

A photograph of a large-scale industrial construction site, showing a massive concrete structure with a complex steel reinforcement cage (rebar) at the top. The image has a warm, orange-tinted glow, suggesting either sunrise or sunset.

PREFAB FOR PRODUCTIVITY

SUSTAINABILITY REPORT 2018



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ABOUT US

Incorporated in 1938, BRC Asia Limited ("BRC") is a leading Pan-Asia prefabricated reinforcing steel solutions provider headquartered in Singapore and listed on the Singapore Stock Exchange.

BRC offers a full suite of reinforcing steel products and services that include standard length rebar, cut and bend services, prefabrication services as well as standard and customised welded wire mesh for the building and construction industry.

With operations spanning Singapore, Malaysia and China and a total workforce of more than 1,000, BRC has an annual processing capacity of 1.2 million metric tonnes.

By transferring labourious and unproductive in-situ steel fixing work to factory fabrication, substantial benefits in on-site manpower savings, shorter construction cycle, better buildability and productivity can be achieved for the builder, leading to a "Better, Faster, Cheaper" outcome for all stakeholders.

ABOUT THE REPORT

This inaugural report marks our initial steps in our sustainability reporting journey, covering Environmental, Social and Governance ("ESG") performance in our Singapore operations from 1 October 2017 to 30 September 2018 (except for newly acquired subsidiaries where only post-acquisition ESG performance is covered).

This report is based on the principles and requirements in the Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited ("SGX-ST") and prepared in accordance with the GRI Standards: Core option.

The statistical data disclosed in this report are derived from our own statistics. We have adopted a phased approach to our reporting; we will seek to provide additional disclosures and consider external assurance as our sustainability reporting matures over time. Moving forward, we will continue to publish an annual sustainability report. The report can be viewed on our website at <http://www.brc.com.sg>.

We welcome feedback from our stakeholders with regards to our sustainability efforts. Please send your feedback to info@brc.com.sg



