



CELEBRATING 10-YEAR ANNIVERSARY OF LISTING

SEIZING OPPORTUNITIES IN A CHALLENGING ENVIRONMENT



SUSTAINABILITY REPORT 2024

This Sustainability Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.

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BOARD STATEMENT

The Board of Directors at Kim Heng Ltd. ("Kim Heng" and together with its subsidiaries, the "Group") is pleased to present our sustainability report for the financial year ended 31 December 2024 ("FY2024").

Sustainability remains a core pillar of Kim Heng's business strategy, guiding our long-term vision and operational decisions. The Board continues to integrate Environmental, Social, and Governance (ESG) considerations into our corporate framework, ensuring alignment with evolving industry standards and stakeholder expectations. As part of our commitment to a sustainable future, ESG has been embedded into our Group's Risk Register at both the departmental and enterprise levels, reinforcing our proactive approach to risk management.

In FY2024, Kim Heng continued to make strides in offshore renewable energy, securing new contracts to support the development of offshore wind farms. This reflects our ongoing commitment to cleaner energy solutions and demonstrates our technical capabilities in this growing sector. Additionally, we successfully completed the installation of solar panels on our headquarters rooftops, which became operational in March 2024, further contributing to our renewable energy generation efforts. Moving forward, we aim to broaden our portfolio of green services offered to clients and partners, reinforcing our commitment to environmental sustainability.

This year, we undertook several key initiatives to enhance our sustainability approach:

- Conducted another climate risk workshop to deepen our understanding of climate-related risks, using scenario analysis (SSP1-2.6 and SSP5-8.5 for physical risks, NGFS Net Zero and NGFS Current Policies for transition risks).
- Refreshed our material topics and priorities based on discussions with the Board and senior management, ensuring alignment with business strategy and stakeholder concerns.
- Established quarterly ESG data collection and review processes, enhancing our ability to monitor and improve performance metrics.
- Set new, more measurable sustainability targets to drive continuous improvement across all material topics.
- Initiated alignment of our disclosures with the IFRS S1 and S2 guidelines by conducting a gap assessment, with plans to incorporate additional disclosures in future reports.

These initiatives reflect our ongoing commitment to transparency, accountability, and continuous improvement. By strengthening our ESG governance and embedding sustainability into our business strategy, we position ourselves for long-term resilience and value creation.

Additionally, Kim Heng continues to demonstrate financial strength, with revenue and profitability improvements reflecting our strategic focus and operational excellence. Our sustained growth underscores our ability to balance business expansion with responsible environmental and social stewardship.

As we move forward, Kim Heng remains committed to driving sustainable growth, fostering innovation, and delivering value to all stakeholders. On behalf of the Board, I extend my sincere gratitude to our employees, partners, and stakeholders for their continued trust and support. Together, we will advance towards a more sustainable and prosperous future.

Mr Thomas Tan
Executive Chairman & Chief Executive Officer

Our FY2024 key targets and performance against them are summarised in the table below: –

Indicator		Targets	Performance	Target Met
Economic	Net worth (Revenue)	Increase revenue	21.3% increase in revenue from S\$101 million to S\$123 million	✓
	% change in electricity consumption intensity	Reduce by 2%	3.0% decrease in electricity intensity	✓
Environment	% change in overall waste generation intensity	Reduce by 2%	27.0% reduction in waste intensity	✓
	% change in GHG emissions intensity	Reduce by 2%	2.3% increase in the emission intensity	Target not met ¹
Social	Number of fatalities	0 fatalities	0 fatalities	✓
	Lost time Incident cases	<3 cases	4 cases	Target not met ²
	Property damage and fire explosions	0 case	2 cases of asset damage	Target not met ²
	Average training hours	>= 11 hours	12.0 hours	✓
Governance	Cases of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations	0 case	0 case	✓
	Cases of anti-bribery and corruption incidents or whistle-blowing report	0 case	0 case	✓

¹ This is due to increased fuel consumption during the year because of an increase in chartering and towage of vessels which is evident from the increase in revenue of S\$25.9 million in FY2023 to S\$36.7 million in FY2024.

² The increase in lost time incidents and property damage cases during the year was primarily due to unforeseen and isolated occurrences, which were not directly attributable to factors within the Group's control.

ABOUT THIS REPORT

This Report outlines Kim Heng's sustainability approach and performance for the financial year from 1 January 2024 to 31 December 2024 ("FY2024"). The Group undertakes the Sustainability Reporting (SR) process annually to ensure transparency and accountability in our ESG commitments.

The scope of this report includes Kim Heng Ltd and all its subsidiaries. Following their incorporation last year, our operations in Malaysia, along with Thaitan International Pte Ltd (Taiwan branch) and Alpine Progress Shipping Pte Ltd (Taiwan branch), remain part of our standard reporting framework.

This Report is prepared in accordance with 711A and 711B of the Listing Manual Section B: Rules of Catalist ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the guiding principles under Practice Note 7F of the Catalist Rules. This Report is also prepared with reference to the Global Reporting Initiative (GRI) Standards 2021—one of the most widely recognised sustainability frameworks. This enables us to comprehensively disclose our governance structures, management systems, policies, targets, and performance, ensuring clear communication of our sustainability progress to stakeholders.

Our climate-related disclosures incorporate elements based on the Task Force on Climate-related Financial Disclosures (TCFD). Following the release of the International Sustainability Standards Board ("ISSB") Standards – International Financial Reporting Standards ("IFRS") S1 and IFRS S2, we have initiated the process of aligning our climate-related disclosures with IFRS S1 and S2. As part of this transition, we conducted a gap analysis and plan to enhance our disclosures in future reports.

To strengthen the credibility and accuracy of our sustainability reporting, we have reviewed our Corporate Sustainability Policies and Procedures with guidance from our sustainability partners. Internal controls and verification mechanisms have been implemented to ensure the reliability of our reported data. In accordance with Catalist Rules 711B (3), our sustainability reporting process will be undergoing an internal review by our internal auditors, PricewaterhouseCoopers Risk Services Pte Ltd in FY2025. This review, approved by the Audit & Risk Committee, will assess the effectiveness of internal controls related to ESG data collection and reporting processes. While independent external assurance is not required at this stage, the Board may consider it in subsequent reporting periods.

This Report, along with further corporate information, is available on our Company's website³. We welcome feedback and inquiries from stakeholders, which can be directed to sustainability@kimheng.com.sg.

ABOUT US

With over 50 years of experience, Kim Heng Ltd. ("Kim Heng") and its subsidiaries (collectively, the "Group") is an established integrated offshore and marine value chain services provider. Strategically based in Singapore, the Group offers a one-stop comprehensive range of products and services that caters to different stages of marine infrastructure projects and offshore oil & gas projects from oil exploration to field development and oil production.

The Group's operations are primarily located in Singapore, with two shipyards strategically located at 9 Pandan Crescent and 48 Penjuru Road. The shipyards, with a combined waterfront of 205 meters, enable Kim Heng to carry out a multitude of services, including offshore rig repair, maintenance and refurbishment, fabrication, vessel newbuilding and afloat repairs.

As a one stop solutions provider in offshore logistics, the Group has a fleet of quality anchor handling tugs, barges and cranes for both sale and rent. It also provides other services such as maintenance, trading and sale of heavy equipment.

Kim Heng has built its brand over the years and has established relationships with world renowned customers from over 25 countries in the regions of Southeast Asia, USA, Latin America, Australasia, Middle East and Europe.

³ <https://www.kimheng.com.sg/>

SCOPE OF BUSINESS

The Group has expanded its business operations to include offshore wind farming solutions and horizontal directional drilling in 2019. The Group sees the need to expand our presence in the renewable energy space to provide renewable energy services and support solutions aiding in the transition to clean energy.



Owner & Operator Of Offshore Support Vessels

- Rig towage and mobilisation
- Offshore transportation of extra-large cargo



Offshore Wind Farm Support Services And Horizontal Directional Drilling (“HDD”)

- Fabrication & installation of different offshore turbine foundations, monopiles, tripods, jackets, suction buckets & gravity base structures
- Operation & maintenance services
- Marine transportation of windfarm components
- Experienced turnkey HDD contractor capable to undertake in submarine cable laying and pulling





Oilfield Services

- Construction and fabrication works of components for drilling rigs and vessels
- Installation of offshore production modules and systems
- Supply of offshore drilling and production equipment
- Logistics, general shipping, warehousing & inventory management
- Agency services and crew change
- Leasing, sale, maintenance of heavy equipment
- Wide range of marine civil equipment and machineries including crawler, lorry and mobile cranes
- Salvage and Diving services



Ship Repair & Engineering

- Newbuilding of vessels (Tugs, Hopper Barges, Pipe-Lay Barges, Power Barges, Accommodation Work Barges etc)
- Purchase and refurbishment of vessels for onselling
- Afloat repairs, maintenance and refurbishment of offshore rigs, platforms & vessels



SUSTAINABILITY GOVERNANCE

Kim Heng has established a structured sustainability governance framework that aligns with its strategic objectives and addresses the evolving ESG landscape. The Board of Directors (the “Board”) plays a critical role in integrating sustainability principles into our corporate strategy while providing oversight of related initiatives. To strengthen this governance structure, the Board also reviews ESG performance on a quarterly basis to monitor progress and ensure alignment between sustainability efforts and business goals.

