DYNA-MAC SUSTAINABILITY REPORT 2020

CONTENT

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 on our purposed built module fabrication facilities, skill competences and diverse strengths and our partners' strengths. We are also venturing into new adjacent areas like LNG (liquefied natural gas) modules and renewable energy in decarbonisation with focus on green hydrogen / ammonia production modules. By diversifying and leveraging on our core capabilities, Dyna-Mac is poised to move up the value chain and meet ride on the changing demands of the energy 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. These 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 create 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 align 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.
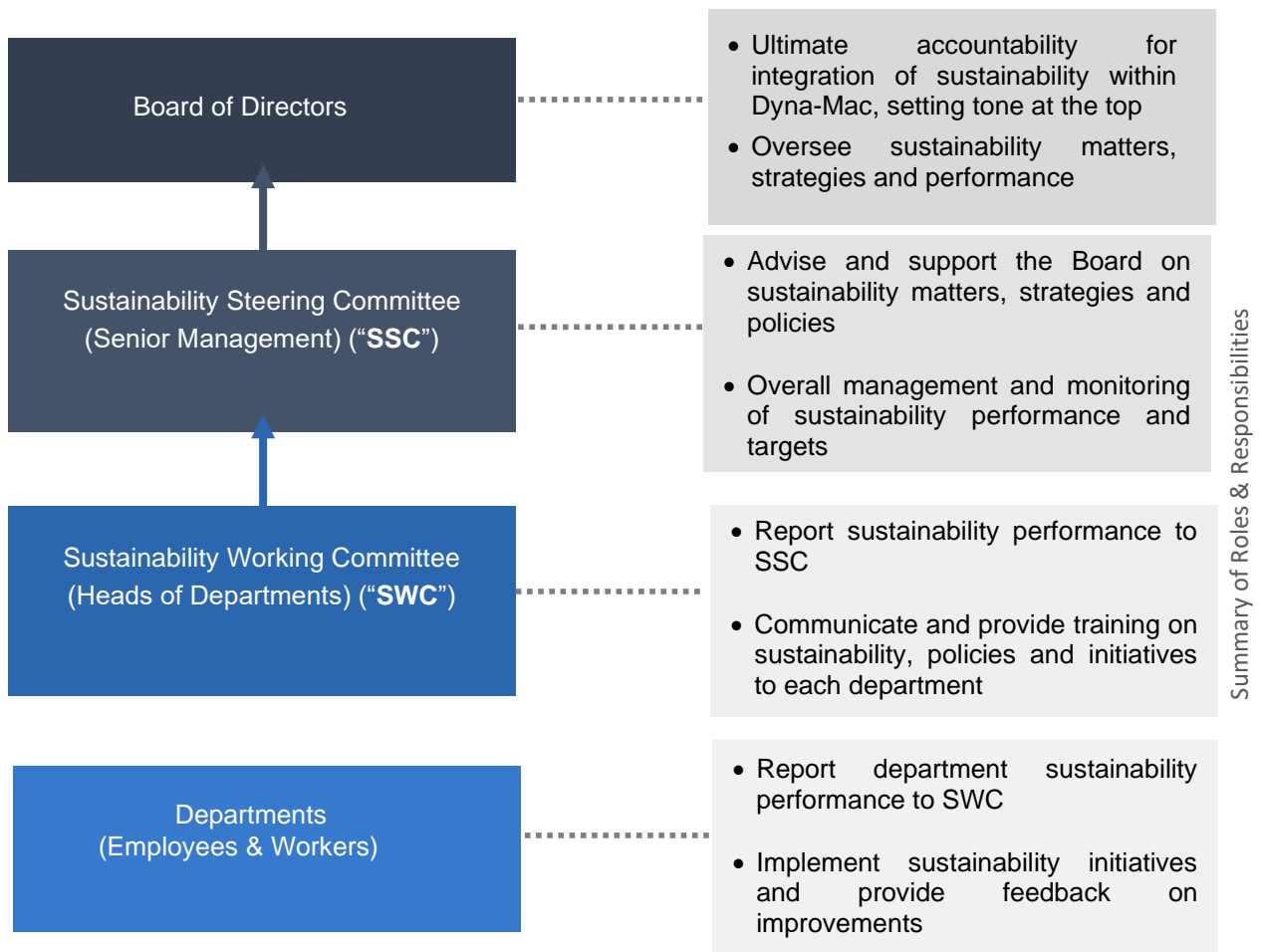
Dyna-Mac demonstrates its continuous commitment to sustainability through its second sustainability report for the period 1 January 2020 to 31 December 2020 and shall publish its report by May 2021. The report will focus on our sustainability strategies and covers our environmental, social and governance performance across our operations in Singapore for 2020. 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.

