



HIAP TONG CORPORATION LTD.

SUSTAINABILITY REPORT 2025

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

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: (65) 62323210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers all business operations and subsidiaries which the Group has management control over, unless otherwise stated. It seeks to present an overview of our approach, practices, commitment, and performance of the Group's material Environmental, Social and Governance ("**ESG**") topics.

Reporting Period & Standard

The reporting period is the same as the financial year of the Group (1 April 2024 to 31 March 2025 ("**FY2025**")). This report was prepared with reference to Global Reporting Initiatives ("**GRI**") Standards (2021). The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures. This report also complies with Singapore Exchange ("**SGX**") Practice Note 7F and incorporates climate-related disclosure consistent with the Task Force on Climate-Related Disclosure ("**TCFD**") recommendations.

No restatements were made from the previous report except for the number of reportable injuries, the number of lost days due to injuries, the injury rate and the lost day rate under the Occupational Health and Safety section on page 38 of this report. These figures were restated to enhance the accuracy and comparability of prior year reporting.

Independent Assurance

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

The sustainability reporting processes have been included in the internal audit cycle and will be included in the risk-based internal audit plan, as approved by the Audit Committee. The internal review shall be conducted in accordance with the Guide to Internal Review of Sustainability Report by the Institute of Internal Auditors Singapore.

FEEDBACK

We are fully committed to our stakeholders, and we welcome feedback on any aspect of our sustainability policies, processes, and performance. Kindly address all feedback to sr@hiaptong.com.sg. Your feedback is vital to us in achieving our goals of building a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

BOARD STATEMENT ON SUSTAINABILITY

Hiap Tong Corporation Ltd. and its subsidiaries ("**Hiap Tong**" or together with its subsidiaries, the "**Group**") are pleased to issue our eighth sustainability report prepared with reference to the GRI Standards and in compliance with the SGX guidelines on sustainability reporting.

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

The Board of Directors (the "**Board**") and senior management (the "**Management**") remains committed to establishing and maintaining an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices, clear accountability, and reporting processes. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives, and performance measurements. All Board members in office for the FY2025 have completed the mandated sustainability training course as required under the enhanced SGX sustainability reporting rules.

The Sustainability Reporting ("**SR**") Committee supports Management in identifying ESG topics relevant to the Group's operations. In FY2025, a reassessment of key environmental, social, and governance ("**ESG**") topics, as well as climate-related risks and opportunities, was conducted to ensure ongoing relevance to stakeholders and alignment with the Group's core business activities. As there were no material changes to the Group's operations, previously identified ESG topics remain relevant. Additionally, the Group conducted a qualitative scenario analysis for FY2025 to further assess the resilience of its strategy to effectively manage climate-related risks.

During this review, the time horizons for climate-related risks were updated to align with Singapore's Nationally Determined Contributions ("**NDC**"). Our assessment approach was further refined to reflect the Group's strategic direction, with the Board providing oversight and approving the ESG topics and climate-related disclosures.

Looking ahead, the Group remains committed to upholding strong sustainability governance, with both the Board and Management providing leadership to drive long-term value creation. Efforts will continue to focus on enhancing transparency and improving the management and monitoring of material ESG matters to support continual progress.



ABOUT THE GROUP

Corporate Profile

Established since 1978, Hiap Tong's supply chain mainly consists of rental fleet from its lifting and haulage operations, as well as machinery parts for maintenance of the fleet, but is deemed to be insignificant. The entities downstream consist of:

Hiap Tong Trading Pte Ltd (HTT) & Hiap Tong Crane & Transport Pte Ltd (HTCT)	HT Ports Services Pte Ltd (HTPS)	Hiap Tong Construction Pte Ltd (HTCON)
<ul style="list-style-type: none"> • Renting of cranes, prime movers, heavy machinery and equipment • Trading of cranes and heavy equipment 	<ul style="list-style-type: none"> • Provision of labour support for container lashing/unlashing • Prime mover driving services • Repair and maintenance of motor vehicles 	<ul style="list-style-type: none"> • Provision of work train operation services

HTV Equipment Company Limited (HTV)	Hiap Tong Crane & Transport Sdn Bhd (HTCTSB)
<ul style="list-style-type: none"> • Provision of heavy lifting and haulage services • Trading of cranes and heavy equipment, mainly in Vietnam 	<ul style="list-style-type: none"> • Renting of cranes, prime movers and heavy machinery and equipment, mainly in Malaysia.

Note: HT Infrastructure Private. Ltd. remains to be a dormant subsidiary of the Group in FY2025.

From a single 10 tonne mobile crane in 1980, the Group has expanded its combining lifting and haulage fleet size to an aggregate of 451 vehicles as at 31 March 2025, consisting of 229 cranes (with lifting capacities ranging from 10 to 1200 tonnes) and 222 units of haulage equipment.

Hiap Tong offers the largest range of lifting capabilities in the hydraulic mobile crane category, and we believe we are the only Singapore company with the ability to provide mobile lifting services with lifting capacities of up to 1200 tonnes, which allows us to undertake specialised lifting jobs.

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



With an established customer base of more than 300 customers, some of our notable customers include business units and affiliates of Seatrium Limited in the marine industry; ExxonMobil Asia Pacific Pte Ltd and Sankyu (S) Pte Ltd. in the petrochemical industry; as well as Shanghai Tunnel Engineering Co. (Singapore) Pte Ltd in the construction industry. With our strong track record, business reputation and superior quality services, many of our major customers are recurring customers with repeat orders who have been doing business with us for more than 10 years.



OUR VISION

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

OUR MISSION

Enhance the strength and trust in our brand name through:

- Commanding a wide range of products and having a diversified customer base.
- Ensure continuity of businesses and preserve shareholder investment; and
- Explore opportunities and aim to groom high-potential employees as they are our most important asset, fueling our growth as a Group.



Awards & Certification

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

- Certification for ISO 9001:2015 Quality Management Systems
- BizSAFE Level Star Certification
- Certification for ISO 45001:2018 Occupational Health and Safety Management
- SOCOTEC Certified with Occupational Health & Safety Management System (OHSMS)
- Certified and licensed by Singapore Building and Construction Authority

SUSTAINABILITY REPORTING GOVERNANCE STRUCTURE

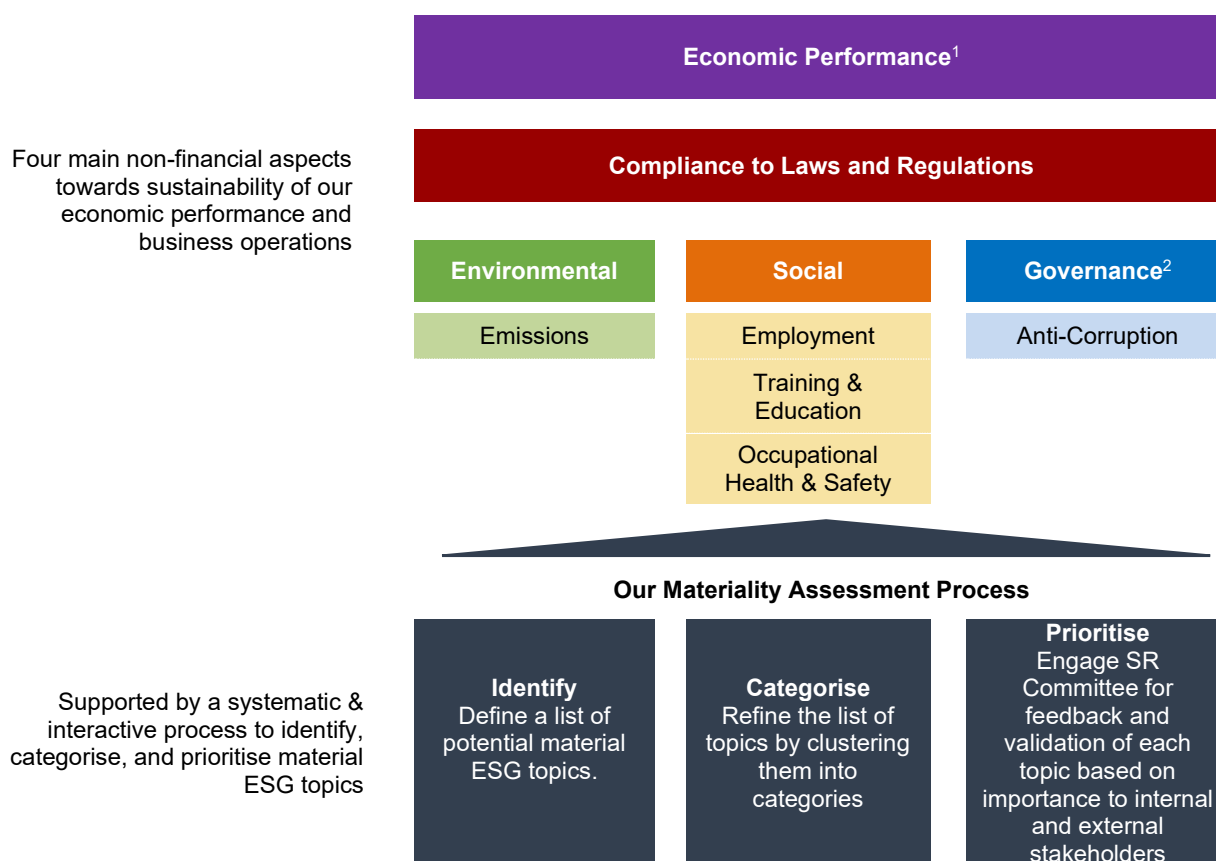
Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee comprises of specific working groups with senior management and board level representatives from our various businesses and is responsible for executing and reporting on the material ESG aspects. The Board and the Audit Committee are responsible for the Group sustainability reporting and review. They oversee the Management's monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy on an ongoing basis.

