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BENG KUANG GROUP



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SUSTAINABILITY REPORT
2023

BENG KUANG MARINE LIMITED



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Board Statement

Dear Stakeholders,

On behalf of our Board of Directors (our “Board”), we are pleased to present the eighth annual Sustainability Report (the “Report”) for Beng Kuang Marine Limited (together with its subsidiaries, the “Group” or “Beng Kuang Group”) which covers the Financial Year ended 31 December 2023 (“FY2023”).

Aligned with our dedication to the Singapore Green Plan 2030, the Group is consistently enhancing its strategies by adopting business practices that better contributes to sustainable development. To achieve this, it is important we build lasting and effective partnerships with all our key stakeholders so that we can seek valuable input for the Group to better shape our sustainable business strategy. In FY2023, some of our sustainability highlights includes an increase in our new hire rates in Indonesia and full utilisation of parental leave offered to our employees.

The Board is overall in charge of sustainability issues and integrating sustainable practices into the Group’s business strategy and operations. The Board is also responsible for overseeing the Group’s overall corporate governance practices, determining the material ESG factors and overseeing the management and monitoring of material ESG factors. The Board also holds regular meetings to review and approve major strategic plans on a sustainability front.

In our previous report, we emphasised our plans to disclose climate-related information according to the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations by FY2024 through a phased approach. We are pleased to announce that this Report includes our first phase of disclosures that aligns with the TCFD recommendations in this Report. We will continually assess our Group’s risks and opportunities related to climate change, actively seeking ways to reduce emissions to play a role in the shift towards a more environmentally sustainable economy.

The Board extends gratitude to all our valued shareholders, customers, suppliers, partners, and staff for their ongoing contributions towards our sustainability efforts.

Chua Meng Hua

Executive Director

Beng Kuang Marine Limited



About This Report

Reporting Framework

This Report was prepared with reference to the reporting principles and requirements of the Global Reporting Initiative (“GRI”) Universal Standards 2021. The GRI Standards were selected as they represent the best global practices for reporting on an organisation’s economic, environmental, and social impacts. We also adopted the TCFD recommendations as it represents the best global set of comparable climate-related disclosures.

In compliance with Rule 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section A: Mainboard Rules, this Report includes the primary components of a sustainability report on a ‘comply or explain’ basis. We adopted a phased approach for the incorporation of the TCFD disclosures and for this Report, we have incorporated all disclosures under climate governance, disclosure (a) under climate strategy and climate risk management, and disclosure (b) under climate metrics and targets. Next year, the Group aims to adopt a fully compliant approach to TCFD, with the objective of including disclosures in line with all TCFD recommendations.

Throughout the Group, we have developed procedures to gather pertinent data, evaluate, and report on our Environmental, Social, and Governance (“ESG”) impacts. We have also implemented risk management protocols to assist management in identifying operational, financial, and compliance risks, allowing for a comprehensive review of our strategic position and operational procedures.

Scope

This Report covers the ESG aspects of the Group’s operations in Singapore (headquarters) and Indonesia. The Group’s corporate structure can be found in our Annual Report 2023. This Report’s contents cover our financial year ended 31 December 2023.

Assurance

This current Report is not subject to any external assurance. We have relied on internal verification to ensure the accuracy of the data and information presented in this Report.

Accessibility and Report Feedback

A soft copy of this Report is available on our website at www.bkmgroup.com.sg, as well as on Singapore Exchange Network (“SGXNET”). Hard copies will not be published as part of our efforts for environmental conservation. The Group is committed to hearing from all its stakeholders, and we welcome all feedback on this Report. To reach us, please contact us at bkm@bkmgroup.com.sg.



Organisational Profile

Beng Kuang Marine Limited (together with its subsidiaries, “Beng Kuang Group” or the “Group”) was founded in 1994 and has been listed on Singapore Exchange since 15 October 2004.

Utilising a multifaceted business model, Beng Kuang Group remains committed to becoming the "Preferred Partner" by offering comprehensive solutions for the offshore and marine industries. With an innovative and proactive approach, the Group endeavours to generate fresh value propositions for customers, aligning our business activities with emerging market trends and opportunities.

Beng Kuang Marine’s Values, Vision, and Mission

VALUES	VISION	MISSION
<ul style="list-style-type: none">•Believe•Beyond•Become	<ul style="list-style-type: none">•We aspire to be the Preferred Partner in providing integrated solutions for the offshore and marine industries.	<ul style="list-style-type: none">•With our core strengths and capabilities, we aim to drive sustainable growth in our business activities with new value propositions in the offshore and marine industries.

Forging ahead with an innovative and operating mindset, the Group’s business strategy is shaped towards an asset-light and service-oriented business model, coupled together with monetising fixed assets and deleveraging initiatives.



What we do:

Infrastructure Engineering

This division delivers a comprehensive range of turnkey engineering services ranging from planning, project management, to implementation. This encompasses procurement, fabrication, testing, installation, and pre-commissioning of steel work modules and structures. The primary clientele for these services is in the marine and offshore energy industries. Providing a wide range of engineering services including repairs and maintenance of floating production platforms, onshore and offshore marine fabrications; and the production and supply of customised pedestal cranes and deck equipment. Some of our key IE specialisations include the Sandwich Plate System Overlay (SPS), designing and building marine & offshore deck equipment, and the fabrication of structural and modular projects for oil and gas and offshore clients with customisation available.

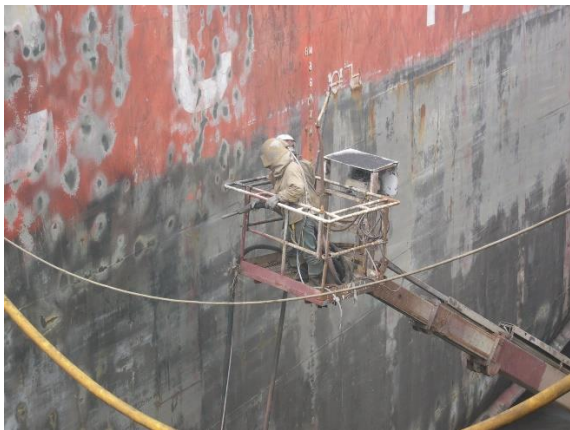




Corrosion Prevention

The maritime industry faces a significant challenge due to the high concentration of dissolved salts in seawater, leading to persistent ship corrosion. The Group, recognised for its reliability and strong reputation, has been appointed as the "Resident Contractor" to provide corrosion prevention services in various well-established shipyards in Singapore and Batam, Indonesia. We are glad to be one of the leading providers of corrosion prevention services to notable clients such as Seatrium Group of companies, Singapore Technologies Group of companies and amongst many others. In addition, we have also ventured into the sale, leasing and rental activities of corrosion prevention and safety equipment across Southeast Asia to create new revenue streams.

More details on the Group's core business segments can be found in our Annual Report 2023.



Supply Chain Management

The Group is dependent on suppliers of raw materials, manufacturers of equipment, and providers of marine and industrial hardware for our routine operations. We strive to build strong partnerships with our suppliers, as they are important for the success and longevity of our business.

In line with our procurement policy, we meticulously assess all potential suppliers and periodically evaluate the performance of our current suppliers. The evaluation criteria include suppliers' historical performance in the industry, the quality of goods and services they provide, and their adherence to local health and safety regulations. We also conduct regular quality control checks in collaboration with our suppliers to ensure satisfactory products and services are provided to the Group.



Membership of Associations

Association of Singapore Marine and Offshore Energy Industries (“ASMI”)



Beng Kuang Marine Limited is a member of the ASMI. ASMI is a non-profit trade association formed in 1968 to promote the interests and advancement of the marine industries in Singapore. ASMI represents the different sectors of the marine and offshore industry. Its members include big and small shipyards, local and foreign manufacturers and suppliers of marine equipment and components, marine engineering and consultancy companies as well as many others whose business activities are directly related to the industry.