The Audit Risk Committee (ARC) is tasked with overseeing sustainability matters to ensure compliance with regulatory requirements and alignment with stakeholder expectations. To further enhance ESG integration, Kim Heng has formed a dedicated Sustainability Committee (SC), led by the Deputy Chief Executive Officer, Chief Financial Officer, and Head of Corporate Services (CS) ensuring strong leadership representation and strategic oversight.

The Sustainability Committee is supported by a multidisciplinary team with expertise and experience across different functional areas, such as Supply Chain Management (SCM), Health, Safety, Environment, and Quality (HSEQ) Offshore Chartering, Operations, Shipyard Management, and Risk Management. Their contributions help integrate ESG considerations into daily operations, fostering a comprehensive governance approach.

At an operational level, the Sustainability Committee oversees the activities of the Sustainability Working Group, consisting of department heads across the Group. The Sustainability Working Group facilitates the execution of sustainability initiatives and ensures cross-functional collaboration. This governance structure enhances accountability and promotes a unified approach to sustainability across the organization.

Given the increasing importance of climate-related risks, Kim Heng has strengthened its governance framework by integrating climate risk assessments into its strategic planning. This year, we conducted a qualitative scenario analysis to better understand potential climate-related risks and their impact on our business. The Board, in collaboration with the Sustainability Committee, conducts periodic evaluations of climate-related risks and opportunities, enabling informed decision-making and proactive mitigation strategies.

Diagram 1. Summary of Kim Heng’s governance structure relating to the Group’s management of sustainability.



STAKEHOLDER ENGAGEMENT

Kim Heng's sustainability is built on strong relationships with our diverse stakeholders. We are committed to engaging effectively to understand their expectations and incorporate their perspectives into our business strategies and operations.

We maintain open and transparent communication channels to ensure stakeholders receive relevant information that supports informed decision-making. The Group has identified four key stakeholder groups, and the methods of engagement, key topics, and concerns raised are summarized in the following table (**Table 1**).

Table 1. Summary of Kim Heng Group's key stakeholder groups with their topics and concerns, methods of engagement, and frequency of engagement.

Stakeholder Group	Key Topics and Concerns	Engagement Methods	Frequency
Customers	<ul style="list-style-type: none"> Product and Service Quality Timely Supply of Products and Services QHSSE Excellence Environmentally Friendly Solutions 	<ul style="list-style-type: none"> Continuous and regular dialogues with customers to understand their needs and expectations. On-the-job customer feedback Post-job completion and performance feedback 	Regularly
Employees	<ul style="list-style-type: none"> Employee Welfare Training and Development Health and Safety 	<ul style="list-style-type: none"> Safety and additional needs-based training sessions Orientation programmes and employee handbook for new joiners 	Throughout the year
Government and Regulators	<ul style="list-style-type: none"> Environmental Compliance Regulatory and Compliance Risk 	<ul style="list-style-type: none"> Regular engagement and dialogue with government and regulators such as Ministry of Manpower, SGX-ST, National Environment Agency and Marine Port Authority 	Throughout the year
Shareholders & Investors	<ul style="list-style-type: none"> Financial Stability Corporate Governance Sustainability Issues 	<ul style="list-style-type: none"> Press releases, corporate website, announcements via SGXNet and Annual Reports Annual General Meetings 	Periodically

MATERIALITY ASSESSMENT

At Kim Heng, we recognise the importance of focusing on material matters that are most significant to both our business and stakeholders. We regularly assess our performance to identify gaps and refine our strategies to align with stakeholder expectations while enhancing our business operations.

As part of our commitment to continuous improvement, Kim Heng conducts an annual review of its material matters. This process considers stakeholder concerns, company priorities, emerging industry trends, and evolving regulatory requirements. In FY2023, a comprehensive Materiality Assessment was conducted to evaluate the relevance and priority of existing material topics based on their impact on the business and their influence on stakeholders' decision-making. This assessment was carried out internally by the Sustainability Working Group in consultation with our appointed sustainability report writer.

In FY2024, we reviewed the priority of our material topics following discussions with the Board and senior management. This exercise ensured that our sustainability focus remains aligned with our corporate strategy and stakeholder interests in response to the changing business landscape (Diagram 2).

The step-by-step methodology of our Materiality Assessment is illustrated below:

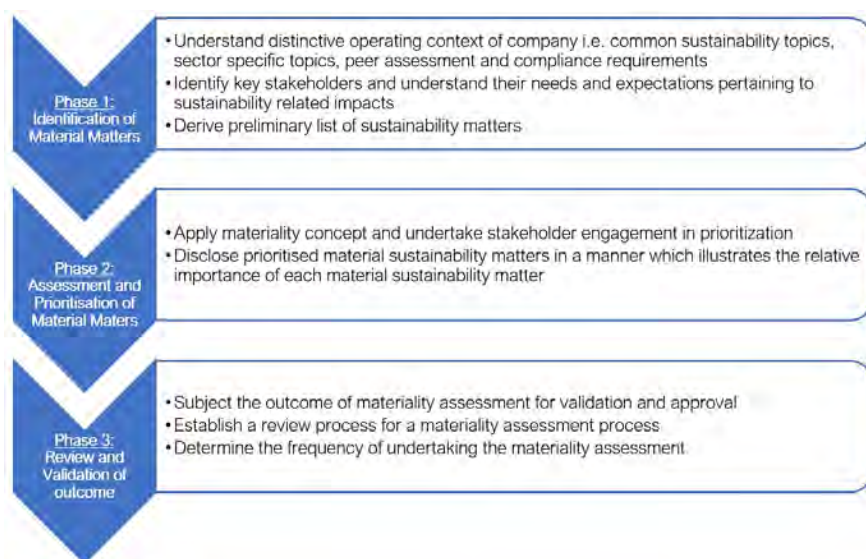
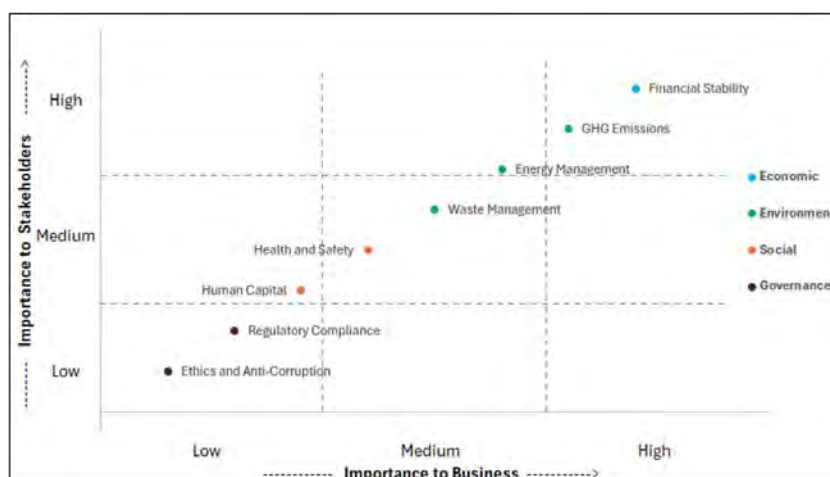


Diagram 2: Materiality matrix illustrating Kim Heng's FY2024 materiality assessment outcome.



We established targets across all material topics to drive progress and accountability. These targets serve as tangible benchmarks guiding our efforts towards achieving our sustainability objectives and addressing key ESG considerations. The following table provides a comprehensive overview of our targets against each material topic:

Material Topic	Future Targets
Financial Stability	<ul style="list-style-type: none"> Increase in net worth by 7 cents per share by 2030 from FY2023 baseline Overall reduction in gearing ratio by 0.5 by 2030 from FY2023 baseline (NEW) Overall improvement in earnings before interest, taxes, depreciation and amortisation ("EBITDA") by 100% by 2030 from FY2023 baseline (NEW) 14% total increase in revenue by 2030 from FY2023 baseline (NEW)
GHG Emissions	<ul style="list-style-type: none"> Annually reduce overall GHG emission intensity by 2% from FY2024 baseline 7% reduction in overall GHG emission intensity by 2030 from FY2023 baseline (NEW)
Energy Management	<ul style="list-style-type: none"> Annually reduce overall electricity consumption intensity by 2% from FY2024 baseline 7% reduction in overall electricity consumption intensity by 2030 from FY2023 baseline (NEW)
Waste Management	<ul style="list-style-type: none"> Annually reduce overall waste generation intensity by 2% from FY2024 baseline 7% reduction in overall waste generation intensity by 2030 from FY2023 baseline (NEW)
Health and Safety	<ul style="list-style-type: none"> Zero fatality case No more than 3 lost-time incidents cases every year Zero case of Property Damage & Fire Explosion
Human Capital	<ul style="list-style-type: none"> Maintain average training hours per employee over 11 hours
Regulatory Compliance	<ul style="list-style-type: none"> No Major Environmental Incident No composition fine from authorities No significant non-compliance
Ethics and Anti-Corruption	<ul style="list-style-type: none"> Zero case of corruption and ethical non-compliance

Table 2. Kim Heng's ESG factors and page reference to the detailed disclosure.

