



SHS HOLDINGS LTD.



MOVING FORWARD  
WITH **NEW POTENTIAL**

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SUSTAINABILITY REPORT 2022

# SUSTAINABILITY REPORT

## BOARD STATEMENT

To our stakeholders,

SHS Holdings Ltd. ("SHS" or the "Group") is pleased to present our sixth Sustainability Report which reports on Group's sustainability performance for the financial period 1 January 2022 to 31 December 2022.

The Group's Sustainability Report draws upon the operational performance of the 5 pillars of its Sustainability Strategy.



## SHS GROUP FIVE PILLARS SUSTAINABILITY STRATEGY

# SUSTAINABILITY REPORT

## BUSINESS INTEGRITY

### We are committed to practise and maintain a high standard of transparency

Corporate governance is an important core value of the Group. We do not tolerate corruption or fraud and have established policies to address the business conduct expected of all employees.

The Group's zero-tolerance position towards corruption and fraud is reflected in our "Whistle Blowing Policy" and "Code of Conduct Policy".

## ENVIRONMENT SUSTAINABILITY

### We recognise the need to address the impact of climate change

As we fully acknowledge global warming and climate change, we are committed to minimising our environmental impact in all our business activities. We are also pursuing a strategy of exploring and developing our business in any area of environmental improvement, in which we can harness our sustainable competitive advantages.

## HUMAN CAPITAL

### We are committed to attract and retain talents, and focus on the personal well-being of employees

Our employees contribute to the success of the Group. We invest in our employees' skills upgrading and their career development. We adopt merit-based recruitment practices in which recruitment is based on qualifications, skills and competency of individuals.

## HEALTH & SAFETY

### We place the safety of our employees as our foremost priority

We are fully cognizant of the fact that there are health and safety risks in running some of our businesses especially at the front-lines, and prioritise worker safety programmes in all our work sites. We continue to practise safety protocols despite the post pandemic environment.

Our operations are fully compliant with legislated workplace health and safety standards and we have a Health, Safety & Fire Environment ("HSE") Committee to oversee workplace health and safety matters.

## QUALITY

### We are driven by our vision to strive to provide "products and services known for its quality"

The Group subscribes to best practices and complies with all relevant legislations and requirements pertaining to the health and safety impacts of products and services, which are the foundations of our product and service quality.

Our products are fully compliant with relevant standards such as the International Organisation for Standardisation ("ISO"), Swedish Standards Institute, British Standards, American Steel Structures Painting Council Standards and the American National Association Corrosion Engineers Standards.

# SUSTAINABILITY REPORT

## REPORTING FRAMEWORK

The report covers the Group's strategies, policies, practices, performance and targets on economic, environmental, social and governance ("EESG") issues, with reference to:

(a) Global Reporting Initiative's ("GRI") Standards

GRI Standards were first promulgated in 2000 and become the most widely adopted sustainability reporting framework, and

(b) Task Force on Climate-related Financial Disclosures (TCFD)

In line with Rules 711A and 711B of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Group is incorporating climate reporting into our report this financial year with reference to TCFD recommendations. TCFD is a reporting framework created by Financial Stability Board (FSB) with recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing risks related to climate change.

Our GRI-based reporting is focused on 11 material factors that have been shortlisted based on key concerns of our management and external stakeholders. These material factors are identified and managed through our five sustainability management pillars – Business Integrity, Environmental Sustainability, Human Capital, Health & Safety, and Quality.

Our TCFD-based reporting follows on from extensive engagement with senior management on the risk and opportunities related to climate change, as we embark on our first year of incorporating climate change into our business management.

## LOOKING BACK AND AHEAD

2022 started out with tremendous uncertainty as Russia and Ukraine went to war, which gave rise to a spike in global energy prices. In the US, the Federal Reserve has had to raise interest rates multiple times to suppress inflationary pressures. Global uncertainties were compounded by China's Zero-Covid drive. Meanwhile, we recognize that climate change is occurring and weather conditions are becoming more extreme.

Towards the end of 2022, while the Ukraine crisis is still on, we are gratified that China has finally re-opened, giving much needed relief to the Asian region in particular. The Singapore economy has weathered much of the 2022 storms due to the country's attraction as a safe haven amidst many geopolitical and economic uncertainties.

All these international and climate developments will continue to present risks to all businesses. However, there will also be opportunities to the Group and we have diversified into the renewable energy sector and have successfully ventured abroad. The Group has experienced a good recovery on many fronts by the end of 2022.

As we enter 2023, we will continue to strengthen our core business, reinvest in our skills training, health and safety programs, implement programs to reduce our carbon footprint as the Singapore government steps up its environmental regulations, while maintaining our robust governance framework.

## ACKNOWLEDGEMENT

The sustainability-based achievements of the Group can only be made possible by all our employees, business partners, the continued support of our customers as well as shareholders. We extend our heartfelt appreciation to all our stakeholders.

**MR. TENG CHOON KIAT**  
CHAIRMAN, BOARD OF DIRECTORS

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

### GRI AND TCFD



This Sustainability Report, as approved by the Board, is prepared with reference to the GRI Sustainability Reporting Standards 2021 and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

The GRI content index and relevant references are provided on pages 30-31 of the report.

### REPORTING PERIOD



Our Sustainability Report is published on an annual basis, with this being our sixth Sustainability Report. This report covers Financial Year ("FY") 2022, for the period from 1 January 2022 to 31 December 2022.

### REPORTING SCOPE



The data, statistics and improvement targets in the report relate to the following operations:

- Corrosion Prevention (See Hup Seng CP Pte Ltd)
- Structural Steel and Facade (Hetat Holdings Pte Ltd)
- Solar Energy (Sinenergy Power International Pte Ltd)

There are no restatements of information in this report. There is no significant change from previous reporting periods in the list of material topics.

### AUDIT



We have commenced a preliminary limited scope of internal audit relating to our sustainability reporting processes in this reporting period.

We have not sought external assurance for this reporting period.

### FEEDBACK



Your views and opinions are highly valued by us and we welcome any feedback on this report or on any aspect of our sustainability performance.

Kindly provide your feedback to our sustainability team:  
Group's CEO (Mr Ng Han Kok Henry) at [henry@shsholdings.com.sg](mailto:henry@shsholdings.com.sg).

# SUSTAINABILITY REPORT

## OUR SUSTAINABILITY REPORTING STRUCTURE

The Group's sustainability strategy is formulated and endorsed by the Board. The Board directs the Sustainability Reporting Executive Committee to establish the operational policies and procedures.



The Group Chief Executive Officer oversees the performance of Sustainability Champion in Economic & Governance, Environment and Social domains. Each one of these domains is directed by a senior officer.



# SUSTAINABILITY REPORT

## ABOUT SHS & OUR SUPPLY CHAIN

Established in 1971, SHS Holdings has evolved into a diversified group with three main businesses involving:

- Engineering & Construction
- Corrosion Prevention
- Solar Energy



### Engineering & Construction

The Group's main subsidiary, HETAT Holdings Pte Ltd has a strong track record in the design, engineering and construction of integrated structures created from steel, aluminium and glass materials.

We leverage our strong and tested expertise to serve customers in a wide spectrum of industries and various fields. It is at the forefront of its field and one of a few fabricators with S1 accreditation from the Singapore Structural Steel Society. With several landmark projects under its belt, Hetat is well placed to pursue further structural projects in Singapore, Malaysia and other potential markets.



### Corrosion Prevention

The Group is an established leading provider of corrosion prevention services to the marine, oil and gas, construction and infrastructure industries.

It has a niche in specialised tank coating services and large-scale plant operations in Singapore. Its proven capability in corrosion prevention services is underscored by its status as a resident contractor for premier shipyards in Singapore.



### Solar Energy

The Group diversified into the solar energy sector in 2016, amidst a growing global commitment to renewable energy and environmental sustainability, and the quest for clean and affordable energy-efficient solutions.

Through its subsidiary, the Group focuses on solar energy trading and EPC works. It has successfully installed various roof-top, ground-mounted photovoltaic systems of all scales for domestic and commercial customers in Singapore.