Singapore Business Federation (“SBF”)



Beng Kuang Marine Limited is a member of SBF. The Singapore Business Federation (“SBF”) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment, and industrial relations. It represents 28,992 companies as of end of FY2023, as well as key local and foreign business chambers.



Stakeholder Engagement

Stakeholder engagement is an important part of our sustainability approach. Therefore, we consistently involve our stakeholders through a range of communication avenues and dialogues to recognise and address concerns regarding sustainability issues relevant to our business activities. The table below elaborates on the channels through which the Group has engaged with our key stakeholders in FY2023.

Beng Kuang Marine’s stakeholder engagement

Stakeholder Group	Stakeholder Expectations	Engagement Methods	Frequency
Customers	<ul style="list-style-type: none"> • Good product and service quality 	Feedback through emails	As required
		Customer satisfaction survey	Annually
Employees	<ul style="list-style-type: none"> • Conduct meaningful performance appraisals and provide fair remuneration in line with performance • High staff morale • Safe and conducive working environment 	Townhall meetings	Annually
		Staff performance appraisals	Annually
		Trainings for skills and career development	As required
		Company events	Annually
Suppliers	<ul style="list-style-type: none"> • Foster long-term business relationship • Provide meaningful feedback on suppliers’ products and services 	Regular supplier meetings	As required
		Emails and telecommunications	As required
Shareholders and Investors	<ul style="list-style-type: none"> • Publish timely and transparent financial statements • Provide details of investments in investment reports 	Annual reports	Annually
		Investor relations management	As required
Government and Regulators	<ul style="list-style-type: none"> • Ensure compliance with regulatory and industry standards and guidelines 	SGX-ST half-yearly announcements	Half yearly
		Ongoing Discussions	As required



Sustainability Governance

In FY2023, the Group established the Sustainability and Enterprise Risk Management Committee (“the Committee”), led by our Executive Director. The Committee also comprises our senior management team, such as our Executive Director, Chief Executive Officer, Chief Financial Officer, Financial Controller, and members from the Human Resource department and other business functions. While the Board oversees the Group’s sustainability matters, the Committee supports the Board by executing the Board’s decisions. The Committee reviews all collected sustainability data to ensure that the Group is working towards our sustainability goals. It is also considering and introducing new performance indicators across our different business functions and units to better achieve sustainability goals.

Semi-annually, the Committee meets with the Board to discuss and report on all sustainability matters. With the insights from these meetings, the Board will be able to actively review current business plans and operations to guide the Group towards its sustainable goals.

During FY2023, we have participated in SGX-organised events and training to further improve our understanding and application of regulatory frameworks related to sustainability and business. This allows the Group to further strengthen our sustainability governance structure, ensuring the Group will be able to execute more effective sustainability policies and practices in the future.

Materiality Assessment

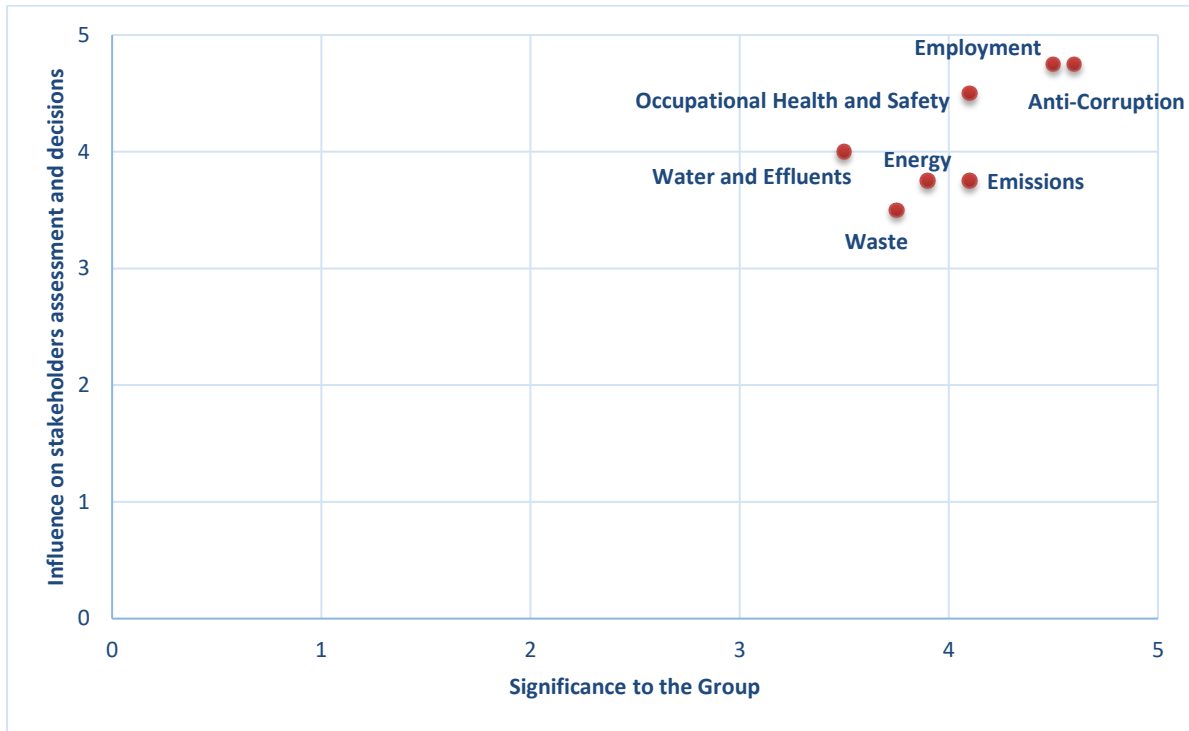
We performed our first materiality assessment in FY2017, comprising of the following steps:

1. Identification: Considered the interests and concerns of our internal and external stakeholders, we compiled the risks which are likely to be of significant impact to the Group.
2. Prioritisation: We then ranked the risks in order of impact to the Group’s operations and importance to stakeholders, based on our knowledge of the Group’s risk environment.
3. Validation: Selected material factors in the Report are approved by the Board; and
4. Review: To review the continued significance of previously identified material topics

The Committee conducted qualitative discussions with the leaders of our subsidiaries to assess key material topics in FY2023. Material topics identified in FY2022 remain relevant, and a new topic, Emissions, has been included. The materiality matrix highlights the importance of these topics for stakeholders and business.



Beng Kuang Marine’s materiality matrix



Beng Kuang Marine’s list of material topics

Environmental	Social	Governance
<ul style="list-style-type: none"> • Energy • Water and Effluents • Waste • Emissions 	<ul style="list-style-type: none"> • Employment • Occupational Health and Safety 	<ul style="list-style-type: none"> • Anti-Corruption



Corporate Governance

Anti-corruption

At Beng Kuang, we take a firm zero-tolerance stand against corruption or unethical behaviour, and prioritise robust corporate governance practices to foster accountability and transparency in our business operations. To mitigate the risks of potentially fraudulent activities and protect the interests of our stakeholders, we have implemented stringent policies and procedures governing whistleblowing and interested person transactions.

Our Whistle-Blowing Policy allows any employee to report any concerns about a violation of our Code of Conduct to the HR Department or the Committee. If necessary, our employees are also encouraged and allowed to report any serious misconduct and ethical concerns directly to the Chairman of the Audit Committee. All reports are kept strictly confidential. Independent investigations will be conducted, and actions will be taken if necessary.

In accordance with Chapter 9 of the Listing Manual of SGX-ST Mainboard Rules, interested persons transactions are closely monitored by the Board. The Audit Committee quarterly reviews all transactions with interested persons to ensure that they are conducted at an arm's length basis and do not adversely affect the interests of the Group and its minority shareholders. The HR Department is responsible for the tracking of all instances related to anti-corruption and anti-competitive behaviour.

