

***PROGRESSING
TOWARDS
SUSTAINABLE
TOMORROW***

SUSTAINABILITY REPORT 2025

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Board Statement

Dear Stakeholders,

On behalf of the Mun Siong Engineering Limited's Board of Directors (the "Board"), we are pleased to present the Sustainability Report ("SR") for Mun Siong Engineering Limited ("Mun Siong", the "Company", and together with its subsidiaries, the "Group"). This Sustainability Report covers the Group's subsidiaries and operational entities that contribute significantly to the Group's overall performance. Associate company has been excluded from the reporting scope as its contribution to the Group's financial and operational results is not material. Accordingly, ESG-related data from the associate company is also not included in this report.

At Mun Siong, sustainability is integral to how we conduct our business and deliver long-term value. As a provider of engineering construction, and integrated maintenance solutions across Asia and the United States of America ("USA"), we remain committed to embedding Environmental, Social and Governance ("ESG") considerations into our strategy, operations and decision-making processes.

The Board recognises that responsible business practices are essential to strengthening the Group's operational resilience and supporting sustainable industry development. The Board oversees the Group's sustainability strategy and determines the material ESG factors relevant to our business, ensuring that these priorities are integrated into our risk management framework, operational practices and long-term planning.

To enhance governance and oversight, the Board has established the Board Sustainability Committee ("BSC"), chaired by our Executive Chairlady and comprising Non-Executive Director, the Chief Executive Officer ("CEO") and members of the Executive Committee. The BSC provides strategic guidance on the Group's sustainability initiatives and is responsible for identifying, assessing and monitoring key ESG risks and opportunities, as well as overseeing the Group's ESG and climate-related disclosures.

In FY2025, the Group continued to strengthen its sustainability governance and reporting practices. We have commenced preparations towards the phased adoption of the International Sustainability Standards Board ("ISSB") IFRS S1 and S2 sustainability disclosure standards, with the aim of enhancing the transparency, consistency and comparability of our sustainability reporting. Through this process, we are strengthening our approach to managing climate-related risks and opportunities while ensuring alignment with evolving global reporting expectations.

As an engineering and maintenance solutions provider operating in complex industrial environments, the Group recognises that sustainability is closely linked to operational safety, workforce capability and responsible project execution. Ensuring a safe working environment for our employees and contractors remains a fundamental priority. The Group continues to strengthen its workplace safety practices, enhance training and competency development, and promote a strong safety culture across all project sites.

Board Statement

At the same time, we invest in workforce capability building and operational improvements to ensure that our teams are equipped with the skills, knowledge and discipline required to deliver high-quality engineering services in a safe, efficient and responsible manner.

The Board remains committed to advancing sustainable business practices and maintaining strong governance standards. By continuously strengthening our sustainability framework, we aim to create long-term value for our stakeholders while contributing positively to the industries and communities in which we operate.

We extend our sincere gratitude to all stakeholders for your unwavering support and confidence in our mission and values. Your trust has been instrumental to our success, and we look forward to continuing our sustainability journey together in the years ahead.

Sincerely,

The Board of Directors

Mun Siong Engineering Limited



ABOUT THIS REPORT

Reporting Period and Scope

This is Mun Siong’s annual Sustainability Report (“**SR**”), highlighting our ongoing commitment towards sustainability and climate action. The report covers ESG initiatives and performance in Singapore, Malaysia, Taiwan, and the USA for the period from 1 January to 31 December 2025 (“**FY2025**”). There have been no major changes in business operations, supply chain, or key relationships for the period under review. All figures refer to our Group portfolio and employees in these regions and are rounded to 1 decimal place, unless otherwise noted. The tables below show the entities included in the report’s scope.

Country	Company name
Singapore	Mun Siong Engineering Limited (“ MSE ”)
Malaysia	Pegasus Advance Engineering Sdn Bhd (“ PAE ”)
USA	Pegasus Industrial Midwest LLC (“ PIM ”)
Taiwan	Pegasus Advance Industrial Company Ltd (“ PAI ”)

The above companies contribute significantly to the Group’s profitability and total assets. This is also in line with the ISSB disclosure requirements of disclosing emissions for significant companies within the Group.

Other entities within the Group and our associate entity – HIMS Integrated Services Sdn Bhd (“**HIMS**”) are not included as the former are mostly investment holding companies and the latter do not contribute significantly to the Group’s profitability and total assets. However, should HIMS become a significant contributor, we will include them in the reporting scope.

Reporting Framework

This report has been prepared with reference to Global Reporting Initiatives (“**GRI**”) and is aligned with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) sustainability reporting requirements (Rules 711A and 711B and Practice Note 7.6). The Group has selected GRI Standards for reporting as it gives the stakeholders a balanced, comparable, and meaningful disclosure information on the Group’s sustainability performance.

Mun Siong is also reporting its Scope 1 and 2 emissions in line with International Financial Reporting Standards ("IFRS") Climate-related Disclosures issued by the International Sustainability Standards Board ("ISSB disclosures") in the FY2025 report to meet SGX-ST reporting requirements. We are gradually aligning our previously adopted TCFD disclosures with the ISSB disclosures. We aim to achieve full compliance by FY2030 in accordance with SGX ST Listing Rules.

We did not engage any external assurance for this year report. Our Internal Auditor, CLA Global TS Risk Advisory Pte Ltd performed an internal review in 2025. The Internal Auditor reports to the Chairman of the Audit Committee. No significant internal review findings were raised by the Internal Auditor.

Data Assurance on Scope 1 and Scope 2

In line with the SGX-ST Listing Rules, the Group will engage an independent external party to provide assurance on our Scope 1 and Scope 2 greenhouse gas ("GHG") emissions by FY2029.

Feedback

Stakeholder feedback plays a critical role in the continuous improvement of the Group's sustainability initiatives and reporting practices. Any enquiries or comments should be directed to information@mun-siong.com.

In line with the Group's sustainability strategy and initiatives, printed versions of this report will not be distributed. Shareholders may access the report via the SGX website at www.sgx.com/securities/company-announcements as well as through Mun Siong's official website at www.mun-siong.com. For comprehensive information regarding the Group's business activities and financial results, it is recommended to review this Sustainability Report in conjunction with Mun Siong's Annual Report 2025.

ABOUT MUN SIONG ENGINEERING LIMITED

Corporate Profile

Mun Siong Group is guided by a capable Board that takes collective responsibility for the long-term success of the Company. The Group delivers mechanical, electrical, and instrumentation services for clients in the oil & gas, petrochemical, energy, chemical, and power generation sectors. Our offerings include engineering, procurement, fabrication, construction, and maintenance for process plants, as well as specialised and niche solutions.

Founded in Singapore in 1969, Mun Siong Group is a trusted provider of integrated mechanical services and plant maintenance, serving Asia and the USA. We emphasise safety, efficiency, quality, and environmental responsibility.

In addition to our core service areas, Mun Siong Group is recognised for its innovative approach and dedication to client satisfaction. The company serves a diverse range of industry-leading clients, reflecting its powerful reputation across various markets, including.

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Engineering Design | <input checked="" type="checkbox"/> Plant Construction | <input checked="" type="checkbox"/> Ultrasonic Cleaning |
| <input checked="" type="checkbox"/> Industrial Fabrication | <input checked="" type="checkbox"/> Maintenance & Turnaround | <input checked="" type="checkbox"/> Specialised Services |
| <input checked="" type="checkbox"/> Electrical & Instrumentation | | |

Our Philosophy

Since our founding, we have focused on providing safe, timely, and competitive solutions. Credibility is central to our business, and we strive to adapt to meet client needs and deliver quality in any situation.

Our Vision

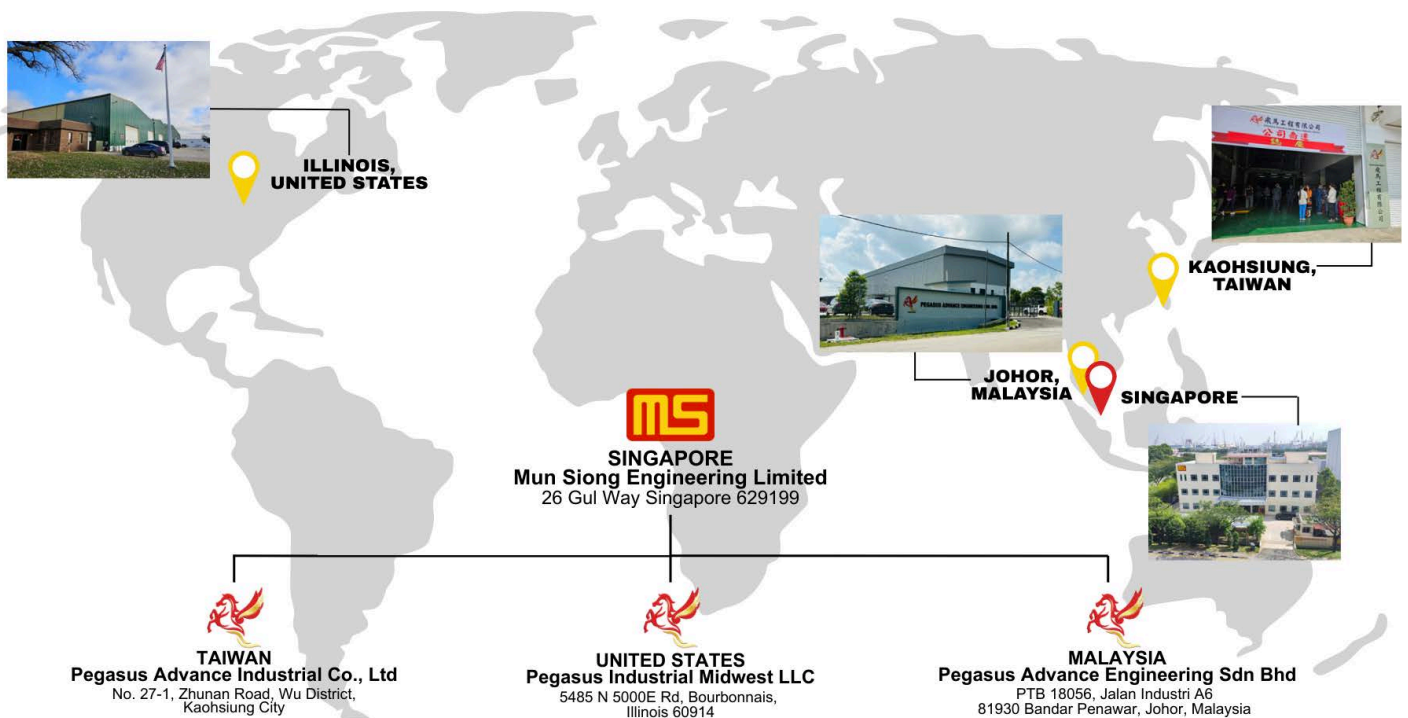
We will become the preferred and most trusted turnkey solution provider to customers, colleagues, investors, business partners, and the communities where we work and live.

Our Mission

We dedicate ourselves to be the preferred service provider that thrives on cutting edge Technology, Safety, Quality and Competitive Solutions to achieve customer satisfaction.

Our Business

Mun Siong Engineering was founded on April 30, 1969, and is headquartered in Singapore, with its principal office located at 26 Gul Way, Singapore 629199. In addition to our Singapore operations, we also have workshop facilities in Illinois (USA), Kaohsiung (Taiwan), and Johor (Malaysia). The Group structure can be found in Annual Report page 4.