Board of Directors	• Ultimate accountability for integration of sustainability within Dyna-Mac, setting tone at the top • Oversee sustainability matters, strategies and performance
Sustainability Steering Committee (Senior Management) ("SSC")	• Advise and support the Board on sustainability matters, strategies and policies • Overall management and monitoring of sustainability performance and targets
Sustainability Working Committee (Heads of Departments) ("SWC")	• Report sustainability performance to SSC • Communicate and provide training on sustainability, policies and initiatives to each department
Departments (Employees & Workers)	• Report department sustainability performance to SWC • Implement sustainability initiatives and provide feedback on improvements

Summary of Roles & Responsibilities

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 2020 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 2019. 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**
We work closely with an independent team of sustainability consultants on a list of potential sustainability matters identified through: • 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	Members of our Sustainability Steering Committee individually evaluated the list of potential sustainability matters and participated in a formalised Materiality Assessment workshop. An anonymous electronic voting exercise was conducted to prioritise the sustainability matters that are deemed significant to both Dyna-Mac and its external stakeholders.	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. The process and the results were presented to Dyna-Mac's Board of Directors for their validation and approval.

The following are the material factors identified and prioritised:
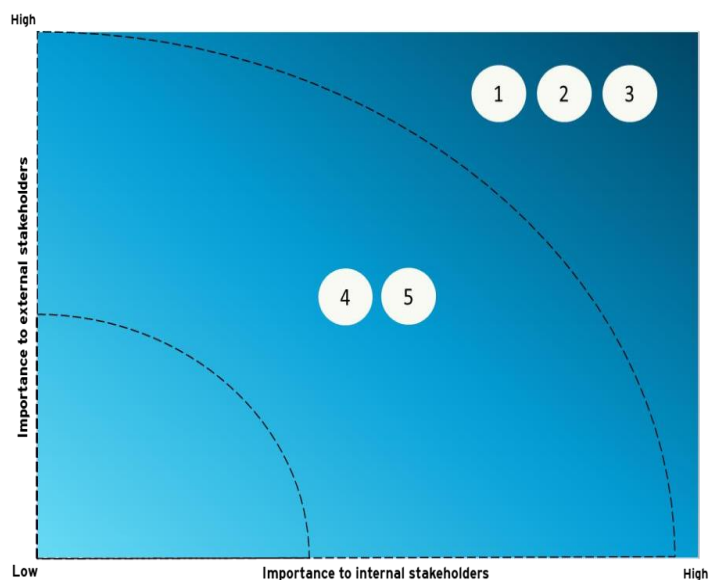
No.	Material Sustainability Matter	Category	Mapped GRI Standards Topics
1	Corporate governance	Governance	GRI 102: General Disclosure (Governance) GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance GRI 205: Anti-Corruption
2	Fair employment practices	Social	GRI 401: Employment GRI 404: 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 2020 to 31 December 2020 ("FY2020") and shall publish its report by May 2021. The report will focus on our sustainability strategies and covers our ESG performance across our operations in Singapore for FY2020.

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 2020, 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 2020, 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 implemented shorter 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.