ESG Factors	Detailed Information
Material factors	
Health and Safety	<ul style="list-style-type: none"> Sustainability Report, Page 22 – Health and Safety
Financial Stability	<ul style="list-style-type: none"> Annual Report, Page 20 – Operations and Financial Review Annual Report, Page 71 – Statements of Financial Position Sustainability Report, Page 10 – Financial Stability
Ethics & Anti-corruption	<ul style="list-style-type: none"> Sustainability Report, Page 29 – Ethics and Anti-Corruption
Waste Management	<ul style="list-style-type: none"> Sustainability Report, Page 18 – Waste Management
Human Capital	<ul style="list-style-type: none"> Sustainability Report, Page 24 – Human Capital
Energy Management	<ul style="list-style-type: none"> Sustainability Report, Page 19 – Energy Management
Regulatory Compliance	<ul style="list-style-type: none"> Sustainability Report, Page 28 – Regulatory Compliance
GHG Emissions	<ul style="list-style-type: none"> Sustainability Report, Page 20 – GHG Emissions
Additional disclosures	
Water Management	<ul style="list-style-type: none"> Sustainability Report, Page 21 – Water Management
Cyber Security	<ul style="list-style-type: none"> Sustainability Report, Page 30 – Cybersecurity

⁴ Emission Intensity = Total Emissions (Tonne CO₂e) / Total Revenue (\$ million)

⁵ Electricity consumption intensity = Electricity Consumption (KWh) / Total Revenue – Chartering and Towage Revenue (\$'000)

⁶ Waste Intensity = Total waste generated (Tonnes) / Total Revenue (\$'000)

FINANCIAL STABILITY

ESG factors:

Direct Economic Impact [GRI 3-3, GRI 201-1]

Having a healthy and strong financial position and performance is fundamental to Kim Heng's business continuity and long-term growth. In addition to the financial performance disclosed in other sections of Kim Heng's Annual Report FY2024, the Group also contributes to the development of the economy in which it operates, through employees' compensation and benefits, payments to the government including taxes, dividends to shareholders, and procurement of goods and services from vendors and suppliers.

Beyond financial performance, the Group also plays a vital role in contributing to the broader economy through employee compensation and benefits, tax payments, shareholder dividends, and procurement from vendors and suppliers.

In addition to the financial disclosures presented in other sections of Kim Heng's Annual Report FY2024, we have further strengthened our commitment to financial stability and long-term growth by introducing new quantitative and measurable targets. These include achieving an overall reduction in gearing ratio by 0.5 by 2030 from the FY2023 baseline, an overall improvement in EBITDA by 100% by 2030 from the FY2023 baseline, and a 14% total increase in revenue by 2030 from the FY2023 baseline.

These targets enhance transparency and accountability while ensuring alignment with our strategic objectives.

Kim Heng's FY2024 financial performance is summarised in the table below (**Table 3**).

Table 3: Kim Heng's financial metrics in FY2023 & FY2024

	FY2023 (S\$'000)	FY2024 (S\$'000)
Economic value generated (Consists of):	101,194	122,734
Total Revenue	101,194	122,734
Economic value distributed (Consist of):	100,738	144,829
Compensation and benefits for employees	20,259	22,539
Operating costs (excluding employee compensation)	62,343	84,879
Payments to provider of capital ⁷	17,389	35,249
Payments to the government including taxes	747	1,794

For further details on our financial performance and position, refer to the Chairman's Message (pages 8 to 11), Operations and Financial Review (pages 20 to 21), and the audited financial statements (pages 59 to 143) of Kim Heng's Annual Report FY2024.

⁷ Payments to provider of capital is the sum of Interest paid, repayment of lease liabilities, and repayment of term loans.

ENVIRONMENTAL

In light of growing global environmental concerns, the marine and offshore industry is facing stricter regulations on carbon emissions and pollution. In response, Kim Heng is committed to accelerating the transition to clean energy within the shipping sector, reinforcing our dedication to environmental stewardship.

Compliance with stringent environmental regulations—including air pollution control, ballast water discharge management, and waste treatment—is essential in the maritime industry. At Kim Heng, we view these regulations not only as compliance mandates but also as opportunities to enhance operational efficiency and reduce environmental impact. Our sustainability-driven approach ensures the continuous optimisation of processes, waste minimisation, and the strengthening of environmental performance.

Demonstrating our commitment to sustainable practices, Kim Heng adheres to internationally recognized standards, including ISO 14001 for Environmental Management Systems (EMS), ISO 9001:2015 for Quality Management Systems (QMS), and ISO 45001:2018 for Occupational Health and Safety. These certifications underscore our commitment to upholding the highest industry standards in environmental responsibility, quality assurance, and workplace safety.

TAKING CLIMATE-RELATED RISKS INTO CONSIDERATION

We recognise the importance of aligning our business practices with the recommended climate change disclosures by the Task Force on Climate-related Financial Disclosures (“TCFD”). Last year, we conducted our first climate risk assessment workshop, where we identified and assessed climate-related risks across our operations and value chain. This assessment helped us establish a baseline understanding of key physical and transition risks, evaluate existing mitigation measures, and integrate climate considerations into our decision-making processes.

Building on these efforts, this year, we conducted another workshop with senior management to further assess climate risks and understand the time horizon for their potential impact. The primary objective of this workshop was to strengthen our understanding of climate-related risks and improve our resilience against challenges arising from environmental shifts.

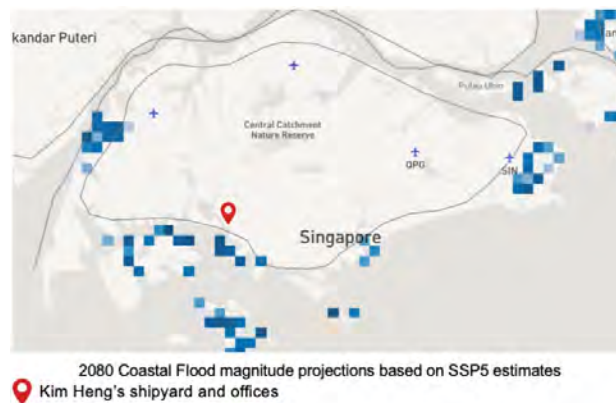
Throughout the workshop, we applied a systematic approach to evaluate our operations and value chain, identifying areas susceptible to climate risks, such as extreme weather events, regulatory changes, and evolving market preferences. To enhance our analysis, we incorporated qualitative scenario analysis. Physical risks were assessed using scenarios from the Intergovernmental Panel on Climate Change (IPCC), specifically SSP1-2.6 (sustainable, low emission pathway) and SSP5-8.5 (fossil fuel intensive, high-emission pathway), while transition risks were evaluated based on the Network for Greening the Financial System (NGFS) Net Zero and NGFS Current Policies scenarios. Engaging stakeholders—including employees, customers, and industry experts—provided diverse perspectives, which were essential for a thorough assessment of the climate risks and their potential impacts on our operations.



Bridgewater 168 towing a tender barge

Physical Risk Assessment

Kim Heng has assessed the physical climate risks to its operations, focusing on the increased severity of extreme weather events and rising temperatures. Using SSP5-8.5 projections from the IPCC's Sixth Assessment Report and data from the World Resources Institute, findings indicate that Kim Heng's shipyard and offices at 9 Pandan Crescent and 48 Penjuru Road are situated outside projected high-risk zones for coastal and riverine flooding. While this minimises direct flood exposure, the rising frequency of extreme weather events, such as intense storms, poses potential disruptions to offshore operations, supply chains, and workforce safety. To mitigate these risks, measures such as reinforcing infrastructure and enhancing emergency preparedness protocols will be crucial.