We are continually strengthening our core businesses to further reinforce our platforms for growth. There have not been any significant changes to the organisation's size, structure, ownership, or supply chain.

We are well-positioned in our respective industries and are actively expanding our customer base and deepening our geographical network while enlarging our portfolio of products and services.






# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

By engaging and collaborating with our stakeholders, we are better able to address sustainability challenges and opportunities for our business. We engage with our stakeholders regularly and incorporate relevant and appropriate feedback into our planning and actions.

Our various groups of stakeholders (Employees, Customers, Suppliers, Shareholders & Regulators, and Local Communities) are identified based on our respective economic, social and environmental impacts in the context of our value chain.

Key to the success of our sustainability programme is regular engagement with to all our stakeholder groups. Our engagements involve receiving appropriate feedback and escalation mechanisms to our management teams. These engagements will facilitate an effective identification and management of our material ESG factors over the short, medium and longer-term. We see our sustainability report as being a critical component of this continuous cycle of organisational improvement.

STAKEHOLDERS	CONCERNS	ENGAGEMENT PLATFORM	FREQUENCY
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Safe and conducive workplace</li> <li>• Fair labour practices and compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Trainings</li> <li>• Grievance/feedback channels</li> <li>• Regular reviews and appraisals</li> <li>• Intranet platform for policies, news and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• At least once a year for appraisal or as when required</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Product quality and innovation</li> <li>• Product compliance to all relevant regulations</li> <li>• Timely follow-up on customer feedback</li> <li>• Ability to offer competitive and cost-efficient solutions which are safe and environmentally responsible</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback channels such as email and telephone communications</li> <li>• Client meetings</li> <li>• Corporate website, email and newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously for feedback about quality or as when required</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Clear two-way communication channels</li> <li>• Timely feedback regarding materials/services provided</li> </ul>	<ul style="list-style-type: none"> <li>• Inspections and quality site visits</li> <li>• Quotations and requests for proposal</li> <li>• Raw material specifications discussion meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously for feedback about quality or as when required</li> </ul>
 <b>Shareholders &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Business resilience and financial performance</li> <li>• Business strategy and direction</li> <li>• Corporate governance and compliance</li> <li>• Transparent and timely communication of information</li> </ul>	<ul style="list-style-type: none"> <li>• Results announcements and news releases</li> <li>• Corporate website and email</li> <li>• Annual General Meeting (AGM)</li> </ul>	<ul style="list-style-type: none"> <li>• At least 3 times through announcements and AGM or as when required</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Mitigation of adverse implications of projects</li> <li>• Communication regarding future developmental planning relating to projects</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental and social impact study</li> </ul>	<ul style="list-style-type: none"> <li>• When required</li> </ul>







# SUSTAINABILITY REPORT

## MATERIALITY REVIEW PROCESS

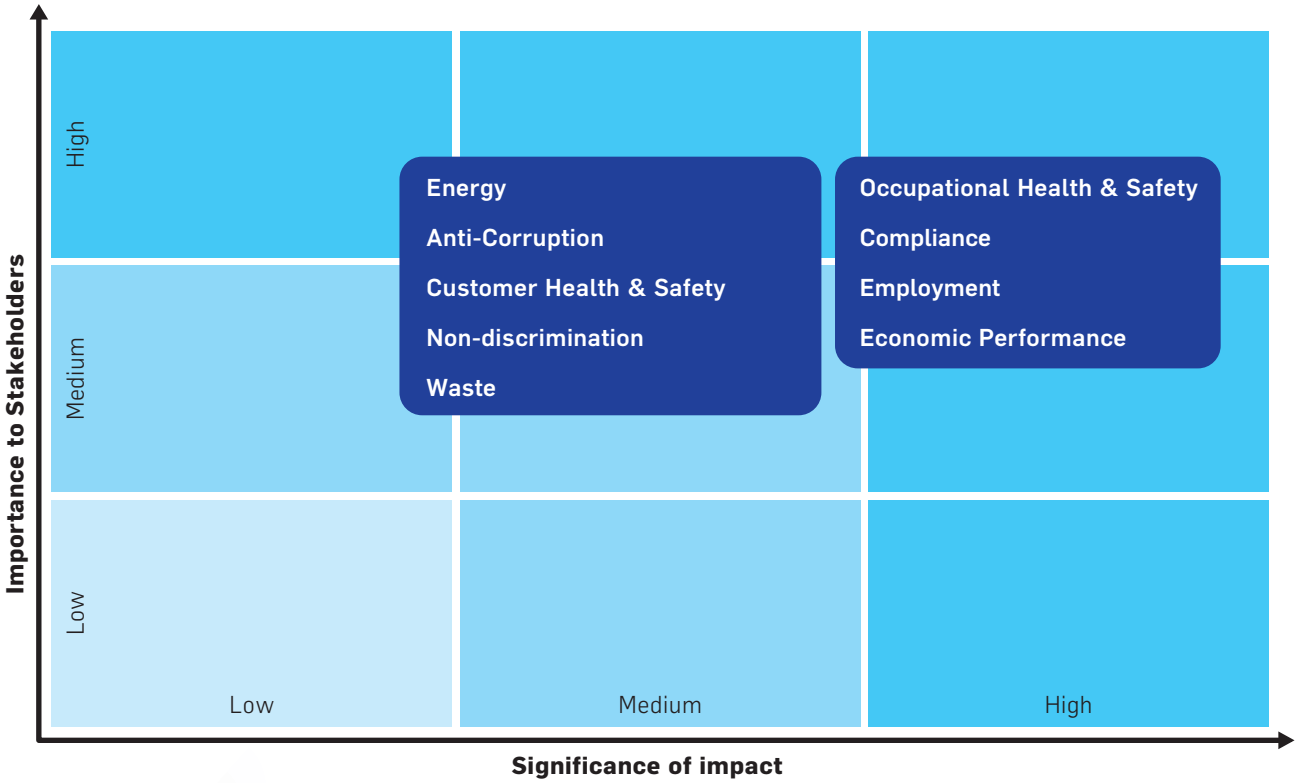
We applied the GRI reporting principles – stakeholder inclusiveness, sustainability context, materiality and completeness – in defining the report content by considering the Group’s activities, impact and substantive expectations and interests of our stakeholders.

In determining the material topics relevant to FY2022, SHS performed an internal strategy review which included a relook at our business strategy, business model and key stakeholders and processes to identify the Group’s significant economic, environmental and social impacts.

PILLAR	TOPIC	RANKING SR22	GRI STANDARD	DISCLOSURE
 <b>Economic</b>	Economic Performance	4	201-1	Direct Economic Value Generated And Distributed
 <b>Environmental</b>	Energy	8	302-1	Energy Consumption Within The Organisation
		5	302-4	Reduction Of Energy Consumption
	Waste	11	306-3	Waste Generated
 <b>Social</b>	Employment	3	401-1	New Employee Hires And Employee Turnover
	Occupational Health & Safety	1	403-2	Hazard Identification, Risk Assessment, And Incident Investigation
	Non-discrimination	10	406-1	Incidents Of Discrimination And Corrective Actions Taken
	Customer Health & Safety	9	416-2	Incidents Of Non-Compliance Concerning The Health And Safety Impacts Of Products And Services
 <b>Governance</b>	Anti-Corruption	6	205-2	Communication And Training About Anti-Corruption Policies And Procedures
		7	205-3	Confirmed Incidents Of Corruption And Actions Taken
	Compliance	2	2-27	Compliance With Laws And Regulations

# SUSTAINABILITY REPORT

SHS Group materiality matrix



We identified the following 11 indicators during the review. The materiality assessment was subsequently endorsed by the Sustainability Executive Reporting Committee.

### “Identified and ranked 11 material ESG factors”

The material factors were also given a ranking in order to help the Group prioritise its management efforts and resources, so that sustainability management is executed in an organised manner.

# SUSTAINABILITY REPORT



## BUSINESS INTEGRITY

SHS is committed to practise and maintain the highest standards integrity in the conduct of our business. Our Board and management ensure that the Group adopts the 2018 Code of Corporate Governance (the "2018 Code") as a comprehensive ethical compass for our entire organisation.

