



Mencast

MENCAST HOLDINGS LTD

Sustainability Report
FY2018

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ABOUT THE REPORT

Reporting Scope and Period

This is the second Group Sustainability Report (“**SR**”) by Mencast Holdings Limited (“**Mencast**” or together with its subsidiaries, the “**Group**”). It covers the sustainability performance of our operations in Singapore from 1 January 2018 to 31 December 2018 (“**FY2018**”). Our report will provide a holistic view of the Group’s performance, while highlighting the Environmental, Social and Governance (“**ESG**”) factors that we deem critical to our activities and developments. Subsequently, the report will be published on an annual basis in accordance with our SR policy and the SGX requirements.

Reporting Process

For the purpose of this report, we engaged an external sustainability consultant to collaborate with the SR Committee, led by Mr Sim Soon Ngee Glendle, our Executive Chairman and Chief Executive Officer (“**CEO**”). There were no changes in the composition of the committee since the first year of reporting. It comprises senior management of all subsidiaries to provide an oversight on the integration of sustainability practices into all aspects of the business. Additionally, the committee focuses in areas of formulating, implementing and reviewing the Group’s sustainable policies and practices, sustainability development programs and initiatives. Periodic reviews are done to ensure the effective implementation and engagement of the Group as a whole is in line with the Group’s strategic development. The SR Committee conducts an in-depth review on the contents of the report to determine its relevance to our business and ensure the interests of our stakeholders are addressed.

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option. They are the most widely adopted global standards for sustainability reporting, providing businesses and organisations worldwide the framework to measure, understand and communicate their critical sustainability issues on environmental, economic and social performance ability to stakeholders. The GRI content index and the relevant references are provided on pages 19 to 20.

Feedback

As we are fully committed to listening to our stakeholders, we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to ir@mencast.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business.



STATEMENT FROM THE CHAIRMAN

Dear Stakeholders,

We are glad to have deepened our commitment towards the sustainable development of Mencast in the past year. In 2018, we have identified a number of new business opportunities that leverage our existing strengths in Maintenance, Repair and Overhaul (“MRO”), environmental remediation and the recycling of waste products. These businesses have a high sustainability component as they provide deep social, economic and environmental benefits to businesses and their stakeholders. It is of utmost importance that we secure long term initiatives to ensure prosperity of Mencast through building new business operations.

In the past year, we have also taken the necessary measures to ensure that our business partners, suppliers and subcontractors alike, are aligned with our sustainability concept. We source sustainably, to offer a suite of products that are cost-effective, superior and environmentally-friendly, whilst increasing competitiveness for the organisation. We foresee greater efficiency, better communication and significant cost savings following the shift of our subsidiary, Mencast Marine Pte Ltd, to join our centralised operations. The move is scheduled to conclude in late 3Q2019/4Q2019.

While advancing our business objectives, we also recognise corporate governance as the guiding principle of our sustainability practices. As part of Mencast’s corporate governance framework, various checks and balances are in place to ensure business integrity and responsible operations. The Group is vigilant on potential impacts and adopts a precautionary approach in identifying and assessing strategic, operational and commercial risks.

As part of the Group’s benchmarking efforts against the global best practices, Mencast plans to align its sustainability practices with the United Nations Sustainable Development Goals in 2019. These include achieving sustainable economic growth by having employment and decent work for all; encouraging sustainable industrialisation and innovation; promoting an inclusive workplace; addressing climate change and its impacts; as well as exploring opportunities for meaningful impact through business partnerships.

With utmost gratitude,

Mr Sim Soon Ngee Glendle

Executive Chairman and Chief Executive Officer
Mencast Holdings Limited



ABOUT THE GROUP

Goals and Achievements

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we have also upheld a reputation for quality and high standards in our operations, as well as excellence in our operations management.