STRATEGIC APPROACH FOR SUSTAINABILITY

Hiap Tong has been strategically pursuing a sustainability agenda over the years. The Group recognises the importance of creating a positive impact on the environment, employees, and all other stakeholders in the value chain, while seeking greater profit margins.

In FY2025, the Group, with the help of an independent external consultant, reviewed our material topics for reporting disclosure. The Management concluded that the identified topics in the prior year continue to be material to the Group's long-term economic performance and operational sustainability. These material non-financial topics are categorised into 4 key areas, Compliance to Laws and Regulations, Environment, Social and Governance, as outlined below:

Exhibit 1. An Overview of Our Approach to Sustainability Management



STAKEHOLDER ENGAGEMENT






Hiap Tong recognises that the management of key stakeholders plays an important role in ensuring sustainable growth and drives the Group to consider how its business activities may impact its stakeholders. The Group believes that regular engagement with stakeholders helps us better understand and establish material areas of focus.

The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions. In FY2025, the SR Committee, with the support of the independent external consultant, reviewed and ascertained that employees, customers, shareholders and investors, business partners, and government and regulatory remain to be our key stakeholder groups (See Exhibit 2).

¹Please refer to the Financial Statement of the Annual Report FY2025.

²Please refer to the Corporate Governance section of the Annual Report FY2025 for more details.

Exhibit 2. Our Key Stakeholder Groups

Stakeholders	How We Engaged	Main Concerns & Expectations	How We Respond
Employees 	<ul style="list-style-type: none"> • Regular meetings • Internal communication through emails/mobile application • Annual performance appraisals 	<ul style="list-style-type: none"> • Training & career development opportunities • Health & Safety • Job security 	<ul style="list-style-type: none"> • Establishing sound HR policies and practices that promote fair treatment, safe working conditions, and opportunities for rewards and development.
Customers 	<ul style="list-style-type: none"> • Customer service feedback 	<ul style="list-style-type: none"> • Provision of quality service • Group's positive reputation in the market 	<ul style="list-style-type: none"> • By establishing policies for quality control and assurance to ensure that our business operations follow the industry's best practices.
Shareholders/ Investors 	<ul style="list-style-type: none"> • Company website, phone, and email channels • Annual General Meeting, Analyst, Investor's meetings • SGX announcement and media release 	<ul style="list-style-type: none"> • Key strategic development • Current financial performance • Future business outlook 	<ul style="list-style-type: none"> • Actively engage with stakeholders and remain transparent about the Group's business operations. All concerns are addressed timely and communicated via various communication channels.
Business Partners 	<ul style="list-style-type: none"> • Regular meetings and visits • Phone and email channels 	<ul style="list-style-type: none"> • Integrity and effectiveness of the tender process • Environmental and Health & Safety • Performance reviews 	<ul style="list-style-type: none"> • Guidelines and policies are established to ensure a fair selection and procurement process.
Regulators & Government Authorities 	<ul style="list-style-type: none"> • Obtain up to date information about changes in regulations • Review policies and procedures regularly to ensure compliance 	<ul style="list-style-type: none"> • Business disruptions for non-compliance to laws and regulations • Reputational damage resulting in eroded trust to stakeholders • Financial losses arising from non-compliance to laws and regulations 	<ul style="list-style-type: none"> • Guidelines and policies are established to ensure compliance with all applicable laws and regulations. • Ensure that all relevant employees are kept abreast of changes to statutory requirements.

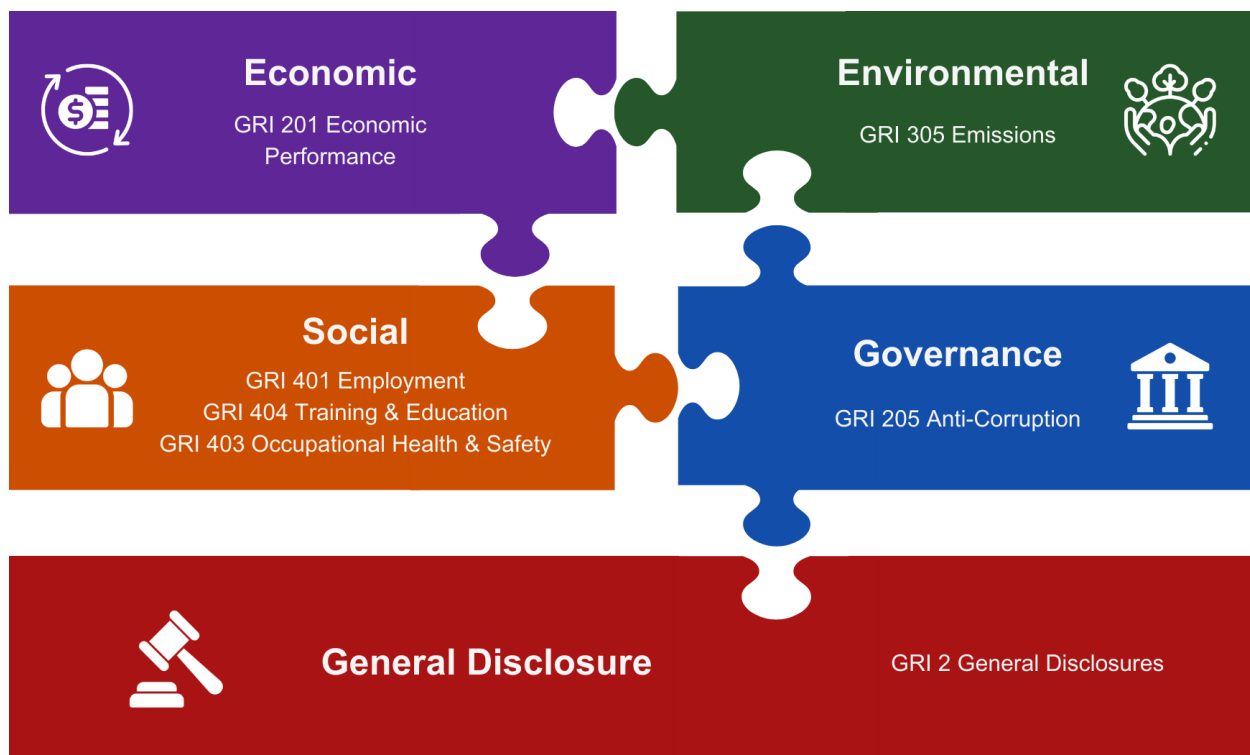
List of Memberships of Association

To widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, the Group participates as a member of the following organisations:

- Singapore Cranes Association
- Association of Process Industry
- Singapore Transport Association

MATERIALITY ASSESSMENT

Aligned with the Group's ongoing commitment to sustainability, Hiap Tong continues to engage an independent external consultant to support the review of its four key ESG pillars and existing non-financial disclosures. Following this review, the SR Committee concluded that the identified ESG topics remain material to the Group's long-term economic performance and business operations. These material ESG topics were subsequently reviewed and endorsed by the Board as relevant to the Group.



In FY2025, the Group managed to achieve almost all the targets and commitments set in FY2024, except one instance of non-compliance with workplace safety regulation, one reported fatal incident and an increase in reportable injuries and occupational disease. Moving forward, to keep abreast of critical issues, the SR Committee, supporting the Board in its oversight, will continue to annually review material ESG topics against the changing business environment, stakeholders' opinions, and emerging global and local trends.

SUMMARY OF SUSTAINABILITY PERFORMANCE INDICATORS AND TARGETS

Material ESG Topics	FY2025 Targets and Commitments	FY2025 Performance
Economic Performance	<ul style="list-style-type: none"> ❖ Continue to be vigilant and respond swiftly to any adverse situations due to economic uncertainties. 	<ul style="list-style-type: none"> ❖ Target achieved. Overall, Hiap Tong reduced its bank borrowing during the year and continued to monitor the interest rate environment closely.
Emissions	<ul style="list-style-type: none"> ❖ Continue to adapt to the recommendation of the TFCF in managing climate related risks and opportunities. ❖ Aim to maintain greenhouse gas (“GHG”) emission intensity ratio annually. Continue evaluating long-term goals on overall greenhouse gas emission. 	<ul style="list-style-type: none"> ❖ Target achieved. GHG emission intensity ratio only increased marginally.
Employment	<ul style="list-style-type: none"> ❖ Continue to promote diversity and equal opportunity in the workplace. ❖ Zero cases of non-compliance in relation to local labour regulations across our operations resulting in significant fine and non-monetary sanctions. ❖ Strictly prohibit discrimination and maintain a track record of zero incidents of reported discrimination. 	<ul style="list-style-type: none"> ❖ Target achieved. Refer to pages 25 and 26 of this report for further details on Group performance. ❖ No reported cases of non-compliance with local labour regulations across operations resulting in significant fines and non-monetary sanctions. ❖ No reported incidents of discrimination at the workplace.
Training and Education	<ul style="list-style-type: none"> ❖ Maintain an average of 10 hours of training per employee annually. ❖ Ensure learning and development roadmap caters for future skills required to improve the efficiency of the business. ❖ Maximise the benefits of all available schemes granted to upgrade employees’ skills. 	<ul style="list-style-type: none"> ❖ Target achieved, exceeded FY2025 target by 9.3 hours per employee. ❖ Group had spent \$258,000 to identify and upgrade employees’ skills to facilitate continued employability. ❖ Group leveraged on government scheme (e.g. SkillsFuture) to upgrade employees’ skills.
Occupational Health and Safety	<ul style="list-style-type: none"> ❖ Zero fatalities and reduce workplace injuries. ❖ Conduct annual safety training to educate employees on the best safety practices. 	<ul style="list-style-type: none"> ❖ Target not achieved due to 1 reported fatal incident and an increase in the number of reported workplace injuries by 3. ❖ Annual safety training conducted.
Anti-Corruption	<ul style="list-style-type: none"> ❖ Zero incidents of bribery and corruption, including facilitation payment. ❖ Zero tolerance towards all forms of bribery and corruption. 	<ul style="list-style-type: none"> ❖ Target achieved. No reported incidents of bribery and corruption, including facilitation payment.