MEMBERSHIP OF ASSOCIATIONS

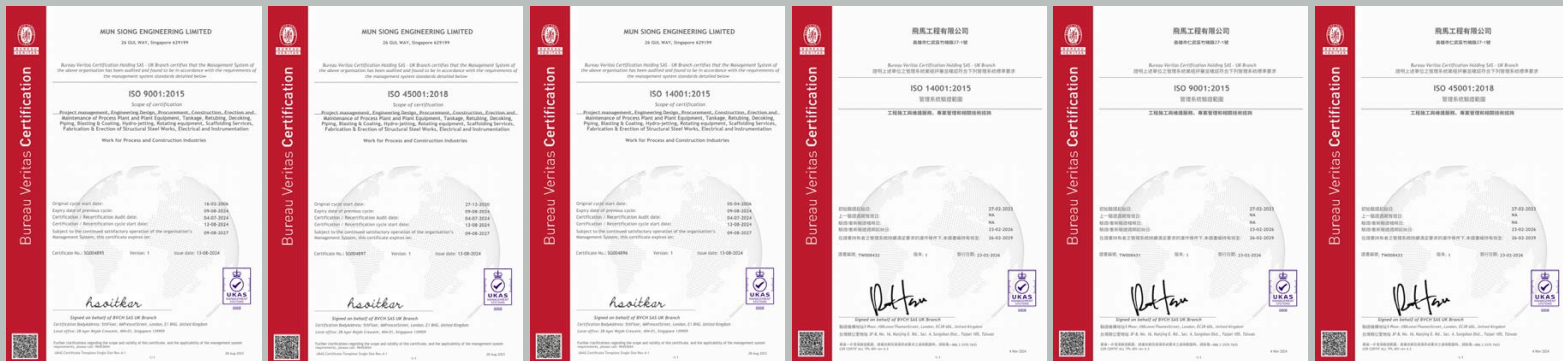
Mun Siong is a registered contractor with the Building and Construction Authority ("**BCA**") for Mechanical Engineering and Specialist Builder (Structural Steelwork) and is licensed under the Energy Market Authority ("**EMA**") for Electrical Installation.

We are corporate members of key associations such as the Association of Process Industry ("**ASPRI**") and the Singapore Electrical Contractors and Licensed Electrical Workers Association ("**SECA**"), and hold certifications including ISO 14001:2015, ISO 45001:2018, ISO 9001:2015, BizSAFE Level Star, ASME, and LowCarbonSG. These credentials highlight our commitment to industry standards in environmental management, safety, quality, and sustainability. As members of ASPRI and the Singapore Business Federation ("**SBF**"), we remain active contributors to both industry and the wider business community.

Associations



Accreditations



Product Principals & Partners

We also work with the following Product Principals and Partners:



SUPPLY CHAIN MANAGEMENT

Mun Siong takes a proactive and integrated approach to managing material ESG risks by implementing comprehensive policies and procedures across the group that guide every aspect of the supply chain management, commencing from initial vendor selection to conducting regular evaluation on vendors. Our suppliers are integral to our long-term success, especially in today's volatile geopolitical and economic landscape, it is vital to maintain a stable and sustainable supply chain. Our suppliers and contractors are carefully selected based on their past track records, reliability, price, delivery, safety and quality of work performed.

Our Company and Group are firmly committed to upholding a responsible and sustainable supply chain, ensuring that each procurement decision is guided by our strong ethical values and sustainability principles. This dedication helps us minimise potential disruptions and consistently deliver high-quality, dependable services to our clients and partners.

We have enhanced our Supplier Code of Conduct to include comprehensive ESG criteria, encompassing ethical business practices, social responsibility - such as labour rights, equality, health and safety - anti-bribery, anti-corruption, and environmental sustainability. These additions further strengthen our supplier evaluation processes and reinforce our dedication to responsible business practices throughout our supply chain.

Our enhanced Supplier Code of Conduct applies to all suppliers, including their subsidiaries, and associates, setting forth our requirements for ethical conduct, adherence to statutory health, safety, and environmental standards. Compliance with this Code, which is included in our Purchase Orders, is mandatory if they want to conduct business with Mun Siong Group. In FY2025, all our new and existing suppliers formally agreed to these provisions by acknowledging the 'Standard PO Terms and Conditions' in our Purchase Orders to them.

When selecting suppliers, we placed strong emphasis on proven performance history, competitive pricing, reliable delivery, and a strong dedication to safety and quality. Suppliers meeting our rigorous quality and service requirements are added to our Approved Vendor List ("**AVL**"). For regularly engaged suppliers, we also conduct ad-hoc site visits to ensure continued alignment with our objectives.

Major suppliers are reviewed annually to assess on their Safety, Health, and Environmental ("**SHE**") performance as well as the quality of products consumed and services rendered. If a supplier does not meet our standards, we will provide them an opportunity to perform corrective action; however, if the supplier fails to improve subsequently, it is ultimately removed from the AVL.

OUR SUSTAINABILITY GOVERNANCE

Effectively managing sustainability-related risks continues to be top priority for the Group with these risks outlined on page 17. Our governance structure integrates ESG considerations into Mun Siong's strategic direction and operations, involving the Board, senior management, and business unit heads. We take a proactive risk-based approach towards minimising potential environmental and social impacts.

Our Board members completed the mandatory SGX sustainability training course. To keep abreast of sustainability changes, the Board also receives updates from our Sustainability consultants or attend seminars organised by SGX-ST.



The Board Sustainability Committee ("**BSC**") oversees Mun Siong Group's sustainability governance, establishing clear structures for accountability and transparency in ESG matters. The BSC also oversees climate-related risks and opportunities, validates targets, supports assessments and investments, and monitors the Group's ESG and sustainability performance, including progress against strategic goals. The BSC supervises the development and execution of ESG policies to meet short-, medium-, and long-term objectives, relying on audits, consultant recommendations, and feedback. The Sustainability Reporting Executive Committee ("**SREC**"), chaired by a Senior Management representative, is formed to assist the BSC. It oversees the development and implementation of ESG policies and initiatives to meet short-, medium-, and long-term objectives, taking into account audit findings, consultant recommendations, and stakeholder feedback. The Committee reviews and seeks Board approval for the Annual Sustainability Report and manages the identification and assessment of material ESG factors.

The SREC reports to the BSC and ensures Mun Siong Group's sustainability is embedded into the Group's daily operations. It promptly addresses sustainability inquiries and aligns actions with ethical standards. It meets quarterly to discuss sustainability initiatives, implementation progress, and emerging ESG matters, and provides updates to the BSC to facilitate oversight and monitoring at the Board level.

The SREC oversees the process implementation and ensures disclosures align with GRI and ISSB standards. It addresses climate risks and opportunities by setting metrics, launching initiatives, and tracking performance. The committee also manages regulatory compliance, stakeholder engagement, and legal risks. Regular reviews of its terms, structure, and membership keep its work relevant amidst changing governance and legal requirements, supporting transparency and accountability in the Group's sustainability efforts.

The Sustainability Reporting Editorial Committee ("**SEC**") prepares, reviews, and publishes Mun Siong's annual Sustainability Report. The committee's terms, structure, and membership are regularly updated to meet changing governance and legal requirements.

STAKEHOLDER ENGAGEMENT

We recognise that sustainable growth depends on strong, positive stakeholder relationships. We regularly invite ESG topics feedback through formal and informal channels to better understand stakeholder views and concerns. The table below summarises our key stakeholder groups, their main concerns, and engagement platforms.

Stakeholders	Engagement Methods	Frequency of Engagement	Key Concerns	Organisation's response
Investors	<p>Engage with shareholders during Annual General Meetings to gather their feedback and insights.</p> <p>Disseminate important information to shareholders and investors through timely announcements on the SGX and Company's websites.</p> <p>Our corporate governance policies are listed in the Annual Report.</p>	<p>Via Annual General Meeting.</p> <p>Quarterly reporting.</p> <p>Material or sensitive information are announced immediately.</p>	<p>Long-term shareholder value</p> <p>Timely and transparent results announcement and annual reports</p> <p>Business growth</p> <p>Continuous improvement</p> <p>Good corporate governance</p>	<p>The Company adopts the highest corporate governance standards and practices. It is committed to disclose to its stakeholders, including its shareholders, as much relevant information as far as possible, in a fair, timely and transparent manner as well as to hear its shareholders' views and addressing their concerns.</p> <p>Please refer to our corporate governance policies in our Annual Report 2025.</p>
Employees	<p>Leadership team's and department meetings with our employees to obtain feedback and raise topics of concerns and areas for improvement.</p> <p>SHE and management meeting to address workplace health and safety, training, and. Employees mental health. To foster culture of diversity and inclusion.</p> <p>Communication with the direct workforce during in-house training and toolbox meeting on their physical and mental wellbeing.</p>	<p>Weekly</p> <p>Monthly</p> <p>Regularly</p>	<p>Group financial, health and safety performance.</p> <p>Open communication and feedback opportunities.</p> <p>Employee well-being.</p> <p>Equal opportunity, inclusion, and diversity.</p>	<p>Monthly Senior Management meeting</p> <p>Weekly/ Monthly departmental meetings</p> <p>Monthly SHE Committee meeting</p> <p>Monthly Management Meeting</p> <p>Daily Toolbox meetings</p> <p>Regularly in-house training</p>

Stakeholders	Engagement Methods	Frequency of Engagement	Key Concerns	Organisation's response
Government	<p>Attend seminars and workshop host by governments' agencies to keep up with the relevant regulatory requirements and compliance while respecting human rights in countries where we operate.</p> <p>Engage and meet with representatives and leaders of various government agencies to provide as well as to obtain information and insights on policies that may affect our business operations.</p> <p>We work with local agencies in where we operate our business, to support responsible safety, social and environmental policies.</p>	<p>Regular meetings with clients, interaction with government bodies to obtain updates on necessary requirements such as MOM, BCA, JTC, SCIC etc.</p>	<p>Compliance with all local governments' regulatory requirements.</p> <p>Compliance to Employment Act and labour relations.</p> <p>Compliance to local health guidance, advisories, and measures.</p>	<p>No legal non-compliance incidents for FY2025.</p>
Suppliers	<p>Communicate with suppliers to provide information on our safety, environmental and human rights practices.</p> <p>Communicate to suppliers on our expected code of conduct.</p> <p>Periodic review on suppliers' conducts on anti-corruption due diligence in countries we operate our businesses in.</p>	<p>Regularly</p>	<p>Prompt payment</p> <p>Good business relationship</p> <p>Fair business practices</p>	<p>Requested and received feedback from selected Suppliers on key areas such as communication and responses from the Group. Feedback involved clarity on requests, ease of contact, business relationship, payments etc.</p>
Customers	<p>Collaborate with our customers to identify potential transformation and improvement solutions to address sustainability issues.</p> <p>Cultivate our operation team to keep open dialogues with our customers, to better understand their needs.</p> <p>Setting guidance and support to our marketing teams in responding to customer questions</p>	<p>Regular meetings with client.</p> <p>Quarterly review meeting.</p>	<p>Service agreements</p> <p>Projects and Maintenance work quality</p> <p>Productivity performance</p> <p>Price</p> <p>Safety records</p>	<p>Maintenance contracts with clients.</p> <p>Regular interactions with clients on the ongoing and upcoming project/ Maintenance works</p> <p>Productivity improvement initiatives from senior management.</p> <p>Request and receive customer feedback for key areas such as Quality, SHE, Environmental commitments, productivity, resource conservation, and overall ESG performance etc.</p>



MATERIALITY ASSESSMENT

Mun Siong's Sustainability Committee, in collaboration with stakeholders, conducted an internal assessment of key material ESG issues related to climate change and business activities. Material topics for the FY2025 Sustainability Report were identified based on guidance from GRI's Oil & Gas Sector 2021, ensuring alignment with our core values: Safety, Quality, Customer Focus, Leadership, and Teamwork. The BSC and SREC employed a risk-based approach to determine the most pertinent ESG factors affecting our group of businesses. Potential topics were identified, reviewed at multiple organisational levels, and ultimately approved by the Board. This materiality assessment incorporated perspectives from the Board and Senior Management, as well as feedback from internal and external stakeholders. As a result, it was ascertained that the material topics identified in FY2024 continue to be relevant in FY2025, and no significant changes were noted. The steps taken to identify these material topics are detailed below:



Identify

ESG factors were shortlisted based on their relevance to MSE's business model, strategies, and operations.