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

OFFSHORE & ENGINEERING SEGMENT



MARINE SEGMENT

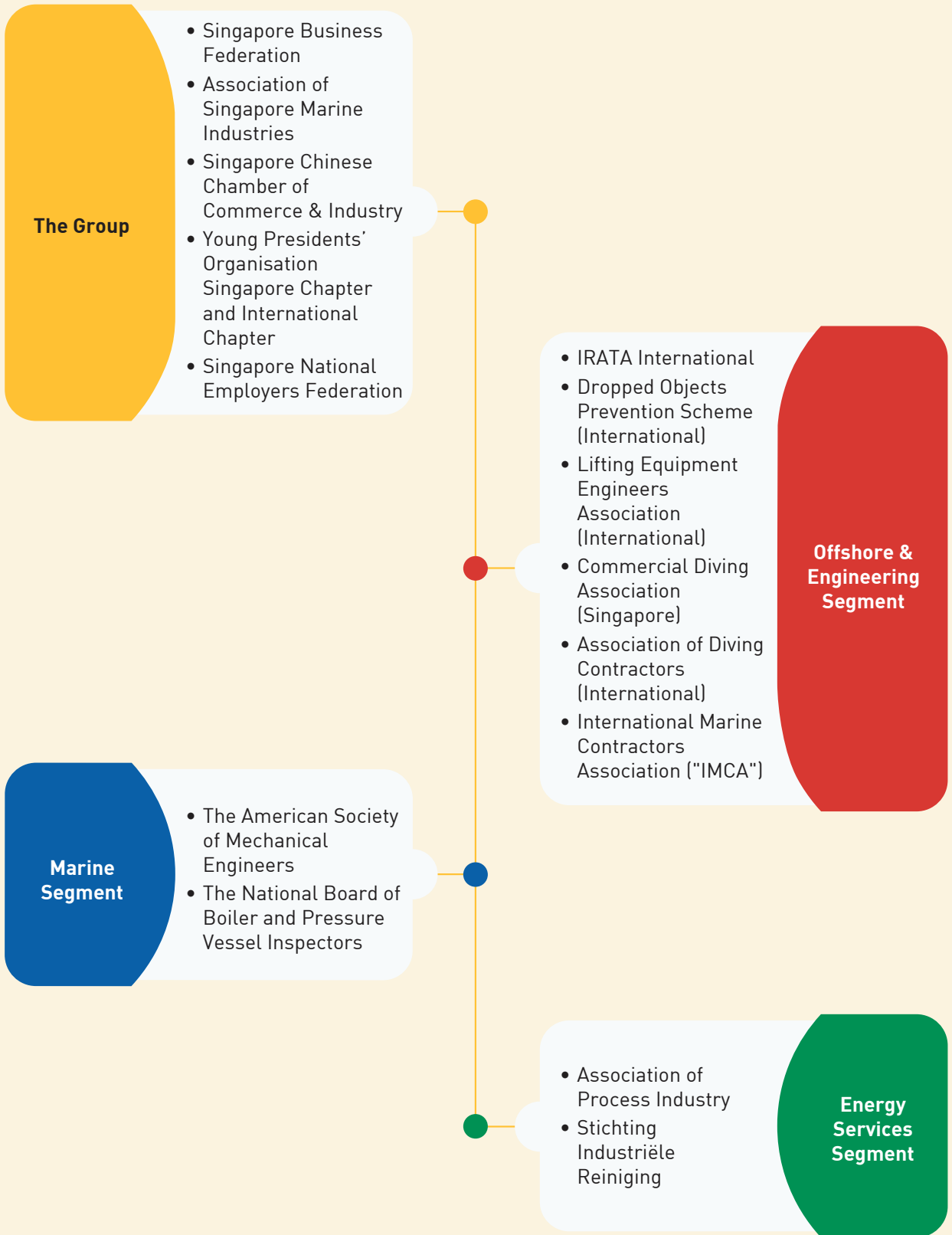


ENERGY SERVICES SEGMENT



Membership of Associations

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, Mencast and its subsidiaries have joined and taken active participation in the following industry associations:





STAKEHOLDER ENGAGEMENT

As part of the business transformation process, the Group reviewed comparative studies in the region to identify and map stakeholders who influence, or are influenced by, Mencast and its operations. In identifying the key groups of stakeholders, we assessed the level of significance of the stakeholders’ interests in sustainability issues:

Stakeholders	How we engage	Main concerns and expectations	How we respond
Employees	<ul style="list-style-type: none"> • Meetings • Training and development • Teambuilding activities • Annual performance appraisals • Long-service awards • Annual dinners 	<ul style="list-style-type: none"> • Department updates • Training and career development opportunities • Workplace safety and health • Engaging and retaining employees 	By adopting sound human resource policies and practices that promote fair treatment, safe working conditions, rewards and recognition for performance, work-life balance and career growth.
Customers	<ul style="list-style-type: none"> • Monitoring product sales • Contacts to our customer service • Feedback channels through email 	<ul style="list-style-type: none"> • Product and service quality • Group’s reputation in the market 	By establishing policies for quality control and assurance that ensure our goods are of excellent quality and to promptly address customer complaints.
Shareholders and Investors	<ul style="list-style-type: none"> • Annual General Meeting • Meetings with investors and sell side analysts • Disclose material developments promptly 	<ul style="list-style-type: none"> • Current financial performance and future business outlook • Long term vision • Strategic plans and business development • Market trends and development 	<p>Mencast regards our shareholders and investors as partners in the creation of a sustainable business and society.</p> <p>To facilitate deeper understanding of our company, Mencast provides information promptly and transparently on corporate and market developments, long term management strategies, the innovations we are adopting to boost competitiveness, and market trends and developments.</p>
Business Partners	<ul style="list-style-type: none"> • Regular meetings • Visits • Emails • Tender process 	<ul style="list-style-type: none"> • Integrity and effectiveness of the tender process • Workplace safety and health • Energy-efficient fittings and products with Green labels • Product and technology updates • Performance reviews 	By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices.
Community	<ul style="list-style-type: none"> • Phone and email channels • Volunteering activities 	<ul style="list-style-type: none"> • Contribution to communities • Business decisions’ impact on their environment • Pollution (air, land, water) 	By raising awareness through sustainable business practices and assessing the potential harmful impacts on the environment.



