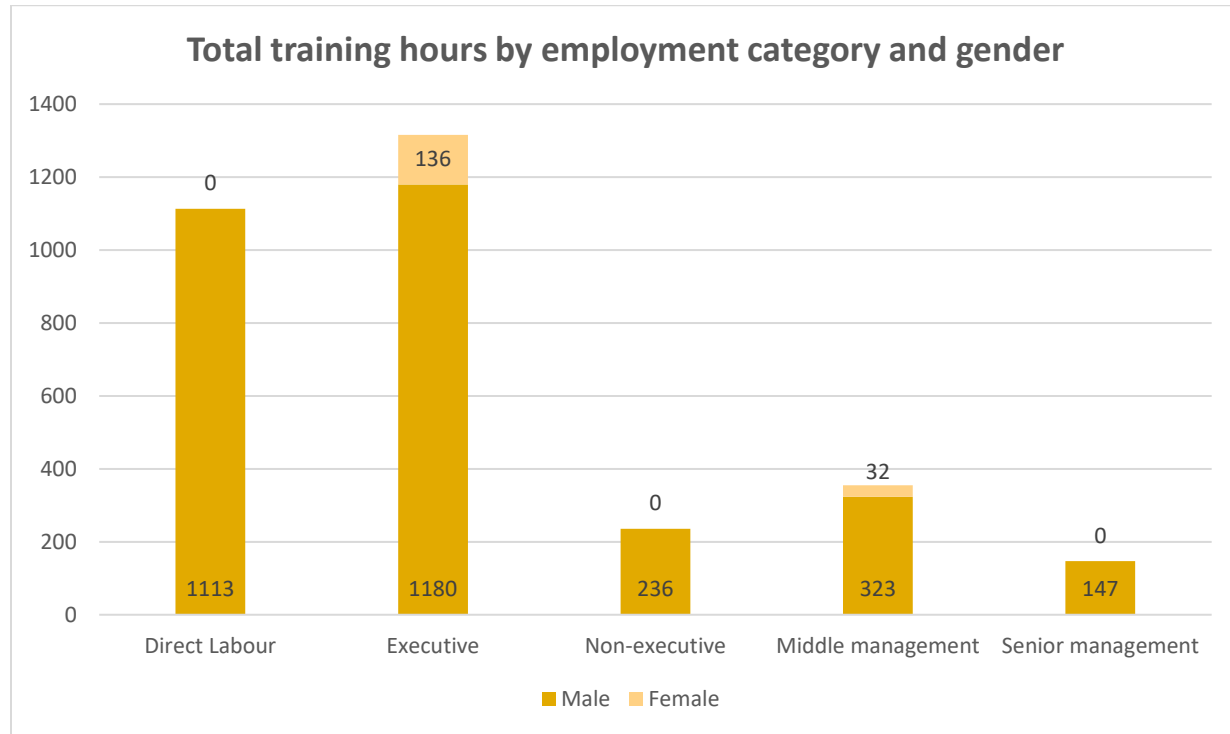


Figure 14: Total Training Hours by Employment Category and Gender

To promote the health of our employees, sub-contractors and our Clients, we provide occupational health services to improve their working environment. Health is an integral part of our safety briefing, award and promotion.

Activities	How Yongnam ensures quality of services and facilitates their access
Factors in the work environment which might affect workers' health	<ul style="list-style-type: none"> <li>▶ Strategically located, clean common washrooms</li> <li>▶ Filtered water safe for drinking easily accessible</li> <li>▶ Canteen provided for workmen</li> <li>▶ Drains inspected routinely to prevent mosquito breeding and odour</li> <li>▶ Housing in dormitories with convenient leisure facilities</li> <li>▶ Transport provided to and from dormitories to work site in air-conditioned buses</li> <li>▶ Trees and flora planted around factory provide shade for workers to rest and serve to enhance mental health of workers</li> </ul>
Advice on occupational health, safety and hygiene	<ul style="list-style-type: none"> <li>▶ New employees for fabrication and site participate in a safety induction programme</li> <li>▶ Guided by field foremen and fellow countrymen to allow them to be familiarised with their surroundings</li> <li>▶ Senior staff are always present on the field to encourage the workers and distribute gifts during festive occasions</li> </ul>