### **ANTI-CORRUPTION** GRI Standard 205-2 205-3

Corruption is an inherent risk in the construction sector, especially in lesser developed countries and it can cause serious financial and reputational damage to the Group.

The Group's has a zero-tolerance policy towards corruption and fraud, which is informed by our related policies in this section on Business Integrity.

### **WHISTLE BLOWING POLICY**

The Group's whistle blowing policy has been in place since January 2013 and is a key mechanism in helping the Group conduct business without fraud and corruption.

The whistle blowing policy and reporting mechanisms are communicated to all employees on their first day of work. The policy has also been made accessible through the Group's intranet and shared folder, with the latest contact details of the AC.

Employees can raise or report genuine concerns about possible improprieties\* related to financial reporting or other operational matters. The AC will then review and investigate the complaints and recommend any remedial or legal action to be taken, where necessary.

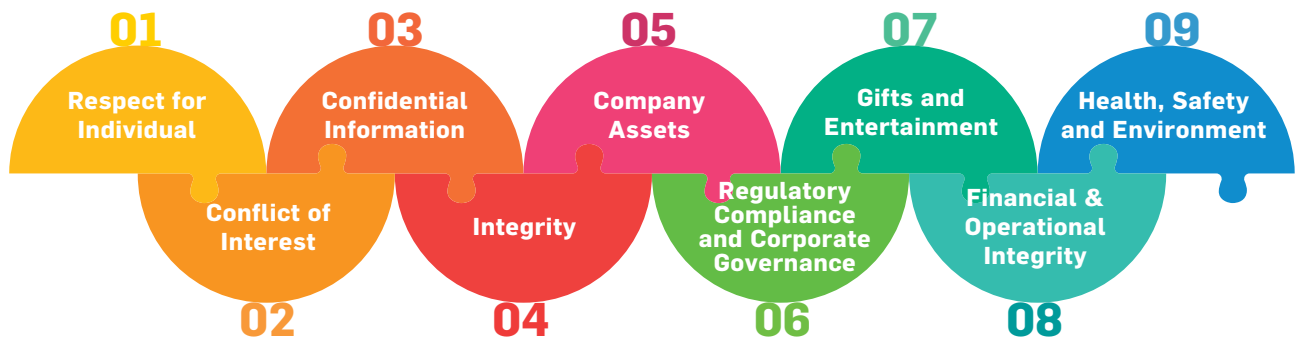
\* Possible improprieties are defined as any activity, breach of business conduct and ethics or omission by an employee of the Group or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are questionable or not in accordance with generally accepted accounting practices or trade.

# SUSTAINABILITY REPORT

## CODE OF CONDUCT

The Code of Conduct establishes guidelines on how we should conduct our business responsibly, with integrity and with respect.

It also provides guidance on the behaviour expected from all employees in respect of the following areas:



A breach of the Code of Conduct will be grounds for disciplinary action against those involved, including dismissal.

If at any time, an employee believes that there has been or that there is a possible breach of the Code of Conduct, they should inform their reporting manager immediately or speak to the Executive Directors or the HR Manager where appropriate.

The Code of Conduct is reviewed annually by the Board and senior management, and well disseminated to all employees.

**FY2022 PERFORMANCE**  
No incidents of corruption

**FY2023 TARGET**  
Zero incidents of corruption



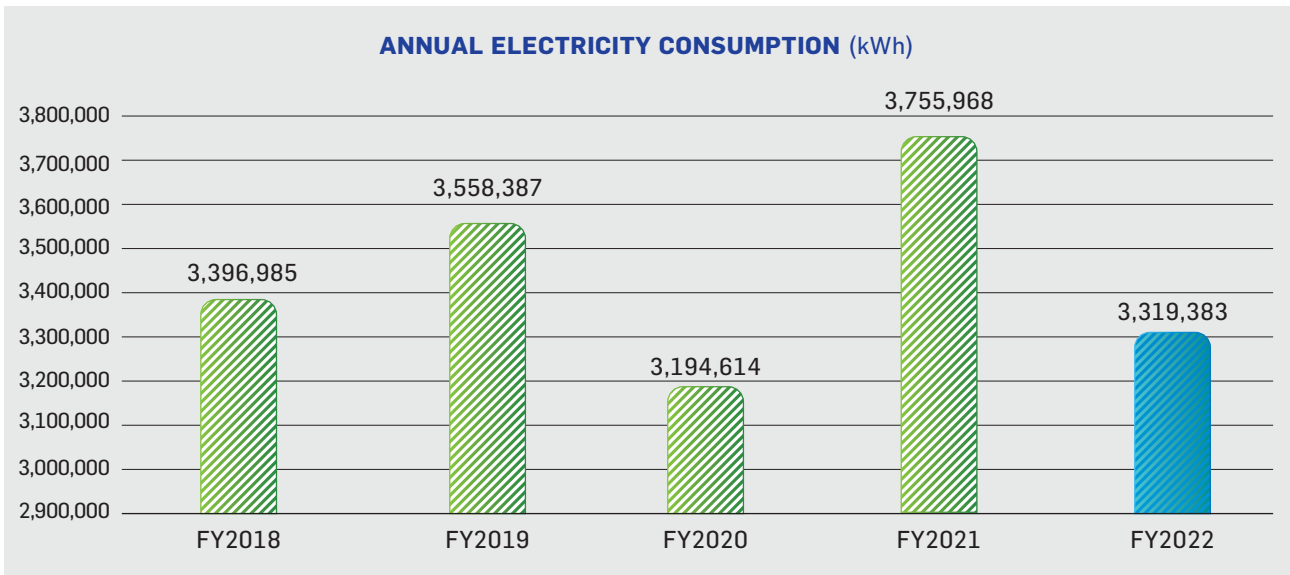
Figure 1: Hetat – Safety training

# SUSTAINABILITY REPORT



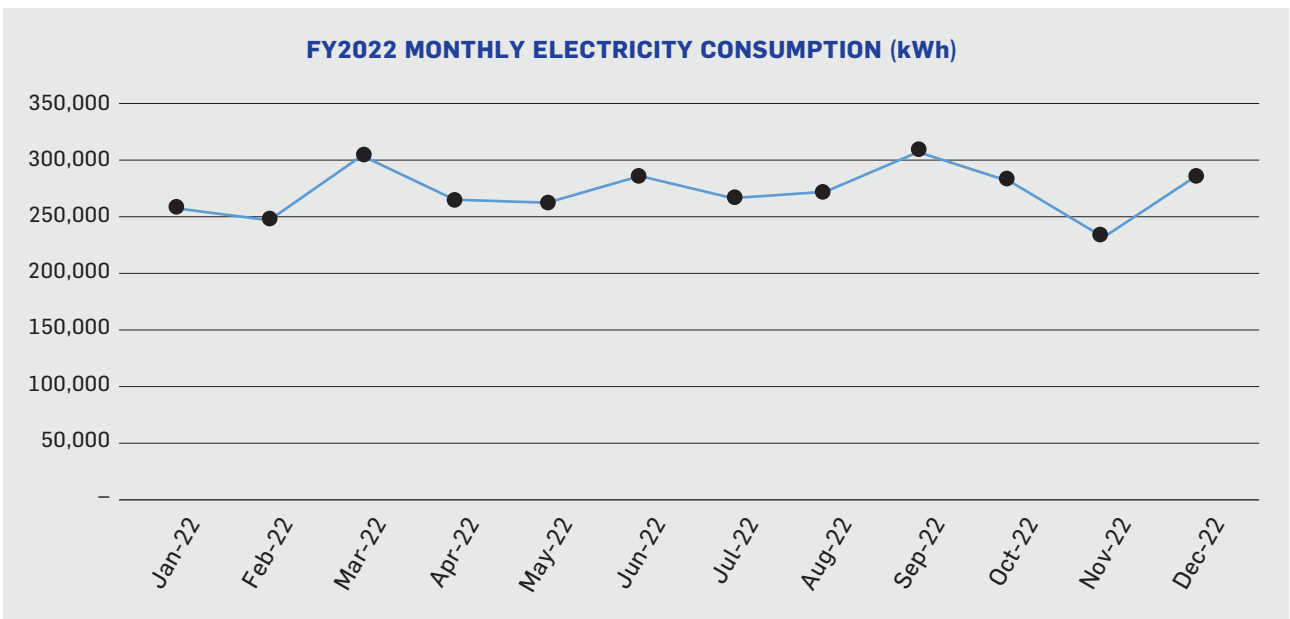
## ENVIRONMENTAL ENERGY CONSUMPTION GRI Standard 302-1

Electricity is the primary form of energy consumed in Structural Steel and Façade, and Corrosion Prevention businesses. It is also the Group's biggest source of recorded carbon emissions.