Material ESG Topics	FY2025 Targets and Commitments	FY2025 Performance
Compliance with Laws and Regulations	<ul style="list-style-type: none"> ❖ Zero incidents of non-compliance. ❖ No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations. ❖ Zero cases of non-compliance in social or economic area resulting in significant fine and non-monetary sanctions 	<ul style="list-style-type: none"> ❖ Target not achieved. ❖ No incidents of non-compliance, fines or non-monetary sanctions relating to environmental compliance. ❖ One case of non-compliance in relation to Workplace Safety and Health resulting in a \$5,000 fine. There are no cases of non-monetary sanctions.

Material Topics and Indicators	Reporting Period ³	
	FY2025	FY2024
Scope 1 Emission(s)⁴ (tonnes)		
Stationary combustion	-	-
Mobile fuel combustion	3,680	3,459
Fugitive emissions (refrigerants)	442	533
Scope 2 Emission(s)⁵ (tonnes)		
Electricity (Location Based)	300	278
GHG Emission Intensity (tCO₂ / Revenue) <i>Revenue denominated in Singapore Dollars ("SGD")</i>	0.048	0.046
Total confirmed incidents of corruption and action taken	-	-
Total non-compliance with law & regulations	1	1
Total number of Employee(s)		
Male	1,139	1,090
Female	45	43
Total Turnover Rate⁶ (%)	23.1%	20.7%
Average Training Hours Per Employee	19.3	20.5

³ Refer to the financial year unless otherwise stated.

⁴ Direct emissions from sources that are owned or controlled by the reporting company, including activities such as on-site combustion of fossil fuels for electricity generation, heating, and other industrial processes.

⁵ Indirect emissions associated with the consumption of purchased electricity, heat, or steam by the reporting company. These emissions occur at sources not owned or controlled by the company but are a consequence of its activities.

⁶ Turnover Rate (%) = (Number of Employees Who Left During the Reporting Period / Number of Employees at the end of the Reporting Period) × 100

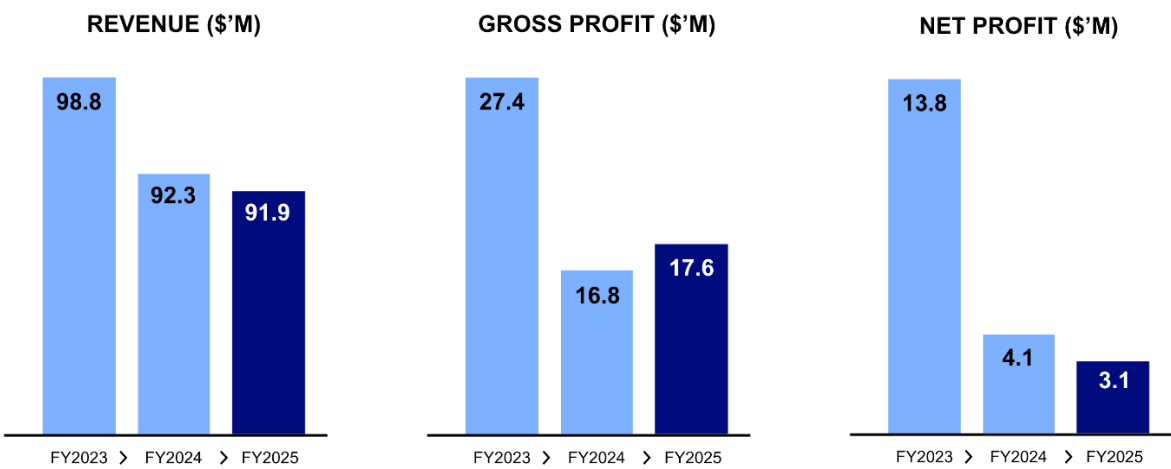
ECONOMIC PERFORMANCE

Economic performance provides an indication of how the Group has created wealth for our stakeholders. The breakdown of economic value generated and distributed also provide an overview of the Group’s economic profile. This topic is determined to be of high importance to the stakeholders and the Group. Any impacts, whether positive or negative, would affect all stakeholders, including suppliers, upstream (business enablers), support (operations enablers), customers, shareholders and investors. The Group will always act in the best interests of the shareholders and stakeholders, striving to improve economic performance, such as expanding its operations beyond lifting and haulage services, but also providing manpower and other related services for work train operations.

The Group operates across three core business segments – Lifting and Haulage, Manpower Services, and Trading of Crane and Haulage Equipment. The Lifting and Haulage business recorded revenue growth due to the commencement of new projects during the reporting period. The Manpower Services business also saw a marginal increase in revenue, driven by higher demand from Land Transport Authority (LTA) projects. On the other hand, the Trading of Crane and Haulage Equipment business experienced a decline in income because of reduced trading activities. As a result, there was an overall drop of 0.4% in the Group’s revenue from FY2024 to FY2025.

Please refer to the Group’s annual report (“**Annual Report**”) for FY2025 for detailed analysis and commentary of financial performance.

Financial Highlights



Targets for FY2026

- Continue to be vigilant and respond swiftly to any adverse situations due to economic uncertainties.

ENVIRONMENTAL

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

EMISSIONS

How do we manage this topic?

Greenhouse gas, ozone-depleting substances, nitrogen oxides and sulphur oxides among other significant air emissions are major contributors of climate change. Reductions in emissions of regulated pollutants can lead to improved health conditions for workers and local communities, as well as enhanced relations with affected stakeholders.

Hiap Tong recognises the importance of integrating environmental considerations into the Group's overall strategy formulation and business decisions. We are committed to managing and minimising our environmental footprint across our value chain by offering solutions to our customers – from lifting services with our extensive fleet of mobile cranes to transportation services with our haulage fleet and business operations.

To reduce GHG emissions specific to Scope 1, all gas and electrical equipment are maintained to run efficiently. We have service contracts in place for preventative maintenance. In addition, regular health checks and servicing are conducted on all refrigeration and diesel storage units to minimise potential leaks. We will continue exploring the transition from motor to electric vehicles and will invest more in electric cranes and other equipment. These aim to reduce exposure to future fuel price increases and mitigate the impacts of potential changes in carbon pricing.

Additionally, to reduce GHG emissions specific to Scope 2, the Group replaced several high energy-usage lights with energy-saving LED lights at common areas such as the stairways and workplaces with high human traffic, installed timers to air-conditioners, and replaced selected ceiling lights with motion-sensor lights. We have also implemented the use of solar panels at some of our worksites and invested in sustainable safety jackets or coats for the workers.

Since FY2023, the Group had adopted a waste management system which provides segregation of general waste to ensure that all housekeeping duties are performed in an environmentally friendly manner, including recycling initiatives and programmes and waste disposal to reduce GHG emissions relating to Scope 3.

We recognise that there is more to be done and will continue to strengthen our efforts and build strategic initiatives that will yield a greater positive impact in the future. To further strengthen our awareness and understanding of climate change impact, the Group has continued adopting the recommendation of the TCFD in managing climate-related risks and opportunities.

Governance

The Board of Directors has been presented with climate-related risks, opportunities, and associated metrics. As part of its broader oversight of the Group's sustainability agenda, the Board evaluates these climate considerations in the context of the Group's overall business strategy.

The Sustainability Reporting (SR) Committee is responsible for the day-to-day management of climate-related risks and opportunities, including the formulation and implementation of relevant policies and processes to address these matters effectively.

Risk Management

An assessment of physical and transition climate-related risks was conducted, benchmarked against industry peers and with reference to IFRS S2.

Climate-related risks have been partially embedded within the Group's overall risk management framework and will be reviewed annually by the Board and Management to ensure continued relevance and effectiveness.

Strategy

Identified climate-related risks are reviewed by the Board and Management and the impact to the Group are assessed over the short, medium and long term*.

The Group has also examined the climate-related opportunities that will have a potential impact to the Group.

A qualitative scenario analysis has been conducted to assess the Group's climate resilience across the short-, medium- and long-terms.

Metrics

The Group currently discloses its Scope 1 and 2 emissions, including short-term targets.

The Group will analyse the gaps between its current disclosures and the S2 climate-related disclosure** requirements of the International Sustainability Standards Board ("ISSB") to further enhance our climate-related reporting.

*Short Term (2030), Medium Term (2040), Long Term (2050) – aligned with the Singapore Green Plan 2030 and Singapore's commitment to achieve net zero emission by 2050.

**IFRS S2: Climate-related disclosure is a standard issued by the ISSB that sets out requirements for entities to disclose climate-related risks and opportunities.

Aligned with the global focus on climate change and its impacts on businesses, the Group evaluated the effects of its climate risks under varying climate conditions and across different time horizons through a qualitative scenario analysis, in line with the recommendations of TCFD.