MATERIALITY ASSESSMENT

Following an extensive materiality assessment in FY2017, we conducted a Group-wide exercise during the year to review the relevance of our material topics, identify if there has been any shift in priorities among our stakeholders and examine any emerging areas of concern. The assessment was conducted according to GRI’s Standards’ Reporting Principles for defining report content and covered our operations in Singapore only. Our associates, regional businesses and minority stakes were not included in this exercise. We applied the materiality principle for defining report content based on a review of industry practices and global peers.

Material ESG Factors

The SR Committee has identified the following material ESG factors for FY2018:

ESG	Top material topics for the Mencast Group	Key Highlights
Governance	Anti-Corruption	<ul style="list-style-type: none"> No cases of corruption and whistle-blowing cases in FY2018
	Economic performance	<ul style="list-style-type: none"> \$88.1 million economic value generated \$80.0 million economic value distributed
Economic	Procurement practices	<ul style="list-style-type: none"> Procured 71% of the materials from local suppliers 91% of the total subcontractors’ costs outsourced to local subcontractors
	Environmental compliance	<ul style="list-style-type: none"> Zero cases of non-compliance in FY2018 No significant fines/non-monetary sanctions for non-compliance with environmental laws and regulations
Social	Employment	<ul style="list-style-type: none"> Total employees - 551 New hires: <ul style="list-style-type: none"> Male – 85%; Female – 15% Under 30 years old – 41%; between 30 to 50 years old – 48%; over 50 years old – 11%
	Training and education	<ul style="list-style-type: none"> Clocked a total of 7,063 hours in training during FY2018 Average number of training hours: <ul style="list-style-type: none"> Male - 12.3 hours; Female - 5.8 hours Managerial – 15.8 hours; Non-Managerial – 11 hours
	Occupational health and safety	<ul style="list-style-type: none"> Zero fatalities in FY2018 3 reportable injuries, 3 non-reportable injuries, 6 minor injuries 106 lost days



CORPORATE GOVERNANCE

The Group is committed to upholding the highest standard of corporate governance and we believe a high standard of corporate governance is integral in ensuring our business' sustainability as well as safeguarding shareholders' interests and maximising long-term shareholder value. This commitment is aligned with the Principles of the Code of Corporate Governance 2012.

The promotion of effective and fair communication with the stakeholders is under the purview of our Executive Chairman and CEO. We fulfil our obligation to furnish timely information to shareholders and ensure full disclosure of material information to comply with statutory requirements and the Listing Manual of the SGX-ST. The Group firmly believes in high standards of transparent corporate disclosure, in line with the continuous obligations of the Company.

The Board and Management strongly believes that our quest for good governance lies in putting in place an effective risk management framework and internal controls that is in line with market standards and best practices. Having this in place will lead to increased levels of internal discipline, accountability and transparency.

There were no non-compliance incidents with relevant laws and regulations that resulted in significant fines and non-monetary sanctions. We will continue our commitment in achieving zero incidents of non-compliance with relevant laws and regulations. In addition, we will closely monitor the Internal Audit issues and ensure that internal controls for all processes are in place.

For detailed disclosure on the application of corporate governance practices with reference to the Code, please refer to the Corporate Governance section on pages 22 to 39 of the Group's Annual Report FY2018. For any cases of deviation from the Code's guidelines, an explanation has been provided within the Annual Report.

6.1 Anti-Corruption

The Group, with our significant workforce size and multiple partnerships across the value chain, has several areas that can render us vulnerable to corruption. Our stakeholders have recognised this during our materiality assessment, thus highlighted anti-corruption as a critical factor to the Group. We would like to reaffirm our strong stance that we have zero tolerance towards unethical acts in totality.

A whistle-blowing policy and other procedures have been put in place to provide the Group's employees and external parties, who have dealings with the Group, accessible and trusted channels to report suspected fraud, corruption, dishonest acts or other improprieties in the workplace. As at the end of FY2018, there has been no report received through any whistle-blowing channels.

Moving forward, the Group will continue with our zero tolerance for misconducts and will strive to maintain the current status of zero cases through our various preventive methods which are already in place.