Facilitating access to health services	<ul style="list-style-type: none"><li>▶ Provided to workers at all times during working hours</li><li>▶ Workers can visit Yongnam’s designated clinics if they are feeling unwell</li><li>▶ Company vehicles are available to transport workers who are unwell</li><li>▶ Workers are encouraged to participate in activities held by MOM/WSH Council/SingHealth</li></ul>
Voluntary health promotion services	<ul style="list-style-type: none"><li>▶ Yongnam invites specialists to hold talks on issues related to the heart and emergency heart attack treatment</li><li>▶ Top management distributes apples to workers to promote healthy eating habits</li><li>▶ Workers on site are encouraged to inform their supervisor if they are feeling unwell and need not perform high risk work until recovery</li></ul>

Figure 15: Occupational Health Services at Yongnam

Feedback boxes are provided to encourage anonymous feedback on top of normal field interaction, supervisor meetings, trainings and sharing sessions. To improve awareness, Yongnam engages external service providers or consultants to give talks and encourage interaction.

## Integrated Quality, Environment, Workplace Health, Security and Safety Management System

**Vision Zero**



We are firmly committed to the **Vision Zero movement** launched by Singapore's Workplace Safety and Health Council in 2015.

**Annual Safety Award 2018**  
For Subcontractor's Safety Recognition awarded by LTA



**Best Safety Conscious Contractor, May 2018**  
For Construction of 4-in-1 Rail and Bus Depot and Reception Tunnels for Thomson-East Cost Line

Figure 16: Yongnam's Safety Vision and Awards

### Health & Safety

Yongnam regards the health and safety of our employees as our top priority due to the nature of our work and is wholeheartedly committed to ensure it is never compromised. Safeguarding workers from harm is Yongnam's responsibility because it affects the workers, their families, the project timeline, loss of business opportunities, and eventually, loss of reputation. Smooth operations of the factory can only be achieved by the people running it. The occupational health and service efforts are assisted by Yongnam's WSH Officer and Manager in accordance to the WSH Act and other subsidiary Acts such as Scaffold Regulation, Risk Assessment Regulation, Construction Regulation, Risk Assessment Regulation, Construction Regulation, First-aid Regulation etc.

We have adopted a firm safety message that is well ingrained in all our employees and workers that everyone works together in a team towards the ultimate goal of having zero accidents.

**ONE TEAM, ONE GOAL, ZERO ACCIDENT**  
 一个团队，一个目标，零事故  
 ஒரு குழு. ஒரு இலக்கு. பூஜ்ய விபத்து  
 একই দল একই লক্ষ্য দুর্ঘটনা মুক্ত।

Figure 17: Yongnam's Safety Message

Underscoring this importance is our health and safety management system required under Singapore regulations that is regularly audited both internally and externally. This system is based on recognised risk management guidelines<sup>6</sup> from the Ministry of Manpower (MOM). It consists of the following elements:

<sup>6</sup> Code of Practice on WSH Risk Management ("RMCP")



Figure 18: Yongnam's Health and Safety Management System

### 1. Right Culture, Right Value

The top management of Yongnam sets the leadership attitude and mentality to impress upon the managers and line supervisors to treat safety at work as the most important aspect. The company promotes a culture of safety first and cultivates in workers a mindset that safety is a prerequisite for the job. We believe that a positive work environment with caring supervisors and colleagues achieves the best performance. Yongnam is supported by a group of experienced seniors who have been in the construction industry since the 70s.

We provide the necessary trainings, ensure proper communication and timely reminders on WSH Act requirements and conduct internal safety inspection and audits. Mental well-being of our workers is also accounted for as negative emotions can lead to misjudgment and erratic behaviour. Therefore, the management sets out rules and regulations, a code of practice, carries out actual demonstration and drills, organises quizzes, distributes handouts, and rolls out mentoring programmes to help workers take control of their temper, health and personal well-being, so that workers prioritise safety above all else.