As part of this process, the Group refreshed its climate risks assessment to ensure alignment with evolving regulatory and market expectations. For this analysis, Shared Socioeconomic Pathways ("SSP") 1 and SSP 5 were selected to align with the Intergovernmental Panel on Climate Change ("IPCC") frameworks and meet international best practices. These scenarios help assess physical and transition risks under low and high emission pathways, supporting risk management, regulatory preparedness, and strategic resilience. A summary of the parameters of the scenario analysis is as follows:

Scenarios	SSP 1: Low challenges to both climate change adaptation and mitigation. Under SSP1-1.9, global warming is limited to 1.5 °C in line with the Paris Agreement, while it is limited to well below 2 °C under SSP1-2.6.
	SSP 5: High challenges to climate change mitigation but low challenges to climate change adaptation. There is significant warming with market forces being relied upon to enable adaptation.
Time Horizons	Short-term: 2030
	Medium-term: 2040
	Long-term: 2050
Impact	Low: Impact is anticipated to be minimal / limited, with effects that are easily manageable and contained within normal operational controls.
	Medium: Impact is expected to result in moderate disruption or damage over the short to medium term, requiring management intervention but not threatening overall business continuity.
	Severe: Impact is expected to be substantial, potentially posing a significant threat to the organization's sustainability or long-term viability.

Each climate-related risk was assessed under the selected SSP scenarios based on two key factors: likelihood and impact, where likelihood refers to the probability of the risk occurring and impact refers to the severity of consequences should the risk occur.

Climate-related Risks

The relevant physical and transition risks and associated financial impact and its severity are described below. The risk ratings are aligned with the Group's risk parameters and definition of risk ratings:

Risk Category	Description	Financial Impact	SSP1	SSP5	Time Period
Physical (Acute)	<p>Global warming is increasing the frequency and severity of extreme weather events (such as storms, floods and tropical cyclones). This leads to the following risks:</p> <ul style="list-style-type: none"> • Asset damage, repair cost and write-off • Interruption to construction schedules leading to lost revenue • Rising insurance premiums • Supply chain disruption 	Revenue reduction / Increased operating costs	<p>Medium</p> <ul style="list-style-type: none"> • SSP1-2.6 shows a potential 6% reduction in annual damage from river flood by 2040 expected across Malaysia and an 11% increase across Vietnam.* • SSP1-2.6 shows a potential 8% increase in annual damage from tropical cyclones by 2040 expected across Malaysia, 6% across Vietnam, and 11% across Singapore. 	<p>Severe</p> <ul style="list-style-type: none"> • SSP5-8.5 shows a potential 42% increase in annual damage from river flood by 2050 expected across Malaysia and 37% across Vietnam. • SSP5-8.5 shows a potential 15% increase in annual damage from tropical cyclones by 2050 expected across Malaysia, 12% across Vietnam, and 24% across Singapore. 	Medium Term
Physical (Chronic)	Chronic changes in precipitation patterns leading to regular extreme rainfall could result in delay or cancellation of construction projects, and therefore loss of revenue.	Revenue reduction	<p>Low</p> <ul style="list-style-type: none"> • SSP1-2.6 shows a potential 3% increase in extreme rainfall over 5 days by 2050 in Malaysia, 4% in Vietnam and 0% in Singapore. 	<p>Medium</p> <ul style="list-style-type: none"> • SSP5-8.5 shows a potential 11% increase in extreme rainfall over 5 days by 2050 in Malaysia, 10% in Vietnam and 9% in Singapore. 	Medium - Long Term

Risk Category	Description	Financial Impact	SSP1	SSP5	Time Period
Physical (Chronic)	Rising air temperature can affect workers' productivity and health and safety. It can also increase energy usage for cooling purposes.	Revenue reduction / Increased operating costs	Medium <ul style="list-style-type: none"> SSP1-2.6 shows a potential 6% drop in worker productivity due to extreme heat by 2050 in Malaysia, 5% in Vietnam and 7% in Singapore.** 	Medium <ul style="list-style-type: none"> SSP5-8.5 shows a potential 10% drop in worker productivity due to extreme heat by 2050 in Malaysia, 9% in Vietnam and 11% in Singapore. 	Medium - Long Term

**Figures are expressed relative to a 2015 base year, per modelling by Climate Analytics*

***Figures are expressed relative to the reference period 1986-2006, per modelling by Climate Analytics*

Risk Category	Description	Financial Impact	SSP1	SSP5	Time Period
Transition (Policy & Legal)	Future increases in carbon tax could lead to higher fuel costs for Hiap Tong's vehicle fleet. Additionally, Hiap Tong's clients are in the marine, construction and petrochemicals industries. These industries are carbon intensive and may experience significant profit pressures from future carbon taxes. This could in turn impact the viability of new construction projects and reduce demand for related services.	Revenue reduction / Increased operating costs	Severe <ul style="list-style-type: none"> Under SSP1-1.9, the IPCC suggests a carbon tax of US \$651.03 per tonne CO₂e in Asia. Given Hiap Tong's prior year Scope 1 emissions of 3,992 tCO₂e, this could give an annual carbon tax exposure of around US \$2.6 million. * 	Low <ul style="list-style-type: none"> Under SSP5-6.0, the IPCC suggests a carbon tax of US \$36.28 per tonne CO₂e in Asia. This is not significantly higher than the current carbon tax in Singapore. 	Short - Medium Term
Transition (Policy & Legal)	International regulations may start imposing limits on emission intensity of machinery, potentially resulting in early retirement of assets or costly modifications. In addition, increasingly stringent climate reporting requirements are expected to drive higher resource costs.	Increased operating costs	Severe <ul style="list-style-type: none"> In line with the high carbon price under SSP1, there are likely to be major regulations governing the carbon intensity of machinery. Given Hiap Tong's business model, this could have a severe financial impact. 	Low <ul style="list-style-type: none"> Under SSP5, climate mitigation is limited and therefore there are unlikely to be significant regulations limiting the carbon intensity of machinery. 	Medium Term

*Figures are derived from the IPCC scenarios

Risk Category	Description	Financial Impact	SSP1	SSP5	Time Period
Transition (Technology)	Pressure from international standards and industry peers to reduce emissions may drive the adoption of green technologies and the shift to electric vehicles or alternative fuels. This will result in costly vehicle modifications, and possible staff training costs. There is also uncertainty around the useful life of newer technologies which may be unproven or costly to maintain.	Increased operating costs	Medium <ul style="list-style-type: none"> Under SSP1 technology innovations are a key driver of decarbonisation. This could lead to higher technology risk initially, as Hiap Tong may be under pressure to adopt green technologies, but due to high levels of investment and a strong market for green technology costs will decrease over time. 	Low <ul style="list-style-type: none"> Under SSP5, limited pressure to decarbonise will result in little pressure to switch to green technology, and lower costs associated with asset obsolescence. However, over-reliance on fossil fuel technology could lead to fluctuating repair / replacement costs in the long term. 	Long Term
Transition (Market)	Customers may increasingly prefer organisations that are most mature in their decarbonisation trajectories. If Hiap Tong falls behind its peers, it could suffer a loss of market share.	Revenue reduction	Medium <ul style="list-style-type: none"> Under SSP1, consumers are increasingly environmentally conscious and seriously consider sustainability as well as price when purchasing. This will lead to a shift away from companies who do not adopt stringent decarbonisation trajectories. 	Low <ul style="list-style-type: none"> Under SSP5, the forces which drive consumers are predominantly market driven. Consumers will prioritise price over sustainability commitments. 	Short - Medium Term

Risk Category	Description	Financial Impact	SSP1	SSP5	Time Period
Transition (Market)	International carbon taxes, shifting availability of renewable and fossil fuels, water shortages and rapidly evolving technologies could all impact supply and demand, leading to fluctuating costs of input materials, particularly energy and water.	Increased operating costs	Medium <ul style="list-style-type: none"> The phase-out of fossil fuels in this scenario and transition to renewable energy could lead to fluctuating costs of fossil fuels as they are heavily taxed and less widely available. Renewable energy, however, would be increasingly affordable and accessible. 	Medium <ul style="list-style-type: none"> Over-reliance on fossil fuels in this scenario may create supply shortages, with severe physical climate hazards further interrupting supply. As such, price fluctuations and supply interruptions are likely, particularly in the longer term. 	Medium - Long Term
Transition (Reputational)	Construction is widely recognised as a carbon intensive industry. Not being seen to demonstrate adequate mitigation efforts could erode consumer trust, hinder talent attraction and retention, and limit access to finance.	Revenue reduction	Severe <ul style="list-style-type: none"> Reputational risk is high in this scenario as governments and companies are held accountable for their action towards climate change mitigation. A lack of tangible progress in the construction industry, which is recognised as high polluting, could lead to significant reputational damage. 	Medium <ul style="list-style-type: none"> Due to low levels of climate change mitigation there is a higher public acceptance of environmental damage for economic gain. However, in the longer term as physical climate shocks become more severe, reputational damage may be suffered by those seen to have not played their role in decarbonisation. 	Medium Term