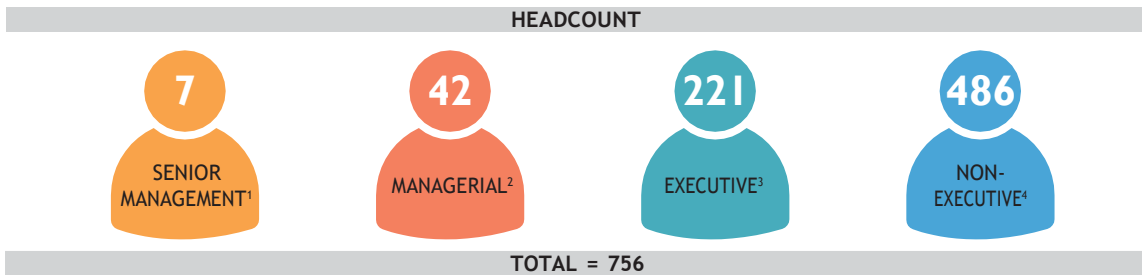### Recruitment Practices

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.
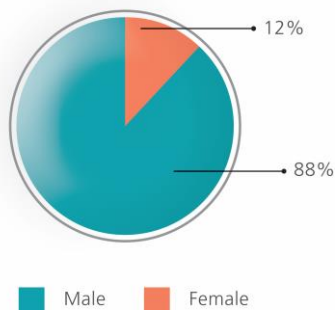
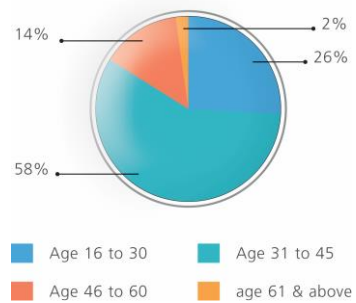There were no reported incidents of discrimination by employees in 2020.

OUR PEOPLE

Overall Workforce decreased by 10.6% from 846 in FY2019 to 756 as at end of FY2020.

HEADCOUNT

| **7** SENIOR MANAGEMENT[1] | **42** MANAGERIAL[2] | **221** EXECUTIVE[3] | **486** NON-EXECUTIVE[4] |

TOTAL = 756

TOTAL WORKFORCE BY GENDER

- 12%
- 88%

Legend: Male / Female

TOTAL WORKFORCE BY AGE GROUP

- 2%
- 26%
- 14%
- 58%

Legend: Age 16 to 30 / Age 31 to 45 / Age 46 to 60 / age 61 & above

TOTAL WORKFORCE BY EMPLOYMENT CATEGORY

- 1%
- 6%
- 64%
- 29%

Legend: Senior Management / Managers / Executive / Non-Executive
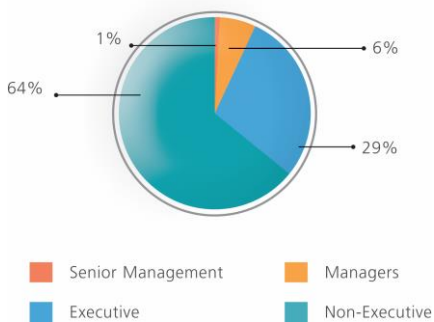
Remarks:

Senior Management[1]	: Vice President and above.
Managerial[2]	: Include Managers, Head of Department (HOD) up to General Manager (GM).
Executive[3]	: Include Executive, Engineers, Supervisorsand other staff.
Non-Executive[4]	: Include the rest of Non-Executive Staff and All Workers.

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ENGAGEMENT AND WELFARE

Engagement with Foreign Workers on COVID-19

In view of the COVID-19 pandemic in late January 2020 and evolving situation, we have worked with the Migrant Workers' Centre (MWC), in partnership with the Shipbuilding and Marine Engineering Employees' Union (SMEEU) to encourage foreign workers at the worksite to stay alert and take care of their personal health during the period of COVID-19 pandemic.

Total of 3 engagement sessions on 18, 20 and 25 February 2020 were attended by more than 1,500 foreign workers, consisting largely of Indian and Bangladeshi workers working at Main Yard and West Yard, as well as workers employed by Dyna-Mac's subcontractors.

To better look after the well-being of our workers, we have worked with the dormitory operator and charity group to reach out and support the workers who were affected by COVID-19 pandemic, such as provision of medical support, food and essentials. Care packs comprising a thermometer, hand sanitiser, masks and health supplements were distributed to them. We have also facilitated any purchases that workers require. In addition, we have provided temporary housing support and assistance to our Malaysian employees affected by the Malaysia Movement Control Order.

As part of communication enhancement and to encourage sharing of information, we also embarked on an initiative to develop a web-portal for mass communication. Our employees and subcontractors' workers are also given access to the portal to provide feedback to Management, HR or Safety, if any.