We encourage workers to report any work-related hazards or situations directly to the foreman, supervisor, manager or safety practitioner, or through meeting or feedback boxes. This is emphasised during their monthly safety promotion. Additionally, they are allowed to refuse taking on dangerous work that they are tasked to complete.

Workers are provided a grievance mechanism through contacting HR, WSH Manager, or safety personnel at headquarters directly. To prevent reprisals against workers, workers are encouraged to remain anonymous via feedback boxes to ensure privacy. A culture of tolerance, understanding and being compassionate is strongly encouraged.

### 2. Robust Risk Management System

#### Hazard and risk identification

Work-related hazards and assessed risks are available in our job hazard study handbook and further enhanced by the method statement with input by Yongnam's staff. Risk assessment ("RA") is done in accordance with the code of practice identifying Yongnam as the occupier (factory owner), while the hierarchy of controls is applied to eliminate hazards and minimise risk.



These hazards have been determined during the work process. The table below details the top hazards identified and actions by Yongnam to reduce their risks:

Hazard	How Yongnam manages these hazards
Lifting operation related injuries; amputation, collision, impact	<ul style="list-style-type: none"> <li>▶ Only trained and qualified personnel are allowed to lead, organise and participate in the work process i.e. experienced manager and foreman, lifting supervisor, signaller &amp; rigger.</li> <li>▶ Ensure equipment and tools are examined by an Authorised Examiner<sup>7</sup> with risk assessment duly carried out.</li> </ul>
Work at height inflicted injuries	<ul style="list-style-type: none"> <li>▶ Conduct method and risk assessments to minimise risks of work-at-height activities</li> <li>▶ Boom-lift access used (where feasible) with a certified operator</li> <li>▶ Train workmen on procedure for working at height in accordance with WSH Institute Code of Practice</li> </ul>
High energy machines; mechanical, electrical, hydraulic, air, thermal and gases*  *A high-consequence work-related injury resulted from this hazard in 2017.	<ul style="list-style-type: none"> <li>▶ Perform risk assessments, take control measures and communicate to workmen</li> <li>▶ Use of barriers, guards and exclusion zones</li> <li>▶ Semi-automation and robots used for complicated jobs</li> <li>▶ Safety and non-return valves used for gas cutting related work to ensure no back fire nor leakage</li> <li>▶ Air Receiver<sup>8</sup> certification obtained when pressured air is involved</li> <li>▶ Follow maintenance regimes with “lockout, tag out” safety procedures</li> <li>▶ Conduct management inspections and safety patrols</li> </ul>

Figure 19: Identified Safety Hazards and Response

Where we are engaged by a main contractor, we will have to comply with their hazard management system on the project work site. At our in-house steel factory, the risk assessment is conducted once in 3 years and reviewed whenever there is an incident, accident or new hazard.

To ensure the quality of these processes, Yongnam trains the RA leader and champion under the bizSAFE Star program and for the annual audit. This inspection is done periodically. Where we are contracted by the Land Transport Authority or other multinational corporations, we are further audited by their systems.

The risk management team consists of the Project Manager, Department Manager, Engineer, Supervisor, Foreman and Safety Practitioners as well as Safety Coordinators, WSH Coordinators and WSH Officers according to the demands of the project. Through this system, Yongnam achieved an accident severity and frequency rate much lower than the national average for the construction industry.

In 2017, Yongnam’s Accident Severity Rate<sup>9</sup> was 17.79.