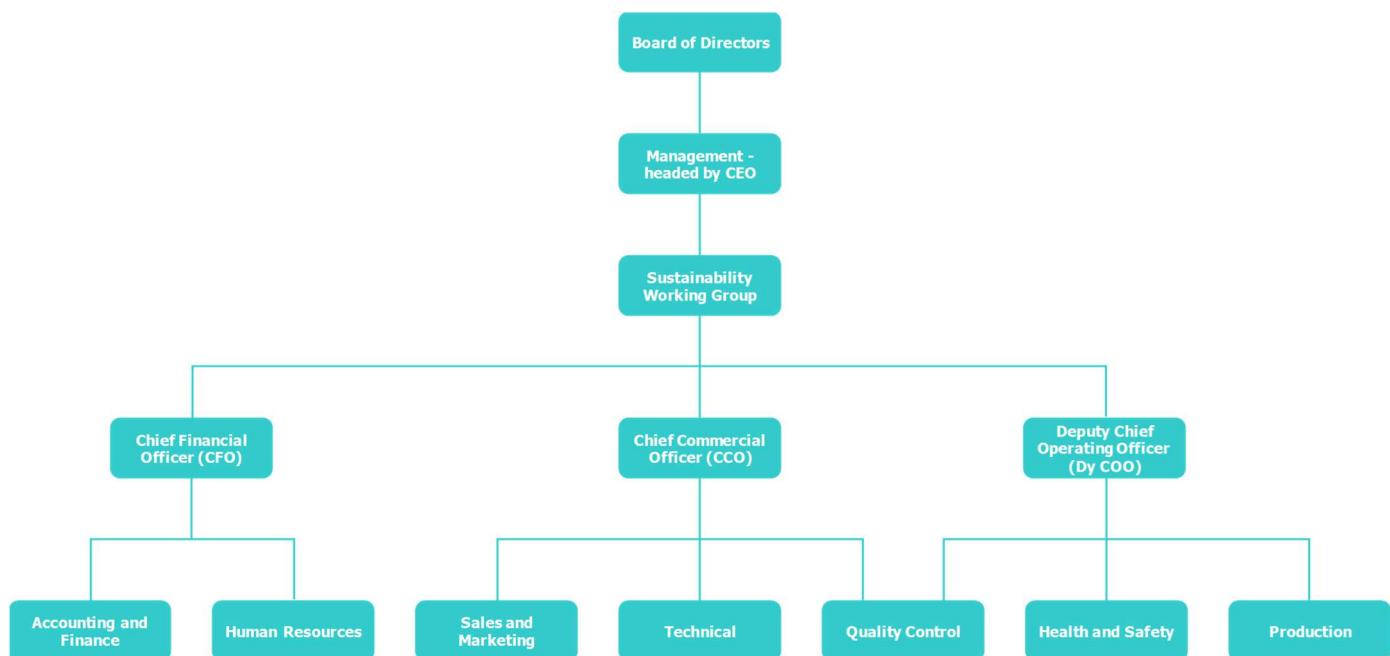
SUSTAINABILITY AT BRC

BOARD STATEMENT

The primary role of the Board is to protect and enhance long-term shareholder value. It remains at the heart of every business and sets BRC's overall strategic objectives. We believe that enhancing our focus on sustainability will place BRC in a better position to create value for shareholders while looking after the broader stakeholder community. We do what is right for both our business and the society we are part of. Under the direction of the Board, our sustainability policies and practices for our material ESG factors have been formulated and aligned with best-in-class standards. Together with the Board, our Management remains vigilant in managing our commitments to sustainability efforts to ensure sustainable growth and development of the communities where we operate.

SUSTAINABILITY GOVERNANCE STRUCTURE

Under the leadership of our Board of Directors, a Sustainability Working Group has been formalised, of which is led by the Chief Executive Officer ("CEO"). The Sustainability Working Group is supported by various departments and works closely with the Board in implementing the BRC's sustainability efforts and evaluating the performance for future successes.



SUSTAINABILITY AT BRC

STAKEHOLDER ENGAGEMENT

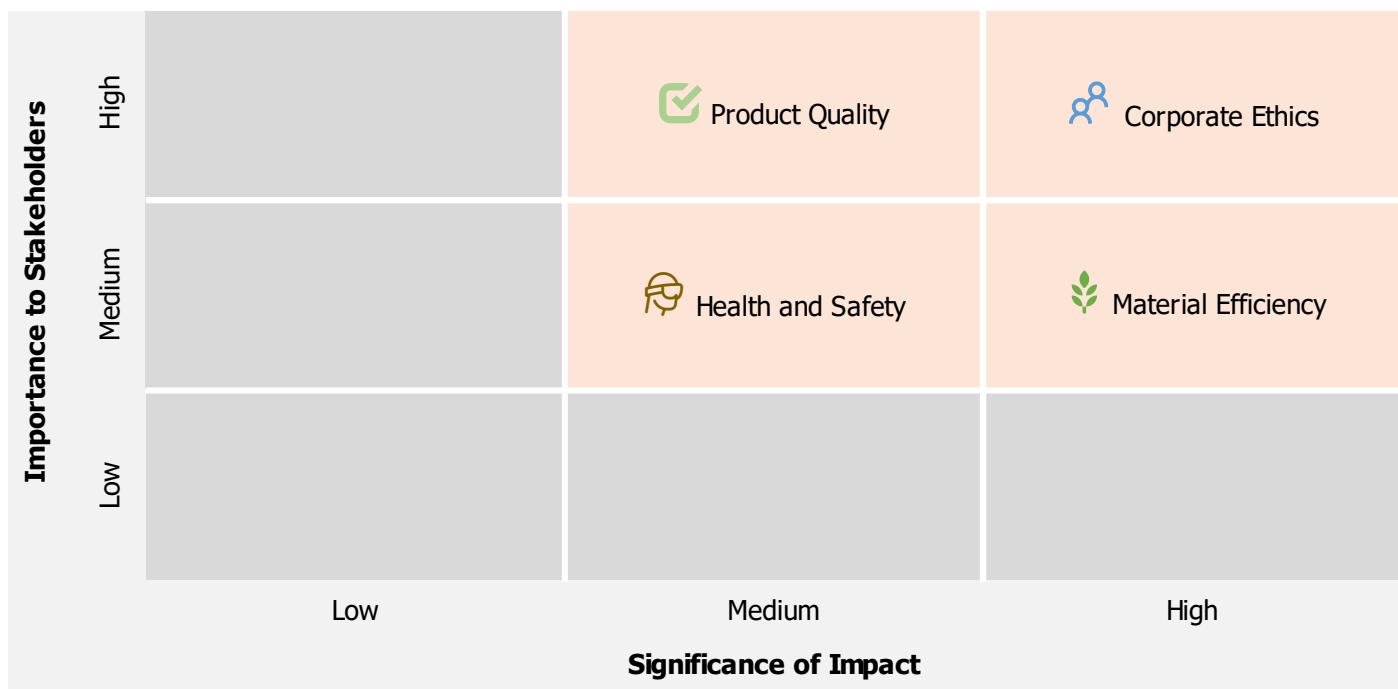
BRC considers stakeholders as entities or individuals that can reasonably be expected to be significantly affected by our activities, products and services, or whose actions can reasonably be expected to affect the ability of BRC to successfully implement our strategies and achieve our objectives. It is our priority to give the best to our stakeholders and create value for them. In our day-to-day operations, we have established close contact with our key stakeholder groups, to better understand their expectations. We detail below how we engage with them, their key concerns, and our responses.

