



明光集團
BENG KUANG GROUP

SUSTAINABILITY REPORT 2025



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Board Statement

Dear Stakeholders,

On behalf of the Board of Directors (the “Board”), we are pleased to present Beng Kuang Marine Limited’s (together with its subsidiaries, the “Group” or “Beng Kuang Group”) tenth annual Sustainability Report, covering the financial year ended 31 December 2025 (“FY2025”).

The sustainability landscape continues to evolve, with increasing expectations around climate accountability, resource efficiency and supply chain transparency. In FY2025, we focused on strengthening the quality of our ESG data, enhancing governance oversight, and deepening our understanding of operational environmental impacts to support more informed decision-making.

During the year, the Group began exploring selected Scope 3 emissions categories to better understand indirect environmental impacts within our value chain. Initial efforts focused on procurement-related activities and waste generated from operations. As data availability improves, the Group will continue assessing how best to expand Scope 3 coverage in future reporting periods.

This year, we continued to strengthen our efforts in several key areas:

- **Climate Risk & Resilience**

We continue to monitor climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This includes improving our understanding of how environmental factors may affect our operations and incorporating climate considerations into our risk management processes.

- **Responsible Supply Chain Practices**

We continue strengthening oversight of our procurement practices and supplier risk management processes to support responsible sourcing and operational resilience.

- **Workforce & Diversity**

Investing in our people remains a priority. We continue to support employee development through training programmes and initiatives that strengthen workforce capabilities across the Group.

- **Operational Improvements**

We continue exploring ways to enhance operational efficiency, including improvements to ESG data management and the use of digital tools to support more effective sustainability reporting.



Board Statement

As Singapore prepares for the implementation of ISSB-aligned sustainability reporting requirements for SGX-listed companies, we are enhancing our ESG data collection and reporting processes to strengthen transparency and governance.

Looking ahead, sustainability will remain an important part of how we manage risks and opportunities within our operations. The Group will continue strengthening its governance framework and operational practices to support long-term business resilience.

The Board extends its appreciation to our shareholders, customers, employees and partners for their continued collaboration in our sustainability journey.

Chua Meng Hua
Executive Director
Beng Kuang Marine Limited

About This Report

This report covers **Beng Kuang Group's** sustainability performance from **01 January 2025 to 31 December 2025**.

Reporting Frameworks



TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

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.



GREENHOUSE
GAS PROTOCOL

Our carbon accounting processes is aligned with the Greenhouse Gas Protocol's methodology, ensuring a comprehensive, transparent, and standardized disclosure of our environmental impact. Carbon emissions were calculated on ESGpedia, an ESG software used for Environmental, Social, and Governance reporting.

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 the Company's corporate website at www.bkmgroupp.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 bkmg@bkmgroupp.com.sg.



Organisational Profile



Beng Kuang Marine Limited (together with its subsidiaries, “Beng Kuang Group” or the “Group”) were established in the 1990s as a sub-contractor providing corrosion prevention services to shipyards and has been listed on the Mainboard of the Singapore Exchange since 15 October 2004.

Leveraging a multifaceted business model, Beng Kuang Group remains committed to being the “Preferred and Trusted 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 	<p>We aspire to be the Preferred Partner in providing integrated solutions for the offshore and marine industries.</p>	<p>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.</p>



Our Core Business

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.



Our Core Business

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 Seatrarium 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 2025.



Before



After



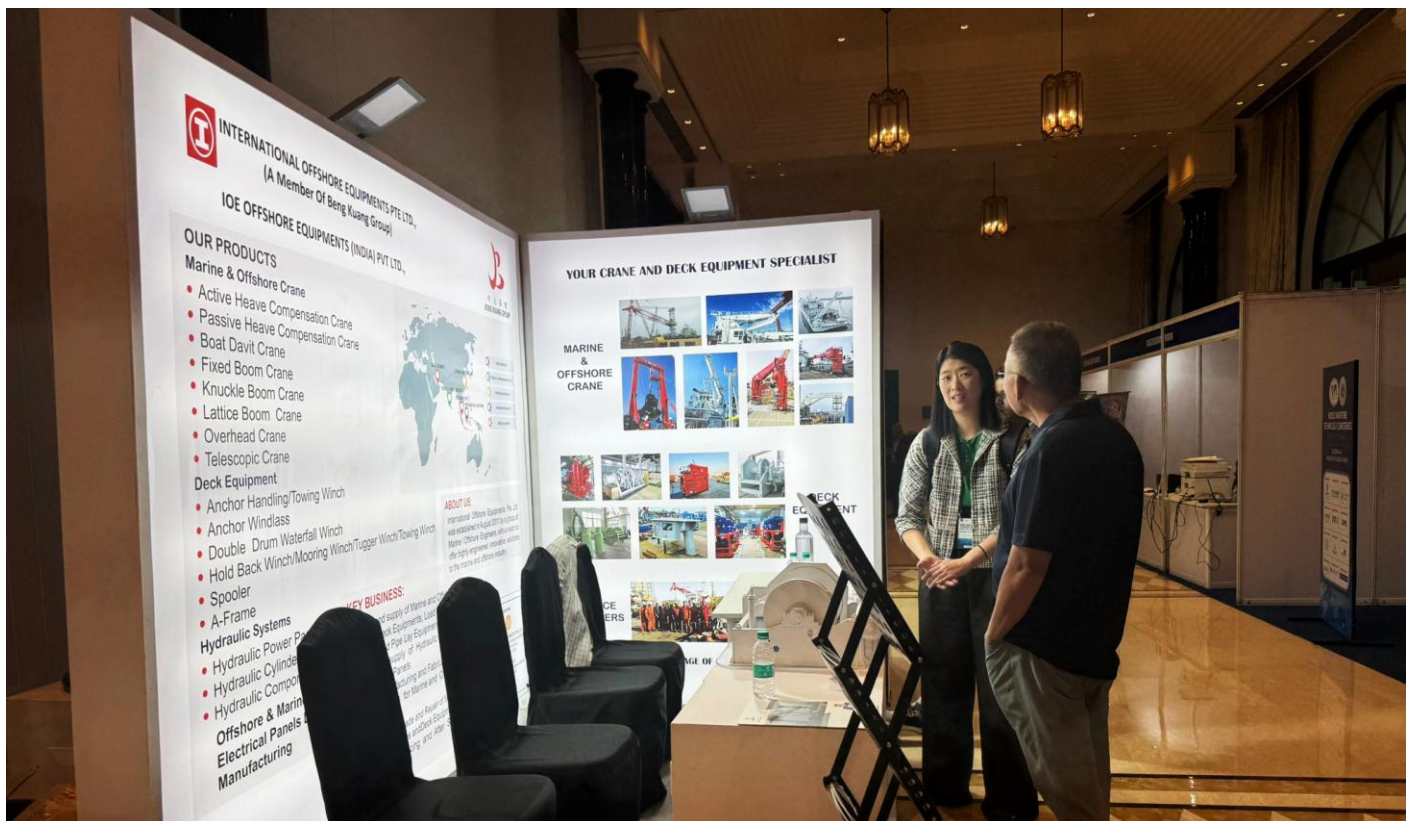
Supply Chain Management

A resilient and responsible supply chain remains critical to the Group's operations. We rely on a network of raw material suppliers, equipment manufacturers, and marine and industrial hardware providers to support our business activities. As regulatory expectations and stakeholder scrutiny continue to increase, we have strengthened oversight of our procurement practices to support operational continuity and long-term sustainability.

Aligned with our procurement policy, we rigorously assess and monitor both new and existing suppliers based on key criteria, including industry reputation, product and service quality, and adherence to local health and safety regulations.

In FY2025, we enhanced our supplier due diligence and risk assessment processes to strengthen visibility over operational and compliance risks within our value chain. We also improved internal tracking of procurement-related environmental data and waste management practices to support more informed decision-making and greater transparency.

Moving forward, we will continue working closely with our suppliers to uphold high standards of environmental and social responsibility while ensuring operational efficiency and business continuity.



Memberships

Beng Kuang Group is an active member of various notable organisations that contribute towards sustainability initiatives:

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

Beng Kuang Marine Limited is a member of the ASMI. The Association of Singapore Marine and Offshore Energy Industries (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 more than 30,000 companies, as well as key local and foreign business chambers.



Stakeholder Engagement

Effective stakeholder engagement is a cornerstone of our sustainability approach. We actively engage with our stakeholders through various communication channels and meaningful dialogues to identify, understand, and address sustainability concerns relevant to our business operations. By fostering transparent and ongoing interactions, we strengthen relationships, align expectations, and drive collective progress toward sustainable growth. The table below outlines the key engagement channels the Group utilized in FY2025 to engage with our stakeholders.