I-Love-You Sapphire Award by The Singapore Association for the Deaf (SADeaf)

Dyna-Mac was presented with the I-Love-You Sapphire Award by The Singapore Association for the Deaf (SADeaf) through an online Awards Ceremony on 24 October 2020. This award is a recognition for individuals/organisation who have made significant efforts in providing social, educational or financial contributions to the Deaf Community for the past year.

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 are two key business challenges that must be overcomed. Health and safety are of the utmost importance and are prioritised in every aspect. In addition to health and safety, Dyna-Mac strives to minimise 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 organisation subscribes

Legal Requirements

To maintain an incident-free workplace, the Singapore Workplace Safety and Health (WSH) council and the International Organization for Standardisation (ISO) have developed risk management strategies and stringent standards that help organisations foster better, safer working conditions. As a company that seek 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 achieve the bizSAFE certificate, making strides towards the national vision to create safe and healthy workplace for everyone.

WSH Act

The WSH Act involves the participation from everyone in the organisation and encapsulates risk management, incident reporting and injury prevention. As of September 2011, the WSH Act covers all workplaces in Singapore and envisions to protect both lives and business.

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 performs 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

Dyna-Mac has been awarded ISO 45001:2018 and ISO 14001:2015 certification.

By implementing and maintaining an occupational health and safety (OH&S) management system, Dyna-Mac was successful in migrating 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.

In terms of sustainability, Dyna-Mac took a huge step forward by integrating the ISO 14001:2015 environmental management system in our framework. We are committed to protecting the environment through improvements in hygiene and waste management and responding to environmental conditions. By doing so, Dyna-Mac has been able to meet the needs of the present, without compromising future generations.

Leadership and Commitment

Good leadership is the foundation of any successful organisation and in Dyna-Mac, the senior management is constantly involved in every step towards maintaining the OH&S management system.

Mass Toolbox

The senior management at Dyna-Mac reaffirms the company's vision in leading by example through supporting and presenting at the weekly Mass Toolbox. The Mass Toolbox highlights the hazards and safe work procedures in three languages, in order to cater to the diverse workforce in Dyna-Mac.

COVID-19 Daily Mass Toolbox / Briefing

To reduce the spread of coronavirus and manage the workers' mental health and wellbeing, there will be a Toolbox briefing on COVID-19 to address the methods that can be used to prevent the spread of the coronavirus around the worksite. The briefing will include topics on washing of hands with soap and water thoroughly, uses of hand sanitiser, maintaining the 1m social distancing, cleaning of tools, covering the mouth and nose with a mask, to stay home if they are sick etc. to help prevent spread of COVID-19.

Management Walkabout

Another avenue for Dyna-Mac's managers and HODs to interact with the workers and identify unsafe practices is the weekly management walkabout. With the commitment from experienced individuals, health and safety issues can be more effectively identified and communicated to all departments.

Awareness and Training

Dyna-Mac regards Awareness and Training as important features of the OH&S management system; thus, it is compulsory for everyone to attend the in-house HSE training before commencing their work at Dyna-Mac. Along with the training, the safety corridor acts as a reminder for 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)

Wear a proper PPE for your activities	Do not cross over any barricade to work inside
Obtain engineering design for temporary supports	Maintain good housekeeping to prevent drop object
Ensure to provide good condition and approved fixture for vertical access	Keep yourself and others out of the line of fire
Work permit instruction and safe work practice must be followed	Follow and maintain a speed limit when driving a vehicle or forklift
Unauthorized removal of barrier, grating and temporary supports are strictly prohibited	Do not walk under a suspended load
Protect yourself against a fall when working at height	Use right tool for the right work activities
Control of Flammable and Ignition Source	Disconnect all electrical power after use
No ingress into enclosed space without carrying out permit to work, gas test, risk assessment	

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

Collaboration with Clients and Subcontractors

Common understanding among our clients and subcontractors are established 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 in preventing any workplace incident. With a team of outstanding individuals representing the Emergency Response Team, going through different types of emergency drills throughout the year ensures that the Emergency Response Team is always ready when called upon for any emergency.