Rate

Each of the identified ESG factors were evaluated based on its potential impact on the Group and the degree of stakeholder interest in the issue.



Prioritise

Management personnel sorted the topics on a materiality matrix based on their overall importance to our internal and external stakeholders.



Validate

ESG factors determined to be material to MSE's business and stakeholders were approved by the Board.

Progress on Targets

In this report, the Group has refined its definition of time horizons to ensure alignment and consistency between ESG and climate-related disclosures, and to provide a more appropriate timeframe for the implementation and assessment of short-term targets. Short-term targets have been extended from one year to two years, while medium-term and long-term targets are now defined as four years and five years from FY2025, respectively. The revision of time horizons from those applied in SR2024 reflects the Group's intention to allow sufficient time for effective implementation and measurement of targets, and to align short-term target setting with the climate-related short-term time horizon.

Material Topics	Future Targets			FY2025 Achievements
	Short-Term (Jan 2026 to Dec 2027)	Medium-Term (until Dec 2029)	Long-Term (until Dec 2030)	
GRI 205: Anti-corruption 2016	Zero case of corruption and fraud incidents across all operations.			Zero cases of corruption and fraud incident.
GRI 302: Energy 2016	Integrate the office air-conditioning systems with the iTouch Manager system, and to improve the natural lighting at HQ workshop, and to conduct a feasible study for Solar energy generation at subsidiaries	Provide dedicated light switches for each work area at HQ to avoid unnecessary lighting usage and to replace the existing air-conditioning units with energy-efficient air conditioners for the Project office at HQ	To monitor the short- and medium-term targets diligently and to enhance the efficient use of energy on a long-term basis by sustaining the effective use of the solar energy generated	No reported incidents of noncompliance, Improved detail of energy consumption disclosure.
GRI 303: Water and Effluents 2018	Monitor and conduct regular inspections of water lines and water sources, and continue the water recycling practices to ensure responsible use of water.	Conduct regular maintenance and inspections of water lines and water sources. To implement measuring mechanism of consumed water at all Mun Siong group of companies.	Explore and implement new technology or method for specific and applicable business operations.	No reported incidents of noncompliance, improved detail of water consumption disclosure.
GRI 305: Emissions 2016	Continue to maintain the energy saving lightings and to initiate planning and transition to newer heavy vehicles to improve efficiency in fuel consumption.	To plan & implement the use of electrically powered hydro-blasting pumps in the workshop to reduce the amount of emissions, and to gradually expand the transition to newer heavy vehicles.	To plan and transit to electric light goods vehicles in stages.	No reported incidents of noncompliance, improved detail of emissions disclosure.

Material Topics	Future Targets			FY2025 Achievements
	Short-Term (Jan 2026 to Dec 2027)	Medium-Term (until Dec 2026)	Long-Term (until Dec 2030)	
GRI 401: Employment 2016	Streamline the recruitment process and expand source of recruitment to shorten the process to not more than 2 months to identify a suitable candidate.	Focus on skill development to increase workforce capabilities.	Ensure the workforce is highly skilled and including digital transformation and technological advancements.	Revised employment practices seek to improve employee retention and satisfaction.
GRI 403: Occupational Health and Safety 2018	Promoting the awareness on Total WSH including mental health and well-being to the workforce.	Achieve zero high-consequence work-related incident through to FY2029 while promoting physical and mental well-being of the workforce across all workplaces.	Consistently sustain zero high-consequence work-related incident through to FY2030.	No fatalities or high-consequence work-related injuries, with only three recordable work-related injuries. Company achieved a Total Recordable Incident Rate (TRIR) of 0.25.
GRI 404: Training and Education 2016	To train all (100%) of the Singapore direct work force to be in compliance with the Ministry of Manpower's Enhanced R1 training framework requirements.	To organise in-house workshop to equip the middle management with communication as well as client management capabilities.	Focused on building a highly skilled, agile workforce that supports business growth, market expansion, and innovation through continuous learning and capability development.	Maintained average hours per employee compared to Y2024 average training hours.
GRI 405: Diversity and Equal Opportunity 2016	Define HR processes and set SMART goals/KPIs to ensure all capable employees have equal career advancement opportunities.	Formalise and implement clear indicators to evaluate and improve employee health and well-being.	To establish a clear career path and mentorship, facilitating equal advancement opportunities. Additionally, encourage high-potential employees to demonstrate their full abilities, supporting the group's business transformation and improvement.	No incidents of discrimination or human rights violations, unlawful practices were reported.

CLIMATE RELATED DISCLOSURES

This report marks the inaugural year of the Group's phased implementation of the ISSB sustainability disclosure standards, with full implementation targeted by FY2030 in line with SGX regulatory requirements. In prior reporting periods, the Group adopted the Task Force on Climate-related Financial Disclosures ("TCFD") framework; this has now been superseded by the ISSB standards, which serve as the global baseline for climate-related disclosures.

Governance

Board's oversight of climate-related risks and opportunities

The Board of Mun Siong Group, assisted by the various committees such as BSC and SREC, holds ultimate responsibility for overseeing the Group's sustainability and climate change strategy. This oversight extends to climate-related risks, opportunities, and initiatives, which are crucial in shaping our climate mitigation and adaptation strategies. The Board's purview includes reviewing the outcomes of climate change, scenario analysis and supply chain risk management, ensuring that the Group remains resilient in the face of evolving climate challenges.

The BSC briefs the Board twice a year on any emerging or ongoing climate-related issues. This process ensures that climate-related matters are considered as an integral part of the Board's broader oversight of strategic direction, risk management, and overall organisational performance.

Any significant investments, defined as those exceeding 10% of shareholder funds, or matters subject to regulatory conditions are escalated to the Board for review and approval. Furthermore, at each Board meeting, the Directors are provided with necessary briefings from the Operations team. The Board also plays a leading role in approving the annual budget and all capital expenditure pertaining to sustainability and climate actions, providing another important channel for integrating climate-related considerations into financial planning and resource allocation. In FY2025, there was no significant investments that exceeded 10% of shareholder funds that required Board's approval.

When management puts forward climate related proposals, the Board is presented with an assessment of the relevant risks and opportunities, including alternative options, key implications, and management's recommendations, to support informed decision-making. The Board will deliberate and balance various factors that will affect the Group's financial performance and sustainability goals to avoid direct trade-offs before reaching a collective decision. This approach is consistent with Board's approach to applying to major decisions involving capital expenditures, acquisitions, or divestitures.

The SREC, reporting to BSC, is tasked with setting climate-related performance objectives and presenting these targets to the Board. Regular briefings from the SREC enable the Board to monitor the implementation of these objectives and assess progress against established targets. The Committee also provides guidance to the Board on the selection of climate-related targets and the mechanisms used to track them.

Oversight of climate-related goals and targets by the Board is maintained through these structured briefings and through the careful review of recommendations submitted by management and the SREC. At present, climate-related performance metrics are not incorporated into the Management's remuneration.

The BSC plays a further strategic role, offering direction and oversight of the Group's climate governance framework. This ensures that all climate-related efforts are closely aligned with the Group's broader business objectives and long-term vision. For more detailed information, please refer to the "Sustainability Governance" section of this report.

Management's role in assessing and managing climate-related risks and opportunities

The SREC is responsible for overseeing the implementation of the sustainability and climate plan, ensuring that members possess the appropriate expertise and that sufficient resources are allocated through structured work plans. The Committee also prepares the organisation's sustainability statements and maintains a strong governance framework with defined controls and processes for managing climate-related issues. External consultants may also be engaged when specialised technical guidance is required. The SREC also provides at least bi-annual updates on the Group's ESG performance, climate initiatives, and progress toward established targets. These updates ensure the Board remains well-informed and able to guide the organisation's sustainability direction.

Management team is kept informed by the SREC Chairman who is also part of the Executive Committee. This ensures that climate-related considerations are integrated into management decision-making and embedded across organisational strategies, including areas such as sustainable sourcing and employee involvement in ESG initiatives.

To support its oversight responsibilities, the Group maintains a climate register that is reviewed regularly by SREC and further approved by BSC with corrective actions taken in response to climate-related events. Identified climate risks are incorporated into existing organisational processes through the SR Enterprise Risk Management ("ERM") register, helping to align climate-related risk management with the broader internal control environment.

Consistency across departments is reinforced through periodic ERM reviews initiated and managed by the Service Excellence team, which is also led by the SREC Chairman, and reviewed by relevant process owners, including Heads of Department and the Chief Financial Officer. In addition, both the Board and Management receive updates from SR consultants, internal auditors, SGX briefings, and relevant seminars, ensuring continued awareness of evolving climate-related expectations and best practices.

Strategy

Climate-related matters are addressed during operational meetings to assess underlying assumptions, objectives, and prioritisation. Recognising the importance of targeted climate initiatives, these considerations are integrated into our annual budgeting and quarterly forecasting processes, with evaluations of financial implications for capital expenditure, cash flow, and potential debt financing. Our ESG time horizons are consistent with our financial planning frameworks: short-term (January 2026 to December 2027), medium-term (until December 2029), and long-term (until December 2030).

Mun Siong has yet to formally incorporate climate-related factors into our financial planning; however, we intend to progressively integrate such considerations over time in alignment with ISSB requirements. In this context, the organisation utilises industry-based disclosure topics outlined in the IFRS S2 Industry-based Guidance to identify climate-related risks and opportunities that may reasonably be expected to impact future organisational performance. Ongoing work aims to establish the relevance of this guidance for Volume 33, thereby supporting further integration of climate considerations into financial planning across defined timeframes as the assessment framework evolves.

Over the long term, our strategy includes a phased transition of our vehicle fleet to cleaner energy models.

The SREC is currently evaluating our value chain to identify opportunities to reduce GHG emissions. Key initiatives under evaluation include:

- Implementing energy-efficient practices
- Exploring the feasibility of installing solar panels to utilise renewable energy at applicable subsidiaries, and leverage Renewable Energy Certificates (“RECs”) generated
- Expanding sustainable practices across the Group
- Exploring new technologies for efficient natural resource usage
- Implementing responsible operational practices with regular monitoring

These initiatives reflect the Group’s ongoing commitment to sustainability and climate action and are aligned with the objectives of the Singapore Green Plan 2030. In this regard, MSE participates in the LowCarbonSG programme, organised by CPLC Singapore and GCNS, with the support of the National Environment Agency (“NEA”) and Enterprise Singapore.

Climate-related Risks and Opportunities

Climate-related risks

Type of Risk	Name of Risk	Scope of Risk (by Sector or Geographical) and Timeframe	Description of Risk	Potential Impact	Risk Mitigation and Management
Physical - Acute	Increased severity of extreme weather events, such as cyclones, snowstorm, hurricanes, or floods.	By geography, short-medium-long term.	Climate change is leading to more frequent and intense extreme weather events, including heatwaves, droughts, floods, storms, snowstorms, and wildfires. These changes disrupt normal weather patterns, making them less predictable and increasing the likelihood of significant deviations from historical norms.	<p>Operational Disruptions: Extreme weather can prevent customers from sending/receiving equipment.</p> <p>Reduced Productivity: Extreme heat forces work stoppages for safety, reducing worker productivity.</p> <p>Employee Absenteeism: Snowstorms and floods can cause employee absences due to unsafe commutes.</p>	To address these challenges, the company may be required to invest in additional equipment to ensure the safe clearance of snow and the continued movement of goods.
Physical - Chronic	Changes in precipitation patterns and extreme variability in weather patterns, Rising sea levels.	By geography, medium to long term.	This translates to greater variability and unpredictability in day-to-day weather, as well as an increased risk of prolonged or unusual conditions.	<p>Increased Operating Costs: Supply chain disruptions lead to raw material delays, shortages, and price increases. Logistics costs may rise due to vehicle demand/shortages and unsafe road conditions.</p> <p>Service Provision Issues: Thunderstorms and flooding prevent reaching client locations and providing services.</p>	The Group may need to invest in more climate-resilient infrastructure to better endure future extreme weather events. This could also lead to the write-off or early retirement of existing assets, such as property and equipment located in high-risk areas.