Rising mean temperatures present another significant challenge. As per Singapore's V3 national climate projections, it currently experiences around 76 warm nights annually, a number expected to increase significantly, with the possibility of warm nights becoming a daily occurrence by the end of the century under a high-emissions scenario (SSP5). Similarly, the number of very hot days per year is projected to rise sharply, with nearly every day potentially classified as a very hot day. This increase in ambient temperature has direct implications for outdoor operations, as Singapore's Ministry of Manpower regulations require rest breaks for workers when temperatures exceed safe thresholds. As the frequency of extreme heat events grows, these mandatory breaks will become more frequent, impacting productivity and operational timelines. While Kim Heng's main facilities currently remain outside high-risk flood zones, the broader implications of climate change necessitate proactive planning to enhance business resilience.

Transition Risk Assessment

In evaluating the transition risks associated with climate change, Kim Heng has identified several key factors that could impact its operations under different scenarios, including the NGFS (Net Zero 2050) and NGFS (Current Policies).

One significant risk is the potential increase in raw material costs due to international tariffs. As major economies like the United States and European Union intensify their climate policies, there is a possibility of imposing carbon border adjustment mechanisms (CBAMs) or similar tariffs on imports from countries with less stringent carbon regulations. Such measures could lead to increased costs for materials essential to Kim Heng's operations, affecting profitability and competitiveness.

Another critical factor is the escalating pricing of greenhouse gas (GHG) emissions. To support Singapore's 2050 net-zero target, the government has implemented a carbon tax starting at S\$25 per tonne of CO₂ equivalent (tCO₂e) in 2024, with plans to increase it to S\$45/tCO₂e in 2026 and 2027, and a projected S\$50–80/tCO₂e by 2030. This tax applies to industrial facilities emitting 25,000 tCO₂e or more annually. For Kim Heng, this means that operational emissions could incur substantial costs, necessitating investments in emission reduction technologies and strategies to maintain financial viability.

Additionally, evolving mandates and regulations targeting the offshore marine industry present significant challenges. The Maritime and Port Authority of Singapore (MPA) has been progressively enhancing environmental regulations, including stricter emissions standards and the promotion of cleaner energy sources. Compliance with such regulations may require operational adjustments and could lead to increased costs.

Table 4: Summary of Kim Heng's climate risk assessment

Risks			Short Term	Medium Term	Long Term
			Risk Rating	Risk Rating	Risk Rating
Physical Risks	Acute	Increased severity of extreme climate events (i.e. Floods, cyclone, earthquake)	Low	Low	Medium
	Chronic	Rising mean temperature	Low	Medium	Medium
Transition Risks	Policy and Legislation	Increased pricing of GHG emissions	Low	Low	Medium
		Mandates on and regulation of existing products and services	Low	Low	Medium
	Technology	Transition to lower emission technology	Low	Low	Medium
		Accelerated EV adoption	Low	Low	Low
	Market	Changing customer base	Low	Low	Low
		Increased cost of raw material	Medium	Medium	Medium
	Reputation	Public perception and reputation building	Low	Low	Low







Our efforts go beyond identification and assessment; we are dedicated to implementing tailored mitigation strategies. These include transitioning to lower-emission fuels, enhancing energy efficiency, and diversifying our product offerings, aligning with both regulatory requirements and emerging market trends. We also integrate climate risks with our Enterprise Risk Management (ERM) processes and methodology, ensuring that our approach is aligned with best practices in risk management.

Risks			Potential Impact	Mitigation measures
Physical Risks	Acute	Increased severity of extreme climate events (i.e. floods, cyclone, earthquake)	Kim Heng's shipyard and offices at 9 Pandan Crescent and 48 Penjuru Road are located outside the projected impact zones for increased coastal and riverine flooding.	Extreme weather events are covered under insurance.
	Chronic	Rising mean temperature	By the end of the century, nearly every day in Singapore could be classified as a very hot day under a high-emissions scenario. This will increase heat stress among workers and reduce productivity due to the need or more frequent mandatory rest breaks.	We are in process to set up mitigation measures.
Transition Risks	Policy and Legislation	Increased pricing of GHG emissions	Rising carbon tax (\$25/tCO ₂ e in 2024, up to \$80/tCO ₂ e by 2030) will increase operational costs for fuel-intensive offshore services and shipyard activities. Higher costs may also be passed through the supply chain, affecting project pricing.	Kim Heng have set emission reduction target and continue to evaluate the impact of developing regulatory landscape.
		Mandates on and regulation of existing products and services	Stricter regulations on emissions and energy efficiency could increase compliance costs, require technology upgrades, and impact vessel certification. Delays in adapting could lead to higher insurance premiums or restricted market access.	Kim Heng maintains a proactive stance in anticipating regulatory changes pertaining to climate related regulations (i.e. reporting related, emission-limiting related and other infrastructure or asset efficiency related ones).
	Technology	Transition to lower emission technology	Increased demand for low-emission solutions in the maritime sector could make older, high-emission vessels less competitive, reducing their resale value and market demand.	Kim Heng have implemented a multi-pronged approach focused on operational efficiencies and adherence to evolving regulations. Key initiatives include:- <ul style="list-style-type: none"> • Transitioning to fuels with reduced sulphur content • Optimising machinery performance • Proactively complying with IMO Standards, as well as standards and guidelines established by class societies, governments, and oil companies • Implementing a Planned Maintenance System (PMS)
		Accelerated EV Adoption	Electrification of marine vessels is still in early stages, but regulatory and market shifts may accelerate adoption. Delayed adaptation could impact competitiveness in the long run.	EV technology for vessels is in a nascent stage and still evolving; Kim Heng is regularly monitoring these developments.
	Market	Changing customer base	Transition from fossil fuel industries to renewable energy sectors could shift client demand, impacting contract availability for traditional offshore services.	Kim Heng is focusing on the renewable energy business and developing capabilities for the same.
		Increased cost of raw material	Stricter environmental regulations and climate-driven supply chain disruptions could increase procurement costs for steel, fuel, and other key materials, affecting project margins.	We are in process to set up mitigation measures.
	Reputation	Public Perception and Reputation Building	Growing scrutiny on corporate sustainability practices could impact client and investor trust, influencing contract awards and partnerships.	Assessed to be low impact on the business.

Table 5: Summary of Kim Heng's climate opportunity assessment

Opportunity Category	Opportunity	Kim Heng's Initiatives
Resource Efficiency	Use of more efficient modes of transport, production, and distribution	Implementing vehicle tracking systems to improve fleet efficiency, reduce fuel consumption, and optimise logistics for offshore operations.
	Recycling	Enhancing recycling initiatives for scrap metals and used batteries to reduce environmental impact and improve cost efficiency.
Products and Services	Development of new products and services through innovation	Identifying opportunities to collaborate with main contractors on developing new sustainable offshore solutions, such as energy-efficient vessel modifications and carbon-reducing technologies.
Markets	Access to new markets	Assessing potential financing options for sustainable projects, including offshore wind farm support and other renewable energy-related services.

Kim Heng is dedicated to strengthening its sustainability efforts and resilience in the face of climate-related challenges. We will continue to refine our risk assessment and mitigation processes and remain committed to scenario analysis, which will help us identify the quantitative impact of these risks. In the upcoming year, we plan to quantify the results of our risk assessments through quantitative scenario analysis to further refine our understanding of climate risks.



Subsea rock installation barge performing sea trial

WASTE MANAGEMENT

ESG factors:

Waste Management [GRI 3-3, GRI 306-1, GRI 306-2, GRI 306-3]

At Kim Heng, we prioritise environmental responsibility and strive to uphold the highest standards of waste management practices. Committed to sustainable operations, we adhere to the MARPOL Annex V regulations for the prevention of pollution by garbage. Our stringent waste management procedures and guidelines have been meticulously developed in alignment with both local and international standards, ensuring compliance and environmental stewardship throughout our operations.

In our ongoing commitment to enhancing waste management efforts, Kim Heng has taken proactive steps this financial year. We continue to promote recycling practices by working closely with vendors who specialise in waste segregation, ensuring that recyclable materials are separated from non-recyclable waste. These measures contribute to reducing overall waste generation and enhancing our green initiatives.

While our waste volume fluctuates depending on operational activity levels, we remain committed to minimising waste generation and improving waste disposal efficiency. This year the overall waste generated reduced by 11% and the waste intensity reduced by 27%.

Table 6: Total Waste Generated

Waste Generated		2022	2023	2024
Vessel	Tonnes	259	514	276
Shipyard	Tonnes	475	650	756
Total waste generated	Tonnes	734	1,164	1,032
Waste Intensity (Total waste generated / Total Revenue)	Tonnes/ S\$ million	9.2	11.5	8.4
Year-on-year % change of total waste generated			58.6%	-11.3%

This year, Kim Heng has strengthened its waste reduction commitment by setting a long-term target to reduce overall waste generation intensity by 7% by 2030, using FY2023 as the baseline year. This target builds upon our existing approach, which aims for a systematic 2% annual reduction in waste intensity.