### ELECTRICITY CONSUMPTION DECREASED BY 436,585 KWH

In FY2022, SHS consumed a total of 3,319,383 kWh of electricity as compared to 3,755,968 kWh in FY2021. The decrease in electricity consumption was due to the completion of structural steel products at the Group's fabrication facilities. These completed structural steel products were then transported to customer sites for installation whereby all electricity usage is provided by a main contractor.



# SUSTAINABILITY REPORT

## REDUCTION OF ENERGY CONSUMPTION GRI Standard 302-4

The culture of environmental responsibility is the most effective tool in managing environmental problems. In this regard, the Board and management will continue to inculcate environmental consciousness amongst our people, through training and active reminders to save electricity throughout the organization.

### “Environmental responsibility begins in-house”

In addition, the Group has implemented a number of projects and programmes to help the Group manage and reduce energy consumption:



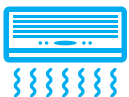
#### Solar Roof

The rooftop of the Hetat office building has been leased out to a 3rd party lessor for the installation of a solar rooftop. The lease term runs for 21 years.

The solar rooftop generates an average of 52,694 kWh per month, of which 24,493 kWh is consumed by SHS while the remaining is exported to the grid. This enables us to meet our energy requirements at a lower cost per kWh compared to the standard tariff rate.



Figure 2: Hetat Roof Top Solar Panels



#### Air-conditioning and lighting

We have set and maintained the air-conditioning temperature at 25 degrees, at places where air-conditioning is absolutely required.

Further, many buildings and offices are fitted with motion sensor lighting.

# SUSTAINABILITY REPORT

## WASTE GENERATED GRI Standard 306-3

Waste from raw material usage is a natural by-product of any industrial organization. The Group has a process to track its wastes and has programs to manage waste disposal.

The Group also focusses on reducing the cost of wastage in its steel fabrication process through investments in software which helps to increase the efficient use of raw materials. All surplus steel cuts are recycled or sold to recycling yards.

### “Improving waste management evidenced by steady reduction in wastages”

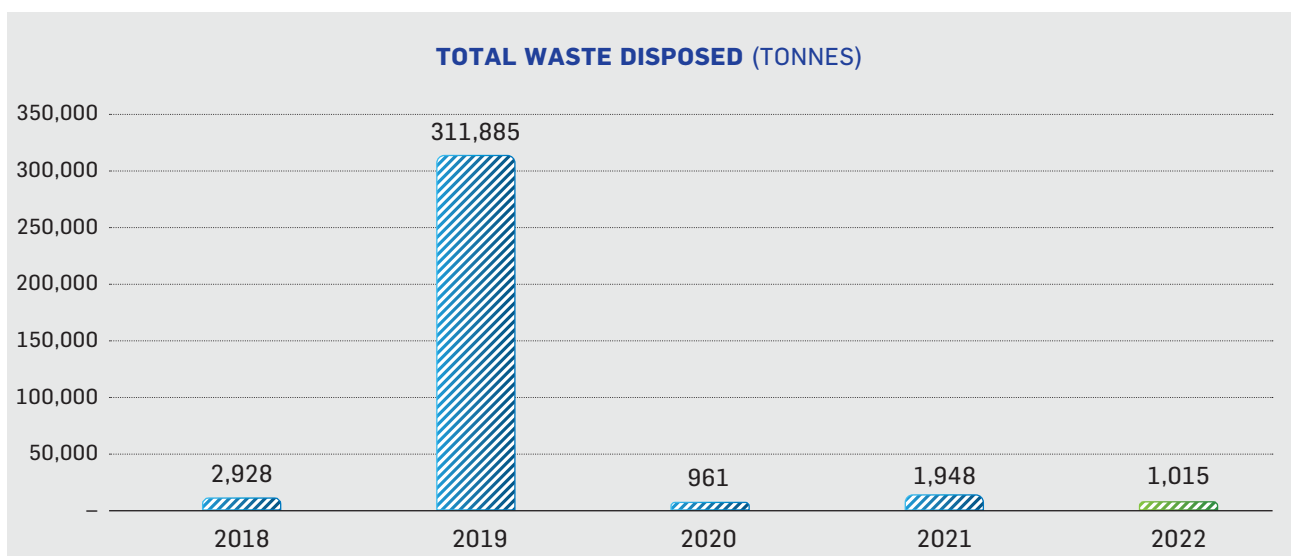
The types of waste generated by the Group include:

- Scrap
- Copper slag, steel grit and paint
- Office consumables

Non-hazardous wastes such as steel, aluminium and steel grit are recycled, while hazardous wastes such as copper slag and paint are incinerated.

SHS only works with licensed waste collection vendors to ensure disposal of hazardous wastes are compliant with government regulations.

A total of 1,015 tonnes of waste was disposed in FY2022, with the Structural Steel and Facade business and the Corrosion Prevention business producing 98 and 917 tonnes respectively. The decrease in total waste of 933 tonnes from 1948 tonnes in FY2021 was due to better waste management and completion of fabrication works.



# SUSTAINABILITY REPORT

**COMPLIANCE** GRI Standard 2-27

SHS has a strict policy on environmental regulatory compliance. It has a clean record on zero violation of environmental laws and regulations in FY2022.



**FY2022 PERFORMANCE**

- Zero violation of legal and statutory requirements.
- Zero contamination to ground & underground water or sewage system.
- Zero complaints relating to noise and dust.



**FY2023 TARGET**

- Maintain zero violation of legal and statutory requirements.
- Maintain zero contamination to ground & underground water or sewage system.
- Maintain zero complaints relating to noise and dust.