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
		Interviews and meetings	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 relationships 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 FY2025, the Group continued to strengthen its sustainability governance framework in response to evolving regulatory requirements and industry expectations. The Sustainability and Enterprise Risk Management Committee (“the Committee”), led by our Executive Director, oversees the Group’s sustainability initiatives and drives the implementation of sustainability strategies across the organisation. The Committee comprises senior management representatives, including the Chief Executive Officer, Chief Financial Officer, Financial Controller, and key personnel from Human Resources and other business functions. While the Board provides overall oversight, the Committee supports the execution of sustainability priorities and monitors progress across the Group.

During the year, the Committee continued refining sustainability performance indicators across different business units to enhance the monitoring and measurement of key sustainability metrics. This strengthens transparency and accountability in tracking progress against the Group’s sustainability objectives.

The Committee meets semi-annually with the Board to review sustainability performance, discuss emerging risks and opportunities, and provide updates on key sustainability initiatives. These discussions support informed decision-making and ensure sustainability considerations remain integrated into the Group’s overall business strategy.

The Group is preparing for the implementation of ISSB-aligned sustainability reporting requirements for SGX-listed companies. This includes enhancing internal data collection processes, strengthening governance oversight, and monitoring regulatory developments. Strengthening our governance framework ensures that we are well-positioned to achieve full compliance with ISSB standards and advance our sustainability commitments in the years ahead.



Materiality Assessment

Material Topics Overview

We performed a refreshed materiality assessment in FY2024, 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

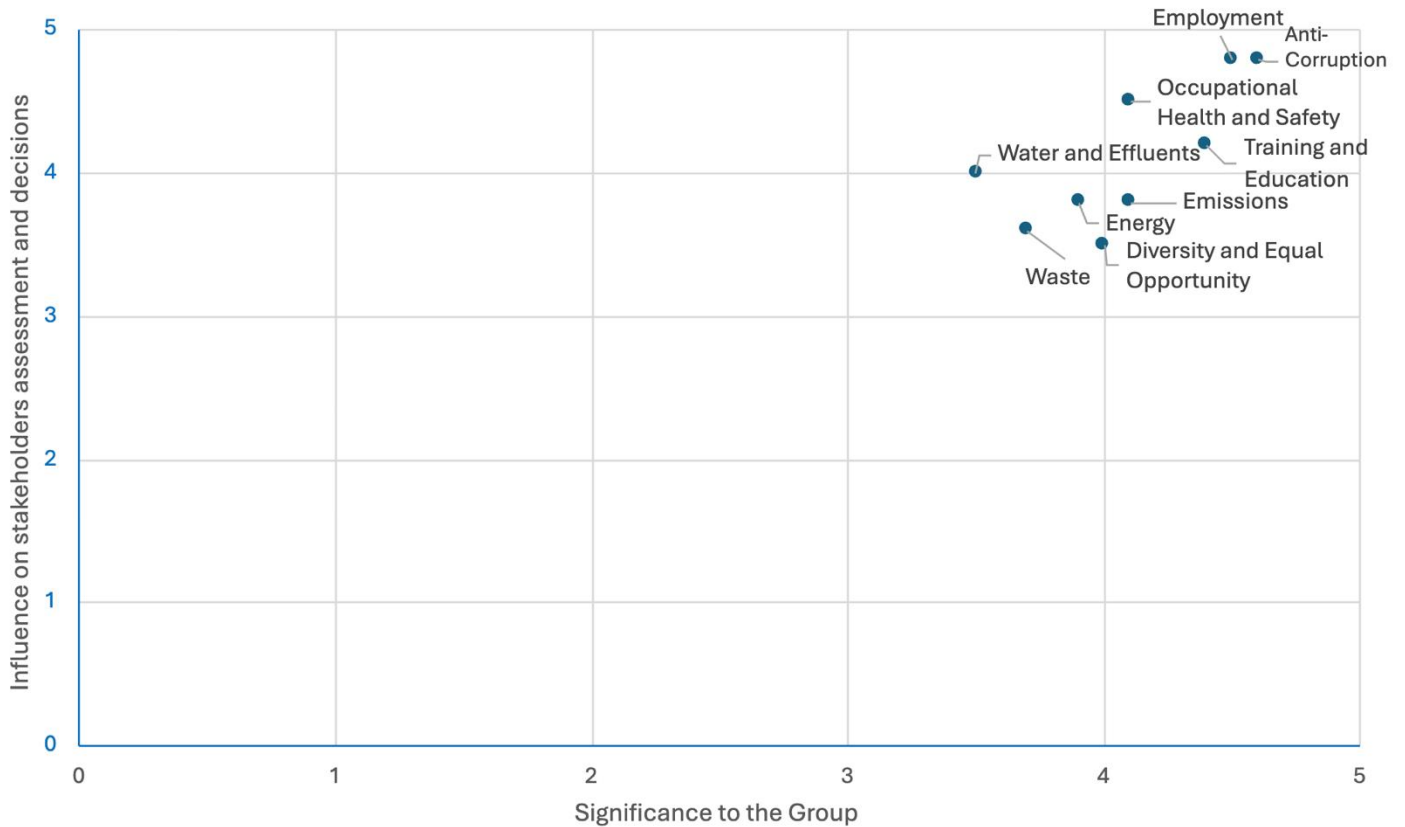
In FY2025, there were no changes to the Group's material topics, and the materiality matrix presented in this Report continues to reflect the outcomes of the FY2024 refreshed assessment. The assessment process considered emerging industry trends, regulatory changes, and stakeholder expectations, particularly in light of upcoming ISSB-aligned reporting requirements for SGX in FY2026.



Materiality Assessment

Material Topics Overview

Beng Kuang Group's Materiality Matrix



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 • Diversity and Equal Opportunity • Training and Education 	<ul style="list-style-type: none"> • Anti-Corruption

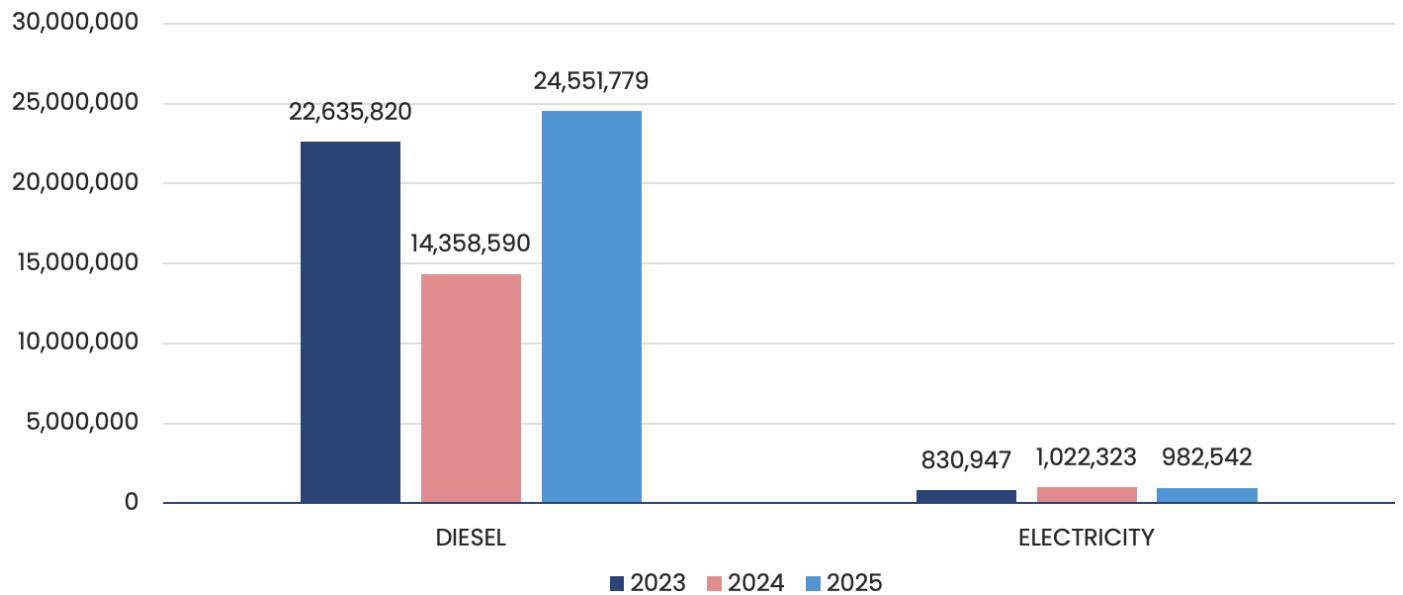


Environmental Metrics

Energy Consumption (Singapore)

Total Energy Consumption in Singapore

(MJ)



Item	2023	2024	2025	% Change
Diesel Consumption	22,635,820 ¹	14,358,590	24,551,779	Increase by 71%
Electricity Consumption	830,947	1,022,323	982,542	Decrease by 3.9%

In Singapore, our diesel consumption **increased** from 14,358,590 Megajoules (“MJ”) in FY2024 to 24,551,779 MJ in FY2025. Meanwhile, our electricity consumption **decreased** from 1,022,323 MJ in FY2024 to 983,542 MJ in FY2025.