All policies and procedures also undergo regular reviews and updates. For further details on our corporate governance, kindly refer to 14 – 46 of our Annual Report 2023.

Performance and targets

The Group set out a target of maintaining zero cases of corruption in FY2022. Hence, we are pleased to announce that we have met this target and had zero reported cases of corruption in FY2023. We also do not have any instances of non-compliance with laws and regulations. We aim to continue maintaining a record of having zero incidents of corruption and non-compliance with laws and regulations next year.



Environment

The Group recognises the environmental impacts of our business activities and is dedicated to minimising these effects by reducing energy consumption, lowering our carbon footprint, and responsibly managing waste. When engaging with customers and suppliers, we adopt more environmentally friendly initiatives such as using e-invoices, and minimising packaging.

The Group actively monitor recent policy developments, such as the Singapore Green Plan 2030, and adjusting our business strategy to align with the sustainable development goals of these nations. Aligning with the National Environment Agency's "Reduce, Reuse, Recycle" initiative, we are exploring inventive energy-saving methods.

Considering Singapore's Green Plan, the Group aims to pivot towards more green energy related businesses and operational methods that will allow the Group to achieve sustainability goals while providing value to all our stakeholders.

Energy

Performance

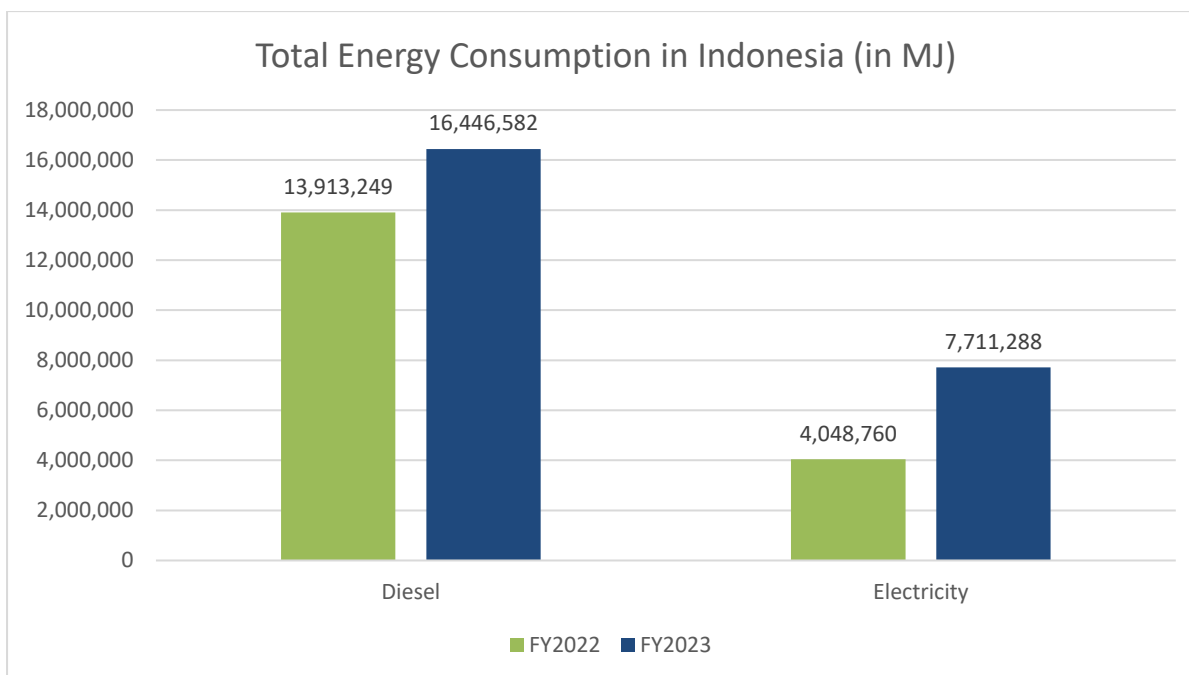
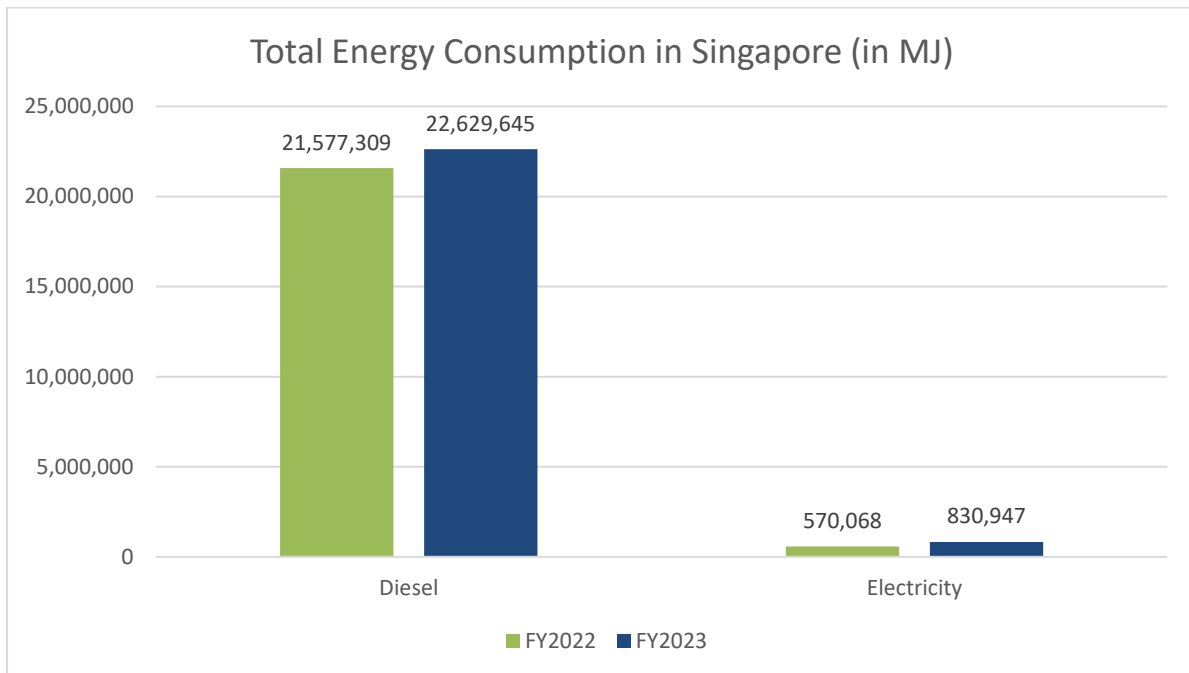
In Singapore, our diesel consumption increased from 21,577,309 Megajoules ("MJ") in FY2022¹ to 22,629,625 MJ in FY2023. Meanwhile, our electricity consumption increased from 570,068 MJ in FY2022 to 830,947 MJ in FY2023. Both increases are attributed to the increased operational needs of shipside repairs at the relevant shipyards we operate in in Singapore post-COVID 19.

In Indonesia, FY2023 is the first year which the Group collected data about our energy consumption. Hence, FY2022 comparative figures for Indonesia are not available due to a lack of data. We will continue disclosing Indonesia's energy data from this year onwards. The Group monitors energy consumption through our utility bills and the operational costs of electricity and diesel. The Group believes that adopting energy-conservation measures not only leads to cost savings but also contributes to a long-term reduction in our carbon emissions. Such measures will include energy-efficient processes and machinery to aid in our day-to-day operations, while also exploring solar energy as part of providing a clean energy source to our facilities and operational needs.

A breakdown of our energy consumption² by region below.

¹ Diesel consumption for FY2022 is restated to include Indonesia operations and allow for a more meaningful comparison with FY2023 figures.

² MJ data is calculated by using the U.S. Energy Information Administration (EIA) energy conversion calculator to convert the amount of diesel consumed (litres) and electricity used (MW) into MJ equivalents.