Type of Risk	Name of Risk	Scope of Risk (by Sector or Geographical) and Timeframe	Description of Risk	Potential Impact	Risk Mitigation and Management
Physical - Chronic	Rising mean temperatures.	By geography, medium to long term.		<p>Safety Concerns: Lightning during thunderstorms makes outdoor work unsafe.</p> <p>Project Delays: Severe flooding hinders delivery and collection of goods, delaying project work.</p> <p>Power Usage Restrictions: Increased power demand during extreme cold and heat waves may lead to government-imposed restrictions, preventing machine operation.</p>	The group may explore the need to equip employees with cooling vest and cooling devices that will become part of their PPEs to keep them cool during hot working environment, modify working hours, schedule break to allow workers to stay hydrated.
Transition - Policy and Legal	Mandates on and regulation of existing products and services.	By sector, medium to long term.	Mandates and regulations on existing products and services increase costs, potentially leading to product obsolescence, reduced market share, and legal/reputational damage.	The company may incur asset impairments and early retirement of existing assets as a result of policy changes. Additionally, there may be a need to upskill our workforce and invest in capital expenditures for equipment that aligns with environmental standards.	The Group is adopting eco-friendly methods in delivering our services.

Type of Risk	Name of Risk	Scope of Risk (by Sector or Geographical) and Timeframe	Description of Risk	Potential Impact	Risk Mitigation and Management
Transition - Technology	Substitution of existing products and services with lower emissions options.	By sector, medium to long term.	There may be a need to phase out certain existing assets in the transition to a lower emission option to enhance resource efficiency.	The Group may need to invest in costly capital investments.	The Group will conduct business risk assessment to identify the risk and ascertain the emission impact. The Group will consider taking up applicable government grant if available. New technology must align with company business goals. Group will conduct thorough evaluation of the technology potential, ROI and analyse market competition.
	Costs to transition to lower emissions technology.	By sector, medium to long term.		Customers might reduce demand for certain services if these services do not meet their emission targets.	Reducing the risk of costs associated with transitioning to lower emissions technologies, Group will take phased implementation approach and will consider taking up applicable government grant if available.
Transition - Market	Changing customer behaviour.	By sector, medium to long term.	Changes in customer needs, such as the decision to decommission high emission plants or shifts in demand for their products.	This could lead to a reduction in the demand for our services or limit the areas we can service, ultimately resulting in a decline in revenue.	We will constantly engage and collaborate with our customers to understand their business needs and their intention to shift to a more sustainable initiative.
	Uncertainty in market signals Increased cost of raw materials.	By sector, medium to long term.	Sudden and unforeseen fluctuations in energy costs or increases in material prices required for adopting low-emission products may pose challenges.	We may be unable to pass these cost increases onto our customers due to fixed contract rates that are locked in for a minimum of three years.	As long as reasonably practical, we may sign long term fixed rate contracts with energy provider to minimise price fluctuation. We will actively source for suppliers to increase our pool of suppliers to ensure we will get a competitive price.

Climate-related opportunities

Type of Opportunity	Name	Scope of opportunity (by Sector or Geographical) and Timeframe	Potential Impact	Management Approach
Energy Resource	Use of lower emission sources of energy, participation in carbon market.	By sector, short to medium term.	Potential utilities savings or additional revenue stream from installation of solar panels.	We will study the feasibility, availability and cost effectiveness of various lower emission sources beside solar energy, such as biofuel and electricity from low-carbon grid sources.

Resilience of the organisation's strategy taking into consideration different climate-related scenarios

Mun Siong is committed to climate resilience by setting environmental protection targets and aligning climate strategies with global benchmarks and industry best practices. Climate targets are regularly reviewed and adjusted to mitigate risks effectively. Key initiatives include:

- Adoption of energy-efficient technologies and fostering a culture of energy conservation to reduce greenhouse gas emissions.

The Group has incorporated climate-related scenario analysis into its risk management processes to strengthen climate adaptability and ensure resilient, competitive operations. Insights from the analysis will inform future strategic planning and investment decisions and support long-term value creation and reinforcing the organisation's sustainability objectives. Our scenario analysis references climate-related scenarios that are aligned with the Paris Agreement, which aims to limit global warming to well below 2°C, preferably to 1.5°C compared to pre-industrial levels. We have selected:

- 1.5°C scenario, which assumes significant reductions in GHG emissions, helps us understand the benefits and opportunities associated with climate action including risks and enhanced operational efficiencies
- 3°C scenario, which reflects insufficient global efforts to reduce emissions, leading to more severe climate impacts. This scenario helps prepare for high-risk situations such as extreme weather, regulatory challenges, and operational disruptions, enabling the development of mitigation strategies to ensure business continuity.

MSE's climate-related scenario analysis is grounded in reasonable and supportable information, guided by scenarios that draw on scientifically validated Intergovernmental Panel on Climate Change ("**IPCC**") data and widely recognised assumptions related to climate policy, technology development, and physical climate outcomes. A proportionate approach was adopted by using publicly available scenarios, ensuring analytical robustness while remaining practical given resource and data constraints. The organisation applied a deterministic method, using fixed assumptions to assess resilience across different plausible futures without assigning probabilities.

Key parameters included policy and regulatory developments, energy transition pathways, technological shifts, and the timing of climate impacts. The scenario analysis conducted in FY2024 was based on the organisation's current energy profile then, which comprises both electricity from the public grid and renewable energy generated from solar panel installations. The analysis also considered relevant technological developments that could influence future resilience and operations, including enhancements to drainage systems, infrastructure upgrades, adoption of automated equipment, mechanised tools, and increased use of solar energy.

The robustness of the analysis is further strengthened through internal review for relevance and consistency, and by comparing insights across multiple scenarios to identify sensitivities. External consultants were also engaged to supplement internal capabilities, providing expert guidance and supporting the development of a comprehensive and credible scenario analysis.



The tables as shown on the next page detail the results of our scenario analysis for our climate-related risks and opportunities, including short-term and long-term implications of these scenarios:

Climate-related risks

Type of Risk	Name of Risk	Risk Management and Mitigation	
		1.5°C	3.0°C
Physical - Acute	Increased severity of extreme weather events, such as cyclones, snowstorm, hurricanes, or flood.	Our Malaysia yard has installed a drainage system to handle existing flood situation. Develop and regularly review measures against wind and flood. Invest in equipment to combat disasters, such as water pumps to address extreme weather calamities. Add extreme weather clauses to contracts.	We may need to expand our Malaysia yard existing drainage system if water level continues to rise due to continuous rain fall. Account for higher insurance premiums. Anticipate frequent disruptions in material or finished products within the supply chain. Build (upgrade) existing facilities to withstand extreme weather events.
Physical - Chronic	Changes in precipitation patterns and extreme variability in weather patterns. Rising sea levels.	Collaborate with customers to schedule work around weather risks like rain, snowstorms, or hurricanes. Continuously improve processes to enhance health and safety, boosting worker conditions and productivity. Explore alternative materials for Personal Protective Equipment (PPE) that can withstand extreme temperatures without compromising fire resistance. Implement regular rest periods to reduce heat stroke risks.	Invest in more automated equipment to maintain productivity levels in high or low temperature environments.
	Rising mean temperatures.		
Transition - Policy and Legal	Mandates on and regulation of existing products and services.	Stay updated with the latest laws and regulations, and refine measures to meet current legal requirements.	Gradually invest in property, plant, and equipment to meet legal standards. Comply with government and regulatory requirements to address climate change. Prepare for new taxes and payments due to updated energy standards and environmental regulations. Take proactive measures to avoid violations and higher fines by continuously monitoring and updating compliance protocols.
Transition - technology	Substitution of existing products and services with lower emissions options.	We will invest in worker training, automated tools, and staying updated on new technologies for environmentally sustainable services. Upgrading our workers' skills is essential as newer plants adopt different processes from fossil oil refineries. We may also need to invest in machines that withstand extreme weather conditions	
	Costs to transition to lower emissions technology.		
Transition - markets	Changing customer behaviour.	We will improve our supply chain with efficient processes and customer-approved rates. Suppliers may be encouraged to adopt sustainable practices.	We will invest in worker training, automated tools, and new technologies to enhance our services. As newer plants use different processes, we need to upgrade our workers' skills. To maintain our pricing premium, we must brand ourselves as a preferred provider that promotes sustainable practices.
	Uncertainty in market signals.		

Risk Management

Processes for identifying and assessing climate-related risks

Climate-related risks and opportunities are identified and assessed based on their potential financial impact and are managed through the Group's ERM framework. The SREC oversees the identification, evaluation, and management of these risks across the organisation. To support this process, the Group maintains a dedicated climate risk register aligned with the IFRS Sustainability Disclosure Standards issued by the ISSB, which supersede the former TCFD framework. The register is reviewed annually as part of the ERM cycle, and material financial impacts are escalated to Management and, where appropriate, further deliberated by the Audit Committee ("AC") and the Board of Directors. Climate-related risks are considered alongside enterprise-wide risks to ensure their relative significance is evaluated within the Group's overall risk profile.

Scenario analysis has been incorporated into the risk management process to strengthen climate adaptability and enhance long-term operational resilience. Insights derived from this analysis inform strategic planning and investment decisions, supporting sustained competitiveness and long-term value creation for stakeholders.

Given the inherent complexity in quantifying climate-related risks, the Group currently adopts a qualitative assessment approach informed by the annual ERM review. Taking guidance from SGX recommendations, the Group intends to progressively develop quantitative targets, while moving toward full alignment with the ISSB Standards by FY2030. This phased approach reflects the Group's commitment to strengthening transparency, governance, and resilience in its sustainability strategy.

Processes for managing climate-related risks

Climate-related scenario analysis forms an important part of the Group's approach to identifying potential climate-related opportunities. The scenario analysis provides insights that assist the Board in assessing the potential benefits of pursuing certain opportunities, and the Group intends to undertake feasibility studies to evaluate the commercial and operational viability of such opportunities. Decisions on whether to mitigate, transfer, accept, or manage climate-related risks are guided by the climate risk register, which provides a structured basis for assessing the nature and severity of each risk.

The Group recognises that climate risks can directly influence business continuity and operational performance. Beyond climate-specific risks, we also proactively manage safety and operational risks associated with energy, water, and raw material supply. This is supported by robust internal safety protocols, ongoing training programmes, and awareness initiatives that reinforce a strong safety culture across our workforce. To further strengthen our risk management capabilities, we align our practices with globally recognised ISO management system standards, which provide a comprehensive and systematic approach to managing both climate-related and operational risks.

Oversight of risk management rests with the Board of Directors, through the Audit Committee. Together, they are responsible for ensuring that the Group maintains effective systems to mitigate key financial, operational, compliance, and information technology risks. These systems are reinforced through rigorous internal controls that undergo independent audits and periodic reviews to ensure their effectiveness and resilience.

The SREC plays a key role in assessing climate-related and other sustainability risks, evaluating their materiality and potential impact on the Group, its operations, and its employees. The Committee also identifies and recommends mitigation strategies to reduce risks, including those that may fall outside the Group's direct control.

Sustainability considerations are embedded throughout the organisation, reflecting a strong ESG culture. Employees at all levels are expected to contribute to the Group's ESG objectives, and existing policies and procedures indirectly support the management of several climate-related risks by reinforcing responsible conduct and operational discipline across functions.

How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Climate risk is incorporated within our ERM framework, alongside legal, operational, strategic, financial, and compliance risks. In accordance with SGX guidelines, we are currently transitioning our disclosure practices to align with the ISSB's Standards. Climate-related risks are systematically addressed through our ESG control framework, which undergoes regular internal audits. At present, these climate risk management processes have not been subject to external third-party assurance.