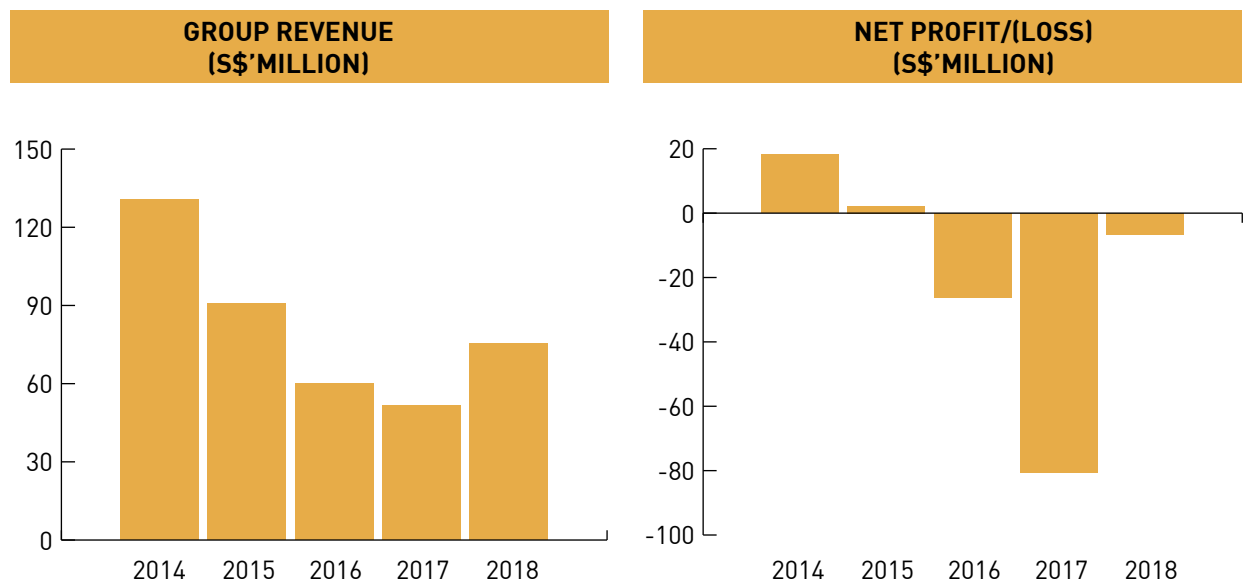
ECONOMIC

7.1 Economic Performance

Financial Highlights

The Group recorded revenue of S\$75.5 million (FY2017: S\$51.7 million) for the financial year ended 31 December 2018 (“**FY2018**”) and our Net loss for FY2018 has narrowed sharply, down by 92% to S\$6.6 million (FY2017: S\$80.7 million).

Presented below are the key financial highlights extracted from page 8 of Mencast’s Annual Report FY2018. For the Group’s Consolidated Financial Statements, please refer to pages 47 to 52 of the Group’s Annual Report FY2018.



In order to restore confidence amongst our investors and other stakeholders, we did our best to improve our internal efficiency and effectiveness in our existing business and also, to leverage on our existing strengths for new business opportunities. As a result, we had a healthy growth in our revenue and improved our overall financial performance. This was mainly due to a positive outlook in the Oil & Gas industry, as well as a maiden contribution of S\$12.2 million from our new dredging and reclamation business.

Direct Economic Value Generated and Distributed

The following table provides an overview of our economic value generated and distributed in FY2018 based on GRI's disclosure categories:

FY2018	S\$'000
Total economic value generated	88,080
Operating costs	44,413
Employees compensation and benefits	23,714 ¹
Payment to providers of capital	9,946
Payment to government	1,830
Community Investments	67
Total Economic Value Distributed	79,970
Net Economic Value Retained	8,110

¹ Figure consists of Employee wages and Employee benefits that amount to S\$22,698,000 and S\$1,016,000 respectively.

Central Provident Fund (“CPF”) contributions

The Group makes monthly contributions to the employees’ compulsory saving scheme mandated by the Singapore government. The fund is a social security system that tackles our employees’ financial concerns regarding healthcare, home ownership, family protection and asset enhancement. We view this as a good opportunity to reward our employees and relieve them from the burden of personal finances. In FY2018, we made a total contribution of approximately S\$1.2 million to all our employees. Refer to the following table for the CPF contribution rates for respective age groups:

Employee age	CPF contribution by employer
Up to 55 years old	17%
55 to 60 years old	13%
60 to 65 years old	9%
Above 65 years old	7.5%

Financial Assistance Received from Government

In conjunction with multiple government agencies such as Ministry of Manpower (“**MOM**”) and Workforce Singapore (“**WSG**”), Mencast is assisting our local Professionals, Managers, Executives and Technicians (“**PMET**”) for redeployment purposes. Since 2017, we have been sending employees to attend the Professional Conversion Programme (“**PCP**”) as part of our phase-in approach to shift resources to our new business stream – hazardous waste management. Across the Group, the government has subsidised a total of S\$1,417,000 in FY2018, with WSG co-funding up to 90%² of the employees’ salaries and course fees. We are currently working with WSG, to leverage the Singapore National Employer Federation Grant, for one of our future transition programs scheduled to take place next year.

7.2 Procurement Practices

The Group firmly believes that the suppliers and subcontractors we engage are critical to creating positive economic impact, thus enhancing stakeholder’s return. In this respect, the Group maintains a rigorous selection process in vendors selection, which are based on the past track records and adherence to occupational health and safety standards.

As we consider sustainability as one of the key factors in selecting a supplier, we evaluate the potential candidates based on their sustainability performance and practices. Often, there would be a collaboration with business partners and suppliers to redesign our product offerings to reduce the negative impact on the environment in this area. For the purpose of this disclosure, we took into account the entities located in Singapore as the “significant locations of operations”.

Purchases from local material suppliers accounted for approximately 71% (FY2017: 90%) of the total purchases in FY2018. The remaining raw materials were procured from overseas suppliers as they were not available locally. The Group also engaged subcontractors for selected processes and the outsourced amount to local subcontractors made up 91% (FY2017: 73%) of the total outsourced amount in FY2018, which the subcontractors in Philippines play a significant part in.

Currently, the use of foreign subcontractors and import purchase is kept to a minimum, and we remain fully committed to continue procuring responsibly while generating positive economic and social benefit for the local community we operate in.