Targets

In our endeavour to establish energy consumption targets, the Group will assess possible optimal consumption ratios that aligned with our targets. The Group is currently assessing the possibility of providing consumption ratios using a formula that incorporates the amount of electricity and diesel consumed relative to total revenue, segmented by geography. Concurrently, we strive to limit the increase in energy consumption to a maximum of 5% as we transition into FY2024. Additionally, our focus will be on diminishing diesel consumption and exploring alternative energy sources, marking a strategic shift towards sustainability in FY2024 and beyond.

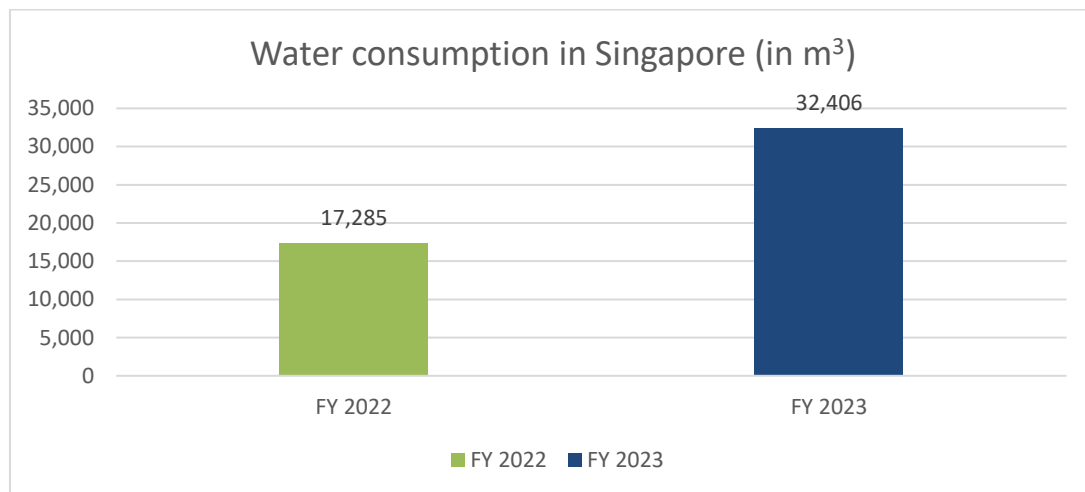


Water and Effluents

Water is a precious natural resource and is treated with much consideration in our business operations. Our activities do not directly impact water resources negatively. As an asset-light business in Singapore, our interactions with water primarily involve daily personnel usage for essential activities such as toilet usage. We also account for water usage in our workers' dormitory on a daily basis. However, in Indonesia, our water consumption is mainly due to industrial water usage in our two main Batam yards for general operations and maintenance of our respective facilities. Daily personnel usage is also accounted for but not significant.

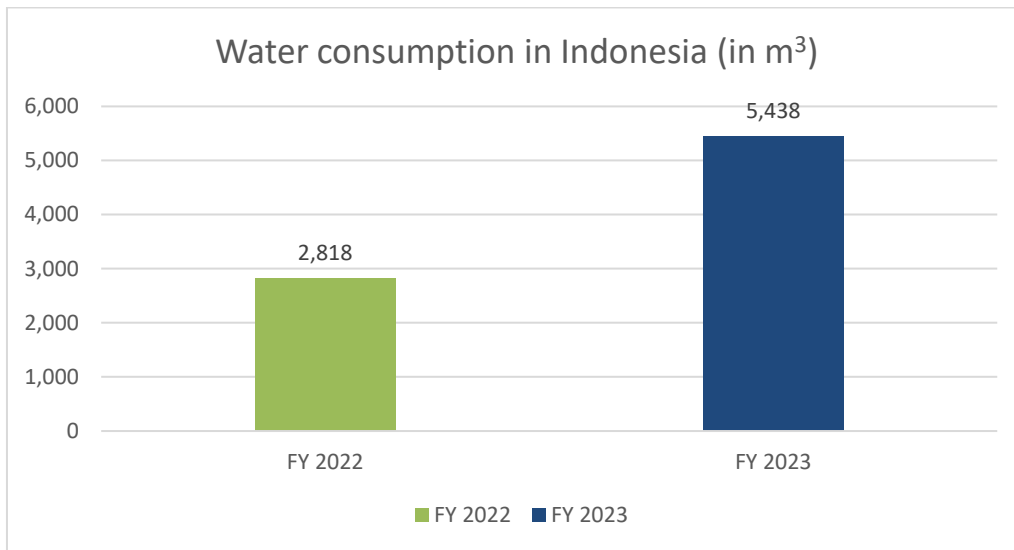
We actively educate our employees on the importance of water conservation so that the Group can continually play our role in reducing water consumption in all our operations. Monthly water consumption is diligently monitored by our HR department and any fluctuations will be investigated to understand and address the underlying causes.

Performance



In Singapore, there has been an increase in our water consumption³ from 17,285 cubic metres (m³) in FY2022 to 32,406 m³ in FY2023. Due to the increased operations in a post-COVID environment, there was an increase in the number of workers in our dormitories resulted in greater water consumption.

³ FY2022 figures were restated due to this year's improved data collection processes for utilities to better reflect the full water usage of all infrastructure under the Group.



In Indonesia, there has also been an increase in our water consumption⁴ from 2,818 m³ in FY 2022 to 5,438 m³ in FY 2023. This was due to the increase in the amount of industrial water usage due to the need to clean and maintain our respective Batam yard facilities.

Targets

As The Group’s water consumption does not directly correlate to any revenue generation, we will be establishing a water intensity ratio by employing a formula that considers the amount of water consumed in relation to the total number of employees, categorized by geography. These ratios will act as an initial benchmark for our FY2024 reference, guiding our efforts to enhance efficiency in subsequent years. A table of our ratios and targets are provided below.

	Singapore		Indonesia	
	FY2022	FY2023	FY2022	FY2023
Water	17,285	32,406	2,818	5,438
Employees	388	371	156	140
Water Intensity Ratio	44.5	87.3	18.1	38.8
FY2024 Target	To maintain under 100		To maintain under 50	

The Group experienced a notable increase in ratios between 2022 and 2023. This escalation was attributed to the implementation of back-to-office working schedules, an uptick in the number of workers in our dormitories, and increased operations in our respective yards that we serve in.

⁴ FY2022 figures were restated due to this year’s improved data collection processes for utilities to better reflect the full water usage of all infrastructure under the Group.