Metrics and Targets

Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The Group monitors energy usage and emissions to identify climate-related risks and support targeted management actions. Currently, emissions reporting focuses on Scope 1 and Scope 2 emissions within the Group's direct value chain, while capabilities for Scope 3 emissions reporting are under development. Performance is tracked through emissions intensity, as well as electricity and water usage. To enable accurate measurement, electricity and fuel consumption data are collected, and CO₂e emissions are calculated based on relevant information. Emissions intensity is determined by dividing total energy consumption and emissions by the Group's annual revenue. Data from the past three years are analysed to identify trends and establish benchmarks, ensuring that future targets are closely aligned with the Group's overall performance.

The Group does not apply a carbon price in decision-making and has not established an internal carbon price. The time horizons over which climate-related risks and opportunities are expected to occur are recorded in the climate register, along with their potential impacts across the business model and value chain.

At present, the Group tracks water, energy, and waste management as part of ongoing operational monitoring. GHG emissions are calculated in accordance with the Greenhouse Gas Protocol:

A Corporate Accounting and Reporting Standard (2015), with further disclosure planned in future Sustainability Reports. In alignment with the ISSB Standards' Industry-based disclosures, industry-specific metrics applicable to the Group's business model are referenced from Volume B33 - Engineering & Construction Services. These metrics also form part of scenario planning, which will continue to be refined and enhanced in the Group's sustainability roadmaps.

Emissions and Targets

Please refer to the Emissions section in the report on page 29 for emissions data and Progress on Targets section on page 12 for details on targets set by the Group.

The Group has established climate-related targets that focus on water, energy, and emissions management. These targets are currently qualitative and structured across short-, medium-, and long-term time frames beginning in FY2025, with FY2024 as the base year for measuring future progress. These plans support the broader commitments under GRI 302 and 305. Over the next five years, the Group will track progress using intensity-based indicators while continuing to refine its approach.

The Group is developing a formal progress status report for these targets. Annual reviews will be conducted based on the Group's financial year performance. As these targets were first introduced in the FY2024 Sustainability Report, a formal review framework for FY2025 is still being established. During the year, short-term targets were updated following the completion of the previous one-year target period ending 31 December 2025, with a new short-term horizon established for January 2026 to December 2027. Medium- and long-term targets remain unchanged and continue to align with the Group's previously disclosed transition trajectory, and they have not undergone third-party validation. The Group has not adopted science-based targets and has no immediate plans to do so. While the Group has made qualitative commitments related to GHG emissions under GRI 305, it does not currently rely on carbon credits, nor has it identified verification schemes or offset methodologies at this stage.

These targets support regulatory and market expectations, and the Group's energy-efficiency measures, including solar panel installations and the acquisition of Renewable Energy Certificates, are aligned with national and global climate efforts. The targets apply across the Group, and no interim targets have been set for FY2025.

The metrics used to monitor progress include sustainable awareness, regular maintenance, responsible usage, and efficient resource utilisation. Quantitative indicators such as revenue, consumption, emissions, intensity, and man-hours will also be used where relevant to ensure responsible implementation and transparent reporting.

Please refer to the targets section on page 12 for more information.

Industry-Based Disclosures

Engineering and Construction Services

The Group consistently prioritises environmental compliance and rigorous risk management throughout its operations and project activities. As of 31 December 2025, the organisation has maintained a flawless record, with zero instances of environmental non-compliance. This includes the absence of any violations relating to permits, standards, or regulations governing waste management, air quality and emissions, water discharges and withdrawals, effluent limits, wastewater pretreatment, oil or hazardous substance spills, land use, and impacts on endangered species. This exemplary record applies to all incidents regulated by national, state, and local laws, operating under the Group's oversight, irrespective of enforcement actions or the nature of any discharge.

Adherence to all applicable environmental regulations and permit requirements is ensured through a framework of established policies, management procedures, employee training, quality control, and internal reporting mechanisms. The Group regularly reviews legal registers to confirm compliance with project-specific regulations and considers international codes and standards where relevant.

Project-Specific Environmental Risk Assessment

Environmental risks are systematically evaluated for each project following award. This comprehensive assessment incorporates considerations such as ecological impacts, biodiversity, emissions, water discharges, stormwater management, waste generation, natural resource usage, and hazardous chemical application. To identify and manage these risks, the Group undertakes due diligence measures including environmental impact assessments and stakeholder engagement. Project-specific operational controls are formulated based on the identified risks, and relevant Management Procedures are updated accordingly.

While no projects have required heightened environmental or social due diligence to date, the Group continues to assess variations in policies and practices across regions, project types, and business segments to ensure alignment with local regulations and operational realities. Systems for recording project rejects and defects are in place, capturing associated data, but the development of processes for tracking rework costs and related monetary losses is ongoing. To date, there have been no corrective actions resulting from legal proceedings.

Energy and Water Efficiency in Project Planning

At present, formal processes for integrating operational-phase energy and water efficiency considerations into project planning and design have not yet been established. These would include risk evaluation, solution implementation, application of relevant codes and guidelines, and leveraging energy and water efficiency as competitive advantages in project bids and proposals. The Group has outlined plans to develop these processes, ensuring that energy and water efficiency are systematically embedded in all phases of project planning, design, and operations.

Overall, the Group's approach to environmental management involves a combination of strict compliance, proactive risk assessment, operational controls, and adherence to international sustainability standards. These practices are designed to minimise environmental impacts and foster long-term resilience in both project delivery and ongoing operational activities.

ENERGY

Mun Siong recognises that its industry affects both the environment and society, especially through energy use. Our environmental impacts primarily arise from manufacturing activities, energy use, and waste generation. The Group has established policies and commitments to manage these impacts, overseen by the SREC. Departmental heads ensure compliance through regular reviews, while future plans focus on energy-saving technologies and the adoption of renewable energy.

As part of its energy management initiatives, the Group completed the installation of solar panels in March 2025, with solar energy generation commencing in April 2025. The electricity generated is utilised during daytime operations, with excess energy exported to SP Services. In addition, a feasibility study on solar energy generation at the Group's subsidiaries is currently underway and is targeted for completion by December 2027. These measures reflect the Group's ongoing efforts to reduce reliance on conventional energy sources and progressively integrate renewable energy into its operations.



Energy consumption and sustainability efforts are monitored monthly with oversight managed by the BSC and SREC. Key initiatives include:

- Energy efficiency awareness campaigns for employees
- HQ lighting replacement with LEDs
- Optimising solar energy usage across operations
- Implemented Intelligent Touch Manager system, which:
 - Automates Variable Refrigerant Volume (“**VRV**”) scheduling
 - Adjusts temperatures in unoccupied rooms
 - Uses an energy navigator tool to monitor usage and identify inefficiencies

Fuel Consumption - Type of Fuel (GJ)	Year	
	FY2024 ¹	FY2025
Diesel	17,065.8	16,946.5
Petrol	1230.3	1473.0
Natural Gas	2,345.8	1,407.5
Total	20,641.9	19,827.1

Total Scope 1 energy consumption reduced modestly from 20,641.9 GJ in FY2024 to 19,827.1 GJ in FY2025, reflecting a 3.9% decrease. This shift is primarily driven by changes in fuel usage patterns across sites.

Diesel consumption remained relatively stable year-on-year, with total diesel energy use decreasing marginally by 0.7%. MSE and PAE recorded slight increases in diesel consumption, while PAI saw a substantial 84.3% reduction. PIM also reported 12.9% lower diesel use, contributing to the overall stabilisation of diesel-related energy demand.

Petrol consumption increased by 19.7% during the reporting period. This increase was driven primarily by higher petrol usage at MSE, PAE and PIM, partially offset by a decline in petrol consumption at PAI. The significant increase in petrol consumption at PAE (103.54%) was attributable to higher man-hours arising from increased work activities in FY2025, which in turn led to greater transportation requirements. Similarly, petrol consumption at PIM increased by 51.6%, reflecting higher levels of operational activity and associated transportation needs during the year.

Natural gas consumption at PIM declined from 2,345.8 GJ to 1,407.5 GJ, reflecting 40.0% of decrease, due to the ongoing efficient practices implemented at PIM.

Electricity Consumption	Year	
	FY2024 ²	FY2025
Grid Electricity used (GJ)	2,454.8	1,863.7
Solar energy consumed (GJ) (no RECs)	N.A. ³	464.0

Overall, total electricity consumption decreased by 5.2% in FY2025. This reduction was driven mainly by a significant decline in grid electricity usage at MSE (54.1%), following the commissioning of solar panels. Electricity consumption at PAI decreased by 16.6%, due primarily to a reduction in office manpower and intermittent deployment of staff to client work locations, while PIM recorded a modest reduction of 4.2%. In contrast, electricity usage at PAE remained largely stable, declining marginally by 0.1% during the reporting period. Despite these changes, our energy-efficient practices have not yet been fully implemented, indicating that the full benefits of these initiatives are still forthcoming.

Moving forward, Mun Siong remains dedicated to expanding sustainability initiatives and optimising resource management. Our targets are stated on page 12 of this report.

¹In accordance with the ISSB standards, FY2024 fuel consumption has been restated as GJ. Energy conversion factors were taken from the UK DEFRA Conversion Factors 2024 v1.1

²In accordance with the ISSB standards, FY2024 electricity consumption has been restated as GJ

³Solar panels installed in FY2025, hence no prior year data.

EMISSIONS

Mun Siong is dedicated to cutting emissions, enhancing sustainability, and boosting its corporate image. By putting emission reduction strategies into practice throughout all operations, the Group highlights its commitment to environmental stewardship and long-term growth with actions like:

- Promoting battery-operated tools to reduce fuel dependency
- Regular maintenance of vehicles and machinery to optimise efficiency
- No engine idling of vehicles and diesel driven machineries
- Exploring new technologies to enhance emission reduction efforts

Each month, the company monitors both fuel consumption and sustainability, aided by employee initiatives focused on reducing emissions. Management ensures equipment receives regular maintenance, eliminates unnecessary energy use and idle periods, and upgrades outdated machinery to efficient or electric options.

Starting in FY2024, the Group has quantified Greenhouse Gas (“GHG”) emissions across all operations in accordance with the Greenhouse Gas Protocol. FY2024 serves as the baseline for tracking and evaluating progress in emission management and reduction efforts.

The following tables illustrate the total GHG emissions produced by the Group for FY2024 and FY2025. This accounts for all emissions from the consolidated accounting group. There are no other associates, joint ventures or unconsolidated subsidiaries.

Scope 1 Emissions⁴

Fuel Type	Emissions (tCO ₂ e)	
	FY2024	FY2025
Diesel	1,264.1	1,254.0
Petrol	86.5	103.5
Natural Gas	118.1	70.9
Total	1,468.7	1,428.3

Total Scope 1 greenhouse gas emissions declined in FY2025. Consistent with changes in fuel consumption patterns, emissions from diesel usage decreased during the year, while petrol-related emissions increased. Emissions arising from natural gas consumption recorded a significant reduction, contributing to the overall decline in Scope 1 emissions.

⁴FY2024 Scope 1 emissions have been restated as the calculation methodology has been refined. The UK Department for Environment, Food & Rural Affairs (DEFRA)'s database is the source for both energy conversion and emissions calculations for MSE and PAE. PAI continues to use supplier-specific emissions data, while PIM applies emissions factors from the US Environmental Protection Agency (EPA) database, reflecting its US operations and to minimise conversion-related inaccuracies.

Scope 2 Emissions

Emission Data		FY2024 ⁵	FY2025
Scope 2 emissions ⁶ (tCO ₂ e)	Market-based ⁷	265.0	251.2
	Location-based	265.0	251.8

For FY2025, the Group's Scope 2 emissions decreased, in line with changes in electricity consumption as outlined in the Energy section of this report.

As our business expands across different countries, we anticipate further increases in both Scope 1 and Scope 2 emissions over the next two years.

Emissions Intensity

Emission Data	FY2024	FY2025
Scope 1 and 2 emissions ⁸ (tCO ₂ e)	1,733.7	1,679.5
Revenue (\$'million)	64.8	69.4
GHG emissions intensity (tCO ₂ e/\$'million)	26.8	24.2

For FY2025, the Group's total emissions decreased by 3.1% to 1,679.5 tCO₂e, compared with 1,733.7 tCO₂e in FY2024. The Group's Scope 1 and 2 emissions intensity for FY2025 was 24.2 tCO₂e/\$'million (FY2024: 26.8 tCO₂e/\$'million). To manage our emissions generation, we aim to keep our emission intensity constant over the years.