Stakeholders	Frequency	Modes of engagement	Key Concerns	Our Responses
Investors	<ul style="list-style-type: none"> • Quarterly • Ad-hoc 	<ul style="list-style-type: none"> • Regular updates through announcements on SGX-Net and BRC's website • Annual General Meetings • Annual Reports • Sustainability reports 	<ul style="list-style-type: none"> • Financial stability • Growth and markets strategy • Corporate governance • Compliance with laws and regulations • Transparency and timely announcements 	<ul style="list-style-type: none"> • Identify and manage risks promptly • Explore growth opportunities both locally and overseas that will strengthen our core business as well as enhance the scalability of our Singapore reinforcing steel model internationally • Adherence to Code of Corporate Governance 2012 where possible • Timely and detailed announcements, press releases and follow-up of major events
Customers	<ul style="list-style-type: none"> • Ad-hoc • Annually 	<ul style="list-style-type: none"> • Face-to-face meetings • Customer feedback survey 	<ul style="list-style-type: none"> • Compliance with terms and conditions of contracts • Product quality • Timely delivery 	<ul style="list-style-type: none"> • Adherence to terms and conditions of contracts • Strict adherence to product quality standards • Just-in-time delivery
Suppliers	<ul style="list-style-type: none"> • Ad-hoc • Annually 	<ul style="list-style-type: none"> • Face-to-face meetings • Supplier Assessment 	<ul style="list-style-type: none"> • Ability to make payment at the stipulated deadline • Compliance with terms and conditions of contracts 	<ul style="list-style-type: none"> • Payments are monitored closely by the accounting and finance department • Adherence to terms and conditions of contracts
Government institutions	<ul style="list-style-type: none"> • Ad-hoc 	<ul style="list-style-type: none"> • One-to-one meetings • Surveys • Dialogue 	<ul style="list-style-type: none"> • Ability to meet the needs of the market - capacity, productivity, quality, safety, sustainability 	<ul style="list-style-type: none"> • Staying responsive to demands of the industry
Employees	<ul style="list-style-type: none"> • Ad-hoc • Annually 	<ul style="list-style-type: none"> • Direct feedback to managers • Performance reviews • Training 	<ul style="list-style-type: none"> • Workplace health and safety • Fair remuneration and benefits 	<ul style="list-style-type: none"> • Strict adherence to Health and Safety policies and practices • Safety training • Fair human resource policies and practices

SUSTAINABILITY AT BRC

MATERIALITY ASSESSMENT

We conducted our materiality assessment exercise with key members of our Management. The issues that have been identified as material to us are economic, environmental and social issues that reflect significant impacts of our operations, or could substantively influence the assessments and decisions of our Stakeholders. BRC gathers issues of concern internally from management teams as well as operational units. Four material topics emerged, which were then approved and validated by the Board.



For the sustainability matters determined as material, we have mapped them to the relevant aspects defined in GRI Material topics.

Material Sustainability Matters	Material Topics (GRI)	Our responses
Corporate Ethics	205 Anti-corruption	Our People
Health and Safety	403 Occupational safety and health	Our People
Product quality	417 Marketing and Labelling	Our Value Chain
Material Efficiency	N.A.	Our Environment

OUR PEOPLE

CORPORATE GOVERNANCE

BRCA is committed to achieving high standards of corporate governance and transparency practices. We believe that good corporate governance is imperative to the sustained growth and long-term success of our business.

BRCA is headed by its effective Board comprising professionals of various disciplines and entrusted with the responsibility for the overall management of BRCA. To assist the Board in the discharge of its oversight function, various board committees have been constituted to operate under the defined terms of reference. The Board is supported by the Audit Committee in the review of the material internal control procedures, comprising financial, operational, compliance and information technology controls. The Remuneration Committee oversees the level and structure of remuneration to attract, retain and motivate the Directors and key management personnel. The Nominating Committee recommends to the Board on relevant matters relating to review of board succession plans and the development of a process for evaluation of the performance of the Board, the Board Committees and individual Directors.