The emergency drills simulate possible incidents. In 2020 due to the covid situation, large scale evacuation emergency drills cannot be carried out. However, Dyna Mac still conducted 15 drills include small scale evacuation drill, Rescue from Height, Confined Space Rescue, Structure Collapse, Electrocution, Fire & Rescue and Oil Spillage.

COVID-19 Response

To better detect and manage COVID-19 infections, personnel with respiratory symptoms such as fever, cough, sore throat and runny nose must seek immediate medical attention at Dyna-Mac First Aid Centre. Our paramedic will provide medical screening and thereafter contact on-site medical centres and regional medical centres of purpose-built dormitories for advice. Transport will be arranged to send the patient to seek medical attention at medical facility. These medical initiatives ensure patient are treated for acute respiratory illness (ARIs) and other health conditions that need to be monitored closely and hence manage the risks of any covid outbreaks.

Environmental Management

In 2020, Dyna-Mac engaged Sunseap to build solar systems on unused rooftop space generating affordable solar energy and improving own sustainability practices to positively impact the environment.

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

Welfare

Dyna-Mac fosters and ensures a better working environment for workers. Doing so will allow us to respond to client, stakeholder, and regulatory expectations more effectively, and manage a healthier, more productive workforce. Providing workers with Safe, Clean, and Habitable accommodation, Workers, irrespective of their nationality, gender, ethnicity, social and legal status, race, religion, or other protected status, are treated with dignity, respect, and fairness, and are not subject to harassment, discrimination, abuse, or inhuman or degrading treatment with means to report grievances or any activity that is inconsistent with these Principles without fear of retaliation, retribution, or dismissal, and to have them addressed in a prompt, fair, and consistent manner. Lastly workers will receive all benefits to which they are entitled in accordance with contractual arrangements and a safe and healthy work environment, subject to a robust health and safety management system in compliant with all governing laws and regulations.


Incident Management and Performance

Dyna-Mac takes great responsibility in providing a safe workplace for all – thus, our HSE objective is to achieve zero lost time incidents.

In 2020, Dyna-Mac accumulated a total of 5,621,350 man-hours and recorded only one lost time incident. The Accident Frequency Rate (AFR) is reported to be 0.18 and the Accident Severity Rate (ASR) is reported to be 2.13. Although the HSE goal was not met, we see a decrease in the AFR and ASR from 2019 to 2020. 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
2019	3,080,938	1	0.32	5.19
2020	5,621,350	1	0.18	2.13