Moving forward, Kim Heng remains committed to our sustainability objectives and will redouble our efforts to implement innovative waste management strategies, enhance operational efficiency, and minimise our environmental footprint.

ENERGY MANAGEMENT

ESG factors:

Waste Management [GRI 3-3, GRI 302-1, GRI 302-3]

Kim Heng acknowledges the vital role of energy management in enhancing sustainability and operational efficiency. In compliance with industry regulations, we adhere to the Ship Energy Efficiency Management Plan (SEEMP) established by the International Maritime Organisation (IMO). Our vessels maintain SEEMP Certificates of Compliance, ensuring best practices in fleet energy efficiency.

We actively monitor and manage electricity and fuel consumption to optimise efficiency and minimise environmental impact. Our primary energy sources remain electricity and marine gas oil, both of which currently depend on fossil fuels, making efficient resource management crucial. In FY2024, the expansion of operations and increased shipyard activities contributed to a 10.4% increase in total energy consumption. However, despite this rise, our electricity intensity improved, recording a 3.0% reduction compared to FY2023, reflecting enhanced operational efficiency. Notably, fuel for chartering and towage is provided and controlled by clients, influencing overall fuel consumption intensity.

Table 7: Fuel consumption

Fuel Consumption		2022	2023	2024
Fuel Consumption	Tonnes	8,147	8,608	10,699
Fuel Intensity (Fuel Consumption/ Chartering and Towage Revenue) ⁸	GJ/ S\$'000	12.2	14.2	12.5

Table 8: Electricity consumption

Electricity Consumption		2022	2023	2024
Electricity Consumption	KWh	1,128,127	1,243,757	1,372,716
Electricity Intensity (Electricity Consumption/ Remaining Revenue ⁹)	KWh/ S\$'000	22.0	16.5	16.0
Year-on-year % change of Energy Consumption ¹⁰			10.2%	10.4%

In FY2024, we further strengthened our sustainability commitment by sourcing 100% of our electricity from renewable sources through the redemption of Renewable Energy Certificates (RECs), achieving zero carbon emissions from electricity consumption. This milestone underscores our dedication to accelerating the transition toward cleaner energy solutions.

We have also established a long-term target to reduce electricity consumption intensity by 7% by 2030, using FY2023 as the baseline year. This complements our existing goal of achieving a 2% annual reduction in energy consumption intensity.

Looking ahead, we are exploring multiple initiatives to strengthen energy management across our operations, including the installation of solar panels, implementation of LED lighting solutions, and assessing the feasibility of transitioning from diesel-powered vehicles to Electric Vehicles (EVs).

⁸ Assumed Energy density of MDO uses 42.7 GJ/ Tonne, Fourth IMO GHG Study 2020

⁹ Remaining Revenue = Total Revenue - Chartering and Towage Revenue

¹⁰ Only includes electricity consumption

GHG EMISSIONS

ESG factors:

GHG Emissions [GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-4]

At Kim Heng, we remain committed to environmental stewardship and rigorous emission management across our fleet. In FY2024, we continued our commitment to regulatory compliance and emission control by conducting the annual Recognized Organization (RO) class survey for all vessels. This ensured our fleet-maintained accreditation with both the International Energy Efficiency Certificate and the International Air Pollution Prevention Certificate, reinforcing our dedication to emissions compliance and best practices.

Aligned with the IMO MARPOL treaty, we strictly adhere to regulations such as the IMO 2020 regulation, which limits the sulphur content in ships' fuel to a maximum of 0.50%. In compliance with this, Kim Heng uses fuel within the acceptable sulphur range of 0.37% to 0.5%, following ISO 14596:2007 standards for sulphur content determination.

In FY2024, 85% of our fleet operated within the 0.037% to 0.1% sulphur range, while the remaining 15% used fuel with a sulphur content of 0.4%, still compliant with MARPOL standards. Our Anchor Handling Tug Supply (AHTS) vessels exclusively utilize Low Sulphur Marine Gas Oil (LSMGO) instead of the traditional Marine Fuel Oil (MFO), ensuring a sulphur content of less than 0.1%. Additionally, we continue to prioritise LSMGO during bunkering, with most of our suppliers now providing EUPO Diesel at 0.1% sulphur content. To further enhance compliance, our marine department has strengthened inspections and audits on vessel maintenance, ensuring adherence to emission standards while optimising operational efficiency.

Beyond compliance, Kim Heng remains committed to transparency in reporting emissions data. Below, we provide a detailed table showcasing our Scope 1 and Scope 2 emissions over the past three years (**Table 9**).

Table 9: GHG Emissions and Intensity

Emissions		2022	2023	2024
Scope 1 (From Fuel Consumption) ¹¹	Tonne CO ₂ e	26,119	27,597	34,300
Scope 2 (From Electricity Consumption) ¹²	Tonne CO ₂ e	458	518	566
Total Emissions (Scope 1 & 2)	Tonne CO ₂ e	26,577	28,115	34,866
Emission Intensity (Total Emissions/ Total Revenue)	Tonne CO ₂ e/ S\$ million	332.9	277.8	284.1
Year-on-year % change of Total Emissions			5.7%	24.0%

In FY2024, Kim Heng recorded a 24% increase in overall GHG emissions, primarily driven by higher fuel consumption resulting from expanded operational activities. Correspondingly, emission intensity increased by 2.3% compared to the previous year. Scope 1 emissions, derived from fuel combustion, remained the dominant contributor, while Scope 2 emissions, associated with purchased electricity, remained minimal.

We have now established a long-term target to reduce overall GHG emission intensity by 7% by 2030, using FY2023 as the baseline. This aligns with our existing ambition to achieve a 2% annual reduction in emission intensity, supporting our broader climate goals.

Looking ahead, we will continue to explore low-carbon alternatives and operational efficiencies to reduce our carbon footprint, while maintaining alignment with industry best practices and national climate ambitions.

¹¹ Emission factor of 3.206 grams CO₂ per gram Fourth IMO GHG Study 2020

¹² Singapore's average Grid emission factor, 0.4168 kg CO₂/kWh in 2022 and 0.412 kg CO₂/kWh in 2023

WATER MANAGEMENT

ESG factors:

Water Management [GRI 3-3, GRI 303-5]

At Kim Heng, we prioritise responsible water management to minimise our environmental footprint and enhance operational efficiency. Compliance with international regulations remains a cornerstone of our approach, ensuring adherence to stringent ballast water management protocols.

Our vessels meet international standards for ballast water management, complying with either the D1 or D2 standard as required. Each vessel holds an International Ballast Water Management Certificate, reinforcing our commitment to preventing the spread of invasive aquatic species. Additionally, our vessels strictly adhere to MARPOL Annex 1 regulations, supported by Shipboard Marine Pollution Emergency Plans (SMPEP) and International Oil Pollution Prevention (IOPP) certificates.

Beyond regulatory compliance, we have incorporated sustainable water management practices into our office and shipyard operations. This includes rainwater harvesting and reuse initiatives to reduce reliance on freshwater sources. We conduct daily and monthly freshwater consumption audits to monitor usage and identify areas for conservation, ensuring optimal resource utilisation.

In FY2024, Kim Heng observed a considerable uptick in water consumption, which can be attributed to expanded operations and increased activity levels across our facilities. We remain vigilant in our efforts to manage water resources responsibly, implementing measures to minimise wastage and maximise conservation wherever possible.

Table 10: Water Consumption

Water Consumption		2022	2023	2024
Water Consumption	m ³	36,062	45,688	59,269
Water Consumption Intensity (Water Consumption/ Total Revenue)	m ³ / S\$'000	0.45	0.45	0.48
Year-on-year % change of Total water consumption			26.7%	29.7%



Fabrication of FPSO modules at Kim Heng yard

SOCIAL

HEALTH AND SAFETY

ESG factors:

Health and Safety [GRI 3-3, GRI 403-9, GRI 403-10]

At Kim Heng, ensuring the safety and well-being of our employees and contractors remains our top priority. We are committed to maintaining a safe and healthy work environment across our shipyards and worksites by proactively managing risks associated with our operations. To uphold stringent health and safety standards, we implement robust measures outlined in our Health, Safety, and Environment (HSE) policy. This policy defines key safety requirements for all employees and is rigorously monitored by designated HSE personnel responsible for ensuring compliance across our shipyards and vessels.

As part of our continuous improvement efforts, our HSE Risk Management Team conducts regular risk assessments to identify hazards and implement effective mitigation strategies. This team, comprising key personnel such as the Head of Shipyard, HSE Manager, and HSE Committee members, evaluates and enhances workplace safety protocols. In FY2024, we further strengthened safety governance by expanding the Risk Management Team to include leaders from all departments, ensuring greater accountability and improved reporting mechanisms tailored to specific job functions.