² Salary support is capped at 90% of a participant’s salary, and up to S\$6,000 per month for the duration of training, subject to fulfilment of grant criteria.



ENVIRONMENTAL

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group's business decisions. We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.

Obtaining the ISO 14001³ certification has enabled us to improve resource efficiency, provide assurance that environmental impact is being measured and manage all environmental obligations with consistency. In line with our sustainability practices, our environmental efforts are largely focused on maximising our resource utilisation to reduce wastage and redundancy during the manufacturing processes.

Additionally, as the world becomes increasingly informed about energy consumption and its negative impact on the environment, our Energy Services segment has been gaining recognition in recent years. It comprises the following:

- Oil sludge and slop reclamation;
- Hydro cleaning oil and gas tanks;
- Encapsulation of wastes prior to landfill disposal;
- Design and launch carbon footprint management initiatives; and
- Other green initiatives.

In order to address the challenges of climate change, we recognise that innovation is critical. We will continue to explore new business models, products and services and undertake research and development that focus on environmental remediation, recycling of waste products and digitalisation.

8.1 Environmental Compliance

We believe that adhering to our Group's codes, policies and procedures and applicable laws and regulations is critical as they underpin our stakeholders' trust and our license to operate. We have zero tolerance for non-compliance and encourage our stakeholders to report any incidents via our established whistle-blowing channels. In the course of 2018, the Group had zero incidents of non-compliance with environmental and socio-economic regulations and did not receive any judicial penalties for environmental issues. It is of our utmost importance that we maintain this unblemished record.

Supplementary Environment Protection Measures

Our most material environmental impacts are caused by the use of electricity and water at our manufacturing plants and in our offices. We are highly aware of the impact of our business on the world's carbon footprint, hence we are continuously striving to be more environmentally-friendly by promoting awareness to our workers and office employees.

In order to facilitate the protection measures for the environment, we assigned an environmental expert to be in charge of the environment-related matters. During the Workplace Safety and Health ("WSH") committee meeting held every month, the representative assesses the potential environmental impacts resulting from current and future operations to complement the business decision-making processes.

³ It is the international standard that specifies requirements for an effective Environmental Management System ("EMS"). It provides a framework that an organization can follow, rather than establishing environmental performance requirements.



SOCIAL

9.1 Employment

We strive to be an employer of choice, by recognising the contributions of each employee, and providing opportunities for staff to grow beyond their abilities. We wish for them to maximise their potential and look beyond this cycle to seek opportunities that will position them for success in their careers. Additionally, we are also focussed on building a talent pool with deep knowledge of regional and global markets to support our growth and expansion. Preparing the next generation of leaders as part of succession planning is important to Mencast's long-term progress and competitiveness as well.

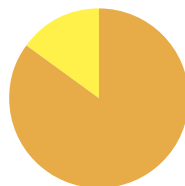
As part of our commitment to developing talent, we strive to create an open and trusting work environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and learning culture. We provide equal opportunities to all employees without discrimination.

As of 31 December 2018, we have a total of 551 employees. In FY2018, there were 112 new hires, and 106 employees left the Group.

New Hires and Resignations

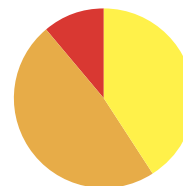
We value the importance of diversity among our workforce, hence, we hire from a mixture of different genders and age groups, to enhance creativity and innovation and provide for a balanced demographic to contribute to an ideal diversity in the organization's culture. Of our 112 new hires in FY2018, we had a gender ratio of 15% females to 85% males. Out of the total new hires, there is an equal distribution of various age groups, with 41% of the employees under 30 years old; 48% between 30 and 50 years old; and 11% above 50 years old.

NEW HIRES BY GENDER



Male Female

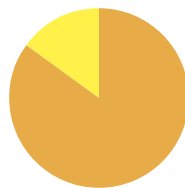
NEW HIRES BY AGE GROUP



Under 30 years old 30 - 50 years old Over 50 years old

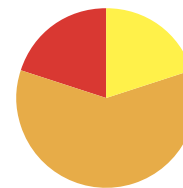
We believe a low turnover improves the sustainability of operations and allows us to contribute positively to the development of social and human capital in a wider committee. Despite market conditions, we will strive to minimise attrition rate and retain talents as best as possible. Employment headcount for high-skilled positions remains consistent, with only one key management personnel resigned.

EMPLOYEE TURNOVER BY GENDER



Male Female

EMPLOYEE TURNOVER BY AGE GROUP



Under 30 years old 30 - 50 years old Over 50 years old

Going forward, the Group aims to continually refine our hiring strategy and continue to commit to fair employment practices by offering equal opportunities to all.