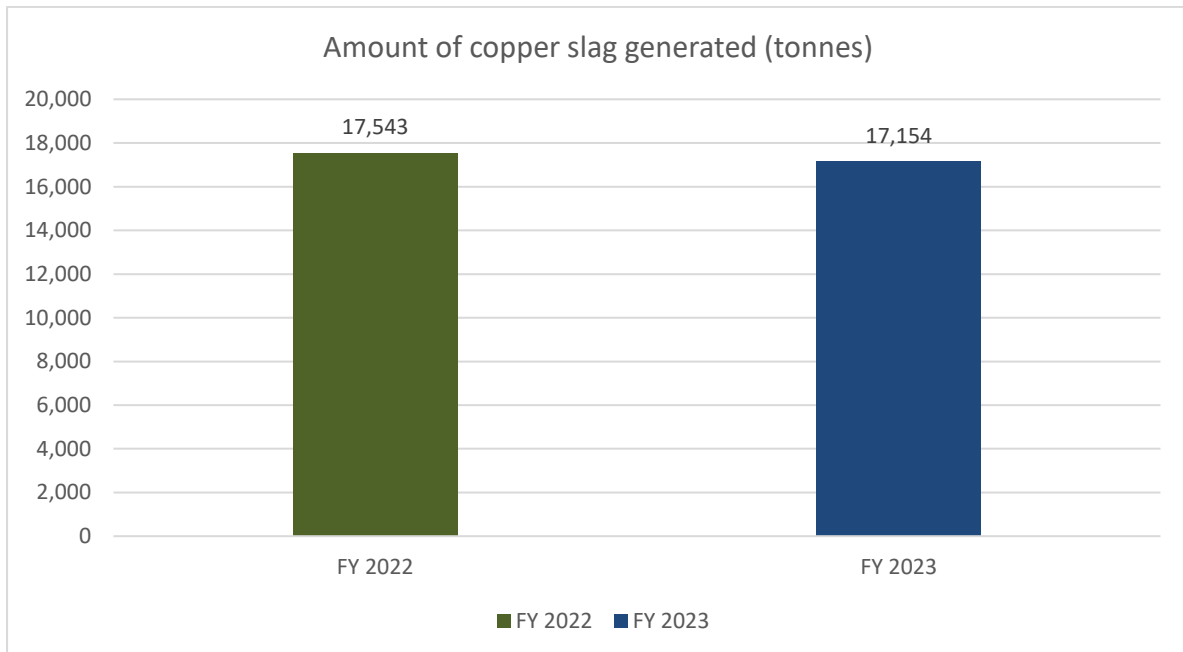


Waste

Copper slag is the main form of hazardous waste generated from our business operations in Singapore. It may cause air, water and land pollution and potentially affect other industries such as agriculture, creating disastrous effects for the neighbouring regions in terms of food and water supply. Hence, categorised by the National Environment Agency as hazardous waste material, proper disposal is important to mitigate such effects.

Garnet constitutes the primary form of hazardous waste generated by our business operations in Indonesia, and if not disposed of properly or released into the environment, it contributes to air and waste pollution. We have commenced tracking the detailed consumption of garnet material involved in our blasting and painting works this year.

Performance



In Singapore, our usage of copper slag remained consistent for the last 2 reporting periods, with 17,543 tonnes for FY2022, and 17,154 tonnes for FY2023. We hope to achieve this same type of result in the near future.

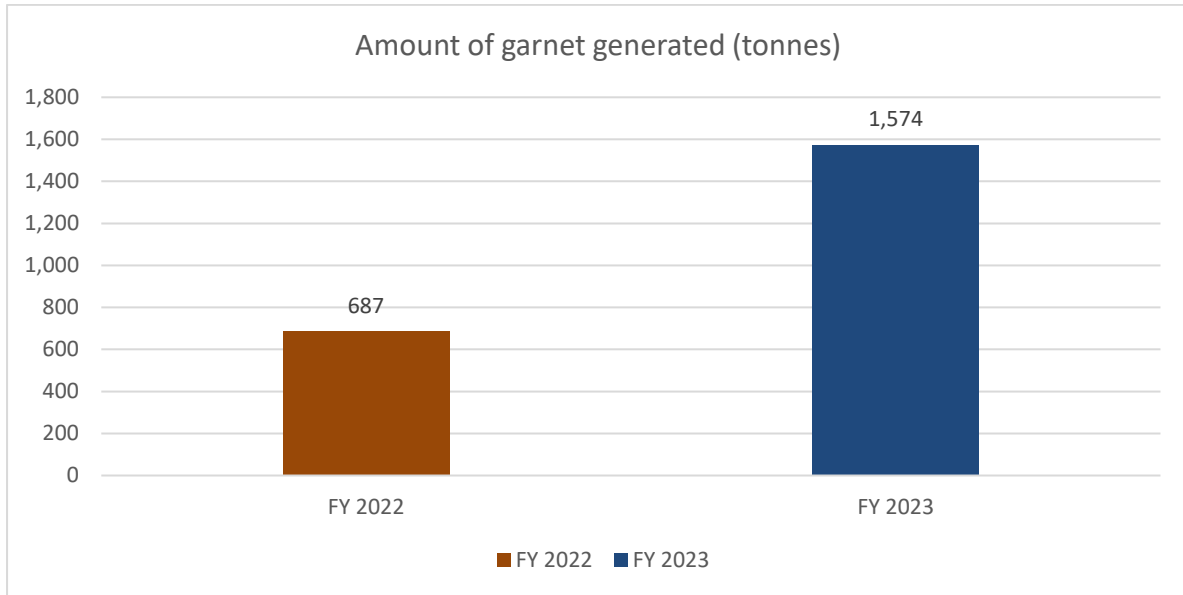
This consistent usage correlates heavily with the resumption and hence increased number of shipping and offshore fabrication activities in Singapore post COVID-19. Consequently, the possibility of an increase in the use of copper slag in the foreseeable future might occur. As such, it is our goal to make our operations more efficient to mitigate hazardous waste production.

The Group is constantly striving to improve the efficiency of our blasting and painting work. This means better maximisation of the sandblasted surface area and reduction of the usage of copper slag. Resultantly, less hazardous waste is generated. Such measures include the investment of more efficient equipment and constantly improving our operational workflow to help create the most operational value with the least amount of hazardous waste.

We have also appointed a waste collector approved by the National Environment Agency, to manage the collection and disposal of the copper slag produced through our operations. This is to ensure that



the waste was appropriately handled and disposed, thereby averting any potential harm to our community and surrounding environment. The waste collector was appointed after assessing the costs, their reputation, and their dedication to environmental protection.



As for Indonesia, our main bulk of hazardous waste production is from garnet, a key material used in our blasting operations for corrosion prevention in the fabrication of offshore modules and units. In 2022, we used 687 tonnes while in 2023, we used 1574 tonnes.

This significant increase is due to the presence of a key project conducted in Batam, Indonesia, where our Indonesian subsidiary acquired a wind farm project under Seatrium’s subsidiary in Batam, PT SMOE. This project significantly increased our usage of Garnet as part of its project requirements.

We take precautions in the disposal of garnet waste by employing disposal technologies in our operations. For example, the use of industrial dust collectors has significantly reduced the spread of garnet waste and pollutants into the surrounding environment. We are also actively exploring the possibility of recycling garnet waste in other areas of our operations, thus minimising waste through full utilisation of materials.

Additionally, we have engaged reputable waste collectors that are certified and approved by the local authorities to dispose our garnet waste materials. We tabulate the quantity of garnet material used in our projects and place order based on our usage to minimise wastage. We also conduct end-of-project reviews to assess and monitor the amount of garnet waste generated.



Targets

The Group will be employing a material consumption ratio (calculated as material used divided by revenue) to be used for assessing and determining our short-term targets. This helps us better uphold alignment with our sustainability goals and mitigate any additional environmental impact.

	Singapore	Indonesia
	FY2023	FY2023
Waste	17,021	1,574
Revenue in SGD Millions	15.0	4.7
Waste Intensity Ratio	1,134.7	334.9
FY2024 Target	To maintain between 1000 and 1500	To main between 250 to 500

Notably, the intensity ratio for Singapore and Indonesia differs greatly as the usage in Singapore and Indonesia is different both in concept and volume. In Singapore, copper slag usage is used as part of a volume-based business on various shipside sandblasting and surface preparation. However, in Indonesia, garnet blasting is used for specialised operations involving the fabrication of offshore and oil & gas modular structures that focus on quality and controlled environments.

For medium and long-term targets, the Group will be investigating alternative materials that have the potential to be more environmentally friendly. Our goal is to not only diminish our pollution footprint but also evaluate whether any enhancements can be made for our current operations. We are dedicated to exploring innovative solutions and adopting best practices to enhance our waste consumption performance.



Emissions

Considering the global emphasis on addressing climate change, there is a rising demand from countries and consumers for corporations to measure and incorporate the extent and expenses associated with their greenhouse gas (“GHG”) emissions. Consequently, we recognise the crucial need to determine our carbon footprint and to undertake substantial measures to mitigate it.