We firmly believe that workplace safety is a shared responsibility. Employees are expected to follow established procedures and remain alert to potential hazards. To reinforce this culture of safety, we actively encourage the reporting of Safety Observations, which help identify risks and improve hazard control. These observations are systematically incorporated into our Standard Operating Procedures (SOPs) to ensure consistent safety implementation across all operations.

Kim Heng maintains compliance with internationally recognized safety standards, including ISO 45001:2018 for Occupational Health and Safety Management. This certification demonstrates our commitment to eliminating hazards and reducing risks within our operations. In addition, we uphold several other certifications to ensure a comprehensive approach to safety:

- BIZSAFE STAR certification, signifying our commitment to workplace safety and risk management
- ISO14001:2015 certification for Environmental Management System, reinforcing our dedication to environmental stewardship alongside occupational health and safety
- Shipyard holds ISO 22000 certification, complying with International Ship and Port Security (ISPS) and International Safety Management (ISM) codes, further emphasizing our commitment to maritime safety standards

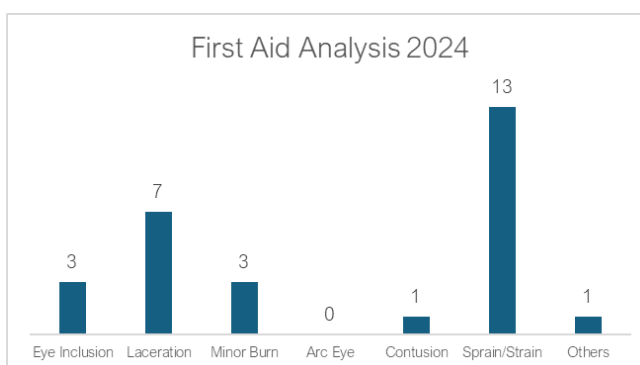
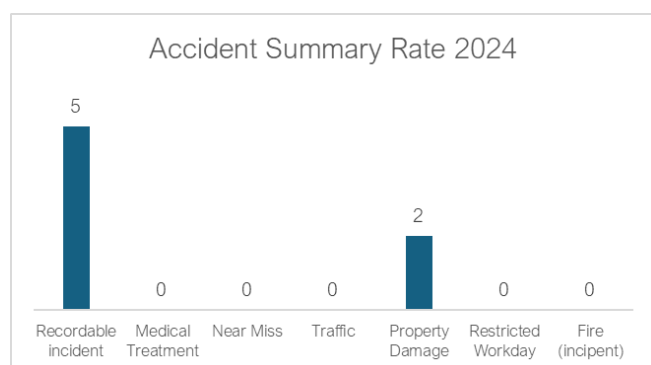
Kim Heng remains dedicated to reducing the risk of workplace incidents, injuries, and illnesses through preventive measures and a strong safety culture. In FY2024, we were unable to meet some of our safety targets. While we maintained zero workplace fatalities, we recorded four lost time incidents¹³, exceeding our target of three. Additionally, there were two cases of property damage and fire explosions, exceeding our target of zero. The table below summarizes the group's safety performance for FY2024. The table below summarizes the group's safety performance for FY2024.

¹³ Lost Time Incidents = Work-related accidents with medical leave of 3 or more than 3 consecutive days

Table 11: Safety and Health Performance

Group safety and health performance	2022	2023	2024
Number of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injuries (injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months), excluding fatalities	0	0	0
Number of recordable work-related injuries	4	6	5
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Number of hours worked	899,004	949,567	676,490
Rate of recordable work-related injuries ¹⁴	0.7	1.26	1.5
Lost Time Incidents	0	0	4

The Group has further investigated each of these incidents, as well as non-recordable incidents to gain a holistic view of the overall health and safety of our operations. The accident summary and first aid analysis below demonstrate the extent to which these injuries occurred and assist us in identifying areas of potential risk and opportunities for improvement moving forward.



Moving forward, our key health and safety targets for FY2025 would be

- Zero fatality case
- No more than 3 lost-time incidents cases every year
- Zero case of Property Damage & Fire Explosion

¹⁴ Rate of Recordable Work-Related Injury = (Number of cases x 200,000) / Number of hours worked

HUMAN CAPITAL

ESG factors:

Employment [GRI 2-7, GRI 401-1]

Diversity and Equal Opportunity [GRI 405-1]

Training and Education [GRI 3-3, GRI 404-1, GRI 404-2]

The Group regards our employees as the backbone of our business, success, and growth. We continue to prioritise employee development, as well as provide competitive employee benefits and ensure fair and safe working conditions to ensure staff retention and talent attraction. FY2024 saw a slight decrease in total employees.

Table 12: Current Employees by gender

Current Employees		FY2022	FY2023	FY2024
Permanent	Male	218	255	264
	Female	31	46	46
Temporary	Male	159	191	182
	Female	1	1	0
Total		409	493	492

Table 13: Current Employees by Age

Current Employees	FY2022	FY2023	FY2024
Age <30	45	73	83
30 < Age <50	307	347	345
Age >50	57	73	64

TRAINING AND DEVELOPMENT

At Kim Heng, we prioritise continuous learning and professional development to equip our workforce with the skills necessary for operational excellence and safety. Our training programs are designed to align with job-specific requirements, ensuring employees receive relevant and practical knowledge.

Throughout the year, we implement targeted training initiatives to enhance workforce capabilities. Shipyard workers undergo the Shipyard Safety Instruction Course (SSIC) to reinforce safety awareness and compliance. Employees engaged in offshore operations receive Basic Offshore and Emergency Induction Training (BOISIT), preparing them for the unique challenges of offshore environments.

With our expansion into the wind energy sector, we have adopted Global Wind Organization (GWO) training standards, covering Basic Safety Training, First Aid, Working at Height, Sea Survival, Fire Awareness, and Manual Handling. These programs ensure our employees are fully equipped to meet the industry's rigorous demands.

Table 14: Total List of Training Offered in FY2024

Course Name	Total Headcount
A Course on Effective Writing for Executives	1
A Guide to Flexible Work Arrangements for the Maritime Industry	3
Advanced Certificate in Strategic Sourcing Module 2: Digital Procurement – Past, Present and Future	1
Advanced Certificate in Strategic Sourcing Module 3: Sourcing and Risk Management	1
Advanced Certificate in Strategic Sourcing Module 5: Supplier Relationship Management	1
Advanced Certificate in Strategic Sourcing Module 6: Procurement Fraud, Ethics and Sustainability	1
AI-Powered Digital Marketing	2
Apply Workplace Safety and Health in Construction Sites	1
Apply Workplace Safety and Health in Construction Sites–Others (Mandarin)	1
AWSHS–GT– 1Pax	7
AWSHS–GT– 2 Pax Low Levy– 2 Pax	2
Building a Sustainable and Flexible Wage System	2
Crawler Crane Operation	1
Critical Thinking Skills for Effective Decision–Making	20
CSOC–RC Course– 1Pax	1
Cyber Security Awareness for Individuals and Business	2
Effective People Management	19
Flex@Work – Understanding the Tripartite Guidelines on Flexible Work Arrangement Requests	3
Gain Insights into the New Framework and Other Work Pass Changes	4
HR Strategies for Successful FWA Implementation	3
Innovative Communication Methods using ChatGPT	20
Live Virtual Training: Internal Auditor ISM–ISPS–MLC for Shipping Companies	1
Marine Digitalisation Champion Workshop Run 1	2
Navigating the Flexible Work Arrangement Requests for Employers	2
Offshore Wind Value Chain and Turbine Technology (Part 1)– Henry	1
Offshore Wind Value Chain and Turbine Technology (Part 1)– William	1
Operate Scissor Lift– Bengali	4
Operate Scissor Lift– Tamil	1
Overview Of Employment Law in Singapore, Workplace Discrimination & Harassment	1
Practical Financial Modelling and Valuation	1
Progressive Wage Mark and the Tripartite Guidelines on Flexible Work Arrangement	2
SSIC GT COURSE– 1Pax	1
SSIC GT RECERT COURSE– 2Pax	2
SSIC GT RECERT COURSE– 3Pax	3
SSIC GT RECERT COURSE– 4Pax	8
SSIC HT–2Pax	2
Supervise Safe Lifting Operations– 1Pax	1
Take Impactful Photos with Your Smartphones	6
Top Executive WSH Programme	1
Tripartite Standards Clinic – Grievance Handling	3
Workplace Safety and Health Management in Marine Industry–SSSC	1
Workshop to Enhance the Safety of Crane Operation	3
WSH Conference	1
WSH Innovation Convention	1

We remain committed to adhering to local regulations on mandatory training and have streamlined access to policies, procedures, and training materials to enhance learning effectiveness. Our focus on skill development supports both employee growth and the long-term success of our operations.