As FY2025 marks our second year of comprehensive data collection, we are in the process of establishing a baseline for our emissions reduction targets. Our objective is to sustain consistent emissions intensity over time.

⁵ FY2024 scope 2 emissions have been restated to reflect updated Grid Emissions Factors

⁶ Grid Emission Factors taken from <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2>, <https://meih.st.gov.my/documents/10620/cdddb88f-aaa5-4e1a-9557-e5f4d779906b>, and https://www.moeaea.gov.tw/ECW/English/content/Content.aspx?menu_id=24200

⁷ Supplier-specific emissions were only available for PAI, all other scope 2 emissions were calculated using location-based grid emissions factors

⁸ We use market-based scope 2 emissions to determine total emissions and emissions intensity to best reflect the Group's contractual agreements

WATER AND EFFLUENTS

Water sustainability is essential for ensuring clean water supply, supporting agriculture, preserving biodiversity, and protecting public health. Numerous communities experience challenges in accessing clean water, highlighting the importance of effective management practices.

The availability of water is increasingly compromised by limited resources, expanding urban populations, and climate change, which collectively threaten agriculture and community well-being. Conservation efforts alleviate pressure on water sources, reduce treatment and distribution costs, and help decrease environmental degradation. The Group is committed to adopting efficient water use strategies, contributing to securing long-term water availability, and lowering infrastructure expenditures.

Mun Siong adopts an ongoing approach to water management, with monthly monitoring of water consumption and regular workplace water conservation campaigns. As part of its sustainability practices, the Group has in place a range of water-saving measures, including:

- Awareness campaigns to encourage efficient water use
- Installation of water-saving faucets across office facilities
- A water recycling system to reuse water from hydro-jetting operations

In our US operations, a third-party provider designed and installed a wastewater filtration and recycling system at our facility. This system enables the recycling of water used in ultrasonic cleaning and high-pressure jetting processes. Both our US and Singapore operations are equipped with storage tanks for the collection of wastewaters, which is managed by an external contractor to ensure proper disposal and treatment.

In line with its commitment to efficient resource management and the recycling and reuse of water resources, the following initiatives were implemented across the Group as at 31 December 2025:

- Installing additional water meters
- Increasing recycled water tank capacity
- Replacing existing taps with self-closing models

Interactions with Water as a Shared Resource

While PIM utilises rainwater, other Group entities rely on public water supplies for their operations, with both MSE and PIM requiring water for their hydro-jetting service. To reduce water impact, the Group encourages efficient usage and contamination prevention by installing leak-proof faucets and displaying conservation reminders. Further supporting sustainability at our US yard, we filter and recycle wastewater generated from ultrasonic cleaning and high-pressure jetting.

Water Withdrawal

In FY2025, the total water withdrawn across all listed companies was 5,065.6 m³. This represents an 3.4% decrease compared to FY2024, which can be attributed to the ongoing water management efforts across the Group.

	FY2024	FY2025
Water withdrawn (m³)	5,244.3	5,065.6

Water Discharge

Wastewater collection and disposal are managed by third-party service providers authorised by local authorities. In both the US and Singapore operations, equipment cleaning services utilise storage tanks to collect wastewater generated during the cleaning process. Subsequently, this wastewater is collected and managed by a third-party contractor engaged by the company for wastewater management. In FY2025, the volume of water discharged decreased, driven by increased use of recycled water and the reuse of water for operational activities.

	FY2024	FY2025
Water Discharged (m³)	1081.7	803.3

No data is available for water discharge for PAE-MY, PAI-TW and PIM-US.

Water Consumption

Water consumption is represented by water withdrawn and not discharged or otherwise released as wastewater.

	FY2024	FY2025
Water Consumption (m³)	4,162.6	4,262.4

Water consumption increased in FY2025, primarily due to a reduction in wastewater discharge arising from higher levels of water recycling and reuse within operations.

EMPLOYMENT

Employees are central to the Group's long-term success and sustainability. Mun Siong adopts a comprehensive management approach that prioritises continuous professional development, employee well-being, and adaptable hybrid work arrangements. These measures foster a supportive environment where staff are valued, empowered, and motivated to contribute effectively.

The Group maintains established employment policies and procedures to ensure workplace stability and regulatory compliance. Inclusive recruitment practices, diversity initiatives, and structured career progression opportunities, including mentorship programmes, form the foundation of the Group's commitment to workforce development and satisfaction. These efforts aim to enhance skills, job satisfaction, and promote a respectful and fair workplace culture.

In response to various staffing challenges, management has revised employment practices to improve retention and employee satisfaction, while continuing to monitor industry trends and adapt strategies. The Group's mitigation strategies include targeted recruitment, engagement programmes, and ongoing review of employment policies to address potential negative impacts.

Our employees enjoy enhanced career advancement opportunities, increased workforce diversity, and higher levels of employee satisfaction. Sustainability initiatives, such as environmental awareness programmes and educational tours for local students, further strengthen community engagement and reinforce the Group's commitment to social responsibility.



Our team organised a health and wellness walk for Bukom site employees at Chinese Garden. The 6 km walk provided participants with a refreshing early morning activity, encouraging physical well-being while allowing employees to enjoy the surrounding greenery and tranquil natural environment.

As part of our commitment to supporting the development of future engineering talent, we welcomed a group of students from Singapore Polytechnic to our headquarters for an educational engagement focused on the oil and gas industry. The visit included a guided facility tour and interactive booth activities, providing students with insights into our operations and the diverse career opportunities within the sector. Initiatives such as these highlight the importance of creating platforms for young engineers to explore their interests and gain practical exposure to the industry. We look forward to continuing this annual engagement to foster meaningful connections with emerging engineering talent through experiential learning. We extend our appreciation to Singapore Polytechnic and the participating students for their enthusiasm, curiosity, and active participation, which made the session both engaging and rewarding.



Mun Siong concluded the year on a festive note with its annual Christmas luncheon, bringing employees together to celebrate the holiday season and reflect on the achievements and experiences of the past year. The gathering provided an opportunity for colleagues to enjoy good food, strengthen camaraderie, and share in the festive spirit as the company closes another meaningful year together.





Our employees participated in a park clean-up initiative at Jurong Central Park, demonstrating our commitment to environmental stewardship and community engagement. The activity supported the upkeep of shared public spaces while promoting environmental awareness and encouraging collective action towards a more sustainable community.

Further details on our employee numbers across the Group are as follows:

Year	FY2024	FY2025
Female	72	71
Male	955	883



New Employee Hires and Employee Turnover

The following tables show the new employee hires and employee turnover figures in FY2024 and FY2025.

		FY2024		FY2025	
NEW EMPLOYEE HIRES					
Total Number & Rate of new employee hires	Number	263		163	
	Rate ⁹	21.4%		15.9%	
By Gender¹⁰	Female	38	46.9%	25	34.7%
	Male	225	19.6%	138	14.5%
By Age Group¹¹	<30	81	34.0%	51	25.8%
	30-50	161	18.7%	99	13.9%
	>50	21	16.0%	13	11.1%
EMPLOYEE TURNOVER					
Total number and rate of employee turnover	Number	435		240	
	Rate ¹²	35.4%		23.4%	
By Gender	Female	44	54.3%	24	33.8%
	Male	391	34.1%	216	24.5%
By Age Group	<30	73	30.7%	69	34.8%
	30-50	311	36.2%	145	20.4%
	>50	51	38.9%	26	22.2%

In FY2025, the Group experienced moderate recruitment activity compared to FY2024, with a lower number of new employee hires recorded across gender and age groups. The decline in hiring was most pronounced among employees aged 30–50, while recruitment of employees under 30 and above 50 also decreased, reflecting a general slowdown in workforce expansion during the year.

⁹ New hire rate = total number of new hires/total number of employees at the end of the previous reporting period

¹⁰ Gender new hire rate = total number of gender new hire/total number of gender employees at the end of previous reporting period

¹¹ Gender turnover rate = total number of gender turnover/total number of gender employees at the end of previous reporting period

¹² Turnover rate = total number of resignees/total number of employees at the end of the previous reporting period

Employee turnover improved in FY2025, with a reduction in the total number of resignations compared to the previous year. Lower turnover was observed across both male and female employees, as well as among employees aged 30–50 and above 50. Turnover among employees below 30 remained relatively stable, with a slight increase in absolute numbers.

While migrant workers continue to play a significant role in the Group's operations in Singapore, the Group remains focused on strengthening its local workforce and promoting gender diversity. Female representation increased marginally during the year. The Group is committed to maintaining an inclusive workplace, ensuring equal employment opportunities, and preventing discrimination based on gender, marital status, pregnancy or caregiving responsibilities.

Employee Benefits

Our company advances sustainability by adhering to all local regulations regarding employee benefits. We make sure our programs, including healthcare, paid leave, insurance, and other forms of protection, not only comply with but often exceed legal requirements, fostering a positive workplace and community environment. This dedication reflects our core values of fairness, responsibility, and respect for every employee.



Housekeeping activities were regularly carried out at our project sites as part of our ongoing commitment to maintaining a safe, clean, and well-organised work environment.



Commitment in Action: Leading the Way to Success The strong commitment of our leaders is truly evident! They are personally involved in the SRC RCC TAR 2025 TBM weekly meetings, ensuring alignment, focus, and support for the entire turnaround team. This hands-on approach minimises bottlenecks and reinforces our strategic goals. When leadership is this engaged, success becomes a shared certainty.



Following the successful completion of the project at SRC, a gathering was organised to recognise and appreciate the contributions of all personnel involved. The event brought together employees, project team members, and key stakeholders, providing an opportunity to reflect on the collaborative efforts, dedication, and teamwork that contributed to the project's successful delivery. Such occasions reinforce our commitment to fostering strong working relationships and acknowledging the collective achievements of our workforce.

OCCUPATIONAL HEALTH & SAFETY

Mun Siong places a strong emphasis on health, safety, and risk prevention, acknowledging that employee well-being is fundamental to organisational success. Maintaining high safety standards demands continual vigilance and adherence to best practices.

Failure to uphold robust safety and health records may result in financial losses, reputational damage, and potential risks to the wider community. In the energy sector, exemplary safety, health, and environment (“**SHE**”) performance remains a prerequisite for establishing and sustaining partnerships. Accordingly, operational risks are systematically managed to align with both client expectations and industry regulations.

Mun Siong is committed to effective SHE practices through a comprehensive risk management system. Our safety plan includes:

- Risk assessments and safe work procedures
- Training and inspections
- Health programmes and emergency preparedness
- Incident investigations and corrective actions

The CIT (Care, Intervene & Thanks) programme is designed to encourage proactive engagement in potentially unsafe situations. Since the launch of the CIT program in 2017, we have made incredible strides in creating a strong intervention culture that helps keep us safe. We introduced CIT+ in FY2025 – a comprehensive framework that brings together safety, health, environment, and sustainability into one unified approach. With CIT+, we are not just protecting ourselves, we are protecting each other, our communities, and the planet.

SHE performance undergoes monthly review, incorporating comprehensive audits and subsequent follow-ups. Progress is systematically tracked through the monitoring of injury rates, near misses, and levels of CIT participation.



A strong and dedicated site team at Bukom plays a critical role in ensuring the successful execution of our projects. Through close collaboration, effective communication, and a shared commitment to safety and quality, our site personnel work together to meet project objectives efficiently and responsibly.

SHE Management System

All four entities are equipped with comprehensive SHE Management Systems. Both MSE and PAI have met specific partner requirements and achieved ISO 45001:2018 certification, demonstrating their commitment to maintaining high standards in occupational health and safety. These management systems are designed to encompass all employees and workplace operations across project management, engineering, procurement, construction, maintenance, and various industrial services across the process and construction industries.