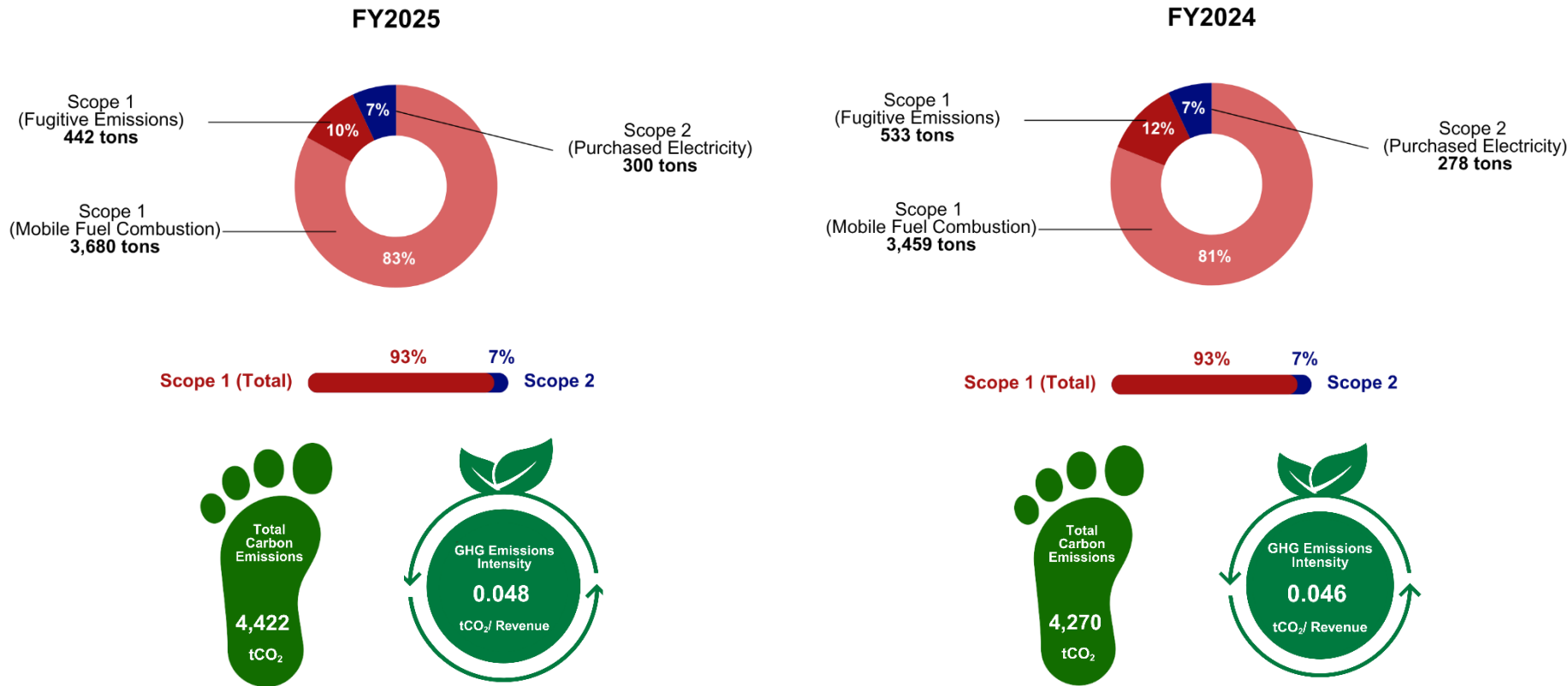
Climate-related Opportunities

In addressing climate-related risks, the Group has identified and implemented the following opportunities to mitigate these risks.

Description		Time Period
Energy efficiency	Hiap Tong maintains all gas and electrical equipment to run efficiently. Energy intensive lights have been replaced with LED lights in common areas such as stairways and workplaces, selected ceiling lights have been replaced with motion sensor lights and timers have been installed on air conditioners.	Short - Medium Term
Green fuel	Hiap Tong is transitioning to electric vehicles and cranes as well as other energy saving technologies. Solar panels have been installed at some worksites.	Short - Medium Term

Our Performance and Targets

GRI 305 Emission⁷ was identified as the metrics used to assess climate-related risks & opportunities. The Group will continue to monitor and develop a better understanding of its emission exposure before determining a meaningful target to reduce carbon emission where applicable. The Group’s Scope 1⁸ and 2⁹ tCO₂ emissions are detailed below:



In FY2025, the Group's total carbon emissions increased by 3.6% from 4,270 tCO₂ to 4,422 tCO₂. The increase was primarily due to a 221 tCO₂ rise in mobile fuel consumption, which corresponds to higher activity levels and operational demands for crane use and transportation services within the Lifting and Haulage Services business segment. This is consistent with the revenue growth reported for this income stream in the Economic Performance section above. In contrast, fugitive emissions decreased by 17.1%, largely because majority of the maintenance work for the vehicle fleets had already been completed in FY2024. However, due to a slight 0.4% decline in revenue for FY2025, the Group's GHG emission intensity increased slightly compared to FY2024.

For FY2026, the Group aims to maintain its GHG emission intensity ratio. Looking ahead, we will continue to monitor and analyse our emission profile, which will enable us to set practical and relevant carbon reduction targets. The Group remains committed to transparent reporting and continuous improvement, ensuring that our sustainability initiatives create long-term value for all stakeholders.



Targets for FY2026

- Continue to adapt to the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD) in managing climate related risks and opportunities.
- Aim to maintain greenhouse gas emission intensity ratio annually. Continue evaluating long-term goals on overall greenhouse gas emission.

SOCIAL

EMPLOYMENT

How do we manage this topic?







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

The number, age, gender, and region of the Group's new hires indicate its strategy and ability to attract diverse, qualified employees. On the other hand, employee turnover indicates the levels of certainty and satisfaction among employees. It can also signal a fundamental change in the structure of the Group's core operations.

The Group is committed to fair employment practices, upholding human rights principles, and investing in the development and training of our employees. Hence, the Group's workforce grew from 1,133 in FY2024 to 1,184 in FY2025.

The Group has employment data broken down by region and gender shown in the table below for FY2025:

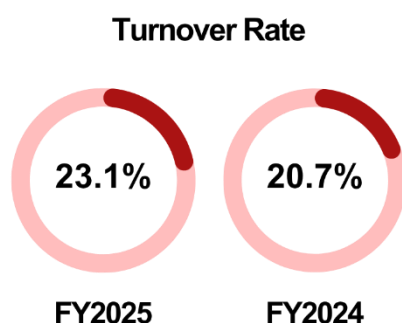
	FY2025			FY2024		
	Singapore	Malaysia	Total	Singapore	Malaysia	Total
Male	1,117	22	1,139	1,073	17	1,090
Female	42	3	45	40	3	43
Total	1,159	25	1,184	1,113	20	1,133

	FY2025		FY2024	
Total No. of Full Time Employees	 1,184		 1,133	
Distribution by Gender (%)	 96%	 4%	 96%	 4%

New Hires Distribution	FY2025			FY2024		
Total No. of New Hires	325			327		
Gender	Male	Female		Male	Female	
	315	10		304	23	
Majority of new hires were male due to the nature of the industry.						
Age Groups	<30	30-50	>50	<30	30-50	>50
Total No. of New Hires by Age Group	140	162	23	132	168	27
% of New Hires by Age Group	43%	50%	7%	40%	51%	9%

Turnover Distribution	FY2025			FY2024		
Total No. of Turnovers	274			235		
Gender	Male	Female		Male	Female	
	269	5		221	14	
Age Groups	<30	30-50	>50	<30	30-50	>50
Total No. of Turnovers by Age Group	68	170	36	95	125	15
% of Turnovers by Age Group	25%	62%	13%	40%	53%	7%

The increase in turnover can be attributed to the increasing competitiveness of the industry, which has posed challenges in retaining talent.



The creation of an inclusive culture remains a key priority of the Group, allowing us to benefit from all our employees' unique skill sets and perspectives. We strive to foster a performance-driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group has instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There are no preferences or prejudice towards any religion, age, ethnicity, gender or physical disability. Employees are required to observe and adhere to all relevant policies and practices. The Group remains committed to continuing to embrace diversity and equal opportunity in the workplace and remains compliant with the respective local regulations across operations.

Due to the inherent nature of labour-intensive work and physically challenging working conditions, majority of our employees are male. Nonetheless, Hiap Tong makes a conscious effort to maintain diversity among the middle management in order to generate creativity, innovation and improve the Group's culture. There were no reported incidents of discrimination raised by our employees in FY2025.

The Group also has an open-door policy promoting open communication and accessibility where employees are encouraged to speak up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This reinforces our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no workplace grievance cases reported in FY2025.

Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and setting packages which remain competitive in the market. These packages are sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. When setting remuneration packages, the Group considers the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2025, in addition to the competitive remuneration offered, the Group continues to maintain its list of employees' benefits including but not limited to:

Employment Benefits	Descriptions
Foreign Worker Medical	Covering foreign workers' medical claims.
Work Injury Compensation Insurance	Covering workers' work injuries.
Flexible Work Arrangement	Creating a work-life balance at the workplace by allowing employees flexibility to work from home to better manage personal commitments and work responsibilities.
Various Allowance Benefits	The Group has various allowances for entitled employees such as housing allowance, attendance incentive, Sunday allowance, performance allowances, safety allowances etc.
Annual Variable Bonus	Annual variable bonus will be issued before each Chinese New Year. This bonus will be based on current market conditions, the Group's overall performance, as well as the employees' performances.
Salary Increment	Salary increments amount are determined by annual appraisals after year end.
Annual Festival Celebrations	Arranged for individual bento sets to be provided to employees during festive celebrations.