Figure 3: Corrosion Prevention – Piping works



# SUSTAINABILITY REPORT



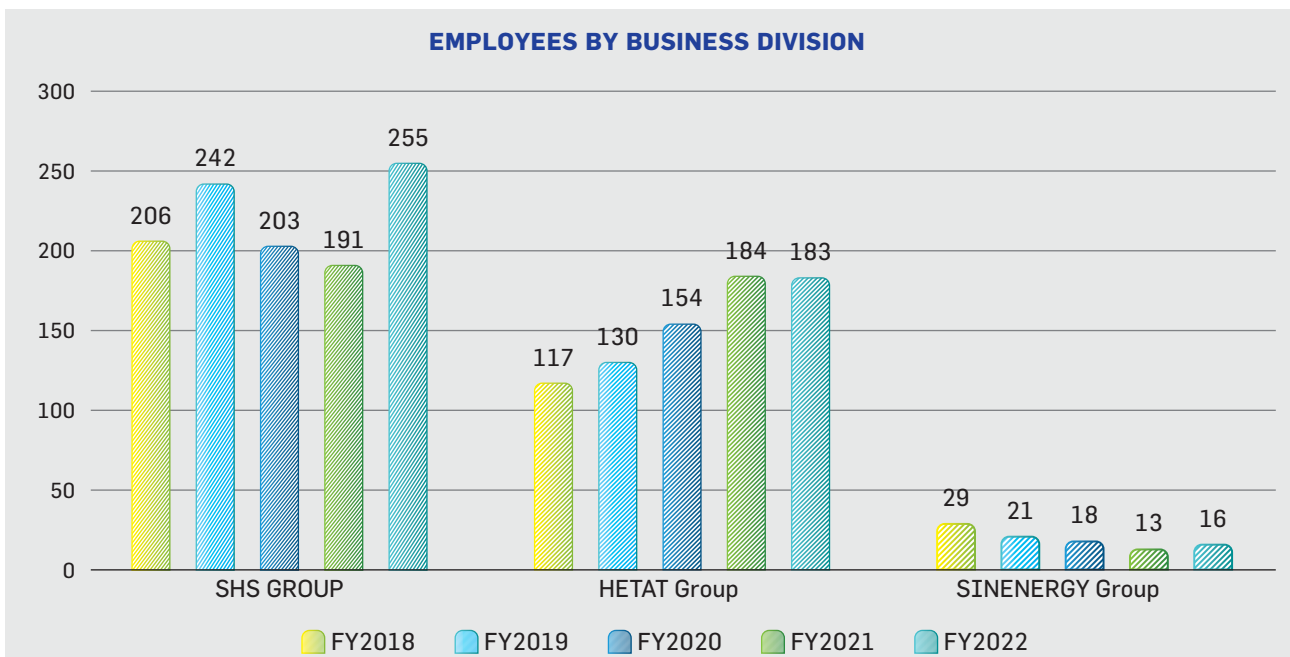
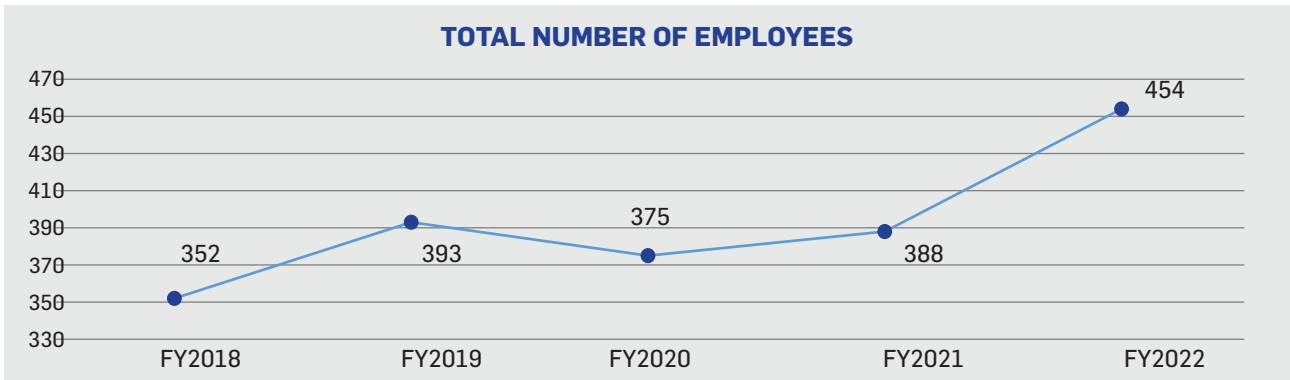
## HUMAN CAPITAL WORKFORCE

The Board and management sees human capital as one of the most substantial assets in the organization. Our employees play a significant role in all our businesses. Their knowledge, skills and dedication to the Group is key to its growth.

**“17% rise in new hires leading to record level of workforce”**

We firmly believe in equal employment opportunities to all regardless of nationality, gender or age. Our hiring policies ensure that recruitment is based on the qualifications, skills and competency of individuals. Discrimination of any kind is not tolerated.

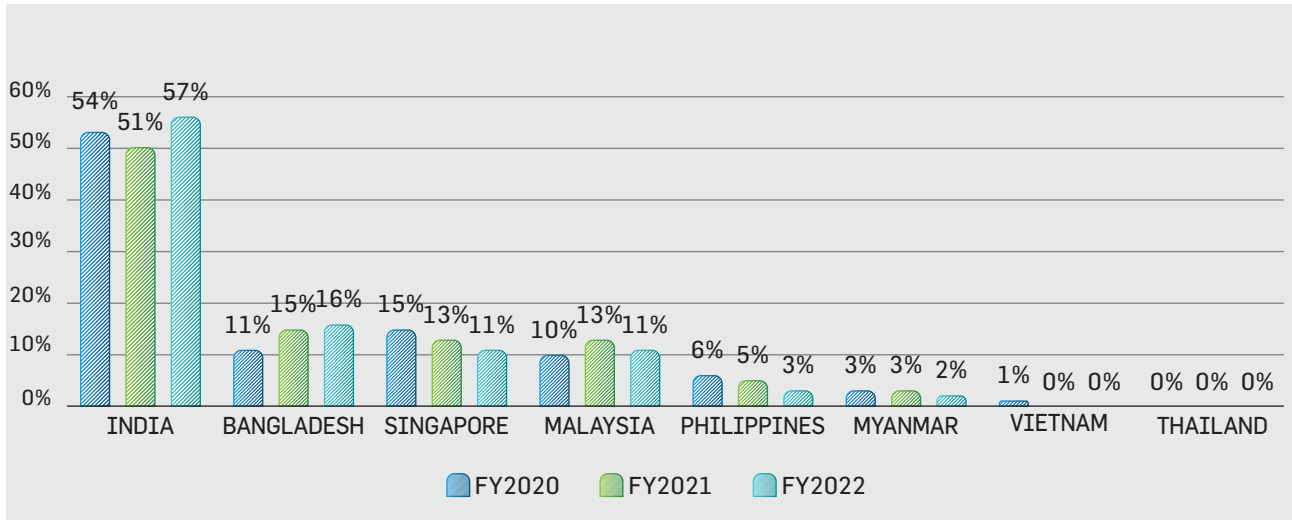
For FY2022, SHS employed a total of 454 full-time employees, an increase of 66 employees from FY2021 due to the resumption of businesses activities after the COVID-19 lockdown in April 2020 and an increase in business volume after projects were resumed.



# SUSTAINABILITY REPORT

## EMPLOYEE DISTRIBUTION BY REGION

Most of our employees are from India (57%), Bangladesh (16%), Singapore (11%) and Malaysia (11%). The breakdown of the employees in our various business units are as follows:

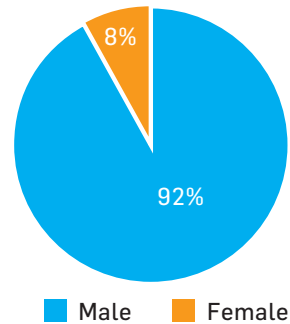


## EMPLOYEE DISTRIBUTION BY GENDER AND AGE

Our employee profile continues to be male-dominated, a prevalent characteristic of the engineering and construction industry.

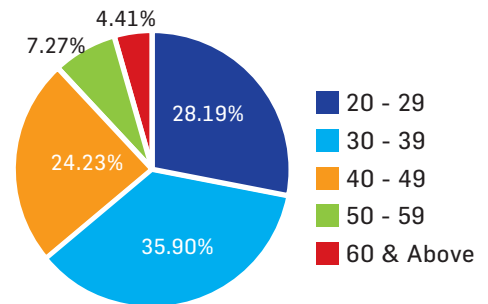
Group	SHS Group	HETAT Group	SINENERGY Group	Total
Male	237	165	14	416
Female	18	18	2	38
Total	255	183	16	454

## EMPLOYEE BREAKDOWN OF GENDER



Age Group	SHS Group	HETAT Group	SINENERGY Group	Total
20 - 29	87	38	3	128
30 - 39	64	90	9	163
40 - 49	69	37	4	110
50 - 59	19	14	0	33
60 & Above	16	4	0	20
Total	255	183	16	454