Employee Benefits

We recognise employee satisfaction as a significant part of our talent retention scheme. Each of our employees is entitled to a set of attractive benefits including but not limited to:

Benefits	Descriptions
Life insurance	In the event that our employee becomes critically ill or permanently disabled, their loved ones will receive a sum of money to provide them with financial protection and coverage against risks.
Medical insurance	Employees are reimbursed for outpatient treatments, surgery or hospitalisation expenses covered under medical insurance.
Disability insurance	Our employees are covered under personal accident insurance and work-related injury. For instance, the organisation will reimburse any rehabilitation costs or monthly pay-outs for each case of disability.
Parental leave	Both female and male employees are entitled to maternity leave and paternity leave when applicable. We provide other leave benefits catering to our employees' children during the stages of infant care and child care.
Retirement provision	For employees qualified for pension approaching the retirement age, the government will provide them with monthly cash pay-outs of their CPF contributions.
Workers dormitory and canteen	Workers are granted dormitory accommodation, coupled with basic necessities such as proper sanitation and water.

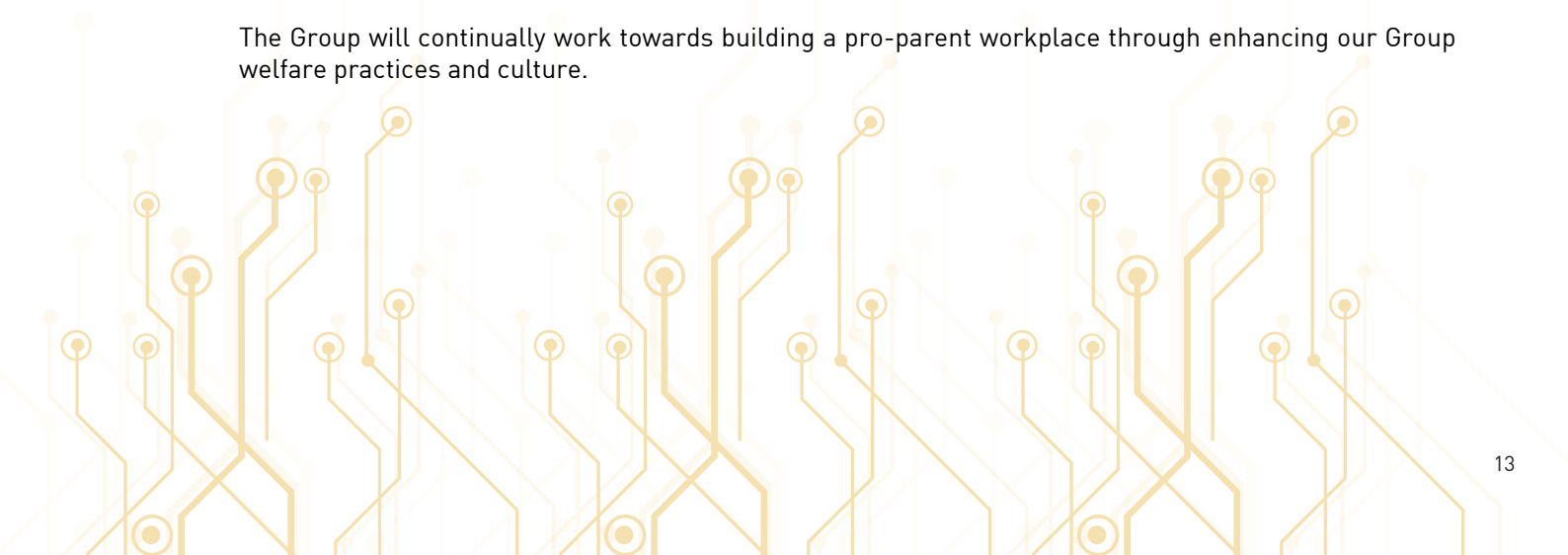
The Group is periodically reviewing and enhancing our resource policies and practices to provide a fair and safe workplace for our employees. In line with our Group's core values of teamwork, we strive to promote a safe and conducive workplace for our people to perform efficiently and effectively.

Parental Leave

The Group adopts welfare practices and strives to build a family-friendly workplace culture by implementing family-friendly working policies. It does not only create a healthier work-life balance, but also drives productivity, reduces absenteeism, attracts new staff and helps retain current staff.

In FY2018, the Group had a return-to-work rate of 100%. Out of the 8 female employees and 15 male employees who have taken parental leave, all of them have resumed work with our Group thereafter. In the past 12 months, 50% and 93% of these female and male employees respectively have remained employees of the Group for more than a year. The remaining percentages left the Group for personal reasons.

The Group will continually work towards building a pro-parent workplace through enhancing our Group welfare practices and culture.



Employee Volunteerism

Volunteering has a positive effect on our community as well as helping to build a strong culture of contribution. In September 2018, 41 of our employees held activities for a total of 75 beneficiaries at Chen Su Lan Methodist Children's Home. The 3-hour session included activities such as the Interactive Magic Show and a Balloon Sculpturing Workshop.





9.2 Training and Education

Today's readily changing business environment calls for a competitive workforce attuned to the latest developments in skills and manufacturing capabilities. Investing in employee learning and development helps build a resilient and future-ready workforce, which will in turn provide a competitive edge for Mencast's future growth and success. Our employees acquire skills and expertise which will distinguish them from the market through opportunities provided by us and our industry partner networks.

All new employees are required to attend our on-boarding program, which aims to integrate new hires into our organisation seamlessly.