The Group endorses Singapore's Tripartite Guidelines on Fair Employment Practices and the Employers' Pledge of Fair Employment Practices and makes contributions to the Central Provident Fund scheme in Singapore, a defined pension scheme. For employees below 55 years old, Hiap Tong makes an additional contribution of 17% as an employer on top of the employee's 20% contribution.

In support of the Singapore government's pro-family legislation, Hiap Tong supports eligible working parents with parental leave benefits in accordance with the Employment Act. Eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen are entitled to 16 weeks of maternity leave and up to 4 weeks of paternity leave respectively. Eligible working parents employed by Hiap Tong for at least three continuous months, with at least one Singapore citizen child who is either below 7 years old or between the ages of 7 and 12, are entitled to 6 days or 2 days of paid childcare leave annually, respectively. The allocation of parental leave for employees is in line with the Ministry of Social and Family Development's guidelines. Only 1 female employee took parental leave in FY2025 and returned to work in the reporting period after the parental leave ended. Hence, Hiap Tong's return-to-work rate is 100%.

Our Performance and Targets

Being in an industry that is largely labour-intensive, we are dedicated to constantly reviewing our employment policies, benefits, and remuneration practices to ensure compliance with the updated employment laws, and to keep up with the best industry practices. Our goal is to provide the optimal working conditions for our people. Moreover, the Group has a diversity policy, setting out its policy and framework for promoting diversity. To achieve an optimal balanced composition, the Group will consider candidates based on merit, diversity (in terms of gender, age and ethnicity) and the nature and scope of the Group's operations and business requirements.

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



Targets for FY2026

- Continue to promote diversity and equal opportunity in the workplace.
- Zero cases of non-compliance in relation to local labour regulations across our operations resulting in significant fines and non-monetary sanctions.
- Strictly prohibits discrimination and maintain a track record of zero incidents of reported discrimination.



TRAINING & EDUCATION

How do we manage this topic?

This includes the Group’s approach to training and upgrading employee skills, as well as performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

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

In FY2025, there was a decrease in the average hours of training per employee as compared to FY2024. However, the Group still exceeded the FY2025 targets by providing 9.3 hours more than the targeted 10 hours of training per employee.

	FY2025	FY2024
Average Hours of Training Per Employee	 19.3	 20.5

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

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocating the budget and planning for skills upgrading to equip employees with the capabilities needed to meet the Group's strategic objectives. In FY2025, the amount spent on training for the Group totalled \$258,000 (FY2024: \$238,000). We believe that with more skilled employees, Hiap Tong's human capital and contribution to employees' satisfaction will be enhanced, which will undoubtedly improve overall performance of the Group.

With this, Hiap Tong adopts various upskilling programmes with the objective of assisting the upgrading of employees' skills and to facilitate continued employability. These internal and external programmes include the following:

Item	Name of Programme	Descriptions
1	Apply Workplace Safety and Health ("WSH") in Construction Site	Mandatory training programme for workers of the construction industry.
2	Apply WSH in process plant	Training programme that covers all process sectors of the Process Industry.
3	Workforce Skills Qualifications ("WSQ") Supervise Safe Lifting Operations	Training for supervising of safe lifting operations.
4	WSQ WSH Management in Construction Industry	Safety regulations in construction sites.
5	Apply WSH in Shipyard	Shipyard safety programme.
6	WSQ Perform Rigger & Signalman Tasks	Training for the securing loads for safe lifting by any form of lifting equipment.
7	ITE Skills Certificate ("ISC") in Container Lashing Operations	Training for the securing containers.
8	Wharf Operations for Wharf Traffic Assistant	Training for assistance of wharf operations for wharf traffic.
9	Perform Advanced Lashing Operations	Training for the securing loads.
10	Supervise Lashing Operations ISC PRIME Mover class 3	Training for supervising of lashing operations.
11	Apply Prime Mover Defensive Driving	Training for operating of mobile equipment.
12	Work At Height Course	Training to provide learners with the knowledge and skills in performing work at height in construction.
13	Forklift Refresher Course	Refresher training on operation of forklifts.
14	JTC Safety Induction Course	Training on JTC requirements for workers working in JTC worksite.
15	Hazmat Transport Driver Permit	Training for drivers involved in transportation and handling of hazardous materials on Singapore roads.
16	Supervise WSH in Process Plant	Training to supervise WSH in a Process Plant.
17	Supervise Construction Work for WSH (Synchronous E-Learning)	Training for WSH Coordinator or Supervisor with application skills to supervise at constructions sites and construction-related environments.

In FY2025, Hiap Tong Crane & Transport Pte Ltd (“**HTCT**”), Hiap Tong Port Services Pte Ltd (“**HTPS**”), Hiap Tong Trading Pte. Ltd. (“**HTT**”), Hiap Tong Construction Pte Ltd (“**HTCON**”) received grants from the Inland Revenue Authority of Singapore (IRAS), such as the Jobs Growth Incentive, Senior Employment Credit, Enabling Employment Credit, and Skills Future Enterprise Credit. Additionally, the Group receives grants from Enterprise Singapore, including the Startup SG Tech Grant and SkillsFuture.

These learning and development roadmaps are established to equip all employees with skills that are required to improve the efficiency of the Group’s operations and the development of skills to provide opportunities for future expansion of the business. For HTCT, the company continuously monitors the best practices in the industry and provides training to keep employees up to date with the industry’s best practices. Equipment operators are provided with training to keep up with new crane technologies when new cranes are purchased. On the other hand, for HTPS, the company works closely with Port of Singapore Authority (“**PSA**”) to ensure employees are trained to keep in line with best practices and technological advances in the industry.

Performance and Career Development Review

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

Upon completion of the appraisal process, consideration of career advancement, such as promotion; quantum of salary increments; and annual variable bonus (disbursed yearly before Chinese New Year), will be determined based on the performance appraisal results. All employees are assessed and remunerated fairly based on their experience, qualifications, and performance. In FY2025, the table below shows all employees received performance and career development review.

	FY2025 ¹⁰		FY2024 ¹⁰	
	Male	Female	Male	Female
For Staff Employees	100%	100%	100%	100%
For Supervisor Employees	100%	100%	100%	100%
For Middle Management Employees	100%	100%	100%	100%
For Senior Management Employees and above	100%	100%	100%	100%

¹⁰In FY2024 and FY2025, the number of full-time staff who had gone through annual performance and career development review did not include employees who had left the Group within the year.

Our Performance and Targets

The Group shall continue to provide training and education opportunities through development programmes, where applicable, and promote a conducive workplace environment where everyone can fulfil their potential. The Group also provides training courses and workshops for its employees, to keep up to date on the latest policies and safety procedures.



Targets for FY2026

- Maintain an average of 10 hours of training per employee annually.
- Ensure learning and development roadmap caters for future skills required to improve the efficiency of the business
- Maximise the benefits of all available schemes granted to upgrade employees' skills.

OCCUPATIONAL HEALTH AND SAFETY

How do we manage this topic?

Healthy and safe work conditions are recognised as a human right and it involves both the prevention of physical and mental harm, as well as the promotion of employees' health. It is essential for employees to be involved in the development of occupational health and safety policies, such as hazard identification and risk assessment, employees training, and incident identification and investigation. The health and safety of our employees is the Group's top priority. A professional engineer would conduct an annual visual test on our machineries, to ensure safety requirements are fulfilled.

Safety is an integral part of our business and a key area of focus for our Board and Management. We recognise that we are responsible for providing and maintaining a safe and conducive work environment for all our employees and continuously strive to minimise incidents of workplace accidents. We firmly believe that all our employees deserve to work in a safe and healthy environment and that a conducive working environment will not only boost employees' morale but also increase the overall workforce's productivity and efficiency.

Occupational Health & Safety Management Framework

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

Hiap Tong is committed to meeting high occupational health and safety standards, including ISO 45001 and the bizSAFE Level Star, among others.

By maintaining these certifications, Hiap Tong shows its dedication to providing a safe and healthy workplace for its employees. The Board and Management maintains oversight and monitors the health and safety performance of the Group.

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

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

Key Elements of Our Health & Safety System



The Group seeks to learn from past mistakes and strives to prevent similar incidents from occurring again. All near-miss incidents and accidents would be promptly reported to the Safety and Health Committee, which will further provide timely incident analysis briefings to the employees. These safety briefings aim to strengthen the safety awareness of employees and to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

We also ensure each employee is well protected before the start of each assignment through documenting on the personal protective equipment record that each employee is sufficiently equipped with protective gear. We have also developed a list of protocols and precautions for employees, to ensure that their safety is fully covered in all areas of work.

Hazard Identification

The first step is to identify potential hazards in the workplace. This can be done through various methods such as workplace inspections, job hazard analysis, review of incident reports, consultation with employees, health risk assessments, and exposure monitoring to evaluate the potential risks associated with various work tasks and exposures. The goal is to identify all sources of potential harm to our employees, including physical, chemical, biological, ergonomic, and psychosocial hazards.

Risk Assessment

Once the hazards are identified, a risk assessment is conducted to evaluate the likelihood and severity of potential harm. The risk assessment considers factors such as the frequency and duration of exposure, the nature of the hazard, and the number of employees exposed. This helps prioritise risks and determine appropriate control measures.

Risk Evaluation

In this step, the assessed risks are evaluated to determine their significance. This involves comparing the identified risks against predetermined criteria, such as legal requirements, industry standards, and Group policies. Risks are typically classified as low, medium, or high based on their potential consequences.

Control Measures

Based on the risk evaluation, control measures are implemented to eliminate or mitigate the identified hazards. This may involve a hierarchy of controls, starting with elimination or substitution of hazards, followed by engineering controls, administrative controls, and personal protective equipment (PPE). The effectiveness of control measures should be regularly reviewed and adjusted as needed.