In FY2024, Kim Heng allocated a total of S\$32,000 towards training and development initiatives, reflecting our investment in the growth and development of our workforce. Our average training hours per employee increased from 11.1 hours in FY2023 to 12.0 hours in FY2024, surpassing the target of 11 hours for the year. We remain committed to empowering our employees with the skills and knowledge necessary to thrive in a dynamic and evolving industry. The following table provides a comprehensive summary of training provided over the years.

Table 15: Training hours

Training and Development ¹⁵	2024
Average Training Hours (compulsory) Training	8.26
Average Training Hours (optional) Training	13.46
Average Training Hours (total)	12.0

EMPLOYEE BENEFITS

At Kim Heng, we are committed to fostering a supportive and inclusive work environment where employees feel valued and respected. We comply with all mandatory employee benefit requirements set by the Ministry of Manpower (MOM) while continuously enhancing our employee welfare programs.

To promote well-being, we maintain open communication channels that enable employees to engage directly with supervisors, management, or the HR department. Feedback is carefully reviewed, and appropriate actions are taken to address concerns. Additionally, we ensure that management communicates responses back to employees, reinforcing a culture of collaboration and continuous improvement.

Employee development remains a key priority. We conduct annual performance appraisals to provide constructive feedback, helping employees identify growth opportunities and reach their full potential. As part of our retention strategy, we conduct exit interviews to understand reasons for employee departures and refine our talent management approach.

Table 16: New Hires by Gender

New Employees Hires	FY2022	FY2023	FY2024
Male	219	332	201
Female	12	27	15
Total	231	359	216

¹⁵ Average Training Hours = Total Training Hours / Sum of number of attendees of the training

Table 17: New Hires by Age

New Employees Hires	FY2022	FY2023	FY2024
Age <30	44	78	37
30 < Age <50	172	253	168
Age >50	15	28	11

Table 18: Employee Turnover by Gender

Employee Turnover	FY2022	FY2023	FY2024
Male	189	272	291
Female	11	14	12
Total	200	286	303

Table 19: Employee Turnover by Age

Employee Turnover	FY2022	FY2023	FY2024
Age <30	26	39	36
30 < Age <50	157	227	226
Age >50	17	20	41



Bridgewater 68 performing Single Point Mooring Buoy repair work in Malaysia

GOVERNANCE

ESG factors:

Socioeconomic Compliance [GRI 3-3, GRI 2-27]

Anti-corruption [GRI 3-3, GRI 205-2, GRI 205-3]

Corporate Governance forms the cornerstone of Kim Heng's operational framework, encompassing principles of transparency, accountability, and ethical conduct. Through transparent governance practices and diverse leadership, we strive to enhance shareholder value, mitigate risk, and uphold the trust and confidence of all stakeholders. However, the Board currently does not have any women representation. Key aspects of board and management composition are as follows:

Table 20: Board Composition

Board Composition	FY2022	FY2023	FY2024
Total Directors	4	4	4
Independent Directors	2	2	2
% Independent Directors	50%	50%	50%
Women Directors	0	0	0

Table 21: Management Composition

Management Composition	FY2022	FY2023	FY2024
Women in Senior Management	1	1	1
Total Senior Management	5	5	5
% of Women in Senior Management	20%	20%	20%

REGULATORY COMPLIANCE

In the Offshore and Marine industry, strict adherence to environmental, social, and economic regulations is essential for sustainable operations. Noncompliance can result in legal consequences and reputational damage, reinforcing the importance of a strong compliance framework.

At Kim Heng, we have implemented a comprehensive management policy to ensure full compliance with social, environmental, and governance regulations. This policy is regularly communicated to all employees to promote awareness and accountability. We maintain the highest ethical standards, adhering strictly to legal requirements related to securities, contracts, and other key provisions outlined in our Code of Ethics. Our proactive approach ensures compliance with all domestic and international regulations.

In FY2024, Kim Heng maintained a strong compliance record with no monetary fines, non-monetary sanctions, or outstanding cases related to social and economic regulations. Our goal remains to sustain zero instances of non-compliance through continuous monitoring and improvement of our compliance practices.

Our commitment to environmental compliance remains steadfast. In FY2024, we successfully achieved zero reported incidents of environmental non-compliance, further emphasizing our dedication to responsible operations. Our vessels continue to meet MARPOL regulations, including the latest updates in MARPOL Annex V for waste management. Moving forward, we aim to uphold this exemplary record and strengthen our sustainability practices through enhanced compliance measures and proactive environmental management.

Looking ahead to FY2025, our goal is to maintain this exemplary record and achieve zero reported incidents of environmental non-compliance, reaffirming our commitment to sustainability and responsible business practices.

Table 22: Cases of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations

	FY2022	FY2023	FY2024
Cases of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations	0	0	0

ETHICS AND ANTI-CORRUPTION

At Kim Heng, we uphold the highest ethical standards and maintain a zero-tolerance approach to bribery and corruption. Ethical breaches not only pose legal and financial risks but also erode stakeholder trust and corporate credibility. To safeguard against unethical conduct, we have established robust internal controls and transparent corporate governance practices.

Our Anti-Bribery and Corruption (ABC) policy provides clear guidelines for management and employees, ensuring compliance with regulatory requirements and industry best practices. Additionally, our whistle-blowing policy enables employees to report suspicious activities confidentially and without fear of retaliation, reinforcing our culture of accountability and transparency.

To promote compliance and awareness, all employees undergo comprehensive ABC and whistle-blowing policy training during onboarding and through annual refresher sessions. These policies are readily accessible through shared platforms, and their effectiveness is regularly reviewed by the Audit and Risk Committee.

In FY2024, Kim Heng reported no incidents of corruption, reflecting our strong commitment to ethical business conduct. We continuously reinforce our integrity framework by enhancing internal controls and refining risk management strategies to prevent potential ethical violations.

Table 23: Corruption incidents

Anti-Corruption	FY2022	FY2023	FY2024
Cases of anti-bribery and corruption incidents or whistle-blowing reports	0	1	0

Looking ahead, we will further strengthen our anti-corruption measures through regular employee training, strict policy enforcement, and a proactive approach to compliance. Our objective remains to sustain a corruption-free environment and uphold the highest ethical standards in FY2024 and beyond.

Table 24: Anti-Corruption policies and procedures

Anti-Corruption	FY2022	FY2023	FY2024
Percentage of employees who have been communicated anti-corruption policies and procedures	100%	100%	100%
Percentage of employees who attended anti-corruption training	100%	100%	100%

CYBERSECURITY

In an era marked by the proliferation of cyber threats globally, the importance of robust cybersecurity measures cannot be overstated. At Kim Heng, we recognize the evolving landscape of cyberattacks and remain vigilant in our efforts to safeguard our digital infrastructure.

Our dedicated IT department has formulated comprehensive cybersecurity guidelines for the Group, outlining protocols and best practices to mitigate potential risks. In the event of a significant cybersecurity incident, we are committed to prompt action, mobilizing emergency and crisis teams to address the situation effectively. Our priority is to ensure swift resolution and minimise any adverse impacts on our IT environment.

To further enhance the resilience of our cybersecurity measures, Kim Heng is considering aligning with international standards such as ISO/IEC 27001 for information security and ISO/IEC 27032 for cybersecurity. These standards provide a best-practice framework for managing information security and protecting sensitive data from cyber threats. By adhering to these standards, we aim to adopt a proactive approach to cybersecurity, addressing the intricate interplay of people, processes, and technology to fortify our defences against cyber threats.

As cyber threats continue to evolve, Kim Heng remains committed to staying ahead of the curve by continually reassessing and strengthening our cybersecurity posture. Through ongoing vigilance, strategic investments, and alignment with international standards, we endeavour to uphold the highest standards of cybersecurity resilience and protect the integrity of our digital assets.