This is due to projects that began near the end of FY2025, where these projects generally require a larger amount of energy during the initial project execution. Furthermore, with the delay of some FY2024 projects, concurrent FY2024 and FY2025 projects resulted in a higher consumption rate. Nonetheless, we remain committed to sustainable operational practices and continue to monitor the consumption of diesel very closely.

The decrease in electricity consumption is due to the more efficient usage of our facilities, such as dormitories and workshops. While we introduced electricity-based equipment in FY2024 to replace diesel-powered systems, these equipment remain limited and will be further improved in the future.

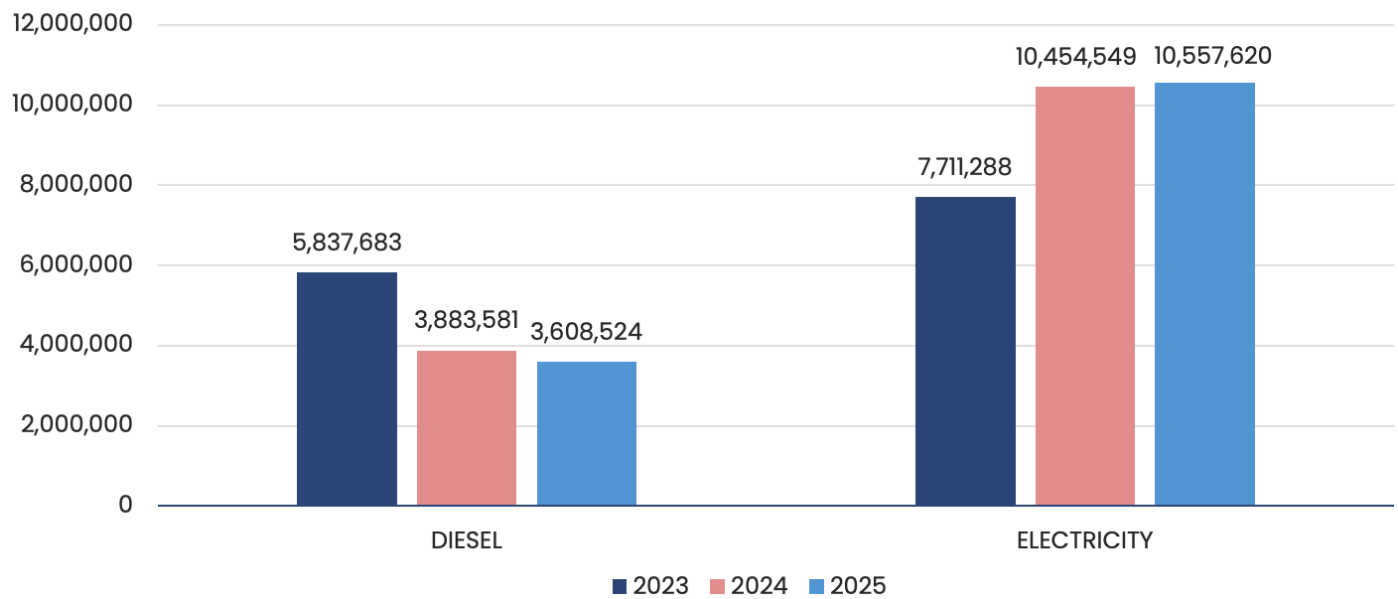
¹ FY2023 data presented has been restated to reflect updated methodology, as disclosed in our FY2024 Sustainability Report.

Environmental Metrics

Energy Consumption (Indonesia)

Total Energy Consumption in Indonesia

(MJ)



Item	2023	2024	2025	% Change
Diesel Consumption	5,837,683 ²	3,883,581	3,608,524	Decrease by 7.1%
Electricity Consumption	7,711,288	10,454,549	10,557,620	Increase by 1.0%

In Indonesia, our diesel consumption **decreased** from 3,883,581 Megajoules (“MJ”) in FY2024 to 3,608,524 MJ in FY2025. Meanwhile, our electricity consumption **increased** from 10,454,549 MJ in FY2024 to 10,557,620 MJ in FY2025.

Our diesel and electricity consumption remains relatively consistent, as there were notable projects within FY2025. Operations at our Batam shipyard in FY2025 remained limited and did not contribute significantly to overall energy consumption. We also aim to introduce electricity-based equipment to the Batam shipyard as we begin to execute land-based shipbuilding projects in FY2026.

² FY2023 data presented has been restated to reflect updated methodology, as disclosed in our FY2024 Sustainability Report.

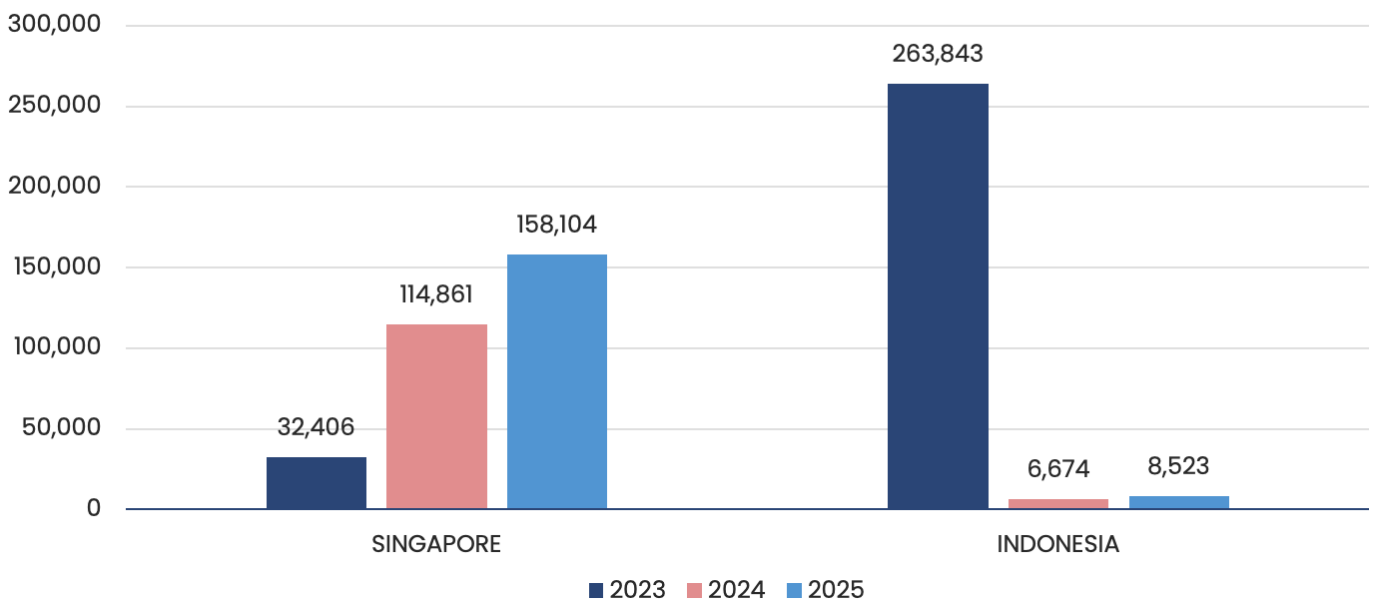


Environmental Metrics

Climate-Related Data

Total Water Consumption

(CuM)



Country	2023	2024	2025	% Change
Singapore	32,406	114,861	158,104	Increase by 37.6%
Indonesia	263,843	6,674	8,523	Increase by 27.7%

The rise in water consumption in Singapore is still mainly attributed to two key factors, consistent with FY2024. We are continuously increasing the number of workers in local dormitories, leading to higher domestic water usage. Water-based repair activities are also increasing as we shift our domestic efforts to reduce grit and waste generation. This will naturally increase water consumption as we move towards more sustainable repair practices.