DYNA-MAC SAFETY PERFORMANCE
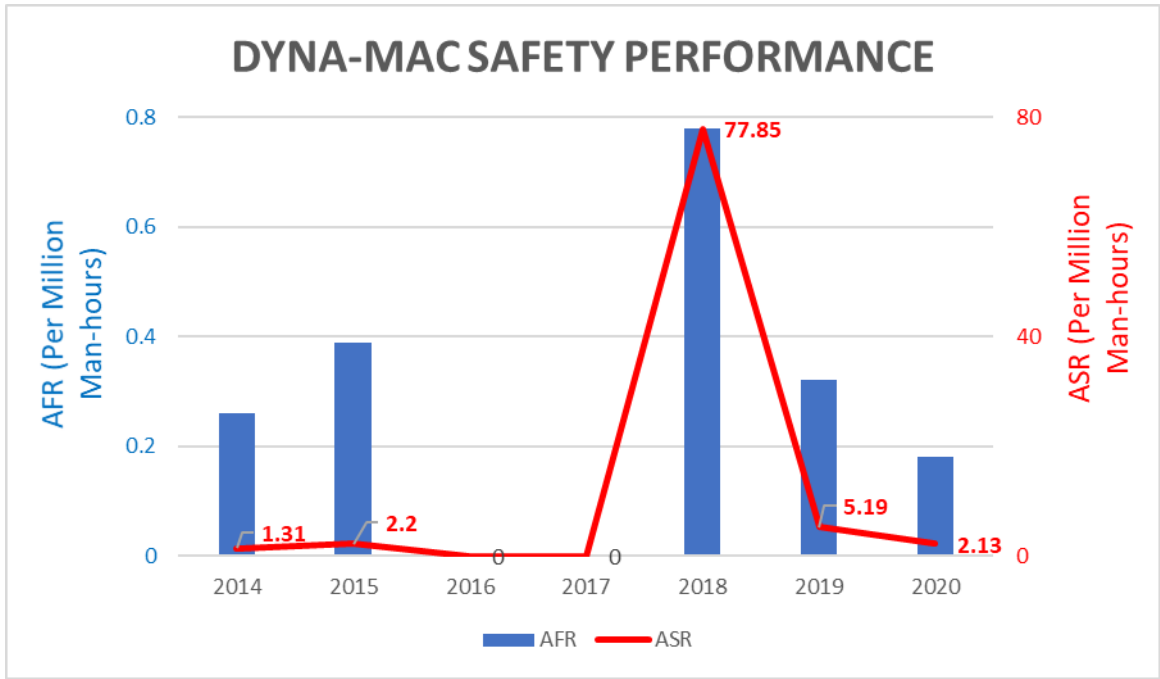
ENERGY AND CARBON FOOTPRINT

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 22.96 TJ (FY2019: 4.52 TJ) of direct energy was consumed which directly translates to 1,741 tonnes (FY2019: 342.8 tonnes) of CO_2 emitted[2]. There was an increase from FY2019 levels due to an increase in blasting and painting activities in FY2020.

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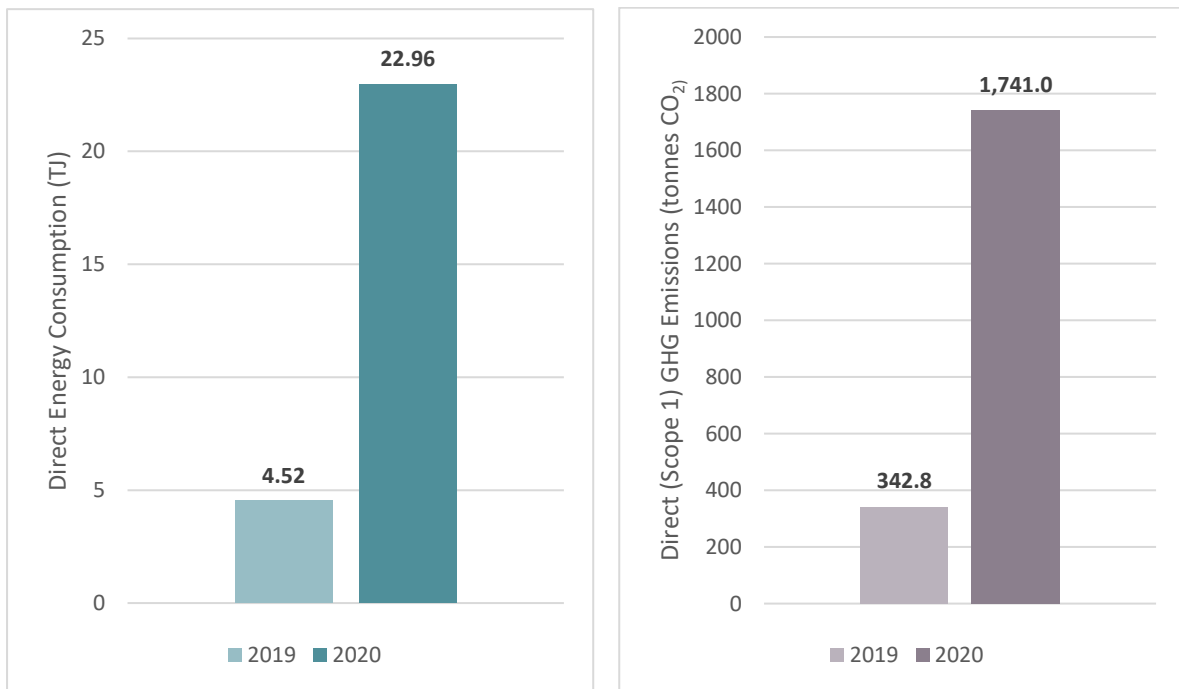
[2] Scope 1 GHG emissions are emissions from sources that are owned or controlled by the organisation. In the scope of reporting, this relates to diesel oil consumed and it is expressed in tonnes of CO2.

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 FY2020, Dyna-Mac's total electrical energy consumption increased to 6.3 MWh compared to 4.1 MWh in FY2019, corresponding to an increase in CO_2 emitted to 2,621.9 tonnes of CO_2[3]. This is due to an increase in business activities in FY2020.