Monitoring and Review

Continuous monitoring ensures the control measures work effectively and identifies any new or changed risks. Regular checks, incident analysis, health monitoring, and employees' feedback are crucial for ongoing improvement.

Health and Safety Surveillance

Monitor the health and safety of employees exposed to specific hazards or working in high-risk occupations. This involves conducting medical examinations, health screenings, and biological monitoring to detect early signs of occupational diseases or adverse health effects. Health surveillance helps identify individual vulnerabilities and provides data for evaluating the effectiveness of control measures. The Group promotes a culture of continuous improvement within their occupational health services. This involves regular evaluations, audits, and reviews of processes, protocols, and performance to identify areas for enhancement and ensure the delivery of high-quality services.

Health Screening and Assessments

Voluntary health screenings and assessments are often provided to employees to detect and monitor health risks. These screenings may include measurements of blood pressure, cholesterol levels, body mass index (BMI), and blood glucose. By offering these assessments, the Group aims to raise awareness of potential health concerns and encourage early intervention. Employees are typically informed about the availability of these screenings through communication channels such as email, posters, or intranet announcements.

The Group may also conduct voluntary health risk assessments to help employees identify their individual health risks and develop personalised health improvement plans. These assessments may include questionnaires or online tools that evaluate factors such as lifestyle choices, family history, and health habits. The assessments provide employees with insights into their health risks and may offer recommendations for lifestyle modifications or preventive measures.

The Group provides health insurance coverage for all employees, which includes access to non-occupational medical and healthcare services. The Group also provides health promotion initiatives and educational resources to increase awareness of non-occupational health issues. Resources may cover topics such as ergonomics, healthy eating, physical fitness, stress management, smoking cessation, and disease prevention. These initiatives aim to boost awareness and help employees make better health decisions. By providing employees with knowledge and resources, the Group empowers them to make informed decisions about their health and seek appropriate non-occupational medical services when needed.

Qualified Personnel

The Group ensures that occupational health services are staffed by qualified professionals, such as occupational health physicians, nurses, hygienists, and ergonomists. These professionals possess the necessary expertise to assess and manage workplace health risks effectively.

Compliance with Standards and Regulations

The Group ensures that their occupational health services comply with applicable legal and regulatory requirements. This includes adhering to standards related to occupational health, safety, and medical practices to maintain the quality and effectiveness of the services provided.

Continuous Improvement

There is a focus on continuously enhancing occupational health services through regular evaluations, audits, and performance reviews to improve processes and outcomes.

Incident Investigation & Analysis

The SR Committee and the Management participate in incident investigations to identify root causes and contribute to the development of corrective actions. They analyse incident trends, propose preventive measures, and monitor the effectiveness of implemented controls.

Program Evaluation and Improvement

The SR Committee is responsible for evaluating the effectiveness of the occupational health and safety management system. They review performance indicators, audit reports, and employees' feedback to identify areas for improvement and make recommendations.

Training and Communication

Adequate training and communication are critical to ensure that employees are aware of the identified hazards, associated risks, and control measures in place. This includes providing comprehensive training on safe work practices, emergency procedures, proper use of PPE, and raising awareness about potential hazards and risk mitigation strategies. By raising awareness and disseminating relevant information and contribute to the development and delivery of training programs for workers. Workers are empowered to make healthier choices and prevent work-related health problems.

Training sessions may be conducted during onboarding, as regular refresher courses, or in response to specific safety concerns. Interactive and engaging training methods, such as hands-on exercises, simulations, and real-life case studies, are often employed to enhance learning and retention.

Open communication channels between employees, management, and occupational health services. This includes encouraging employees to report health concerns, incidents, and hazards promptly, as well as ensuring that employees have access to information and resources related to occupational health services. Two-way communication channels are also encouraged, allowing employees to provide feedback, ask questions, or share safety-related suggestions.

With communication and benefits information, it ensures that employees are well-informed about the non-occupational medical and healthcare services available to them. This includes clear communication of the benefits provided, coverage details, contact information for healthcare providers, and any necessary administrative processes for accessing these services. The information is typically shared through employee memos, and regular communication channels.

Safety campaigns

These safety campaigns are designed to create awareness and reinforce safe behaviours among employees. These campaigns may involve posters, banners, newsletters, digital displays, or other visual aids placed strategically in common areas and workstations. These campaigns typically focus on specific safety themes, such as hazard recognition, ergonomics, fire safety, or mental well-being. They aim to attract employees' attention, deliver key messages, and promote safety consciousness.

Safety Committees Representatives

The Group establishes safety committees or appoints safety representatives to actively engage employees in safety-related matters. These committees or representatives serve as advocates for safety, encourage open communication, and gather feedback from employees. They play a vital role in promoting safety awareness and ensuring that employee perspectives are considered in decision-making processes.

Regular Safety Meetings and Toolbox Talks

This provides dedicated platforms for discussing safety topics, sharing best practices, and addressing concerns. These meetings may be conducted at the department, team, or Group level. They offer opportunities for employees to ask questions, contribute ideas, and raise safety-related issues. Toolbox talks, in particular, are short, focused sessions held at the worksite to address specific safety issues or reinforce safe practices.

This also encourages employees to report incidents and near-misses and is a critical initiative for raising safety awareness. The Group implements reporting systems that allow employees to confidentially report unsafe conditions, incidents, or near-miss events. Clear reporting procedures, including non-punitive reporting policies, are communicated to employees to ensure that safety concerns are promptly addressed, and lessons are learned from incidents and near-misses.

Recognising and Rewarding

Recognising and rewarding employees for their safety efforts and contributions can significantly raise safety awareness. The Group implements recognition and incentive programs that acknowledge employees for demonstrating safe behaviours, reporting safety hazards, or suggesting safety improvements. This can include awards, certificates, or other forms of recognition to reinforce positive safety actions and encourage a proactive safety mindset.

Documentation

It is important to maintain comprehensive documentation of hazard identification, risk assessment, control measures, and ongoing monitoring activities. This documentation serves as a reference for future reviews, audits, and compliance purposes. Moreover, employees' participation is sought during the periodic review and audit processes of the occupational health and safety management system. Employees' insights and perspectives are valuable in evaluating the effectiveness of existing controls, identifying areas for improvement, and establishing action plans for enhancing overall safety performance.

In FY2025, there are a total of 1,184 employees who are covered by an Occupational Health and Safety Management System (SMS). 100% of employees are covered by SMS internally audited and certified by external party.

Our Performance and Targets

Category	FY2025	FY2024 (Restated) ¹¹
No. of fatalities incident	1	-
No. of reportable injuries	12	9 ¹¹
No. of occupational diseases ¹²	2	1
No. of lost days due to injuries ¹³	397	631 ¹¹
Injury rate ¹⁴	4.87	3.82 ¹¹
Lost day rate ¹⁵	161.20	267.75 ¹¹
Absentee rate ¹⁶	1.42	1.65

The Group implemented necessary safety measures and reminders for all employees to mitigate work-related injuries. However, due to industry nature, each role and responsibility entail some risk of work-related injuries. As a result, there were 12 reportable injuries and 397 lost days due to injuries in FY2025. The increase from 9 to 12 reportable injuries resulted in a corresponding rise in injury rate from FY2024 to FY2025. This can be attributed to increased activity levels and a larger workforce during the reporting period. The Group continues to prioritise safety and is actively working to mitigate these incidents by taking relevant actions.

Despite the slight increase in reportable injuries, the Group recorded a significant decrease in the number of lost days due to injuries and lost day rate in FY2025, which can be attributed to the less severe nature of the injuries sustained in FY2025 compared to FY2024, and hence required a shorter recovery period.

For each reported injury, the Group will continue to conduct investigations of the accidents and regular safety inspections to identify and mitigate hazards. Corrective action plans, such as conducting briefings to create awareness and issuing monthly safety newsletters to remind employees of the importance of workplace safety, are also implemented. Continuous and adequate training and education on workplace safety are implemented to minimise the likelihood of equipment mishandling and similar accidents. The Group also hired a consultant to gain a third-party perspective to enhance their health and safety measures.

Additionally, wellness programs focusing on both physical and mental health are provided to reduce workplace injuries. The Group fosters a strong safety culture where employees feel responsible for their own and others' safety.

¹¹FY2024 data has been restated to improve the accuracy and comparability of disclosures across reporting periods.

¹²The number of occupational diseases refers to chronic health problems, disorders, respiratory diseases, and cancers that are caused or aggravated by work conditions, practices, and physical agents (e.g., noise, radiation, vibration, anxiety, post-traumatic stress disorder). It does not include workdays lost due to workplace injuries. For FY2024 and FY2025, the occupational disease was noise induced deafness.

¹³The number of lost days due to injuries refers to the total number of days absence taken from the total number of reportable injuries.

¹⁴Injury rate refers to the number of work-related incidents per million manhours worked.

¹⁵Lost day rate refers to the number of man-days lost for every million hours worked.

¹⁶Absentee rate refers to the number of absent hours over the number of manpower hours worked due to unplanned sickness or other health illnesses. It does not include workdays lost due to workplace injuries.