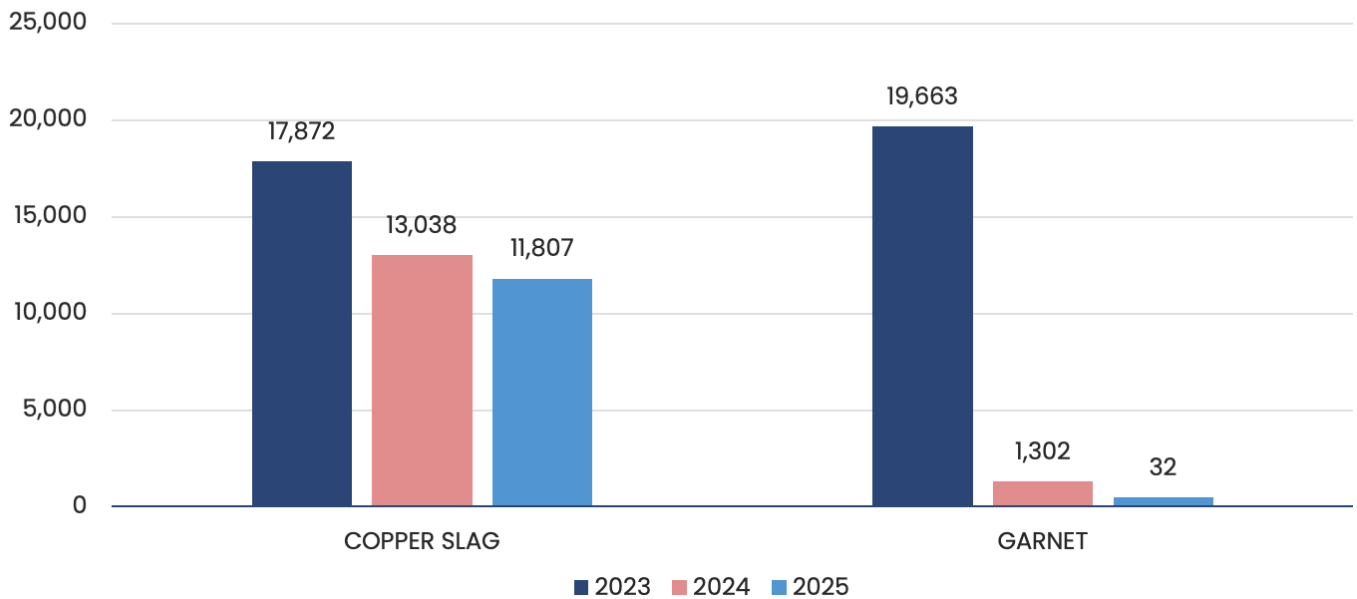
The rise in water consumption in Indonesia in FY2025 is due to upgrading works carried out at the Batam shipyard, which require higher water usage. Such activities include concrete application and heavy washing of old facilities and equipment for refurbishment.



Environmental Metrics

Climate-Related Data

Total Waste (tonnes)



Waste Type	2023	2024	2025	% Change
Copper Slag	17,872 ³	13,038	11,807	Decrease by 9.4%
Garnet	19,663 ⁴	1,302	32	Decrease by 97.5%

Total copper slag usage has reduced significantly as we are currently undertaking more water-based repair activities. Garnet usage has also decreased significantly, as there were no notable projects requiring the use of garnet in FY2025. We are also exploring new technologies that can, in the long term, replace the use of such waste and grit in an effort to support more sustainable operational practices.

^{3&4} FY2023 data presented has been restated to reflect updated methodology, as disclosed in our FY2024 Sustainability Report.

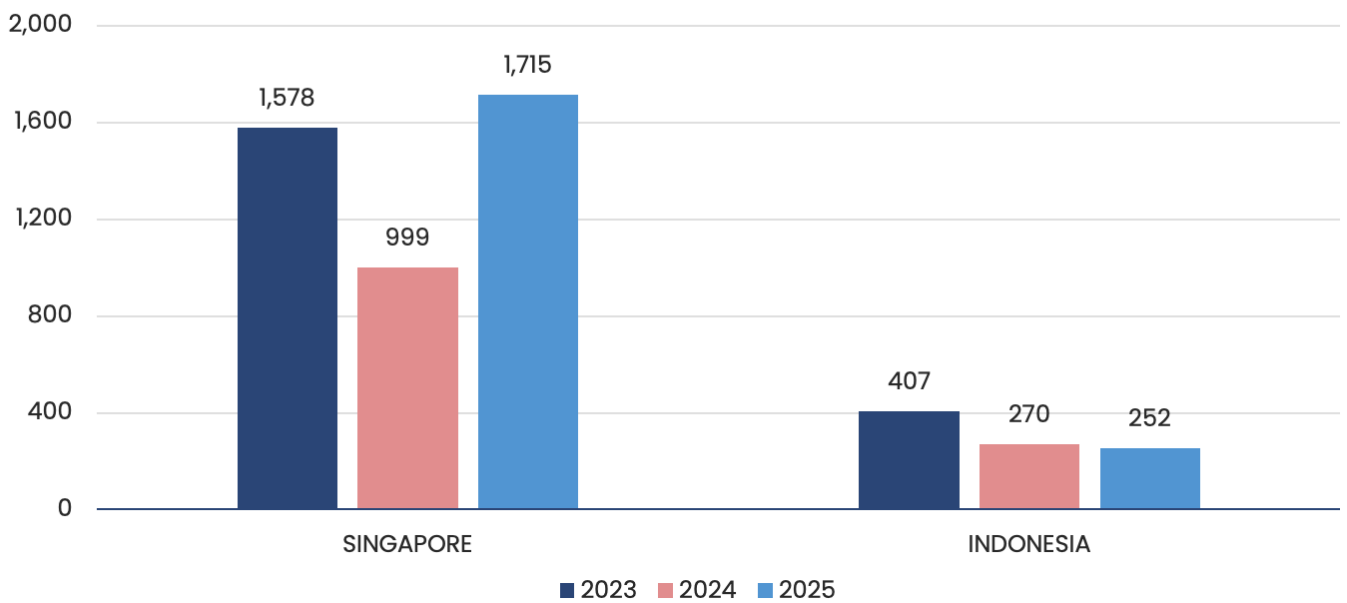


Environmental Metrics

GHG Emissions

Scope 1 GHG Emissions

(tCO₂e)



Country	2023	2024	2025	% Change
Singapore	1,578	999	1,715	Increase by 71.7%
Indonesia	407	270	252	Decrease by 6.7%
Total Scope 1 Emissions	1,985	1,269	1,967	Increase by 55.0%

Our Scope 1 emissions are calculated using the emission factors from the Singapore Emission Factors Registry (SEFR) and the Department for Environment Food and Rural Affairs (DEFRA).

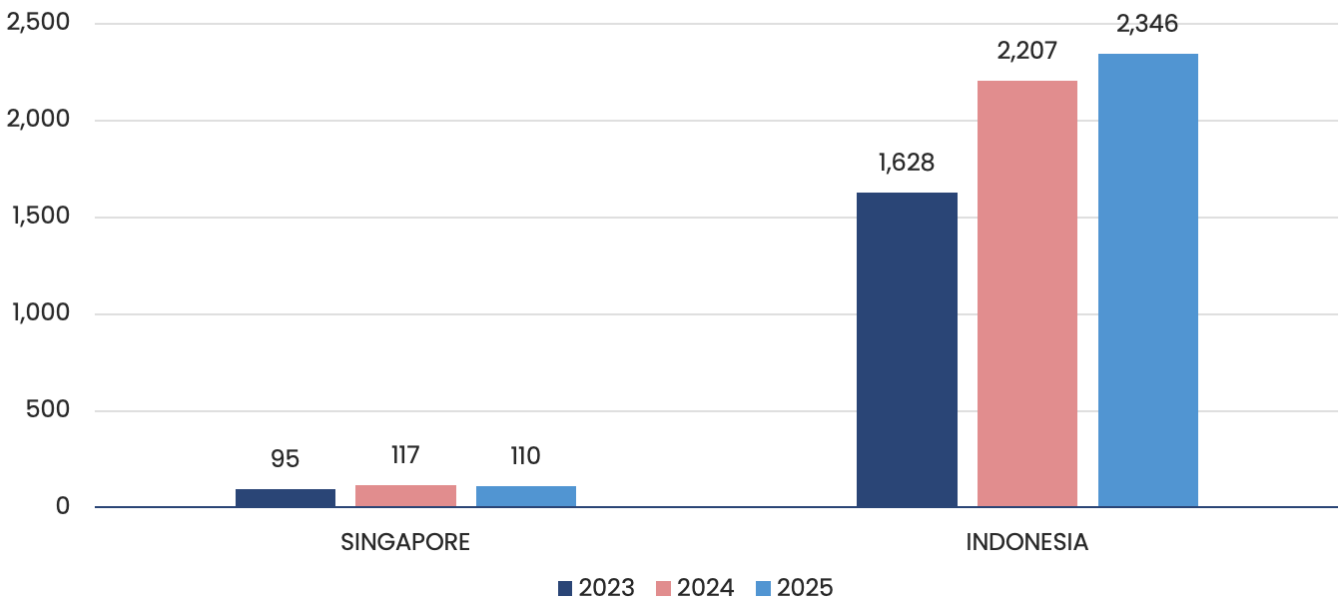


Environmental Metrics

GHG Emissions

Scope 2 GHG Emissions

(tCO₂e)