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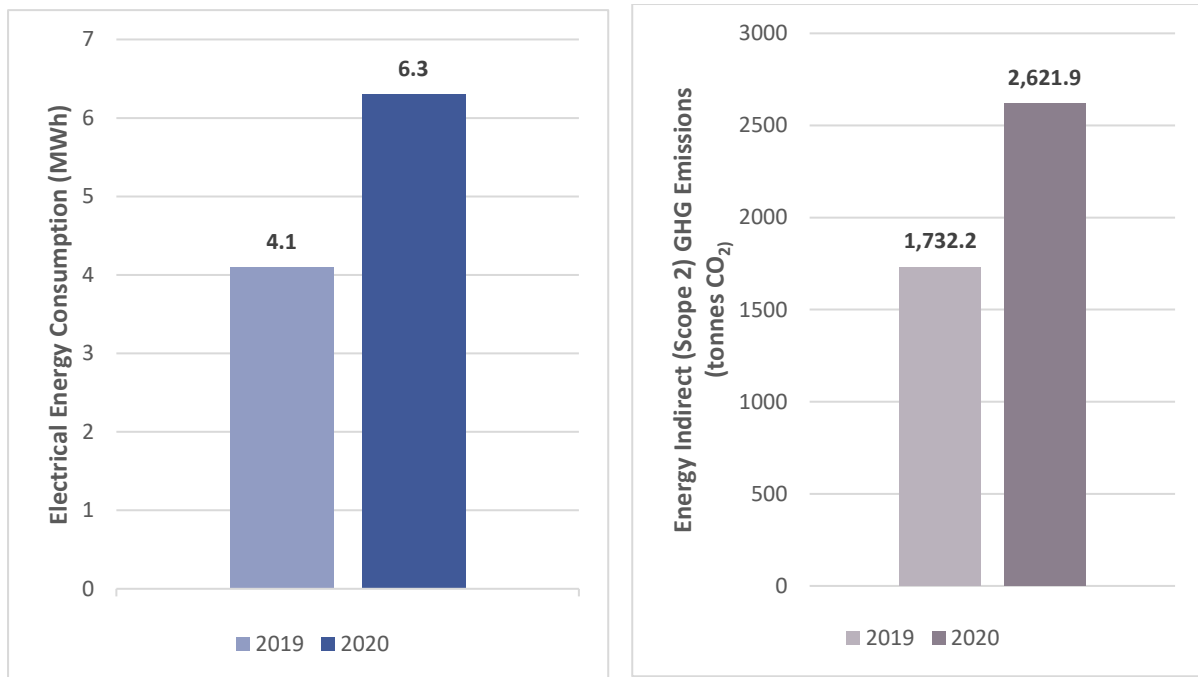
[3] Scope 2 GHG emissions are emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation. In the scope of reporting, this only relates to purchased electricity and is expressed in tonnes of CO2. In Singapore, the emission factor used is the grid emission factors for 2019 which is the latest estimate, obtained from "2020 Singapore Energy Statistics" published by the Energy Market Authority of Singapore in 2020.

Environmental Risk Identification

Energy use and carbon emissions are key aspects of 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 2020, we have implemented energy-saving measures to reduce our energy consumption such as replacement of all workshop lights (300w type) with energy-efficient LED lights with a saving of 61% energy consumption per light.

Besides, timer control systems are installed at common work areas to set and control ON/OFF time. 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, solar panels installed to all workshop and office building roofs with system capacity of 1,893kWp to generate and use clean energy.