Training Programs and Hours

In 2018, Mencast clocked a total of 7,063 hours in the area of employee skills upgrading, inclusive of all training programs⁴. These training sessions mainly educate the employees on the technical skills and safety across different modes of operations, such as:

- Propeller Design, Manufacturer and Repair;
- Foundry Works and Casting;
- Programming and Operating of CNC machines;
- Commercial Air Diver Technician Training; and
- Underwater Welding Training.

We have been consistent with these routine courses in the past years as they have proven to value-add to our employees' knowledge and skills on corresponding topics, and provide ample hands-on training.

⁴ Training hours do not include on-site coaching by supervisors.

We invest heavily in skills training, education and development of our people. Mencast plays an important role to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all demographic categories.

Skills and Transition Programs

We embarked on the PCP in 2017, to aid in redeployment of employees into new job roles, by acquiring new skills to perform their role through a structured training programme. Following the 60 employees who attended the course in 2017, there were an additional 8 employees who underwent the conversion training in 2018. Our employees are currently in the midst of a six-month training programme tailored to their new job roles, comprising facilitated classroom sessions and structured On-the-Job Training ("OJT").

The courses as below:



Management of Hazardous Waste
Treatment Facilities

Quality Assurance and Control of
Hazardous Waste Treatment

Hazardous Waste Treatment
Specialist

Annual Performance Appraisals

Mencast advocates an open, two-way performance appraisal exercise between supervisors and employees. We strive to provide maximum assistance in the professional and personal development of the individuals, and at the same time ensure the development of the organisation as a competitive employer of choice. Goal-oriented performance appraisals also help employees to take responsibility for their own development in the areas of professional skills and expertise. The performance and review process allows 100% of our employees to evaluate their year-long performance.

9.3 Occupational Health and Safety

Whilst keeping our strength of superior technical ability close at heart, we take pride in building a safe, conducive and healthy workplace as our commitment to developing our people. Being a largely labour-intensive Group, we regard workplace safety with utmost importance and recognise our duty of care to account for the safety and health of each of our employees, especially paying attention to highest risk occupational disease, namely decompression sickness. We are constantly striving to build a safe and conducive workplace by ensuring that our Group complies with all relevant safety and environmental legislation, with the aim of minimizing the likelihood and impact of any possible hazardous occurrence.

Safety Committee

To facilitate the physical supervision of the workplace safety and the relaying of Workplace Safety and Health (“**WSH**”) related messages, each individual subsidiary has established its own Health, Safety and Environment (“**HSE**”) Committee. The HSE Committees are headed by a chairman appointed by the director, typically a senior personnel from the Operations or Production department. They oversee the subsidiaries’ operations to ensure that safety standards are upheld at all times and also up to industry leading practices.

The Committee conducts regular and surprise inspections on their workers’ workplace safety. In addition, the role and responsibilities of the HSE Committee includes reviewing, effectively implementing and reinforcing safety standards and regulations to ensure all areas of safety are adequately covered. Committee meetings are conducted minimally once a month to review safety inspection results, ensure corrective actions are taken promptly, as well as coordinate and organise HSE campaigns. We also constantly seek feedback from non-committee members regarding areas of improvement and all relevant HSE matters. We estimate nearly 100%⁵ of the workforce are represented well as they have the right to participate fully in the establishment and implementation of occupational health and safety policies, procedures, investigations and risk assessments.

Prior to 2018, there was limited official representation of non-managerial members, as such it was difficult to channel feedback and further improve the efficiency and effectiveness of the committee. Currently, the proportion of managerial to non-managerial staff in the committee is approximately half, with the requirement that the number of non-managerial members exceed that of managerial members. Going forward, we will continue to maintain the ideal proportion and better facilitate workplace safety with a less hierarchical organisation.



⁵ There are no representatives from the Finance department, they would have to indirectly inform other departments to represent them in the committee in any case of feedback.

Total Workplace Safety and Health at our Facilities

As with our commitment to the safety and health of our people, we are continually striving to reduce the likelihood and impact of accidents and keeping our injury rates as close as to zero.

To briefly illustrate the scope of the incidents, the Group has categorised our incidents according to the severity of the accident. All incidents, regardless of extent, are reported to the HSE Committee with a report on the details of the incident. Please refer to the following for the respective number of incidents for FY2018.

Incident type	Number of Incidents
Fatalities	0
Reportable injuries ⁶	3
Non-reportable injuries	3
Minor injuries (first-aid level)	6
Occupational diseases	0

There was approximately an aggregate of 1,320,000 working hours⁷ during FY2018. Our Group had a workplace injury frequency rate of 9.09⁸, considering all minor injuries and others included in the table above. We had a total of 106 lost days⁹ due to these accidents, resulting in a workplace injury severity rate of 80.3¹⁰.

With everyone’s full co-operation, the Group managed to achieve zero occupational injury and disease and zero serious injury or death in FY2018. All injured employees have been sent for proper medical treatment immediately and have returned to work without sustaining any permanent disabilities. For each of these injuries reported, the Group Quality, Health & Safety, Environmental (“QHSE”) Manager prepares an Investigation report, consisting of mainly the details of the accident, and a corrective action plan to minimise the likelihood of similar accidents occurring again. Additionally, we ensure that our employees attend medical consultations for early detection. These medical consultations include:

- Audiometry tests for employees exposed to excessive noise hazards; and
- Medical examinations for employees exposed to oil and tar.