Country	2023	2024	2025	% Change
Singapore	95	117	110	Decrease by 6.0%
Indonesia	1,628	2,207	2,346	Increase by 6.3%
Total Scope 2 Emissions	1,723	2,324	2,456	Increase by 5.7%

Our Scope 2 emissions are calculated using the emission factors from the Singapore Emission Factors Registry (SEFR) and the Department for Environment Food and Rural Affairs (DEFRA).

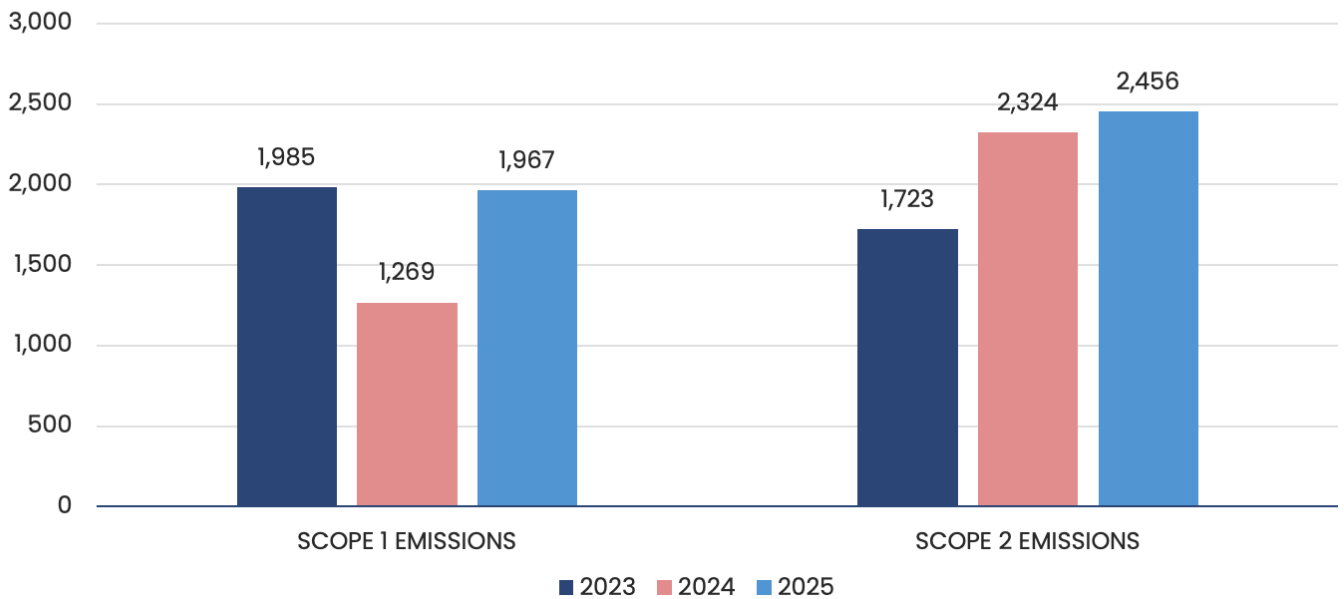


Environmental Metrics

GHG Emissions

Overall Scope 1 and 2 GHG Emissions

(tCO₂e)



Country	2023	2024	2025	% Change
Scope 1 Emissions	1,985	1,269	1,967	Increase by 55.0%
Scope 2 Emissions	1,723	2,324	2,456	Increase by 5.7%
Total Emissions	3,708	3,593	4,423	Increase by 23.1%

In FY2025, Beng Kuang Group recorded an increase in absolute emissions compared to FY2024. This was primarily due to the increasing volume of work towards the end of FY2025, as stated on Page 15, which resulted in higher diesel consumption and, consequently, an increase in Scope 1 emissions.

Likewise, as we shift towards electricity-based equipment in both Singapore and Batam, Indonesia, our electricity consumption is expected to increase, resulting in higher Scope 2 emissions. However, this remains relatively consistent, as there has been no significant overall increase in electricity-related activities in FY2025.



Social Metrics

Employment

Our employees remain central to Beng Kuang Group's continued growth and operational strength. In FY2025, we focused on strengthening our performance management and talent development practices, building on the appraisal framework introduced in the previous year.

Following its rollout in 2024, the revised appraisal system continued to guide performance evaluations across the Group in FY2025. Through bi-annual reviews, employees are assessed against clearly defined indicators, ensuring a consistent and transparent approach to recognising contributions and identifying development needs.

The structured evaluation process also supports talent development, enabling high-performing employees to take on expanded responsibilities, participate in cross-functional initiatives, and contribute to key projects, strengthening both individual capabilities and organisational performance.

Our recruitment practices continue to emphasise fairness, merit, and equal opportunity, while fostering an inclusive workplace where employees feel supported and valued.

Moving forward, Beng Kuang Group will continue refining its people management practices to support organisational resilience and sustain a culture that values accountability, continuous improvement, and the contributions of our people.



Social Metrics

Employment

Employee Category	By Gender				By Region			
	Male		Female		Singapore		Indonesia	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Full-time employees	450	540	64	72	368	459	146	153
Part-time employees	1	1	1	1	2	2	0	0
All employees	451	541	65	73	370	461	146	153

As at 31 December 2025.

As of the end of FY2025, Beng Kuang Group employed a total of 614 permanent employees across Singapore and Indonesia, an increase from 516 employees in FY2024, reflecting continued operational needs and business activities during the year. All employees are classified as permanent, defined as being under a contract of service with a minimum of 44 working hours per week.

Our workforce comprised 541 male employees and 73 female employees across the Group. We remain committed to fair employment practices and strive to maintain an inclusive workplace where individuals are recruited and developed based on merit, skills, and experience.

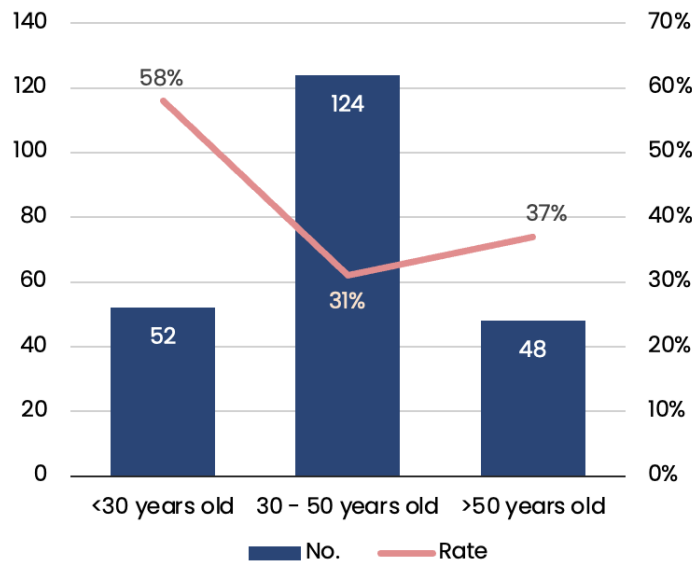
By region, Singapore accounted for 461 employees, while Indonesia had 153 employees. All employees are entitled to healthcare, parental leave, and welfare benefits, regardless of location.