FY2023 is the first year we are reporting emissions as a material topic and publishing quantitative data on our GHG emissions. We have selected FY2023 as the baseline year for us to monitor and assess improvements to our GHG emissions performance moving forward. To compute our GHG emissions, we utilised the methodologies of the GHG Protocol established by the World Resources Institute and the World Business Council for Sustainable Development.

The following table illustrates the total GHG emissions produced by the Group for FY2023. Our Scope 1 emissions are attributable to the direct consumption of diesel used in our operations, while our Scope 2 emissions are attributable to our purchase of electricity from the national energy grids of Singapore and Indonesia.

GHG Scope 1 emissions produced in FY2023	
Non-Renewable Fuel Consumption	Amount of GHG Emissions in tonnes of CO ₂ equivalent (tCO ₂ e)
Diesel (Singapore Operations)	1,596.9
Diesel (Indonesia Operations)	1,159.7
Total	2,756.6

GHG Scope 2 emissions produced in FY2023	
Total Electricity Consumption (MWh)	Amount of GHG Emissions in tonnes of CO ₂ equivalent (tCO ₂ e)
Purchased Electricity from Singapore grid	96.2 ⁵
Purchased Electricity from Indonesia grid	1,627.9 ⁶
Total	1,724.1

⁵ Figure calculated utilised grid emission factor derived from Energy Market Authority’s published figures

⁶ Figure calculated utilised grid emission factor derived from JCM Indonesia Secretariat’s published figures



GHG Emissions intensity	
Metrics	Amount
Total Scope 1 and 2 GHG Emissions from Singapore and Indonesia (tCO ₂ e)	4,480.7
Revenue from Singapore and Indonesia (S\$ Million)	34.3
GHG Emissions intensity ratio (tCO ₂ e / S\$ Million)	130.6

We will continue monitoring our GHG emissions, enhancing our GHG inventory, and move towards establishing more key performance indicators and more specific mitigation plans for the Group's overall emissions in the coming years.

Targets

Moving forward, the Group will employ the current GHG Emissions Intensity Ratio as a benchmark for our emission performance, which will be disclosed in our upcoming sustainability reports. Our objective is to maintain a ratio between 125 to 150 for our current operations in Singapore and Indonesia. Additionally, we aspire to transition our operations towards utilizing alternative energy sources to effectively reduce long-term emissions.



Social

Employment

The growth and success of the Group depend significantly on our employees. They are our most valuable asset and play a crucial role in ensuring the delivery of high-quality services. The Group is dedicated to championing diversity and fair employment practices, coupled with a commitment to recognise and reward employees through performance-based increments and promotions. In our recruitment process, we prioritise talent, aptitude, and work ethic among applicants, emphasising meritocracy over gender.

This year, we have revamped our appraisal process to better acknowledge and reward employees in alignment with the Group's improved performance. We reviewed the employee performance indicators and adopted a more systematic appraisal method. This involves the introduction of new criteria and a percentile system, enabling us to identify key talented individuals in the short to mid-term. Our business unit leaders also meet bi-annually to ensure these performance indicators are met.

Performance

Our Workforce

Across Singapore and Indonesia, we had a total of 495 employees as of the end of FY2023 (FY2022: 544 employees). Further breakdown of our employees is listed below. All our employees are permanent employees, defined to be under contract of service and contractual hours of work for at least 44 hours a week. Due to the intensive manual labour nature of our industry, our employee gender mix naturally comprises of a larger proportion of male employees. All our full-time employees are entitled to healthcare and parental benefits.

With regards to our deployed workers who are not employees, we have 1 worker in Singapore and approximately 500 of such workers in Indonesia. These workers are mainly involved in manual labour and contracted for specific services through other subcontractors such as office cleaning / repair related services (data won't be reflected in table below).

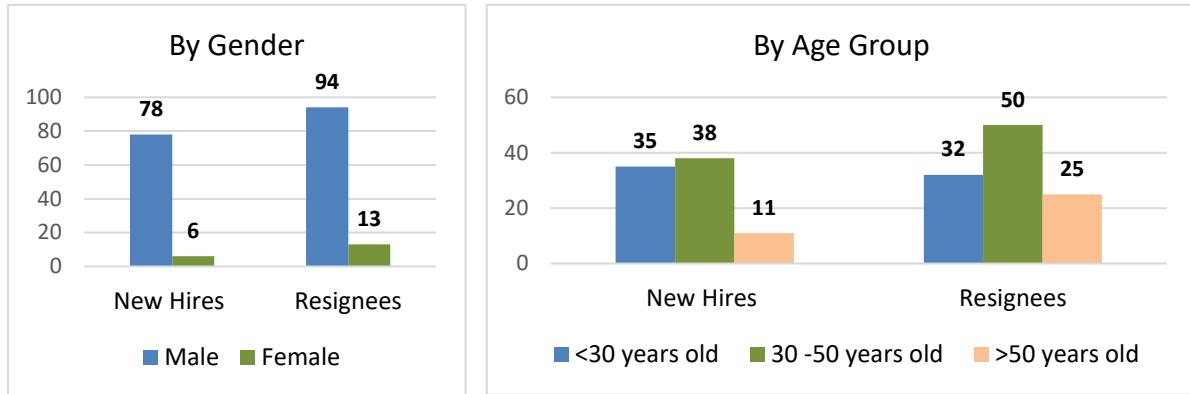
Employee category	By Gender ⁷				By Region			
	Male		Female		Singapore		Indonesia	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
All employees	477	455	67	40	388	371	156	124
Full-time employees	475	452	67	40	386	368	156	124
Part-time employees	2	3	0	0	2	3	0	0

⁷ FY2022 figures were recalculated and restated to correct past inaccurate figures disclosed in SR2022.

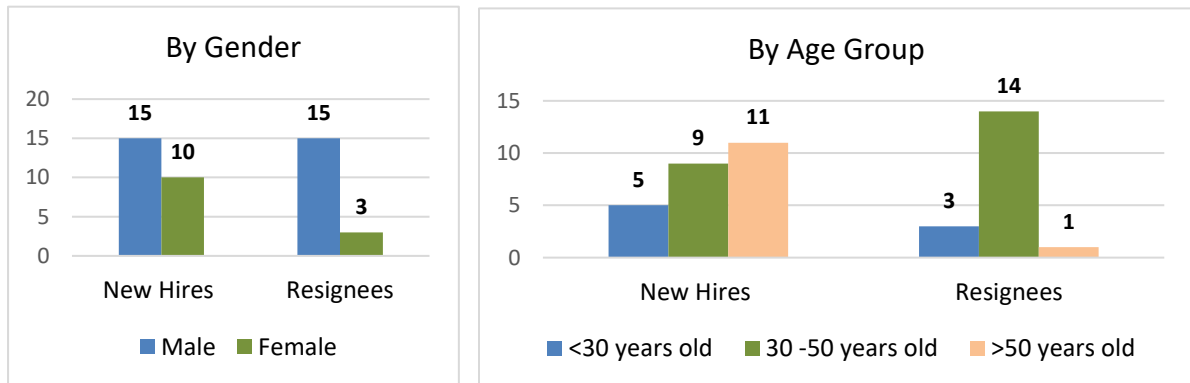


New Hires and Employee Turnover

In Singapore, our new hire rate decreased from 21.14% in FY2022 to 16.97%, and our employee turnover rate increased from 20.58% in FY2022 to 21.62% in FY2023. A breakdown of our employee new hires and employee turnover by gender and age group are as follows:



In Indonesia, our new hire rate increased from 3.20% in FY2022 to 5.05%, and our employee turnover rate decreased from 12.8% in FY2022 to 3.64% in FY2023. A breakdown of our employee new hires and employee turnover by gender and age group are as follows:



Parental Leave

In Singapore, we strongly urge our employees to use the parental leave benefits granted to them and be assured that they will return to work in the same or a comparable position. The following tables show the breakdowns of the how parental leave had been used by our employees over the last two reporting periods.