Risk of Occupational Diseases

As a Group, we assessed the risk of specific occupational injuries and diseases that may occur due to workplace conditions. After extensive research and feedback from our employees, we consider the following diseases as high-risk, coupled with the methods we undertake to combat these risks:

- Decompression illness or Barotrauma¹¹ - Adherence to accepted diving safety standards and dive exposure tables; and
- Chemical Exposure – Provision of Personal Protective Equipment (“PPE”) and annual medical examinations.

Fortunately, we have not encountered any cases of occupational diseases due to the full co-operation of all employees and workers. We will continue to strive for zero occupational diseases by enforcing mandatory safety policies and procedures, advocating a proactive approach; the idea of employees taking responsibility for their own safety and health.

⁶ The Singapore authority, Ministry of Manpower, has mandated organisations to report work-related accidents, workplace accidents, dangerous occurrences and occupational diseases within 10 days of an accident or diagnosis. Refer to the relevant legislation “Workplace Safety and Health (Incident Reporting) Regulations” and “ Work Injury Compensation Regulations” for a comprehensive list of injuries to be reported.
⁷ These working hours include that of the management, admin staff as well as workshop personnel.
⁸ Workplace Injury Frequency rate is calculated by the number of new cases of injury during the calendar year divided by the total number of hours worked by workers in the reference group during the year, multiplied by 1,000,000.
⁹ Lost days indicate scheduled workdays, and we standardized the count to commence the day after the accident.
¹⁰ Severity rate is calculated as the days lost as a result of new cases during the calendar year divided by the total amount of hours worked by workers in reference group during the calendar year, multiplied by 1,000,000.
¹¹ Barotrauma refers to medical problems that arise from the effects of water pressure when a scuba diver is beneath the surface, for example, if one fails to expel air from his/her lungs during ascent, it will cause damage to one’s body.

GRI Content Index

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organization	Cover Page of Annual Report FY2018
	102-2 *	Activities, brands, products, and services	Page 1 of Annual Report FY2018
	102-3 *	Location of headquarters	Page 1 of Annual Report FY2018
	102-4 *	Location of operations	Page 97 of Annual Report FY2018 Pages 87 to 89 of Annual Report FY2018
	102-5 *	Ownership and legal form	Pages 87 to 89 of Annual Report FY2018
	102-6 *	Markets served	Page 122 of Annual Report FY2018
	102-7 *	Scale of the organization	Page 9 of Annual Report FY2018 Page 12 of Sustainability Report
	102-8 *	Information on employees and other workers	Page 12 of Sustainability Report
	102-9 *	Supply chain	Page 10 of Sustainability Report
	102-10 *	Significant changes to the organisation and its supply chain	None
	102-11 *	Precautionary Principle or approach	Page 2 of Sustainability Report
	102-12 *	External initiatives	Pages 3 and 4 of Sustainability Report
	102-13 *	Membership of associations	Page 4 of Sustainability Report
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Page 2 of Sustainability Report
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Page 3 of Annual Report FY2018
GRI 102: Governance	102-18 *	Governance structure	Pages 12 to 15 of Annual Report FY2018 Page 1 of Sustainability Report
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Page 5 of Sustainability Report
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	Page 5 of Sustainability Report
	102-43 *	Approach to stakeholder engagement	Page 5 of Sustainability Report
	102-44 *	Key topics and concerns raised	Page 6 of Sustainability Report
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Pages 87 to 89 of Annual Report FY2018
	102-46 *	Defining report content and topic Boundaries	Page 1 of Sustainability Report
	102-47 *	List of material topics	Page 6 of Sustainability Report
	102-48 *	Restatements of information	None
	102-49 *	Changes in reporting	None
	102-50 *	Reporting period	FY2018 (1 January 2018- 31 December 2018)
	102-51 *	Date of most recent report	Published the FY2017 Sustainability Report on 21 Dec 2018

Category	Disclosure	Description	Page Reference and Remarks
	102-52 *	Reporting cycle	Annual
	102-53 *	Contact point for questions regarding the report	Page 1 of Sustainability Report
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core options (33 items)
	102-55 *	GRI content index	Pages 19 to 20 of Sustainability Report
	102-56 *	External Assurance	None
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Page 9 of Sustainability Report
	201-3	Defined benefit plan obligations and other retirement plans	Pages 10 and 13 of Sustainability Report
	201-4	Financial assistance received from government	Page 10 of Sustainability Report
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	Page 10 of Sustainability Report
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Page 11 of Sustainability Report
GRI 401: Employment	401-1	New employee hires and employee turnover	Page 12 of Sustainability Report
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 13 of Sustainability Report
	401-3	Parental leave	Page 13 of Sustainability Report
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint Management-Worker Health and Safety Committees	Page 17 of Sustainability Report
	403-2	Types of injury and rate of injury	Page 18 of Sustainability Report
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Page 18 of Sustainability Report
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Pages 6 and 15 of Sustainability Report
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 16 of Sustainability Report



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