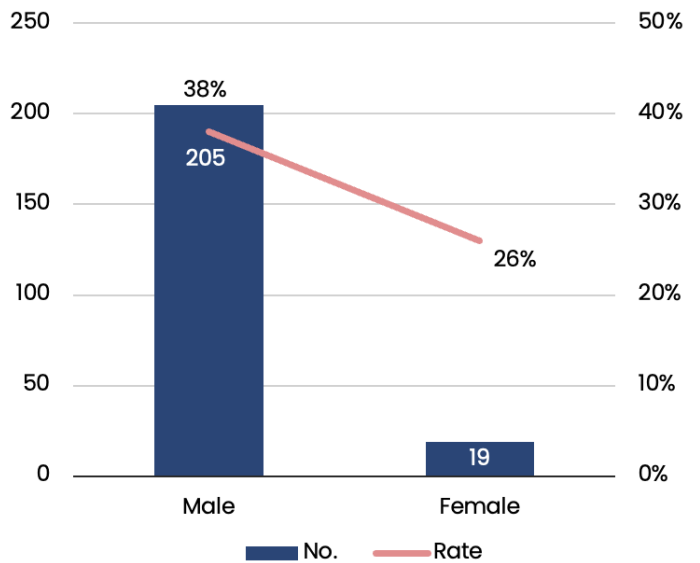
Social Metrics

New Employee Hires

Number of New Employee Hires by Age Group



Number of New Employee Hires by Gender Group



Item	Number	Rate ¹
Number of New Employee Hires by Age Group		
Under 30 years old	52	58%
30 - 50 years old	124	31%
Over 50 years old	48	37%
Number of New Employee Hires by Gender Group		
Male	205	38%
Female	19	26%
Number of New Employees Hire by Region		
Singapore	187	41%
Indonesia	37	24%

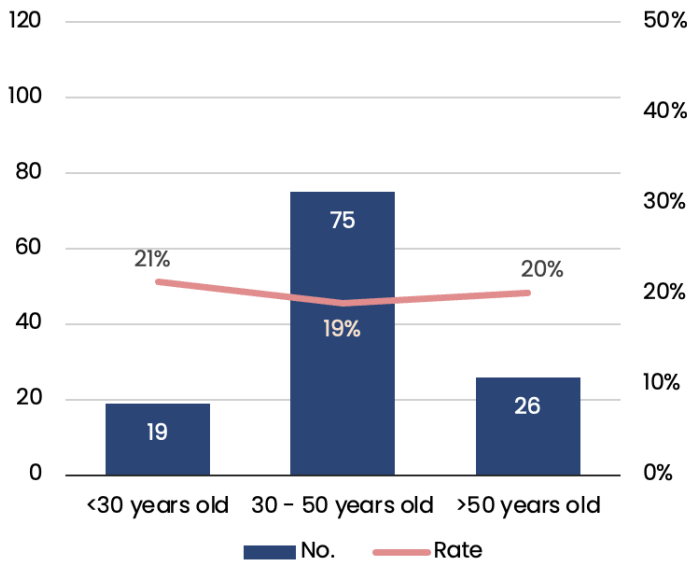
¹Rates are based on total employee numbers as of 31 Dec 2025.



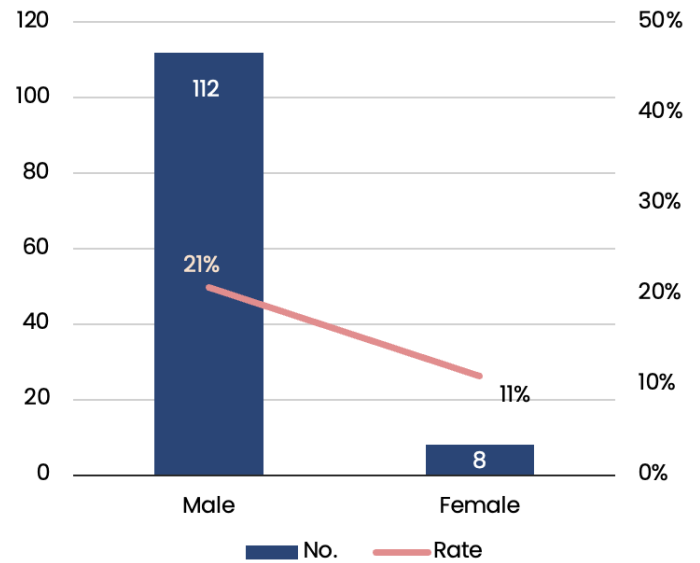
Social Metrics

Employee Turnover

Number of Employee Turnover by Age Group



Number of Employee Turnover by Gender Group



Item	Number	Rate ¹
Number of Employee Turnover by Age Group		
Under 30 years old	19	21%
30 - 50 years old	75	19%
Over 50 years old	26	20%
Number of Employee Turnover by Gender Group		
Male	112	21%
Female	8	11%
Number of Employee Turnover by Region		
Singapore	101	22%
Indonesia	19	12%

¹Rates are based on total employee numbers as of 31 Dec 2025.



Social Metrics

Parental Leave

Item	FY2024			FY2025		
	Male	Female	Total	Male	Female	Total
Number of employees that were entitled to parental leave	21	12	33	22	11	33
Number of employees that took parental leave	21	12	33	22	11	33
Number of employees that returned to work in the reporting period after parental leave ended	21	12	33	22	11	33
Number of employees that returned to work after parental leave ended, and were still employed 12 months after their return to work	20	12	32	17	10	27
Return to Work Rate	100%	100%	100%	100%	100%	100%
Retention Rate	95%	100%	97%	77%	91%	82%

Types of Parental Leave Utilised	Number of Employees	
	FY2024	FY2025
Childcare	20	31
Maternity	4	1
Paternity	4	4
Extended Childcare	5	0
Shared Parental	0	2
Total	33	38

Social Metrics

Occupational Health and Safety

Work-Related Injuries		
Descriptions	Singapore	Indonesia
The number of recordable work-related injuries	1	1
The number of hours worked	930244.4	860307.5
Rate of recordable work-related injuries (per 1,000,000 hours)	1.07	1.16

At Beng Kuang Group, we place Occupational Health and Safety at the core of our operations. We believe that all work-related injuries, illnesses, and incidents are preventable, and we are committed to fostering a workplace where safety is a shared responsibility and an integral part of our culture. Our vision is to achieve accident-free operations by embedding health and safety considerations into every aspect of our business. We prioritise the well-being of our workforce, recognising that a safe and healthy working environment is essential to both our people and our performance.

To uphold this commitment, we focus on the following key principles:

- Strict compliance with all relevant Occupational Health and Safety regulations, standards, and internal policies, both in Singapore and Indonesia.
- Embedding safety practices into day-to-day operations by promoting a culture of accountability, where every employee is responsible for their own safety and that of their colleagues.
- Maintaining a proactive approach to hazard identification and risk mitigation, with systematic procedures in place to minimise potential incidents.
- Reducing workplace risks through training, supervision, and the implementation of safe work systems.
- Transparent reporting and investigation of incidents, followed by root cause analysis and corrective actions to prevent recurrence.

Health and safety are not just regulatory requirements—they are a core value of how we operate. We actively work to instil a safety-first mindset across all levels of the organisation, and empower our teams to speak up, act responsibly, and look out for one another.



Social Metrics

Training and Education

Category	Average Training Hours			
	2024		2025	
	Singapore	Indonesia	Singapore	Indonesia
By Employee Category				
Top Management	1.35	4.00	5.93	0.00
Middle Management	7.96	11.57	7.89	7.40
Junior Management	7.40	7.27	11.82	3.85
By Gender				
Male	7.77	10.74	10.45	5.15
Female	2.63	2.48	5.90	5.12
Overall Average Training Hours	7.27	9.10	10.05	5.14

Governance Metrics

Anti-Corruption

At Beng Kuang Group, we take a firm zero-tolerance stance 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 Page 14 to 44 of our Annual Report 2025.

Performance and targets

The Group set a target of maintaining zero cases of corruption in FY2022, and had zero reported cases of corruption in FY2023 and FY2024. We are pleased to report that we have once again met this target with zero reported cases of corruption in FY2025. Additionally, we had no instances of non-compliance with laws and regulations during the year.

We remain committed to upholding the highest standards of integrity and governance. Our goal for the coming year is to continue maintaining a record of zero incidents of corruption and non-compliance with laws and regulations across all our operations.