Additionally, a recent Compliance audit for Singapore operations identified no major issues. All findings from the audit were promptly addressed, resolved, and thoroughly reported to the Top management in FY2025, reinforcing a strong culture of compliance and continuous improvement.

Hazard Identification, Risk Assessment, and Incident Investigation

Mun Siong maintains a comprehensive risk management framework to identify, assess, and mitigate risks across all operations. Key elements of this system include hazard identification and evaluation, the use of a risk management matrix with control measures, residual risk assessment with clear responsibility assignments, and regular reviews, typically conducted every three years.

The Group conducts regular workplace risk assessments, which are reviewed and approved by trained personnel and updated following incidents or changes in work practices. These processes are supported by ongoing training and have contributed to the attainment of bizSAFE STAR certification issued by the WSH Council. Employees are encouraged to report near-misses and hazards without fear of reprisal and are empowered to stop work if conditions are unsafe. All incidents are investigated to identify root causes and corrective actions, with findings reviewed by the SHE Committee to prevent recurrence.

To strengthen safety awareness, Mun Siong implements daily toolbox talks and refresher courses, enforces consequence management for safety lapses including warnings or disciplinary actions, conducts monthly management reviews of safety procedures, and sets annual health and safety targets, monitoring performance on a monthly basis.



Mun Siong has received the WSH award from WSH council for our maintenance partnerships with our clients. This recognition marks yet another successful year of delivering high-quality, efficient and safe maintenance services that have significantly contributed to minimising operational downtime and ensuring that our clients' facilities continue to run at optimal performance. Our teams have worked diligently across complex TA scopes, demonstrating technical expertise and operational discipline, and an unwavering commitment to safety. These maintenance works are critical to sustaining plant reliability.

Employee Health and Well-being

At Mun Siong, employee health and well-being are a top priority, supported by a comprehensive Occupational Health Programme. The programme includes regular noise monitoring and audiometric examinations for employees exposed to high noise levels, hearing conservation and respiratory protection training, and statutory medical examinations in compliance with local regulations. Weekly mental well-being workshops are conducted by SNEF, while annual observances for World Mental Health Month focus on resilience, sleep management, emotional regulation, stress management, and mindfulness. Nutrition workshops and recommendations through the Health 365 app encourage healthy lifestyle choices and work-life balance. Employees also receive briefings on working safely in hot weather conditions.

Worker representatives play a key role in risk assessment and safety management. They contribute to training programme development, participate in safety-related meetings and change management, and assist in incident investigations. Monthly Safety and Health Committee meetings, attended by SHE personnel, supervisors, managers, and directors, review incident statistics, near-misses, consequence management, CIT analysis, workplace safety updates, environmental and health awareness, safety sharing, open discussions, and injury prevention initiatives.

A briefing session was conducted to address workplace harassment and reinforce our commitment to maintaining a safe, respectful, and inclusive work environment. The session highlighted appropriate workplace conduct, encouraged employees to speak up against inappropriate behaviour, and reminded all personnel of the importance of mutual respect and professionalism in the workplace.

In support of **World Mental Health Day**, we conducted a mental health awareness campaign to promote the importance of psychological well-being in the workplace. The initiative aimed to encourage open conversations about mental health, reduce stigma, and remind employees of the importance of maintaining a healthy balance between work and personal life. Through this campaign, we reaffirm our commitment to fostering a supportive work environment where employees feel valued, respected, and empowered to seek support when needed.

Campaign was conducted in support of **World OSH Day** to reinforce the importance of workplace safety and health. The session highlighted key safety practices, raised awareness of potential workplace hazards, and encouraged employees to maintain a strong safety culture by prioritising safe behaviours and proactive risk management.

A campaign on **Zero Harm** was conducted to reinforce our commitment to maintaining a safe and incident-free workplace. The initiative emphasised the importance of personal responsibility, hazard awareness, and adherence to safety procedures, encouraging all employees to actively contribute to a culture where the health and safety of everyone remain a top priority.



To enhance workplace safety culture, Mun Siong promotes regular SHE awareness sessions, top-management support, engagement in SHE initiatives, and preventive measures to mitigate occupational health risks. Employees also have access to non-occupational medical services, including the Prudential Insurance Plan and annual dental benefits. Voluntary health promotion initiatives include Psychological First-Aider workshops for supervisors and managers, mental health drawing competitions for employees' family members, and encouragement to attend stress-management workshops organised by external providers.

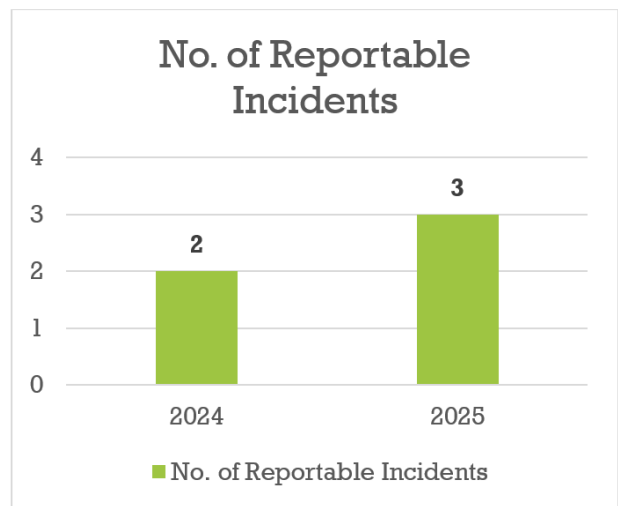
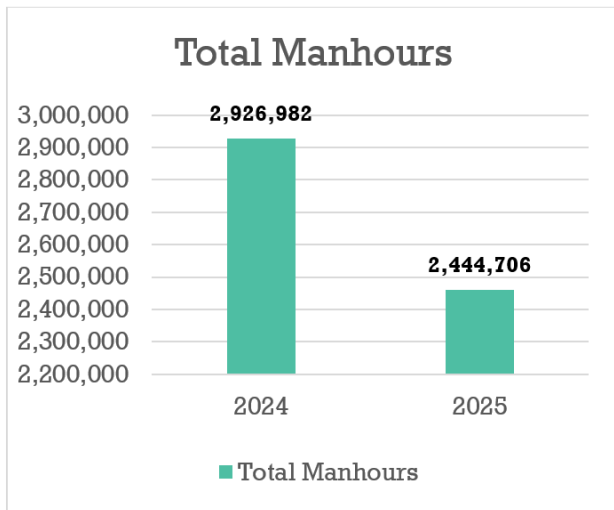
In preventing and mitigating occupational health and safety impacts linked to its operations, products, or services, Mun Siong implements a robust SHE Management System supported by CIT+ campaigns focusing on workplace mental health, an Occupational Safety and Health Programme, emergency preparedness plans, and Safe Work Operating Procedures. These measures ensure risks are managed effectively, promoting a safe, healthy, and supportive work environment across all business activities.

We are committed to maintaining low incident rates through proactive safety engagement. In FY2025:

- TRIR¹³ is 0.25 (FY2024: 0.14)
- Three recordable work-related injuries were reported, resulting from incidents involving entrapment between objects and the use of powered tools.
- Zero fatalities or high-consequence work-related injuries.

To achieve zero-incident target, we continue to enhance site engagement and SHE awareness, reinforcing a safety-first mindset across all operations. The following charts as shown on the next page detail the various indicators we monitor relating to SHE:

¹³ TRIR = No. of Reportable Incidents x 200,000 / Total Manhours



An emergency fire drill briefing was conducted at our subsidiary PAI-Taiwan to prepare employees for prompt and safe responses in the event of a fire. The session covered evacuation procedures, use of fire safety equipment, and roles and responsibilities during emergencies, reinforcing our commitment to workplace safety and ensuring readiness for any unforeseen incidents.

A drawing competition was conducted to raise awareness of mental health and promote emotional well-being among employees and their family members. The activity encouraged participants to express their thoughts and feelings creatively, fostering reflection, dialogue, and a greater understanding of mental health in a supportive and engaging environment.



Training on occupational health and safety

All new employees begin their journey at Mun Siong with a comprehensive internal SHE induction, ensuring they understand the essential safety expectations of their roles. This is followed by craft-based safety training tailored to specific job functions and high-risk activities. These sessions cover core topics such as company SHE policies, basic safety rules, fire safety and emergency procedures, proper use of Personal Protective Equipment ("**PPE**"), and the organisation's incident reporting process.

To further strengthen operational safety, the company provides a range of specialised training programmes. These include Driver Safety Awareness, Banksman and defensive driving instruction, Forklift Operator Safety, Mobile Elevated Work Platform Awareness, Overhead Crane Awareness, Hazardous Waste Management, and Psychological First-Aider workshops designed to help staff recognise and respond to mental health concerns. Employees also receive training in incident investigation techniques to ensure they can conduct thorough and accurate assessments when incidents occur.

Beyond classroom and practical training, targeted campaigns such as CIT+ initiatives and rigging and lifting safety campaigns are conducted at client sites to reinforce safe behaviours, promote environmental and mental health awareness, and support sustainability-related practices.

Mun Siong also adheres strictly to local industry training standards mandated by the Ministry of Manpower ("**MOM**") or the relevant regulatory authorities in the countries where it operates. In addition, employees' skills and certifications are evaluated against specific client and site requirements to ensure the workforce consistently meets high industry and operational expectations.

TRAINING AND EDUCATION

The Group places strong emphasis on upskilling, multiskilling, and building a high-performance culture to support workforce development and retention. As a Certified On-the-Job Training Centre ("**COJTC**"), the company continuously trains employees in emerging skills and technologies, ensuring they remain competitive in a fast-evolving industry. Significant investments in structured training programmes, SkillsFuture initiatives, and in-house courses further strengthen this capability and align employee growth with organisational priorities.

While these efforts enhance productivity, employability, and safety—and help reduce workplace and environmental risks—they also introduce challenges. High certification costs, intensive training cycles, and uneven development between local and migrant workers can affect workforce sustainability if not managed carefully.

These impacts mainly result from internal processes, prompting MSE to adopt a data-driven and closely monitored training management approach. Key indicators such as training hours, costs, levy classifications, participation rates, and certification outcomes are tracked through dashboards and periodic HR audits.

Worker feedback, supervisor insights help refine schedules and content while preventing overload. Ongoing engagement with workers, operational teams, HR, and regulatory bodies ensures that training programmes remain relevant, practical, and aligned with both workforce needs and business objectives.

To strengthen long-term local workforce development, MSE partners with institutions including ITE, NP, and NTU, while ensuring equal access to training across both local and migrant workers. During the reporting period, the company achieved its training targets, maintained high participation levels, and recorded no non-compliance or training-related grievances.

To enhance workforce productivity and skills in line with regulatory requirements, we established a training centre at our Malaysia yard to provide targeted programmes in key operational areas. For additional skill development not feasible in-house, we work with other local training centres, ensuring comprehensive training coverage and continuous capability development across our workforce in achieving R1 eligibility. Workplace safety training aligned with MOM and WSQ standards further enhances operational readiness and ensures compliance across all sites.

Training Hours

MSE strengthens organisational compliance and workforce capability through a comprehensive suite of training programmes. Foundational initiatives—such as Code of Conduct sessions and structured onboarding—ensure employees understand company policies, expected behaviours, and essential communication and soft skills. These are reinforced through annual refreshers to maintain consistency and accountability.

In-house and cross-functional training programmes help employees build technical expertise, stay updated with industry practices, and encourage internal mobility while reducing external training costs. Employees also benefit from specialised programmes to enhance their digital capabilities, use of AI abilities as well as supervisors leadership skill.

Total training hours recorded for FY2025 is more than 13,600 hours. Progress and effectiveness are monitored through dashboards that track costs, training hours, departmental distribution, and levy classification. This structured and data-driven approach not only supports compliance but also equips employees for long-term growth and evolving industry demands.