Bridgewater 168 engaged in jack-up rig towing work

MEMBERSHIPS / EXTERNAL CHARTERS

CONVENTIONS / REGULATIONS

- STCW Convention
- IMO Convention
- SOLAS
- MARPOL
- MLC

CERTIFICATIONS

- BizSAFE level 3
- ISO 22:000
- ISO 9:001
- ISO 14:001
- OHSAS 18:001
- TRACE ANTI BRIBERY
- BIZSAFE STAR
- ISPS AND ISM certified shipyard – International Ship and Port Security AND International ship management safety code
- Oil Spill IMO Level 3
- International Maritime Organisation Convention
- World Health Organisation Convention
- Eco-Office Certification

MEMBERSHIPS

- Singapore Shipping Association
- ASMI – Association of Singapore Marine Industries
- ANSI National Accreditation Board
- Singapore Chinese Chamber
- Singapore Business Federation
- IADC – International Association of Drilling Contractors
- Asia Wind Energy Association
- Singapore Logistics Association

TCFD SUMMARY

Section	Recommendation	Page Reference / comments
Governance	a. Describe board's oversight of climate-related risks and opportunities	6
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	6
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	11-17
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	11-17
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	11-17
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	6, 11-17
	b. Describe the organization's processes for managing climate-related risks	6, 11-17
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	6, 11-17
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	20
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2

PERFORMANCE DATA TABLE

SGX CORE METRICS

	Quantitative metrics	2022	2023	2024
GHG Emissions	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2 (Tonne CO ₂ e)	Scope 1 26,119 Scope 2 458 Total 26,577	Scope 1 27,597 Scope 2 518 Total 28,115	Scope 1 34,300 Scope 2 566 Total 34,866
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; (Tonne CO ₂ e/\$ million)	Scope 1 327.1 Scope 2 5.7 Total 332.9	Scope 1 272.7 Scope 2 5.1 Total 277.8	Scope 1 279.5 Scope 2 4.6 Total 284.1
Energy Consumption	Total energy consumption (kWh)	1,128,127	1,243,757	1,372,716
	Electricity consumption intensity (kWh/ \$'000)	22.0	16.5	16.0
Water Consumption	Total water consumption (m3)	36,042	45,688	59,269
	Water consumption intensity (m3/ \$'000)	0.45	0.45	0.48
Waste Management	Total waste generated (Tonnes)	734	1164	1032
Gender Diversity	Current employees by gender	Male - 377 Female - 32	Male - 446 Female - 47	Male - 446 Female - 46
	New hires and turnover by gender	New hires Male - 219 Female - 12 Turnover Male - 189 Female - 11	New hires Male - 332 Female - 27 Turnover Male - 272 Female - 14	New hires Male - 201 Female - 15 Turnover Male - 291 Female - 12
Age-Based Diversity	Current employees by age groups	NA	Age <=30 - 74 30 < Age 50 - 348 Age >=50 - 74	Age <=30 - 83 30 < Age 50 - 345 Age >=50 - 64
	New hires and turnover by age groups	New hires Age <=30 - 44 30 < Age 50 - 172 Age >=50 - 15 Turnover Age <=30 - 26 30 < Age 50 - 157 Age >=50 - 17	New hires Age <=30 - 78 30 < Age 50 - 253 Age >=50 - 28 Turnover Age <=30 - 39 30 < Age 50 - 227 Age >=50 - 20	New hires Age <=30 - 37 30 < Age 50 - 168 Age >=50 - 11 Turnover Age <=30 - 36 30 < Age 50 - 226 Age >=50 - 41
Employment	Total turnover	200	286	303
	Total number of employees	409	493	492
Development & Training	Average training hours per employee	1.31	11.1	12.0
	Average training hours per employee by gender	NA	NA	NA
Occupational Health and Safety	Fatalities	0	0	0
	High-consequence injuries	0	0	0
	Recordable injuries	4	6	5
	Recordable work-related ill health cases	0	0	0
Board Composition	Board independence	50%	50%	50%
	Women on the board	0%	0%	0%
Management Diversity	Women in the management team	20% (1)	20% (1)	20% (1)
Ethics and Anti-Corruption	Anti-corruption disclosures	refer to "ETHICS AND ANTI-CORRUPTION"		
	Anti-corruption training for employees	refer to "ETHICS AND ANTI-CORRUPTION"		
Certifications	List of relevant certifications	Refer to "MEMBERSHIPS / EXTERNAL CHARTERS"		

GRI CONTENT INDEX

Statement of use	Kim Heng has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

GRI Standard/ Other Source	Disclosure	Information/ Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> Annual Report, Page 22 – Corporate Structure Sustainability Report, Page 3 – About this Report
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> Sustainability Report, Page 3 – About this Report
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> Sustainability Report, Page 3 – About this Report
	2-4 Restatement of information	<ul style="list-style-type: none"> There is no restatement in this period
	2-5 External assurance	<ul style="list-style-type: none"> Kim Heng has not sought external assurance on this report
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Annual Report, Page 2 – Company Overview Annual Report, Page 4 – Company Milestones
	2-7 Employees	<ul style="list-style-type: none"> Sustainability Report, Page 24 – Human Capital
	2-8 Workers who are not employees	<ul style="list-style-type: none"> Sustainability Report, Page 24 – Human Capital
	2-9 Governance structure and composition	<ul style="list-style-type: none"> Annual Report, Page 14 – Board of Directors Annual Report, Page 19 – Management Team Sustainability Report, Page 6 – Sustainability Governance
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Annual Report, Page 35 – Corporate Governance: Selection, appointment and re-appointment of Directors (Provision 4.3)
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> Annual Report, Page 14 – Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Sustainability Report, Page 6 – Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Sustainability Report, Page 6 – Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Sustainability Report, Page 6 – Sustainability Governance
	2-15 Conflicts of interest	<ul style="list-style-type: none"> Annual Report, Page 26 – Corporate Governance: Directors' fiduciary duties and conflict of interest (Provision 1.1) Annual Report, Page 36 – Corporate Governance: Directors' other directorships and principal commitments (Provision 4.5)
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> Sustainability Report, Page 6 – Sustainability Governance
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> Sustainability Report, Page 6 – Sustainability Governance Annual Report, Page 27 – Corporate Governance: Directors' Orientation, Induction, Training and Development (Provision 1.2)

GRI Standard/ Other Source	Disclosure	Information/ Location
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	• Annual Report, Page 37 – Corporate Governance: Assessing the effectiveness of the Board, Board Committees and Individual Directors (Provisions 5.1 and 5.2)
	2-19 Remuneration policies	• Annual Report, Page 38 – Corporate Governance: Remuneration Matters
	2-20 Process to determine remuneration	• Annual Report, Page 38 – Corporate Governance: Remuneration Matters
	2-22 Statement on sustainable development strategy	• Sustainability Report, Page 1 – Board Statement
	2-23 Policy commitments	• Sustainability Report, Page 29 – Ethics and Anti-Corruption
		• Sustainability Report, Page 24 – Human Capital
	2-24 Embedding policy commitments	• Sustainability Report, Page 29 – Ethics and Anti-Corruption
	2-25 Processes to remediate negative impacts	• Sustainability Report, Page 29 – Ethics and Anti-Corruption
	2-26 Mechanisms for seeking advice and raising concerns	• Sustainability Report, Page 29 – Ethics and Anti-Corruption
	2-27 Compliance with laws and regulations	• Sustainability Report, Page 28 – Regulatory Compliance
	2-28 Membership associations	• Sustainability Report, Page 7 – Stakeholder Engagement
	2-29 Approach to stakeholder engagement	• Sustainability Report, Page 7 – Stakeholder Engagement
	2-30 Collective bargaining agreements	• Not applicable, no collective bargaining agreements are in place.
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	• Sustainability Report, Page 8 – Materiality Assessment
	3-2 List of material topics	• Sustainability Report, Page 8 – Materiality Assessment
Financial Stability		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Annual Report, Page 20 – Operations and Financial Review
		• Annual Report, Page 71 – Statements of Financial Position
		• Sustainability Report, Page 10 – Financial Stability
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	• Sustainability Report, Page 10 – Financial Stability
Ethics and Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 29 – Ethics and Anti-Corruption
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	• Sustainability Report, Page 29 – Ethics and Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	• Sustainability Report, Page 29 – Ethics and Anti-Corruption

GRI Standard/ Other Source	Disclosure	Information/ Location
Energy Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 19 – Energy Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	• Sustainability Report, Page 19 – Energy Management
	302-3 Energy intensity	• Sustainability Report, Page 19 – Energy Management
Water Management (Non-Material Topic)		
GRI 303: Water and Effluents 2018	303-5 Water consumption	• Sustainability Report, Page 21 – Water Management
GHG Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 20 – GHG Emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• Sustainability Report, Page 20 – GHG Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	• Sustainability Report, Page 20 – GHG Emissions
	305-4 GHG emissions intensity	• Sustainability Report, Page 20 – GHG Emissions
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 18 – Waste Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	• Sustainability Report, Page 18 – Waste Management
	306-2 Management of significant waste-related impacts	• Sustainability Report, Page 18 – Waste Management
	306-3 Waste generated	• Sustainability Report, Page 18 – Waste Management
Human Capital		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 24 – Human Capital
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	• Sustainability Report, Page 24 – Human Capital
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Sustainability Report, Page 24 – Human Capital
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• Sustainability Report, Page 24 – Human Capital
	404-2 Programs for upgrading employee skills and transition assistance programs	• Sustainability Report, Page 24 – Human Capital
405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• Sustainability Report, Page 24 – Human Capital
Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 22 – Health and Safety
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	• Sustainability Report, Page 22 – Health and Safety
	403-10 Work-related ill health	• Sustainability Report, Page 22 – Health and Safety



Incorporated in the Republic of Singapore on 29 April 2013
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