<sup>7</sup> Authorised Examiner defined by the Ministry of Manpower

<sup>8</sup> Air Receiver defined by the Ministry of Manpower

<sup>9</sup> Accident Severity Rate follows MOM guidelines, calculated by the following formula: (No of man days lost to workplace accidents/no of man-hours worked) x 1,000,000



YONGNAM HOLDINGS LIMITED

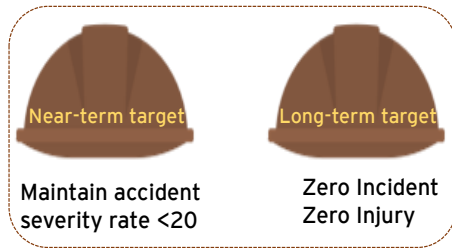


Figure 2010: Safety targets

We recorded 9 work-related injuries, without any fatalities, with a rate of 0.762 of recordable work-related injuries<sup>10</sup>.

Despite our best efforts, Yongnam suffered a case of high-consequence work-related injury, where a worker had to have the top portion of his right index amputated. Yongnam takes every injury seriously and has taken every measure possible to prevent its re-occurrence. As a result, our rate of high-consequence work-related injuries is 0.085<sup>11</sup>.

### Incident Investigation

In the event of a work-related incident, the WSH Coordinator or registered officer conducts an investigation into the incident and reviews the risk assessment in accordance with the Code of Practice on WSH Risk Management.

### **3. Participation by Workers**

Our staff actively contributed to development of our occupational health and safety management system. This input is obtained from staff weekly through our WSH Alert. Learning from past incidents and accidents allows us to create a safer environment for our workers.

At project worksites where Yongnam is the subcontractor, the Project Manager and Safety Coordinator will participate in the project safety committee meeting and program. At Yongnam's factory, the safety committee consists of members who are representatives of persons at work and also the management of the factory.

Safety patrol is conducted and issues are discussed for further improvement. Improvement efforts cover infrastructure improvements, skills training, Personal Protective Equipment (PPE) usage, and other issues on utilities and facilities for the well-being of Yongnam's workers. As many of Yongnam's staff have been with us for many years (ranging from 6 to 30), they appreciate such programmes and actively participate in them. For new workers, they are attached to the more experienced workers to receive training on the system.

### **4. Training and Communication**

Safety training is mandatory for all employees and workers involved in construction work. The top management of Yongnam attends various workshops and seminars, while all other personnel attend the mandatory course sponsored by the company (as aforementioned under the "Training and Development" section). The operation director and project manager (PM) attend the "WSH safety for Project Manager" course, while engineers and supervisors attend the following Singapore Workforce Skills Qualifications (WSQ) courses:

- Risk assessment leaders, champion, participants;
- Work-at-height for manager, assessor and workers;
- Lifting supervisor, rigger and signaller course;
- Certified first aider;
- Fire safety manager;
- Airport fire fighter and SCDF academy firefighting course;
- Boom lift and forklift operator course;

<sup>10</sup> Rate of recordable work-related injuries is calculated by the following formula: (Number of recordable work-related injuries/no of man-hours worked) x 1,000,000

<sup>11</sup> Rate of high-consequence work-related injuries is calculated by the following formula: (Number of high-consequence work-related injuries/no of man-hours worked) \* 1,000,000

- Scaffold erector and supervisor course;
- Confined space, tunnel entry and manholes entry course;
- Graduate specialist WSH course for auditor

Representatives who have gone through these rigorous courses conduct in-house training on a monthly basis and briefings on site daily. These in-house trainings and briefings at the factory are sometimes translated into the native languages of our workers for their easy understanding.

Field skill training and field work training are also provided to new workers to reduce the possibility of major injuries and causing harm to others due to negligence.

Yongnam participated in the WSH Work-At-Height clinic. Safety briefings and demonstration are carried out to workers on site, in addition to fire drills and emergency evacuations. WSH alert, findings, programme, and banners are also dispatched to the site to remind workers of their safety. Whenever there is an accident, the management will perform an investigation and debrief other workers to prevent recurrence.

We have achieved zero demerit points and zero accident involving falling from scaffolding, owing to the scaffold erector course in place to train fitters and welders to erect scaffold safely.