## EMPLOYEE BREAKDOWN BY AGE



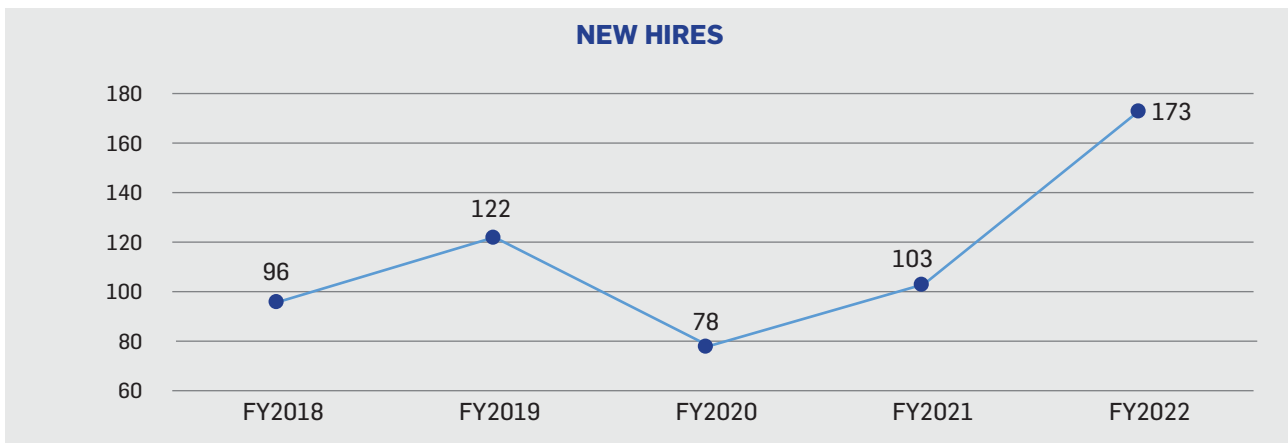
# SUSTAINABILITY REPORT

## NEW EMPLOYEES HIRE GRI Standard 401-1

For FY2022, SHS welcomed 173 new employees to our team. As compared to FY2021, there was an increase of 70 new hires due to the following reasons:

- Replacing employees who have resigned
- Resumption of businesses activities after COVID-19 lockdown in April 2020
- Business volume had since increased after projects were resumed.

The above has caused a shortage of manpower and hence new employees were recruited to fill up the gap in FY2022.

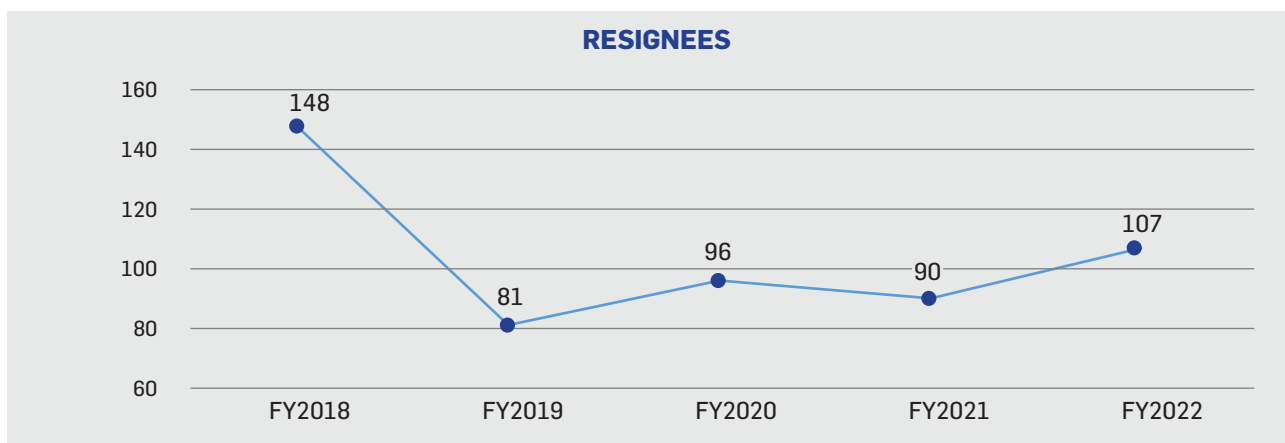


## RESIGNEE

For FY2022, 107 employees left our team, an increase of 17 employees as compared to FY2021.

The majority of the increase was due to

- More workers resigning due to the poaching of employees by competitors (Structural Steel and Facade: 37 more workers resigned in FY2022)
- Partially offset by 19 fewer resigned staff in FY2022 due to an increase in business activities for Corrosion Prevention.



# SUSTAINABILITY REPORT



## FY2022 PERFORMANCE

- Trainings were provided to all employees.
- Aligned remuneration with market levels.
- Bonuses were based on individual performance on agreed key metrics.
- Dinners or appreciation awards hosted by Board and management for key staff.



## FY2023 TARGET

- To provide training to all employees.
- To improve Company's culture of rewarding employees by:-
  - Aligning salary with market
  - Ensuring bonus payments are based on individual performance
  - Hosting Employee recognition events
  - Better healthcare and insurance coverage for employees

### NON-DISCRIMINATION GRI Standard 406-1



## FY2022 PERFORMANCE

- No reported incidences of discrimination raised by our employees.



## FY2023 TARGET

- Zero discrimination reports.

### COMPLIANCE GRI Standard 2-27

There were no violations of laws and regulations relating to employment matters in FY2022.



## FY2022 PERFORMANCE

- No reported violations of employment laws.



## FY2023 TARGET

- Zero reported violations of employment laws.

# SUSTAINABILITY REPORT



## HEALTH & SAFETY

There are health and safety risks in our businesses, especially in the engineering and construction operations. Fortunately, it is no longer necessary to prioritise COVID-19 safety protocols, although our staff are reminded to continue to remain vigilant to any flu-related risks.

The Group's Health, Safety & Fire and Environment ("HSE") Committee oversees workplace health and safety matters. The committee is responsible for identifying and addressing potential operational risks, investigating accidents, as well as providing safety briefings to employees.

In addition, we ensure that our operations adhere to workplace health and safety regulations and industry safety standards.

Some regulations and standards that we subscribe to include, but are not limited to, the Workplace Safety and Health Act 2006 and its subsidiary legislations required by the Ministry of Manpower, the Fire Safety Act by the Singapore Civil Defence Force and its Regulations, SS 679 – a workplace safety and health standard intended for worksites involved in the preparation, supervision and execution of construction works. The Group was also audited by the Building and Construction Authority/MOH and MOM and was compliant in all areas.



Figure 4: Corrosion Prevention – Application process



Figure 5: Corrosion Prevention – Piping transport

# SUSTAINABILITY REPORT

## INITIATIVES TO ENSURE HEALTH & SAFETY

Health and safety are an ever-present risk to our staff. The Group aims for a zero-accident posture in its high-risk operations. Many regular internal meetings and safety audits are conducted through 2022.

### REGULAR OPERATION MEETS

#### Daily Toolbox Meeting

To discuss the hazards and risks involved in the daily production activities, as well as preventive measures to be taken while performing daily operations, with the supervisors.

#### Weekly Mass Briefings

Conducted by the HSE manager to share safe work procedures and risk assessments with employees and contractors, as well as share case studies of accidents with the entire workforce.

#### Monthly HSE Inspections & Meetings

During the inspections, the HSE members will inspect the work premises and identify potential health and safety hazards. These identified issues will be discussed during the monthly HSE meeting.

#### Annual HSE Campaign

Includes refresher trainings for forklift and crane operators and HSE quiz.

#### Fire Safety

Two firefighting drills and a firefighting training and fire drills have been conducted for employees.

## SAFETY AUDITS



#### Annual ISO Surveillance Audit

International Standards mean that consumers can have confidence that their products are safe, reliable and of good quality.



#### Green and Gracious Builder Scheme Audit

A benchmark of a builder's corporate social responsibility to the environment and public during the construction of projects.