Parental Leave	FY2022			FY2023		
	Female	Male	Total	Female	Male	Total
Number of employees entitled to parental leave	10	17	27	7	17	24
Number of employees who took parental leave during the reporting period	9	17	26	7	17	24
Number of employees that returned to work in the reporting period after parental leave ended	9	17	26	7	17	24
Total number of employees due to return to work after taking parental leave	9	17	26	7	17	24
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	9	17	26	7	15	22
Return to work rate ⁸	100%	100%	100%	100%	100%	100%
Retention rate ⁹	100%	100%	100%	78%	88%	85%

Types of Parental Leave utilised	Number of employees	
	FY 2022	FY 2023
Childcare	13	11
Maternity	2	1
Paternity	1	1
Extended Childcare	10	11
Total	26	24

Targets

The Group will continue striving to ensure that all employees receive salaries corresponding to living wages and compensation commensurate with their roles within the organization. Our intention is to keep the turnover rate below 20%, making it the primary focus for our employment targets. This approach aims to foster a healthy and productive work culture, contributing to a workforce characterized by high retention.

⁸ Return to work rate is based on “Number of team members who returned to work in the reporting period” over “Total number of employees due to return to work after taking parental leave”

⁹ Retention rate is based on “Number of team members who returned to work and were still employed 12 months later” over “Total number of employees returning from parental leave in the prior reporting period”



Occupational Health and Safety (“OHS”)

Our foremost focus is on employee health and safety, achieved through vigilant monitoring of workplace risks. Neglecting this could lead to accidents, legal issues, and damage to equipment, causing financial losses from medical expenses, compensation claims, and regulatory fines. Additionally, it may harm morale, productivity, reputation, and overall business success, causing a loss of workdays due to workplace incidents.

All our employees are urged to promptly report workplace incidents through email, personal messaging, or the Hazard Observation & Notification Card ("HON"). Involved parties must complete a detailed incident report, with relevant Heads of Departments conducting thorough investigations. Proposed actions to prevent recurrence will be reviewed by Management, and all incident data with corrective actions will be meticulously documented.

The Group have an established a Risk Management Team, a Workplace Safety and Health (WSH) committee and a Health and Safety Committee, with the following roles and responsibilities:

Team	Roles and Responsibilities
Risk Management Team	<ul style="list-style-type: none"> • Comprising members from various workforce segments • Conduct regular risk assessments, prepare safety statistics • Participate in monthly Health and Safety Committee meetings to evaluate current risk management processes • Review list of OHS hazards and risks
WSH Committee	<ul style="list-style-type: none"> • Identify and evaluate OHS hazards and risks • Maintain comprehensive hazards and risks list based on job safety analysis, inspection reports, and professional judgment
Health and Safety Committee	<ul style="list-style-type: none"> • Perform periodic inspections, reviewing and recommending safety policies, investigating major incidents, and participating in educational activities to promote safety awareness • Monthly Health and Safety Committee meetings • Holds emergency meetings in response to any serious events

The Group closely monitors our OHS performance and tracks the progress towards objectives, targets, and legal requirements through our established procedures, including:

- a) Identifying key characteristics of OHS performance in alignment with significant risk assessments, policy, objectives, and targets;
- b) Identifying proactive and reactive monitoring indicators;
- c) Ensuring calibration and maintenance as applicable, and;
- d) Evaluating compliance with legal and other requirements.

The Group provides tailored safety trainings for workers who are consistently exposed to workplace hazards, as listed below. Comprehensive briefings and prominently displayed memorandums on notice boards serve as continual reminders for strict adherence to workplace standards. This collective effort aims to safeguard the health and safety of all individuals in the workplace.



List of trainings	
Occupational First Aid Course	WSQ Supervise Safe Lifting Operations
WSQ Operate Forklift Course	Blasting & Painting Operation Training
WSQ Operate Boom Lift Course	Chemical Handling Training
WSQ Perform Work in Confined Space Operation	Firefighting Training
Perform Work At Height Course	Risk Assessment Trainings
WSQ Perform Rigger and Signaller Tasks Course	IRATA Industrial Rope Access
WSQ Supervise Marine Work for WSH	Erect Metal Scaffold in Marine Industry

Training needs are assessed annually and as needed based on job requirements. The courses are conducted by external providers, with the Group covering the cost. The effectiveness of training is evaluated using an Internal Training Evaluation form completed by employees after one month, ensuring a comprehensive and accountable process for relevant and impactful training.

We strictly adhere to the Ministry of Manpower's Workplace Safety & Health Act and its subsidiary legislations. Both Singapore and Indonesia offices comply with SS ISO 45001 standards, which covers all workplaces, employees, and services in infrastructure engineering and corrosive prevention works. Additionally, we hold the certification for bizSAFE Level 4 from the Workplace Safety and Health Council Singapore.

The organisation has an independent internal audit team trained to assess safety regulation adherence. They conduct an annual audit to ensure compliance with planned OHS activities and assess the OHS Management System's effectiveness. The Internal Audit Report is then reviewed by Management. External auditors are also engaged for necessary certifications.

Performance and targets

We are pleased to report that there have been zero workplace fatalities and high-consequence injuries in FY2023, meeting our targets set last year. High-consequence injuries are defined as per the adhered WSH guidelines and standards, and considers a combination of factors, including the nature of injury, part of body injured, accident type and duration of medical leave. In this Report, high-consequence injuries are considered as major injuries. Minor injuries include all other reportable workplace injuries that did not result in death or major injuries.

The following table reports our performances with regards to work-related injuries for FY2023 and FY2022.

Work-related injuries (Singapore)	
The number of recordable work-related injuries	2
The number of hours worked	890,808
Rate of recordable work-related injuries (per 1,000,000 hours)	2.25



Work-related injuries (Indonesia)	
The number of recordable work-related injuries	1
The number of hours worked	859,074
Rate of recordable work-related injuries (per 1,000,000 hours)	1.16

For FY2023, our safety targets are clear and have never wavered. We always strive for zero incidences of any safety-related incidents from happening to our employees and we will continue to do so. Through the three incidents that had happened in Singapore and Indonesia, all employees were treated with care and returned to original work. We improved our operational processes and implemented additional safety measures to ensure that such incidents will not occur again. Our commitment to ensure a safe workplace will always be upheld in all aspects of our business.

Below are some additional specific targets that we aim to achieve through the Accident Frequency Rate (“AFR”) and Accident Severity Rate (“ASR”) to ensure realistic and practical steps towards a strong safety culture.

Targets
Reduce the Major Injury* AFR and ASR to below 1.2 & 100 per million man-hours worked
Reduce the Minor Injury* AFR and ASR to below 6.5 & 50 per million man-hours worked
Reduce the safety contravention rate of the Group employees and sub-contractor employees compared to each previous year

As we care for our workers’ safety each day, we will look to continuously review and choose appropriate targets that will ensure the safety of all our workers.



TCFD report

Governance

The Board oversees all climate-related matters. The newly established Sustainability and Enterprise Risk Management Committee (“the Committee”) is responsible for identifying, assessing, and managing climate-related risks and opportunities, and collaborates with the Board, external organisations, and consultants to determine the most critical material topics for structuring our sustainability report and to enhance our risk identification process.

Semi-annually, the Committee will meet with the Board and present all new and existing climate-related risks and opportunities and provide reports on our progress towards climate goals and targets. Together with the Board, they will analyse actual and potential impacts of climate change on the Group. As and when appropriate, the Committee will provide the Board with climate-related updates that are geographically relevant to the Group.