Solar panel
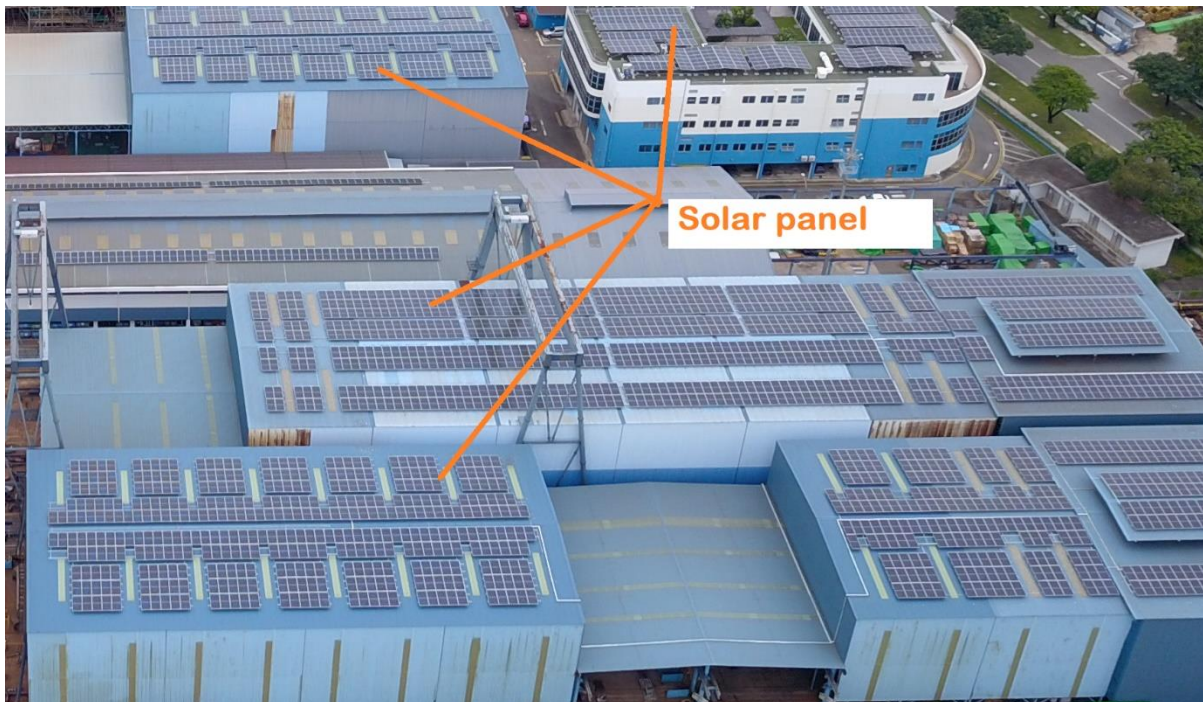
WASTE AND EFFLUENTS MANAGEMENT

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

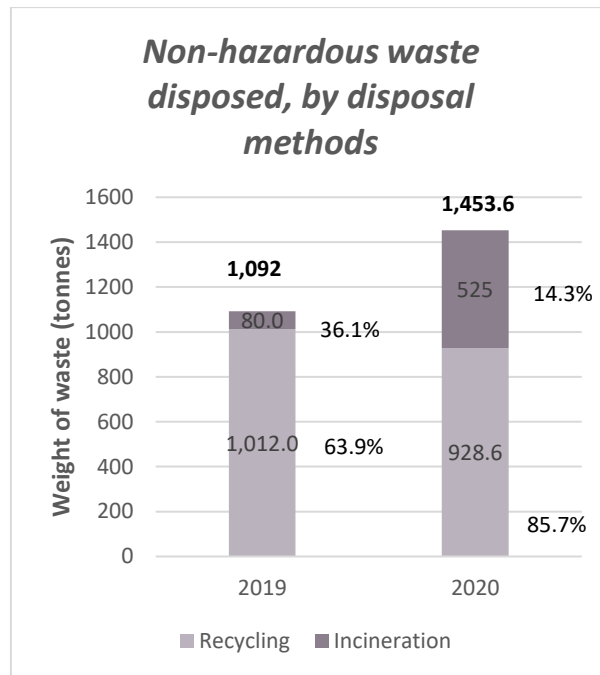As set out in our OHSEM, we focus on three aspects:

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

Waste mainly relates to general waste and scrap metal. In FY2020, a total of 1,453.6 tonnes (FY2019: 1,092 tonnes) of non-hazardous waste was disposed.

Non-hazardous waste disposed, by disposal methods

	2019	2020
Total	1,092	1,453.6
Incineration	80.0 (36.1%)	525 (14.3%)
Recycling	1,012.0 (63.9%)	928.6 (85.7%)

Weight of waste (tonnes)

Legend: Recycling, Incineration

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