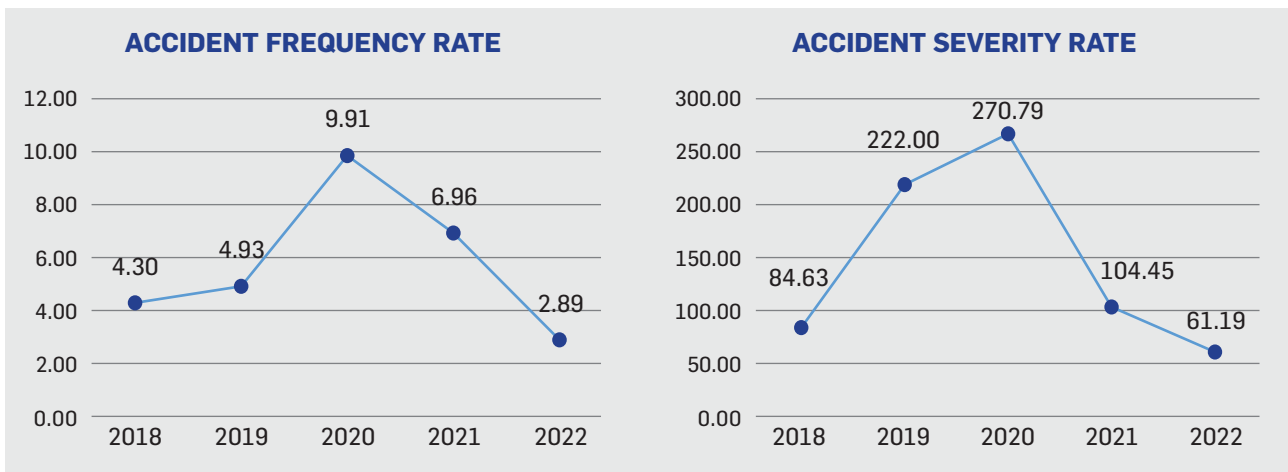
Figure 6: Hetat – Tools Safety Training

# SUSTAINABILITY REPORT

## ACCIDENT FREQUENCY RATE & ACCIDENT SEVERITY RATE GRI Standard 403-2

The graphs below present the average Accident Frequency Rate ("AFR") and Accident Severity Rate ("ASR") from 2018 to 2022.

**"Significantly reduced accident metrics from the high levels of 2020. Zero fatal accidents"**



### FY2022 PERFORMANCE

- Zero fatal accidents.
- Reduced accident frequency and severity.
- Zero violation of legal and statutory requirements.



### FY2023 TARGET

- To have zero fatal accidents.
- To have minimal accident frequency and severity.
- To have zero violation of legal and statutory requirements.

# SUSTAINABILITY REPORT



## QUALITY

With a vision to strive to provide “products and services known for its quality”, the Group adopts best practices and complies with all relevant legislation and requirements pertaining to the health and safety impacts of its products and services.

We ensure that all delivered products are fully compliant with relevant standards such as the International Organisation for Standardisation (“ISO”), Swedish Standards Institute, British Standards, Singapore Building Council Authority, American Steel Structures Painting Council Standards and the American National Association Corrosion Engineers Standards.

### “Quality certifications across the group and in the supply chain”

In addition, as we work with various suppliers in our supply chain, we have initiatives in place to ensure that the quality of our sourced materials is maintained:

- New suppliers are screened and qualified in accordance with our purchasing policy.
- Suppliers’ industry reputation, track records, pricing and relevant certifications are evaluated prior to being qualified as a supplier fit for procurement.
- Suppliers must be qualified before the Group makes any purchase from them.
- Annual reviews of suppliers are also conducted to evaluate the suppliers’ performance to ensure continuous quality materials procured.



Figure 7: BizSafe



# SUSTAINABILITY REPORT

## INITIATIVES FOR EACH BUSINESS ARM



### Corrosion Prevention

Our quality approach focuses on three key areas – process, equipment, and people. To ensure our services fulfil the stringent technical requirements of our customers, we have a comprehensive quality management system that covers the entire blasting and painting process.

Quality inspections are carried out after each stage of the surface preparation process and painting process to ensure conformity to the specifications of established international industry standards such as:

- Swedish SIS 05 59 00 1967 blasting standards
- ISO 8501-1:1988
- British BS4232 standards American Steel Structures
- bizSAFE Star level award
- ISO 45001:2018



### Structural Steel and Façade

The structural steel and facade business has obtained the following accreditations and certifications:

- ISO 9001:2015.
- ISO 14001:2015.
- ISO 45001: 2018.
- Accredited Structural Steel fabricator under S1 category, the highest grading awarded by Singapore Structural Steel Society
- bizSAFE Star level award.



### Solar Energy

SHS only selects top notch, tier-1 quality components for use in solar energy projects to ensure that the solar panels manufactured are able to function for a lifespan of 25 years.

## COMPLIANCE GRI Standard 416-2



Figure 8: certificate-of-registration-occupational-health



Figure 9: certificate-of-registration-quality-management



Figure 10: certificate-of-registration-environmental-management

# SUSTAINABILITY REPORT

The Group did not record any violations of laws and regulations to the provision, usage, health and safety of our products and services in FY2022.



## FY2022 PERFORMANCE

- Zero violations of legal and statutory requirements.
- Zero customer complaints.
- All projects met timely delivery.



## FY2023 TARGET

- To maintain zero violations of legal and statutory requirements.
- To maintain zero customer complaints.
- To continue ensure projects are delivered on time within contractual terms



Figure 11: Sinenergy – EPC Project

# SUSTAINABILITY REPORT

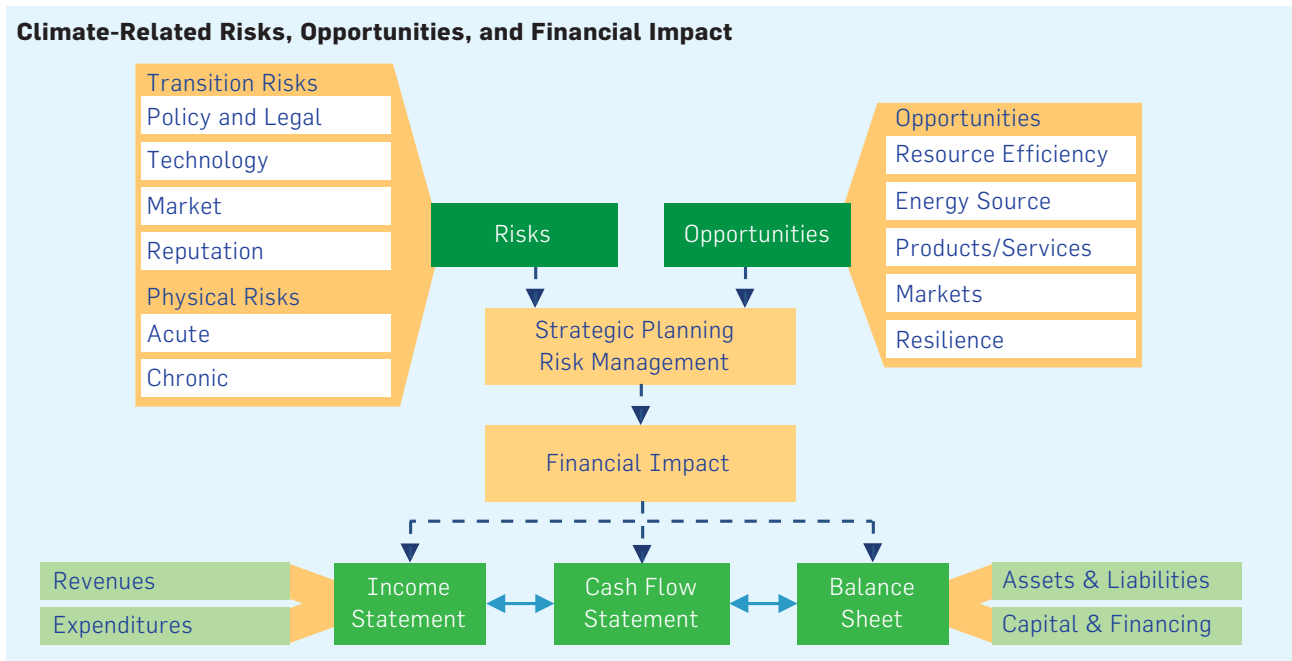
## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Group's Board and management have taken note that Singapore Exchange has upgraded its sustainability reporting disclosure rules to align with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations which has been led by Financial Stability Board of the Bank for International Settlements.

The Group has commenced on its roadmap in 2022 to incorporate climate reporting considerations into its operations. To be sure, the Board and management has been very cognisant of the climate-related risks and opportunities for some years now, as evidenced by the Group's diversification into the solar energy business in 2016.

**“Full Board and management endorsement for commencement of climate-based reporting and calibrated plans for business integration”**

In order to better structure the Group's operating perspective around sustainability, the Board has mandated that senior management attend refresher training in sustainability reporting and comprehensive training in climate-reporting. All of senior management has completed the requisite training. This effort has been followed by senior management participation in discussions and surveys on how climate change will impact the Group's business, using the TCFD framework below as the guide.