Details on our implementation timeline of TCFD-aligned climate-related disclosures are as follows:

TCFD Pillar	Year 1 (FY2023)	Year 2 (FY2024)
Governance	<ul style="list-style-type: none"> Described the governance structures, including Board oversight and the management’s role 	<ul style="list-style-type: none"> To continue from FY2023 and provide updates.
Strategy	<ul style="list-style-type: none"> Identified the climate-related risks and opportunities. 	<ul style="list-style-type: none"> Disclose the impacts of identified climate-related risks and opportunities in qualitative and quantitative terms. Conduct detailed scenario analysis with quantitative outcomes and disclose resilience of our strategy with consideration of this analysis
Risk Management	<ul style="list-style-type: none"> Described the processes for identifying and assessing climate-related risks. 	<ul style="list-style-type: none"> Describe the processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.
Metrics and Targets	<ul style="list-style-type: none"> Scope 1 and Scope 2 GHG emissions from operations in Singapore and Indonesia. 	<ul style="list-style-type: none"> Include metrics and targets used for assessment of climate-related risks and opportunities.



Strategy

In FY2023, to align with the TCFD recommendations, we completed our first exercise to identify and assess our climate-related risks and opportunities that are significant and relevant to our core business operations.

To effectively discuss these climate-related risks and opportunities, we have determined the appropriate durations used to define short-, medium-, and long-term:

- Short-term: within 5 years
- Medium-term: from 5 – 10 years
- Long-term: from 10 – 25 years

These durations were thoughtfully considered after assessing the useful life of our assets and infrastructure and with the knowledge that climate issues often manifest themselves over medium and long-terms horizons.

Climate-related risks

Category of Climate Risk	Risk Name	Risk Description	Scope of Risk	Timeframe
Physical Risk - Chronic	Chronic changes in precipitation resulting in higher rainfall	Unpredictable rainfall patterns lead to increased risk of project delays, higher manpower, and material costs.	By sector; In particular, operations in the Corrosion Prevention Division are more badly affected as it involves processes that can only be conducted in low precipitation.	Long term
Transition Risk – Policy and Legal	Enforcement of poor climate reporting	Non-compliance with new emerging sustainability regulations may lead to financial penalties and reputational damage.	By sector; All sectors are evenly affected.	Short term
Transition Risk – Policy and Legal	Poor education of our workers in transiting towards sustainability efforts	With a lack of education, business units will fail to recognise the need to be incorporate sustainability related practises and fail to innovate and/or adapt towards the net-zero targets both of the Group and nationally.	By sector; All sectors are evenly affected.	Short and medium term



Climate-related opportunities

Category of Climate Opportunity	Opportunity Name	Opportunity Description	Scope of Opportunity	Timeframe
Resource Efficiency	Improving energy efficiency for our backend staff	Achieving better resource efficiencies allows us to cut our carbon footprint. This also helps the Group to save costs and tackle the impacts of rising electricity and utility prices.	By sector; This primarily concerns our buildings and energy intense activities such as data storage in offices for our white-collar activities.	Short term
Energy Source	To adopt renewable energy as a green energy option	We are actively looking into the possibility of using solar power as a greener source of energy for our operations. This could aid in our progress towards net-zero goals in the long run.	By sector; This primarily concerns our buildings and energy intense activities such as data storage in offices for our white-collar activities.	Medium and Long term
Resilience	Adapting our operations towards net-zero targets by refreshing our assets into net-zero capabilities	We are actively looking to incorporate net-zero assets into our own business operations to improve our efforts in adapting to climate change and its trends and reduce our own carbon emissions.	By sector; All sectors are evenly affected and can contribute towards the industry's efforts to help make our value chain more sustainable.	Medium and Long term



Risk Management

In FY2023, the Committee is in the process of further incorporating and formalising climate-related risks into these business units' risk management framework. Our risk management frameworks used are developed with the help of third-party organisations to ensure that the Group is on the right track towards more sustainable business goals.

One of our key risk management goals include strongly considering existing and emerging regulatory requirements to climate change. Our risk prioritisation is based on factors such as impact, implications for stakeholders' decision-making processes, and how they align with Singapore's and global net-zero ambitions. To contribute to such net-zero ambitions, the Groups aims to invest in green assets and technologies in our operations in the long term.

We also plan to identify key sources of non-green activities in the Group's value chain that are significant. This allows us to plan and adapt our operations accordingly. Over time, we aim to further identify and assess more physical and transition risks in our business operations to make possible mitigation plans and ensure that our business remains sustainable.



GRI Content Index

Statement of Use	Beng Kuang Marine Limited has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARDS AND DISCLOSURES		LOCATION
GRI 2: General Disclosures 2021		
The organisation and its reporting practices		
2-1	Organisational details	4
2-2	Entities included in the organisation’s sustainability reporting	3
2-3	Reporting period, frequency and contact point	3
2-4	Restatements of information	12, 14, 15, 21
2-5	External assurance	3
Activities and workers		
2-6	Activities, value chain and other business relationships	5 – 6
2-7	Employees	21 – 22
2-8	Workers who are not employees	21
Governance		
2-9	Governance structure and composition	AR: 8 - 11
2-10	Nomination and selection of the highest governance body	AR: 22 - 24
2-11	Chair of the highest governance body	AR: 21
2-12	Role of the highest governance body in overseeing the management of impacts	2
2-13	Delegation of responsibility for managing impacts	2, 9
2-14	Role of the highest governance body in sustainability reporting	2
2-15	Conflicts of interest	AR: 14 - 15
2-16	Communication of critical concerns	AR: 31 - 37
2-17	Collective knowledge of the highest governance body	2
2-18	Evaluation of the performance of the highest governance body	AR: 25
2-19	Remuneration policies	AR: 26 - 31
2-20	Process to determine remuneration	AR: 26 - 31
2-21	Annual total compensation ratio	AR: 26 - 31
Strategy, policies, and practices		
2-22	Statement on sustainable development strategy	2
2-23	Policy commitments	N.A.
2-24	Processes to remediate negative impacts	N.A.
2-25	Mechanisms for seeking advice and raising concerns	N.A.
2-26	Compliance with laws and regulations	11
2-27	Membership associations	7
Stakeholder Engagement		
2-28	Approach to stakeholder engagement	8
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	9 – 10
3-2	List of material topics	10



GRI STANDARDS AND DISCLOSURES		LOCATION
GRI 205: Anti-Corruption 2016		
3-3	Management of material topics	11
205-3	Confirmed incidents of corruptions and actions taken	11
GRI 302: Energy 2016		
3-3	Management of material topics	12 – 13
302-1	Energy consumption within the organisation	12 – 13
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	14 – 15
303-1	Interactions with water as a shared resource	14 – 15
303-5	Water consumption	14 – 15
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	19 – 20
305-2	Energy indirect (Scope 2) GHG emissions	19 – 20
305-4	GHG emissions intensity	19 – 20
GRI 306: Waste 2020		
3-3	Management of material topics	16 – 18
306-1	Waste generation and significant waste-related impacts	16 – 18
306-2	Management of significant waste-related impacts	16 – 18
306-3	Waste generated	16 – 18
306-5	Waste directed to disposal	16 – 18
GRI 401: Employment 2016		
3-3	Management of material topics	21 – 23
401-1	New employee hires and employee turnover	21 – 23
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	21 – 23
401-3	Parental leave	21 – 23
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	24 – 26
403-1	Occupational health and safety management system	24 – 26
403-2	Hazard identification, risk assessment, and incident investigation	24 – 26
403-4	Worker participation, consultation, and communication on occupational health and safety	24 – 26
403-5	Worker training on occupational health and safety	24 – 26
403-9	Work-related injuries	24 – 26



TCFD Content Index

Disclosure Focus Area	Recommended Disclosure	Page Reference / Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	2, 9
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	9, 27
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	28 – 29
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	To be incorporated in FY2024
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	To be incorporated in FY2024
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	30
	b. Describe the organisation's processes for managing climate-related risks	To be incorporated in FY2024
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	To be incorporated in FY2024
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	To be incorporated in FY2024
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	19 – 20
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Within each relevant material topics