## GRI Content Index

GRI Standard	Disclosure	Section of Report	Page Reference
<b>GRI 102: General Disclosures 2016</b>	<b>Organizational profile</b>		
	102-1	Name of the organization	About the Report 3
	102-2	Activities, brands, products, and services	About Yongnam 2
	102-3	Location of headquarters	About the Report 3
	102-4	Location of operations	About Yongnam 2
	102-5	Ownership and legal form	About Yongnam 2
	102-6	Markets served	About Yongnam 2
	102-7	Scale of the organization	About Yongnam 2
	102-8	Information on employees and other workers	Our People 13
	102-9	Supply chain	About Yongnam 2
	102-10	Significant changes to the organization and its supply chain	N.A. as this is the first year of reporting N.A.
	102-11	Precautionary Principle or approach	Yongnam adopts a risk-based approach to sustainability. N.A.
	102-12	External initiatives	None. N.A.
102-13	Membership of associations	About Yongnam 2	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Board Statement 5	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	Maintaining our market leader position through quality and strong business values 9-10	
<b>Governance</b>			
102-18	Governance structure	Sustainability Governance 4	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	Stakeholder Engagement 6	
102-41	Collective bargaining agreements	Stakeholder Engagement 6	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement 6	
102-43	Approach to stakeholder engagement	Stakeholder Engagement 6	
102-44	Key topics and concerns raised	Stakeholder Engagement 6	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Annual Report Refer to section Notes to the Financial Statements	



GRI Standard	Disclosure	Section of Report	Page Reference
	102-46	Defining report content and topic Boundaries	About the Report 3
	102-47	List of material topics	Material Matters 7
	102-48	Restatements of information	N.A. as this is the first year of reporting N.A.
	102-49	Changes in reporting	N.A. as this is the first year of reporting N.A.
	102-50	Reporting period	About the Report 3
	102-51	Date of most recent report	N.A. as this is the first year of reporting N.A.
	102-52	Reporting cycle	About the Report 3
	102-53	Contact point for questions regarding the report	About the Report 3
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report 3
	102-55	GRI content index	GRI Content Index 22-24
	102-56	External assurance	About the Report 3

**CATEGORY: ENVIRONMENTAL**

**Energy Consumption**

GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its Boundary	Energy Consumption 11
	103-2	The management approach and its components	Energy Consumption 11
	103-3	Evaluation of the management approach	Energy Consumption 11
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption 11

**Material Management**

GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its Boundary	Waste and Resource Management 11
	103-2	The management approach and its components	Waste and Resource Management 11
	103-3	Evaluation of the management approach	Waste and Resource Management 11
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Waste and Resource Management 11

**Waste Management**

GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its Boundary	Waste and Resource Management 11
	103-2	The management approach and its components	Waste and Resource Management 11
	103-3	Evaluation of the management approach	Waste and Resource Management 11
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Waste and Resource Management 11
	306-3	Significant spills	Waste and Resource Management 11

**CATEGORY: SOCIAL**

**Occupational Health And Safety**





GRI Standard	Disclosure	Section of Report	Page Reference
GRI 103: General Disclosures 2016 and 2018	103-1	Explanation of the material topic and its Boundary	Health & Safety
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
	403-1	Occupational health and safety management system	Health & Safety
	403-2	Hazard identification, risk assessment and incident investigation	Health & Safety
	403-3	Occupational health services	Health & Safety
	403-4	Worker participation, consultation and communication on occupational health and safety	Health & Safety
	403-5	Worker training on occupational health and safety	Health & Safety
	403-6	Promotion of worker health	Health & Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked business relationships	Health & Safety
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	Health & Safety

**Training And Development**

GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its Boundary	Training & Development
	103-2	The management approach and its components	Training & Development
	103-3	Evaluation of the management approach	Training & Development
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training & Development

**CATEGORY: GOVERNANCE**

**Anti-Corruption And Anti-Bribery**

**Business Ethics**

GRI 103: General Disclosures 2016	103-1	Explanation of the material topic and its Boundary	Strong Business Values
	103-2	The management approach and its components	Strong Business Values
	103-3	Evaluation of the management approach	Strong Business Values
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Strong Business Values