The senior management, together with our external sustainability reporting advisors, held one-on-one engagements on sustainability-based developments in 2022 for each major business unit. The CEO and senior management also gave well-considered inputs on how climate-change may impact the Group and how it should review each business operations to manage the risks as well as to explore and position itself for the opportunities. The extent and implementation of additional future operational plans around climate-related risks and opportunities will be a function of what the Board and senior management assesses to be substantial and quantifiable.

# SUSTAINABILITY REPORT

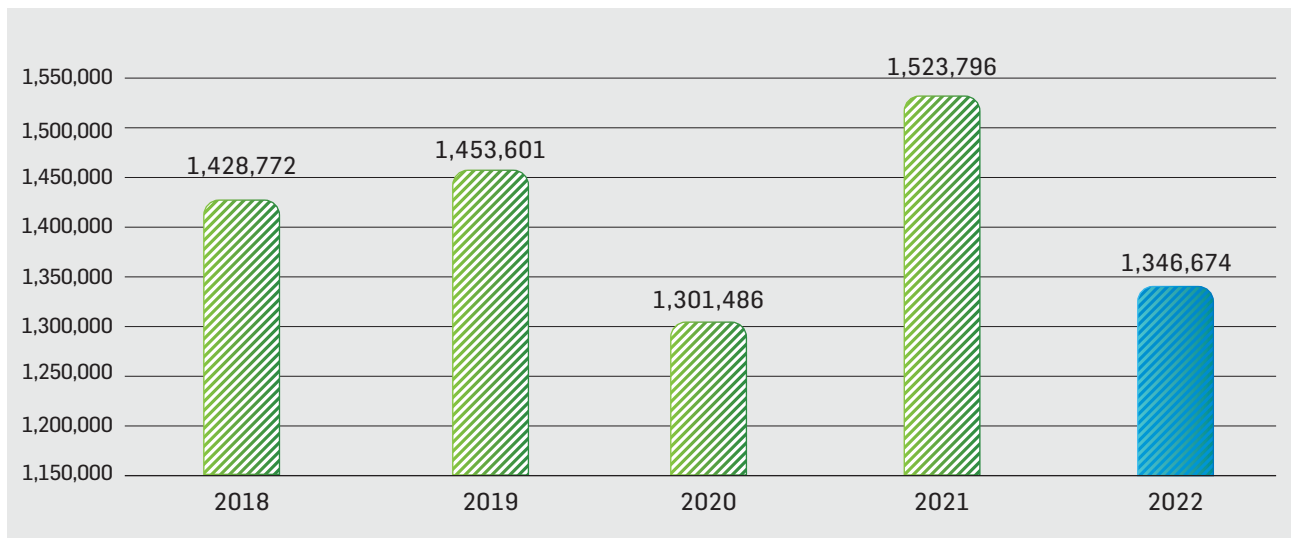
## Summary of Board and Senior Management operations and plans related to climate risks and opportunities

TCFD Core Elements	Considerations	SHS Actions
<p><b>1. Governance</b></p> <p>Disclosure of the organization's governance around climate-related risks and opportunities</p>	<p>Executive Board's oversight of climate-related risks and opportunities</p> <p>Management's role in assessing and managing climate-related risks and opportunities</p>	<p>Although climate change is occasionally discussed at Board and management meetings, there is not yet a formal set of roles and responsibilities established for the oversight, assessment and management of climate-related risks and opportunities yet in 2022.</p> <p>These initiatives will be considered within the next 2 years.</p> <p>It is expected that the CEO, CFO, Business Heads will be assigned leadership roles in the areas of climate-risk governance, with annual reporting to the Board.</p>
<p><b>2. Strategy</b></p> <p>Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</p>	<p>The climate-related risks and opportunities that the organization has identified over the short, medium, and long term.</p> <p>Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p> <p>Resilience of the organizational strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>The senior management has not yet instituted a formal process to assess climate-related risks and opportunities.</p> <p>On the risk side, senior management has informally assessed that while risks exist, there is none that would impact the Group in a material way over the short-to-medium term.</p>
<p><b>3. Risk Management</b></p> <p>Disclosure of how the organization identifies, assesses, and manages climate-related risks</p>	<p>Organization's processes for identifying and assessing climate-related risks</p> <p>Organization's processes for managing climate-related risks</p> <p>Integration of processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>Nonetheless, the Group will ensure that at the minimum, resources and processes to meet regulatory compliance will be allocated in this area.</p> <p>On the opportunity side, the Group will be exploring resource efficient technologies and processes, new energy sources including renewables, new markets.</p> <p>As the overall strategic and financial impact from climate change is deemed by management to be not substantial, the Board and senior management has not decided that a formal transition to +1.5 C (or higher) global warming scenario is necessary over the next two years.</p>

# SUSTAINABILITY REPORT

TCFD Core Elements	Considerations	SHS Actions
<b>4. Metrics &amp; Targets</b>  Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Metrics used by the organization to assess climate-related risks and opportunities	The Group has not yet established a climate-related target setting process. It is expected to do so over the next two or so years.
	Disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions and the related risks	The Group is currently establishing the Scope 2 GHG data set.
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	The Group has not yet established a climate-related target setting process. It is expected to do so over the next two or so years.

## GREENHOUSE GAS EMISSIONS (GHG) – SCOPE 2 (KG CO2)



The calculation of Scope 2 GHG emissions is based on the group's Total Electricity Usage and the Electricity Grid Emission Factors – Average Operating Margin (Source: Energy Market Authority). As the Electricity Grid Emission Factors for 2022 has not been officially published, the 2021 conversion factors were applied to compute the Scope 2 emissions for 2022.

At the conclusion of 2022, the Board and senior management have undertaken to commence a full review of its GHG management approach, with the aim of establishing better carbon data collection across the organisation.

The Group will also set the directional and, where possible, qualitative GHG emissions reduction targets across the organisation from 2023 onwards.

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	
<b>GENERAL DISCLOSURES</b>			
<b>GRI 1: Foundation 2021</b>		Sustainability Report 2022	
<b>GRI 2: General Disclosures 2021</b>	<b>The organisation and its reporting practices</b>		
	2-1	Organisational details	Reference to 2022 Annual Report (Page 1-4)
	2-2	Entities included in the organisation's sustainability reporting	6
	2-3	Reporting period, frequency and contact point	4
	2-4	Restatements of information	4
	2-5	External assurance	4
	<b>Activities and workers</b>		
	2-6	Activities, value chain and other business relationships	Reference to 2022 Annual Report (Page 1-4)
	2-7	Employees	16-17
	<b>Governance</b>		
	2-9	Governance structure and composition	Reference to 2022 Annual Report – Corporate Governance Report (Page 15-36)
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio		


# SUSTAINABILITY REPORT


	<b>Strategy, policies and practices</b>		
	2-22	Statement on sustainable development strategy	1-3
	2-23	Policy commitments	Reference to 2022 Annual Report – Corporate Governance Report (Page 15-36)
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	15, 19
	<b>Stakeholder engagement</b>		
	2-29	Approach to stakeholder engagement	7
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	8
	3-2	List of material topics	8-9
	3-3	Management of material topics	8-9
<b>SPECIFIC STANDARD DISCLOSURES</b>			
<b>GRI 201: Economic performance 2016</b>	201-1	Direct economic value generated and distributed	Reference to 2022 Annual Report – Financial Highlights (Page 4)
<b>GRI 205: Anti-corruption 2016</b>	205-2	Communication And Training About Anti-Corruption Policies And Procedures	10-11
	205-3	Confirmed incidents of corruption and actions taken	10-11
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	12
	302-4	Reduction of energy consumption	13
<b>GRI 306: Waste 2020</b>	306-3	Waste generated	14
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	18-19
<b>GRI 403: Occupational Health and Safety 2018</b>	403-2	Hazard identification, risk assessment and incident investigation	20-22
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	19
<b>GRI 416: Customer Health and Safety 2016</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	24




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