TCFD Report

Governance

Disclose the organisation's governance around climate-related risks and opportunities.	
<p>Describe the board's oversight of climate-related risks and opportunities.</p>	<p>The Board of Beng Kuang Marine Limited provides oversight of climate-related risks and opportunities as part of the Group's broader corporate governance and risk management framework. The Board recognises that climate change may affect the offshore and marine industry through evolving regulatory requirements, operational disruptions, and market expectations.</p> <p>To support effective oversight, the Board receives updates on climate-related matters through the Sustainability and Enterprise Risk Management Committee ("the Committee"). The Committee assists the Board in monitoring climate-related risks, identifying emerging trends, and overseeing sustainability initiatives across the Group.</p> <p>Climate-related matters are reported to the Board through:</p> <ul style="list-style-type: none"> • Semi-annual Committee updates, where the Committee provides updates on climate-related risks, regulatory developments and progress on sustainability initiatives. • Periodic briefings, where management informs the Board of significant developments such as regulatory changes affecting marine emissions or sustainability reporting requirements. • Industry monitoring, including developments in international maritime regulations and decarbonisation trends that may affect the Group's operations. <p>The Board considers climate-related factors in key decision-making areas including:</p> <ul style="list-style-type: none"> • Strategic planning and risk management, where climate risks are assessed as part of the Group's enterprise risk management framework. • Operational planning, including energy use, emissions management and environmental performance across shipyard operations. • Capital planning, where operational improvements and infrastructure upgrades are evaluated for their potential environmental impact. <p>Through this governance structure, the Board ensures that climate-related considerations are incorporated into the Group's strategic planning and operational management.</p>



TCFD Report

Governance

Disclose the organisation’s governance around climate-related risks and opportunities.	
<p>Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>The Sustainability and Enterprise Risk Management Committee (“the Committee”) supports management in assessing and managing climate-related risks and opportunities. The Committee is led by the Executive Director and includes members of senior management such as the Chief Executive Officer, Chief Financial Officer, Financial Controller, Human Resources representatives and leaders from relevant operational functions.</p> <p>The Committee is responsible for integrating climate-related considerations into the Group’s risk management and sustainability practices.</p> <p>Key responsibilities include:</p> <p>Climate Risk Identification and Assessment</p> <p>The Committee reviews climate-related risks that may affect the Group’s operations, including physical risks such as extreme weather and transition risks related to regulatory developments or evolving market expectations.</p> <p>Integration into Operations</p> <p>Climate considerations are incorporated into operational planning, including:</p> <ul style="list-style-type: none"> • Energy management in shipyard and fabrication operations • Environmental practices in corrosion prevention activities • Employee awareness and training on sustainability matters <p>Monitoring and Reporting</p> <p>The Committee monitors key environmental indicators such as energy use, emissions and waste generation. Updates are provided to the Board periodically to support oversight and decision-making.</p> <p>Regulatory Compliance</p> <p>Management monitors developments in environmental regulations and sustainability reporting requirements, including those issued by the Singapore Exchange, to ensure that the Group remains aligned with applicable disclosure expectations.</p> <p>Through these processes, management ensures that climate-related risks are identified and managed within the Group’s overall governance and risk management framework.</p>



TCFD Report

Strategy

Disclose 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.

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Beng Kuang Group has identified several climate-related risks and opportunities that may affect its operations over different time horizons.

Short-term (0–5 years)

In the near term, the Group may be affected by evolving environmental regulations, increased sustainability disclosure expectations, and operational disruptions caused by extreme weather events.

Medium-term (5–10 years)

Over the medium term, the offshore and marine industry is expected to experience increased demand for environmentally responsible services, including energy-efficient operations and sustainable materials.

Long-term (10–25 years)

In the longer term, physical climate impacts such as rising sea levels and more frequent extreme weather events may affect coastal infrastructure and offshore operations.

The Group continues to monitor these developments and assess their potential impact on its business activities, including shipyard operations, marine engineering services and corrosion prevention services.

The detailed climate-related risks and opportunities identified by the Group are presented in the tables below.



TCFD Report

Strategy: Climate-Related Risks

Category	Risk Name	Risk Description	Potential Impact	Scope of Risk	Timeframe
Physical Risk – Chronic	Extreme weather affecting operations	Increasing frequency of heavy rainfall, storms, and extreme weather conditions may disrupt shipyard operations, offshore engineering activities, and project timelines.	<ul style="list-style-type: none"> Operational disruptions and project delays Increased maintenance and safety management costs Potential temporary suspension of outdoor activities 	Shipyard operations, offshore engineering services, corrosion prevention activities	Short to long term
Physical Risk – Chronic	Accelerated corrosion due to environmental changes	Changes in seawater conditions such as temperature, salinity, and acidity may accelerate corrosion of offshore structures and marine equipment.	<ul style="list-style-type: none"> Higher maintenance requirements for offshore equipment Increased demand for corrosion prevention services Potential increase in material and maintenance costs 	Corrosion prevention services, marine engineering, offshore equipment maintenance	Medium to long term
Transition Risk – Policy & Legal	Stricter environmental and emissions regulations	Governments and international maritime regulators may introduce stricter environmental standards, emissions regulations, and reporting requirements for marine and offshore industries.	<ul style="list-style-type: none"> Higher compliance and reporting costs Potential need for operational adjustments to meet regulatory requirements Increased monitoring and documentation requirements 	Shipyard operations, offshore engineering, marine services	Short to medium term



TCFD Report

Strategy: Climate-Related Risks

Category	Risk Name	Risk Description	Potential Impact	Scope of Risk	Timeframe
Transition Risk – Market	Increasing customer sustainability expectations	Customers and business partners may increasingly expect suppliers to demonstrate environmental performance and sustainability practices.	<ul style="list-style-type: none"> • Potential loss of contracts if sustainability expectations are not met • Increased demand for environmental reporting and operational transparency 	All business segments	Medium term
Transition Risk – Human Capital	Need for sustainability-related skills	As environmental standards evolve, companies may require employees with knowledge of sustainability practices, environmental compliance, and efficient operational processes.	<ul style="list-style-type: none"> • Additional training costs • Need to develop internal capabilities to support sustainability initiatives 	Engineering, operations, and management functions	Short to medium term



TCFD Report

Strategy: Climate-Related Opportunities

Category	Opportunity Name	Opportunity Description	Potential Benefits	Scope of Opportunity	Timeframe
Resource Efficiency	Improving operational efficiency	Enhancing energy and resource efficiency in shipyard and fabrication operations through improved processes and equipment.	<ul style="list-style-type: none"> • Reduced operational costs • Improved environmental performance • Increased operational efficiency 	Shipyard operations, fabrication processes	Short term
Products & Services	Corrosion prevention and maintenance services	Demand for corrosion prevention and maintenance services may increase as marine infrastructure faces harsher environmental conditions.	<ul style="list-style-type: none"> • Potential increase in service demand • Strengthened market position in corrosion prevention services 	Corrosion prevention services, marine engineering	Medium term
Operational Improvement	Adoption of environmentally responsible practices	Implementing environmentally responsible operational practices such as efficient energy use, improved waste management and responsible material use.	<ul style="list-style-type: none"> • Improved operational efficiency • Enhanced compliance with environmental expectations 	Shipyard operations, offshore engineering, fabrication	Short to medium term
Market Positioning	Supporting customers with sustainable operations	Providing services that help customers maintain and extend the life of marine assets through efficient maintenance and engineering services.	<ul style="list-style-type: none"> • Strengthened customer relationships • Continued competitiveness in the marine services sector 	Offshore engineering and marine services	Medium term



TCFD Report

Strategy

Disclose 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>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>Climate-related risks and opportunities may affect the Group's operations, supply chain and business strategy in several ways.</p> <p>Operational Impacts</p> <p>Extreme weather events may affect project schedules and operational activities at shipyard facilities. At the same time, climate-related changes in marine environments may increase demand for corrosion prevention and maintenance services.</p> <p>Supply Chain Considerations</p> <p>Climate-related regulatory developments and market expectations may influence the sourcing of materials and services, including increased attention to environmental performance within the supply chain.</p> <p>Business Opportunities</p> <p>As sustainability considerations become increasingly important in the offshore and marine industry, the Group may see opportunities to support customers through services such as corrosion prevention, infrastructure maintenance and engineering solutions that support operational efficiency.</p> <p>The Group continues to monitor these developments to ensure that its operations remain resilient and responsive to evolving industry expectations.</p>
<p>Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.</p>	<p>The Group has considered how climate-related developments may affect its operations under different climate conditions.</p> <p>Under scenarios where global efforts to reduce emissions accelerate, regulatory requirements and industry expectations may increase, requiring companies to improve environmental performance and operational efficiency.</p> <p>Under scenarios where climate impacts intensify, physical risks such as extreme weather events and changing marine conditions may affect operational activities and infrastructure.</p> <p>To support resilience under different potential climate outcomes, Beng Kuang Group continues to focus on operational efficiency, environmental monitoring and risk management practices across its operations</p>