In FY2025, overall training participation remained broadly stable compared to FY2024, with minor variations in total and average training hours across gender groups. Total training hours for female employees declined slightly, accompanied by a marginal reduction in average training hours per female FTE, which corresponded with a modest decrease in female headcount. For male employees, total training hours also decreased during the year, while average training hours per male FTE remained relatively stable, reflecting only a slight year-on-year reduction.

Category	FY2024			FY2025		
	Total Training Hours	Headcount (FTE)	Average Training Hours	Total Training Hours	Headcount (FTE)	Average Training Hours
By Gender						
Female	566.5	72	7.9	536.5	71	7.6
Male	13,869	955	14.5	13,100.3	883	14.8

DIVERSITY AND EQUAL OPPORTUNITY

Commitment to Diversity and Inclusion

Singapore has made meaningful progress in advancing diversity and inclusion, yet disparities persist, particularly for vulnerable groups such as low-skilled foreign workers and women in leadership roles. These challenges may intensify with rapid economic change, making targeted support and proactive management essential.

At Mun Siong, we have some short service low skilled migrant employees that we are committed to supporting their professional advancement through structured training designed to upgrade them into skilled roles. We also ensure that women have equal opportunities for career growth and representation in leadership positions, reinforcing our commitment to gender equality.

To address broader workforce challenges, the Group adopts an integrated and people-centred approach. Our Employment Policy is embedded across HR processes and is supported by informal inspections, regular mental health check-ins, and the development of Employee Assistance Programmes. We gather employee feedback through multiple channels to assess well-being, work-life balance, and overall workplace experience, enabling us to respond quickly and effectively to evolving needs.

Mun Siong fosters an inclusive and respectful culture grounded in fairness and equal opportunity. We recognise that diversity drives innovation, and this belief forms a core part of our human rights strategy. Transparent recruitment and promotion practices reinforce this commitment, while team-building activities, company events, and wellness initiatives help strengthen engagement, collaboration, and a sense of belonging among employees.



The year was marked by meaningful moments of leadership engagement and team-building initiatives, demonstrating strong employee participation and leadership commitment. Top management, Directors and Managers actively engaged with their team, capturing group photos and shared memories, reinforcing an approachable culture, appreciation, and collective achievement.

Workforce Composition and Leadership

Mun Siong promotes diversity, encourages employee development, and cultivates a supportive environment where all staff members feel respected, valued, and empowered. Our leadership team reflects the diversity of our workforce. Currently, 45.5% of our senior management team comprises local employees, while the remaining 54.5% is equally split between Singapore permanent residents and international talents. This diverse mix brings a wide range of perspectives and expertise to our decision-making processes, strengthening our organisation.

	FY2024			FY2025		
By Gender	Board of Directors	Management	Employees	Board of Directors	Management	Employees
Male	4	43	911	4	42	840
Female	2	4	67	2	3	67
By Age Group						
Below 30 years old	0	1	197	0	0	169
30 - 50 years old	1	29	682	1	30	647
Above 50 years old	5	17	99	5	15	91
Total number	6	47	978	6	45	907

ANTI-CORRUPTION

Mun Siong acknowledges that unethical conduct can result in considerable repercussions for the organisation and its stakeholders. Unaddressed misconduct may cause financial losses through legal penalties and diminish trust among investors and potential clients. It can also undermine economic stability, decrease work volume, and contribute to sustained revenue decline. In contrast, adherence to strong ethical standards yields measurable advantages. Demonstrating integrity enhances market reputation, facilitates efficient daily operations, and builds confidence across both internal and external stakeholders, thereby promoting sustainable business growth.

To safeguard these outcomes, Mun Siong enforces a strict zero-tolerance policy for bribery, corruption, anti-trust violations, and human rights abuses. All employees are required to adhere to the Mun Siong Employees' Code of Conduct, introduced during orientation and reinforced through annual refresher training. The Code sets clear expectations for workplace behaviour, business ethics, conflict of interest management, confidentiality, and protection of company assets. In FY2025, there were no reported cases of discrimination, corruption, or human rights violations.

Compliance and ethics are further supported through regular audits, policy enforcement, supplier due diligence, and leadership commitment. Mun Siong provides a confidential whistleblowing channel, accessible via the company website, enabling employees, stakeholders, and business partners to report suspected misconduct without fear of retaliation. Reports are reviewed by the Audit Committee Chairman, thoroughly investigated, and addressed with appropriate actions.

To mitigate potential risks and strengthen accountability, Mun Siong continuously refines its anti-corruption framework based on stakeholder feedback and internal reviews. Regular engagement with employees, customers, suppliers, regulators, and industry groups informs both preventive measures and evaluations of their effectiveness.

The company tracks performance through key metrics, including the number of compliance sessions conducted, employee attendance and completion rates, audit results, and the absence of bribery or corruption incidents. In FY2025, all targets were met, with no confirmed compliance breaches.

Through structured training, transparent processes, and active stakeholder engagement, Mun Siong remains committed to upholding the highest ethical standards across its operations, safeguarding trust, and fostering sustainable business growth.

Please refer to page 13 of our Annual Report 2025 for the Corporate Governance Report, with reference to the principles and provisions of the revised Code of Corporate Governance and the accompanied practice guidance.

Communication and training about anti-corruption policies and procedures

All permanent employees have been briefed on the company's anti-corruption policies and procedures. The table below provides details of the anti-corruption training conducted in FY2025.

Company	Board members	Employees
Anti-corruption training for MS Group	6 (100%)	937 (98.2%)

Additionally, anti-corruption policies have been communicated to the Board of Director, Senior Management and all employees across the Group. Anti-corruption policies are also communicated to suppliers, subcontractors, and business partners.

Code of Conduct and Business Ethics

Unethical actions can lead to financial loss, legal trouble, and damage to reputation. To maintain high standards of integrity, every employee is required to adhere to the Code of Conduct and Business Ethics (“**CCBE**”), which outlines specific expectations for ethical behaviour. Mandatory training sessions are held annually to support compliance; new staff members learn about the CCBE during their orientation, and all employees participate in yearly refresher programs. The CCBE promotes fairness, respect, and ethical decision-making and prescribes strict consequences for breaches. Its guidelines address topics such as workplace conduct, business ethics, protecting assets, confidentiality, and handling conflicts of interest.

Commitment to Human Rights

We maintain rigorous ethical standards and adhere strictly to all legal requirements, with a zero-tolerance policy towards bribery, corruption, antitrust breaches, and violations of human rights. Mun Siong explicitly prohibits child labour, forced labour, and human trafficking across all operations. The Group does not permit child or forced labour in any business activity. In FY2025, as in previous years, there were no reports of discrimination or human rights infringements.

Whistleblowing Policy

A confidential whistleblowing system is provided for employees and stakeholders like suppliers, subcontractors, and business partners, to report suspected fraud or non-compliance without fear of retaliation. The Whistleblowing Policy offers a secure channel for reporting possible concerns such as financial misconduct, employee violations, illegal activities, and other unethical conduct.

Reports may be sent to information@mun-siong.com and are directed to the Audit Committee Chairman. The Audit Committee Chairman reviews all submissions, ensures thorough investigations are conducted, and takes appropriate action, including disciplinary steps for those found responsible. In cases of serious offenses or criminal acts, the Board may consult external legal advisors and notify relevant authorities. Throughout 2025, there were two cases reported under the whistleblowing program. The whistleblowing reports were reviewed in accordance with the Company’s established procedures. The matter was assessed to be related primarily to interpersonal grievances, and the review did not identify any material breach of company policies, regulatory requirements, or compromises of confidential or proprietary information.

Conflict of Interest Policy

Key management personnel submit conflict of interest declarations, and the Board has a framework for identifying and managing potential conflicts.

Employees and directors are to disclose any uncertain interests to the Board, management, or their supervisor and abstain from related discussions and decisions.

KPI	FY2024	FY2025	FY2026 Target
Employees receive training on code of conduct including bribery and corruption	95.1%	98.2%	100%
Confirmed incidents of corruption across all operations	Zero	Zero	Zero



2025 care project award



Workers Training in Malaysia

GRI CONTENT INDEX

Statement Of Use	Mun Siong Engineering Limited has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards.		
GRI 1 Used	GRI 1: Foundation 2021		
GRI Standard	Disclosure		Page No.
GRI 2: General Disclosures 2021	2-1	Organizational details	04, 05
	2-2	Entities included in the organization's sustainability reporting	03
	2-3	Reporting period, frequency and contact point	03, 04
	2-4	Restatements of information	28 - 30, 36
	2-5	External assurance	04
	2-6	Activities, value chain and other business relationships	06, 07
	2-7	Employees	47
	2-8	Workers who are not employees	NA
	2-9	Governance structure and composition	08
	2-10	Nomination and selection of the highest governance body	01, 08
	2-11	Chair of the highest governance body	01, 08
	2-12	Role of the highest governance body in overseeing the management of impacts	01, 08, 14
	2-13	Delegation of responsibility for managing impacts	08
	2-14	Role of the highest governance body in sustainability reporting	01, 08, 15
	2-15	Conflicts of interest	49
	2-16	Communication of critical concerns	47 - 49
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	2-18	Evaluation of the performance of the highest governance body	14, 15
	2-19	Remuneration policies	Refer AR2025

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GRI Standard	Disclosure		Page No.
	2-20	Process to determine remuneration	Refer AR2025
	2-21	Annual total compensation ratio	Confidentiality Constraints
	2-22	Statement on sustainable development strategy	01, 08, 16
	2-23	Policy commitments	46 - 49
	2-24	Embedding policy commitments	01, 46 - 49
	2-25	Processes to remediate negative impacts	17 - 20, 33
	2-26	Mechanisms for seeking advice and raising concerns	04, 09, 10, 49
	2-27	Compliance with laws and regulations	03, 04, 11
	2-28	Membership of associations	06
	2-29	Approach to stakeholder engagement	09 - 11
	2-30	Collective bargaining agreements	NIL

GRI 3: Material Topics 2021	Materiality Assessment		
	3-1	Process to determine material topics	11
	3-2	List of material topics	12, 13

GRI 205: Anti-corruption 2016	Anti-Corruption		
	3-3	Management of material topics	11, 12, 13
	205-2	Communication and training about anti-corruption policies and procedures	48
205-3	Confirmed incidents of corruption and actions taken	47, 48	

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GRI Standard	Disclosure		Page No.
GRI 302: Energy 2016	Energy		
	3-3	Management of material topics	11, 12, 13
	302-1	Energy consumption within the organization	27, 28
GRI 303: Water and Effluents 2018	Water and Effluents		
	3-3	Management of material topics	11, 12, 13
	303-1	Interactions with water as a shared resource	31
	303-2	Management of water discharge-related impacts	31, 32
	303-3	Water withdrawal	32
	303-4	Water discharge	32
	303-5	Water consumption	32
GRI 305: Emissions 2016	Emissions		
	3-3	Management of material topics	11, 12, 13
	305-1	Direct (Scope 1) GHG emissions	29
	305-2	Energy indirect (Scope 2) GHG emissions	30
	305-4	GHG emissions intensity	30
GRI 401: Employment 2016	Employment		
	3-3	Management of material topics	11, 12, 13
	401-1	New employee hires and employee turnover	36
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37
GRI 404: Training and Education 2016	Training and Education		
	3-3	Management of material topics	11, 12, 13
	404-1	Average hours of training per year per employee	45, 46

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GRI Standard	Disclosure		Page No.
GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety		
	3-3	Management of material topics	11, 12, 13
	403-1	Occupational health and safety management system	39, 40
	403-2	Hazard identification, risk assessment, and incident investigation	40
	403-3	Occupational health services	41
	403-4	Worker participation, consultation, and communication on occupational health and safety	39 - 44
	403-5	Worker training on occupational health and safety	44
	403-6	Promotion of worker health	41 - 43
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39 - 44
	403-8	Workers covered by an occupational health and safety management system	40
	403-9	Work-related injuries	42, 43
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GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity		
	3-3	Management of material topics	11, 12, 13
	405-1	Diversity of governance bodies and employees	46, 47