In FY2025, the Group had two cases of occupational disease resulting in hearing loss, due to exposure to extremely loud noises like explosions or machinery malfunctions. The Group has taken proactive measures to prevent such occurrences from recurring. This includes conducting periodic hearing tests (audiograms) for employees exposed to high noise levels to detect early signs of hearing loss. The Group ensures that all employees in noisy environments consistently use appropriate hearing protection devices and regularly monitor noise levels in the workplace to identify areas needing noise control measures. Engineering controls are implemented to reduce noise at the source, such as installing noise barriers, using quieter machinery, and maintaining equipment to prevent excessive noise.

To further mitigate risks, the Group will rotate employees to limit exposure to high noise levels and schedule noisy activities during times when fewer employees are present. The Group will also educate employees about the risks of noise exposure and emphasize the importance of using hearing protection and following safety procedures.

In FY2025, the Group reported one fatality resulting from a vehicular incident involving a Hiap Tong employee and a Prime Mover Driver from Port of Singapore Authority. As of the time of reporting, investigations are ongoing.



Targets for FY2026

- Zero fatalities and reduce workplace injuries.
- Conduct annual safety training to educate employees on the best safety practices.

GOVERNANCE

ANTI-CORRUPTION

How do we manage this topic?

Corruption includes practices that are widely associated with negative impacts, such as the abuse of human rights and undermining the law. Examples of such practices are bribery and embezzlement. The Group is expected to demonstrate its adherence to integrity, governance, and responsible business practices.

We hold ourselves to the highest standard of professional behaviour, which is essential for the long-term viability of the Group's business and enhancement of shareholder value. The Group ensures that all employees and members abide by the principles of professional integrity. It is of great importance to the Group to create an environment that encourages employees to be confident and speak up about potential concerns. We believe that by upholding a high level of business integrity, we will be able to attract and retain the best employees and partners.

The Management maintains strict disciplinary standards and requirements for its employees, starting from the recruitment process. A zero-tolerance stance is adopted in relation to corruption and bribery. Any employee engaging in such activities will face disciplinary action and result in potential termination.

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

The whistle-blowing policy and procedures aim to encourage the reporting of such matters in good faith. Employees and stakeholders making such reports are assured that they will be treated fairly and, to the extent possible, be protected from reprisal. The Group has a dedicated and secure e-mail address (leadid@hiaptong.com) to allow individuals to raise contentious issues to the AC directly. The policy and its effectiveness will be reviewed by the AC periodically, and any recommendations regarding updates or amendments will be made to the Board as required.

Our Performance and Targets

In FY2025, there were no reported incidents pertaining to whistleblowing for the reporting period under review. The Group will continue to work towards reinforcing a full compliance culture. The Group is very stringent in its internal operations and procedures, and any non-compliance or lapses in internal controls will always be rectified with corrective measures recommended by the Group's internal and external auditors. This will also be reviewed by the Management, various Board committees and the Board, to ensure that the latter is satisfied with the adequate and effective controls put in place.

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

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



Targets for FY2026

- Zero incidents of bribery and corruption, including facilitation payment.
- Zero tolerance towards all forms of bribery and corruption.

COMPLIANCE TO LAWS AND REGULATIONS

How do we manage this topic?

This compliance is with regards to both environmental and socioeconomic compliance.

Environmental compliance is an integral part of the Group's sustainability strategy. Apart from compliance with environmental laws and regulations, we strive to integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem. Over the years, the Group's operations have continued to conform to local environmental laws and regulations. All Hiap Tong employees are also encouraged to be proactive and forthcoming in managing and reporting environment-related issues and complaints.

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

- Environmental Protection and Management Act 1999
- Environmental Public Health Act 1987

As for socioeconomic compliance, the Group's operations are subject to compliance requirements of Singapore Building Construction Authority ("**BCA**") and the Ministry of Manpower ("**MOM**"). Our fleets are inspected and maintained regularly to ensure full compliance with local regulations. Safety load tests are conducted to ensure all equipment and machineries are operating at optimal performance. Visual tests are conducted annually by professional engineers, who will issue a certificate of test and examination for our lifting machineries.

Our crane operators are professionally certified and licensed by BCA to operate lifting equipment safely. In addition, the Group's operations are in full compliance with the Workplace Safety and Health Act and its subsidiary regulations.

Our Performance and Targets

For environmental compliance, the Board and Management shall continue to review and improve current environmental management systems and practices to ensure that all our activities and operations comply with regulatory requirements. Hiap Tong's primary goal towards environmental compliance is to meet all relevant laws, regulations and permits related to environmental protection. This includes the laws governing air quality, water pollution, waste management, hazardous materials handling, emissions, and more.

As for socioeconomic compliance, in FY2025, a fine of \$5,000 was issued for non-compliance with the Workplace Safety and Health Act due to a breach of safety regulations, specifically related to inadequate safety measures to ensure the safety and health of its employees.

Details are provided below:

While assisting in the installation of a luffing jib on a mobile crane, the injured party ("**IP**") lost his balance and instinctively grabbed onto the hoisting wire connected to the crane's operating winch. As the winch was in operation, his right hand was pulled toward and partially into the winch mechanism. Although the IP managed to extract his hand out of the winch, he sustained injuries in the process. He was wearing gloves at the time of the incident.

As a result of the measures implemented in FY2024 to improve workplace safety, the number of lost days due to injuries has decreased by 37.1% in FY2025, indicating that the incidents were less severe. The Group will continue to implement the following measures to further reduce the injury rate and minimise the severity of future incidents.

1. Installation of proper fencing

- We have ensured that all dangerous parts of the machinery are now securely fenced, including the hydraulic press machines and the cut-off saw machine.

2. Regular inspections

- We have regular daily inspections to ensure that the fencing remains secure and effective.

3. Safety training

- We have conducted additional training sessions for all employees to emphasize the importance of maintaining and checking safety measures.

4. Updated Standard Operating Procedures (“SOP”)

- Our SOPs have been updated to include detailed instructions on holding on to or touching dangerous parts of machinery.

5. Continuous monitoring

- We have implemented continuous monitoring systems to promptly identify and address any potential safety issues.

Targets for FY2026

- Zero incidents of non-compliance.
- No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.
- Zero cases of non-compliance in social or economic area resulting in significant fine and non-monetary sanctions.



GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared with reference to the GRI Standards (2021).

Statement of use	Hiap Tong Corporation Ltd has reported the information cited in this GRI content index for the period from 1 st April 2024 to 31 st March 2025 with reference to the GRI Standards (2021).
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organisational details	Sustainability report ("SR") Page 5 Annual Report ("AR") Page 1 - 3
	2-2	Entities included in the organisation's sustainability reporting	SR Page 5 AR Page 6 Financial Statement Page 64
	2-3	Reporting period, frequency and contact point	SR Page 3
	2-4	Restatements of information	SR Page 3
	2-5	External assurance	SR Page 3
	2-6	Activities, value chain and other business relationships	SR Page 5 - 6
	2-7	Employees	SR Page 25
	2-8	Workers who are not employees	N/A
	2-9	Governance structure and composition	AR Page 16
	2-10	Nomination and selection of the highest governance body	AR Page 19 - 21
	2-11	Chair of the highest governance body	AR Page 16
	2-12	Role of the highest governance body in overseeing the management of impacts	AR Page 19
	2-13	Delegation of responsibility for managing impacts	AR Page 30 - 31
	2-14	Role of the highest governance body in sustainability reporting	SR Page 7
	2-15	Conflicts of interest	AR Page 13 & 17
	2-16	Communication of critical concerns	SR Page 36 AR Page 19, 30 - 31
	2-17	Collective knowledge of the highest governance body	SR Page 4
	2-18	Evaluation of the performance of the highest governance body	AR Page 22
	2-19	Remuneration policies	AR Page 22 & 23
	2-20	Process to determine remuneration	AR Page 23
	2-21	Annual total compensation ratio	N/A
	2-22	Statement on sustainable development strategy	SR Page 4
	2-23	Policy commitments	SR Page 28, 33 - 37, 40 - 41, AR Page 18 & 26
	2-24	Embedding policy commitments	SR Page 28, 33 37, 40 - 41, AR Page 26
	2-25	Processes to remediate negative impacts	SR Page 25 - 27
	2-26	Mechanisms for seeking advice and raising concerns	AR Page 28, 30 - 31
	2-27	Compliance with laws and regulations	SR Page 42 - 43
	2-28	Membership associations	SR Page 9
	2-29	Approach to stakeholder engagement	SR Page 8 - 9 AR Page 30 & 31
	2-30	Collective bargaining agreement	N/A
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR Page 8 & 10
	3-2	List of material topics	SR Page 11 - 12
	3-3	Management of material topics	Refer to respective material topics within this report.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SR Page 13 AR Page 8
	201-4	Financial assistance received from government	SR Page 31 AR Page 56
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	SR Page 40 - 41

GRI STANDARD	DISCLOSURE		LOCATION
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR Page 23
	305-2	Energy indirect (Scope 2) GHG emissions	SR Page 23
	305-4	GHG emissions intensity	SR Page 23
	305-5	Reduction of GHG emissions	SR Page 14
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR Page 26
	401-3	Parental leave	SR Page 28
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SR Page 33 & 37
	403-2	Hazard identification, risk assessment, and incident investigation	SR Page 34 - 35
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR Page 33 - 37
	403-5	Worker training on occupational health and safety	SR Page 36
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR Page 33 - 39
	403-8	Workers covered by an occupational health and safety management system	SR Page 38
	403-9	Work-related injuries	SR Page 38
	403-10	Work-related ill health	SR Page 38 - 39
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR Page 29
	404-2	Programs for upgrading employee skills and transition assistance programs	SR Page 30
	404-3	Percentage of employees receiving regular performance and career development reviews	SR Page 31