TCFD Report

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.	
<p>Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>Beng Kuang Group identifies climate-related risks as part of its broader risk management processes.</p> <p>Climate-related risks considered include:</p> <ul style="list-style-type: none"> • Physical risks, such as extreme weather events or changing environmental conditions that may affect offshore and shipyard operations. • Transition risks, including regulatory developments, technological changes and evolving market expectations relating to environmental performance. <p>Management monitors industry developments, regulatory changes and operational conditions to identify emerging risks that may affect the Group's activities.</p> <p>Where relevant, climate-related risks are evaluated based on their potential impact on operations, financial performance and business continuity.</p>
<p>Describe the organization's processes for managing climate-related risks.</p>	<p>Once identified, climate-related risks are managed through operational planning and risk mitigation measures.</p> <p>Examples of mitigation actions include:</p> <ul style="list-style-type: none"> • monitoring weather conditions and environmental factors that may affect offshore operations • maintaining operational procedures that support safe and efficient shipyard activities • improving resource efficiency and environmental performance across operations <p>Management periodically reviews these risks and mitigation measures to ensure that they remain appropriate as industry conditions evolve.</p>



TCFD Report

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Climate-related risks are incorporated into the Group's enterprise risk management framework.</p> <p>This ensures that climate-related considerations are assessed alongside other operational, financial and regulatory risks.</p> <p>Key climate risks are documented in the Group's risk register and monitored by management. The Sustainability and Enterprise Risk Management Committee reviews these risks and provides updates to the Board as part of the Group's risk management oversight process.</p> <p>Through this integrated approach, the Group ensures that climate-related risks are considered within its overall risk management and business planning processes.</p>



TCFD Report

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Beng Kuang Group monitors several environmental indicators to support the management of climate-related risks and operational efficiency.</p> <p>These include:</p> <ul style="list-style-type: none"> • energy consumption from diesel and electricity • greenhouse gas emissions from operational activities • water consumption in shipyard and engineering processes • waste generated from corrosion prevention and fabrication activities <p>Energy consumption remains a key focus area for the Group as diesel and electricity are used in shipyard machinery, fabrication processes and facility operations.</p> <p>The Group monitors these indicators annually using operational records, procurement data and utility tracking systems. This enables management to identify trends and support improvements in operational efficiency.</p>
<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>The Group currently tracks Scope 1 and Scope 2 greenhouse gas emissions associated with its operations.</p> <p>Scope 1 emissions primarily arise from diesel consumption used in machinery, transportation and operational equipment.</p> <p>Scope 2 emissions are associated with electricity consumption across operational facilities.</p> <p>The Group continues to monitor emissions from its operations and seeks to improve energy efficiency through operational optimisation and equipment upgrades where appropriate.</p> <p>The Group recognises the importance of value chain emissions and will continue to monitor developments relating to Scope 3 emissions as part of its longer-term sustainability considerations.</p>



TCFD Report

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>The Group has established several operational targets to improve environmental efficiency across its activities.</p> <p>These targets include:</p> <ul style="list-style-type: none"> • reducing diesel consumption through improved operational efficiency • improving electricity efficiency relative to operational output • improving water efficiency in shipyard processes • reducing waste generated from corrosion prevention activities <p>Progress against these targets is reviewed annually based on operational data.</p> <p>By monitoring these indicators, Beng Kuang Group aims to improve operational efficiency while supporting responsible environmental management across its business activities.</p>
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TCFD Report

Targets

Category	Location / Type	2024	2025	Suggested 2026 Target	Target Type	Reason
Diesel Consumption	Singapore	14,358,590 MJ	24,551,779 MJ	23,815,000 MJ (↓3%)	Absolute	Diesel increased significantly in FY2025 due to operational activity. A gradual efficiency improvement target is more realistic while operations stabilise.
	Indonesia	3,883,581 MJ	3,608,524 MJ	3,500,000 MJ (↓3%)	Absolute	Diesel consumption already declined in FY2025, so a modest reduction target supports continued efficiency improvements.
Electricity Consumption	Singapore	0.0280 MJ/\$ Revenue	0.0391 MJ/\$ Revenue	↓2% intensity improvement	Intensity	Electricity usage varies with operational activity; efficiency improvements remain the focus rather than absolute reduction.
	Indonesia	1.178 MJ/\$ Revenue	1.190 MJ/\$ Revenue	↓2% intensity improvement	Intensity	Electricity increased slightly in FY2025 due to equipment usage. A gradual efficiency target is appropriate.



TCFD Report

Targets

Category	Location / Type	2024	2025	Suggested 2026 Target	Target Type	Reason
Water Consumption	Singapore	114,861 m ³	158,104 m ³	↓3% reduction	Absolute	Water use depends on shipyard operations such as shipside repair; therefore efficiency relative to output is the appropriate target.
	Indonesia	6,674 m ³	8,523 m ³	↓3% reduction	Absolute	Water use has already declined significantly following operational adjustments; the focus is on maintaining controlled usage.
Waste Disposal	Copper Slag	13,038 tonnes	11,807 tonnes	↓3% reduction	Absolute	Waste has already declined substantially; incremental efficiency improvements are realistic.
	Garnet	1,302 tonnes	32 tonnes	↓3% reduction	Absolute	Continued improvements in blasting efficiency can support gradual reductions.



GRI Content Index

Statement of Use	Beng Kuang Group has reported the information cited in this GRI content index for the period of 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
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GRI 1 Used	GRI 1: Foundation 2021
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GRI Standard	Disclosure Requirements	Reference
GRI 2: General Disclosures 2021		
2-1	Organisational details	Pg. 6
2-2	Entities included in the organisation's sustainability reporting	Pg. 6
2-3	Reporting period, frequency and contact point	Pg. 5
2-4	Restatements of information	Pg. 5
2-5	External assurance	Pg. 5
2-6	Activities, value chain and other business relationships	Pg. 7-9
2-7	Employees	Pg. 22, 23
2-8	Workers who are not employees	Pg. 22, 23
2-9	Governance structure and composition	AR: Pg. 8 - 11
2-10	Nomination and selection of the highest governance body	AR: Pg. 22 - 25
2-11	Chair of the highest governance body	AR: Pg. 21
2-12	Role of the highest governance body in overseeing the management of impacts	Pg. 3, 4
2-13	Delegation of responsibility for managing impacts	Pg. 3, 4, 12



GRI Content Index

GRI Standard	Disclosure Requirements	Reference
GRI 2: General Disclosures 2021		
2-14	Role of the highest governance body in sustainability reporting	Pg. 3, 4
2-15	Conflicts of interest	AR: Pg. 14
2-16	Communication of critical concerns	AR: Pg. 30 - 35
2-17	Collective knowledge of the highest governance body	Pg. 3, 4
2-18	Evaluation of the performance of the highest governance body	AR: Pg. 24 - 25
2-19	Remuneration policies	AR: Pg. 25 - 30
2-20	Process to determine remuneration	AR: Pg. 25 - 30
2-21	Annual total compensation ratio	AR: Pg. 25 - 30
2-22	Statement on sustainable development strategy	Pg. 3, 4
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	Pg. 29
2-27	Membership associations	Pg. 10
2-28	Approach to stakeholder engagement	Pg. 11



GRI Content Index

GRI Standard	Disclosure Requirements	Reference
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Pg. 13
3-2	List of material topics	Pg. 14
3-3	Management of material topics	Pg. 13, 14
GRI 205: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Pg. 29
205-2	Communication and training about anti-corruption policies and procedures	Pg. 29
205-3	Confirmed incidents of corruption and actions taken	Pg. 29
GRI 302: Energy 2016		
302-1	Energy Consumption within the organisation	Pg. 15, 16
GRI 303: Water and Effluents		
303-5	Water consumption	Pg. 17
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Pg. 19, 21
305-1	Energy indirect (Scope 2) GHG emissions	Pg. 20, 21
GRI 306: Waste 2010		
306-3	Waste Generated	Pg. 18



GRI Content Index

GRI Standard	Disclosure Requirements	Reference
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Pg. 24, 25
401-3	Parental leave	Pg. 26
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Pg. 27
403-2	Hazard identification, risk assessment, and incident investigation	Pg. 27
403-3	Occupational health services	Pg. 27
403-8	Workers covered by an occupational health and safety management system	Pg. 27
403-9	Work-related injuries	Pg. 27
403-10	Work-related ill health	Pg. 27
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Pg. 28
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Pg. 23





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