We have in place a framework of controls and policies; while adopting the best-in-class practices that reflect our commitment to accountability, transparency and protection of shareholders' interests. Our internal policies and procedures ensure that our activities and operations comply with existing regulatory requirements, and we regularly monitor, evaluate and audit the processes to ensure that they remain robust to meet the challenges of our activities and operations.

Please refer to the Corporate Governance report in the Annual Report for more information.

OUR PEOPLE

CORPORATE ETHICS

Upholding corporate ethics is a cornerstone of our business success. While promoting fair dealings with our customers, suppliers and community, our policies and procedures have guided our employees to carry out their duties in a responsible and ethical manner. We do not tolerate any form of misconduct and have disciplinary measures in place in the event an employee is found to have breached our policies and procedures.

Code of Conduct

Our Code of Conduct defines our standards of integrity and ethics from our employees, which determine how we do business. The following acts or omissions serve as examples of misconduct for which an employee is subject to disciplinary action:

1. Theft of Company's property or property of another employee in company premises.
2. Fighting or intimidation including provoking, instigating a fight or assault.
3. Wilful destruction of Company's property or the property of another employee.
4. Falsification of personnel or other records.
5. Disclosure of classified materials to unauthorised persons.
6. Conviction of a crime.
7. Contravening safety cardinal rules.

Dealing in the Company's securities

BRCA's internal code pursuant to Rule 1207(19) of the Listing Manual issued by SGX-ST is in place and there has not been any incidence of non-compliance. The Company has informed its officers not to deal in the Company's shares whilst they are in possession of unpublished material and price-sensitive information and during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

Directors and officers are also advised to observe insider trading provisions under the Securities and Futures Act (Chapter 289) at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

Anti-corruption and Whistle-Blowing

Business dealings must be handled with integrity, transparency and honesty. BRC takes a strong stance against corruption and does not tolerate corruption in any part of its business.

Representatives of the Company shall not offer stakeholder groups any rewards or benefits in violation of applicable laws or established business practices in order to obtain or retain business or to gain any other improper advantage.

Our employees shall not accept any payments, gifts, reimbursements or benefits-in-kind from parties that could affect their objectivity in their business decisions.

BRCA has put in place a whistle-blowing policy and the Audit Committee has the authority to conduct independent investigations into any complaints. The whistle-blowing policy provides a mechanism for employees to report malpractices in the workplace to the appropriate person, and for the necessary follow up action to be taken on such a report. The Audit Committee oversees the administration of whistleblowing policy. Periodic reports will be submitted to the Audit Committee stating the number of and details of complaints received, the results of the investigations and follow-up actions.

As at 30 September 2018, no reports of fraudulent or inappropriate activities or malpractices have been received.

2018 Targets

0 case of corruption

2018 Results

0 case of corruption

Target Achieved

2019 Targets

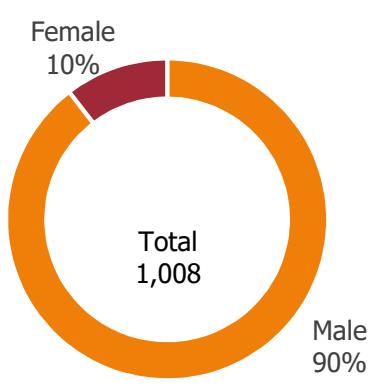
0 case of corruption

OUR PEOPLE

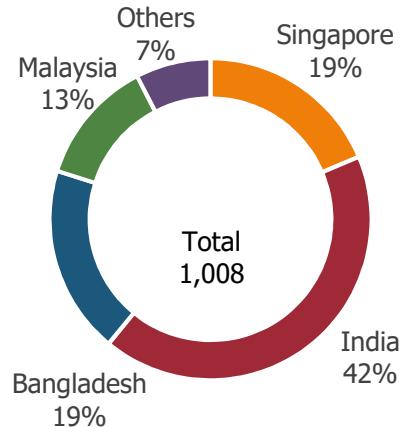
PROFILE OF THE WORKFORCE

People are the driving force of every high performing company, and so is it at BRC. As at 30 September 2018, we were a team of 1,008 permanent employees for our Singapore operations. Due to the nature of our business, majority of our employees are male workers from India and Bangladesh. Amongst our workforce within our Singapore operations, 19% are covered by collective bargaining agreements.

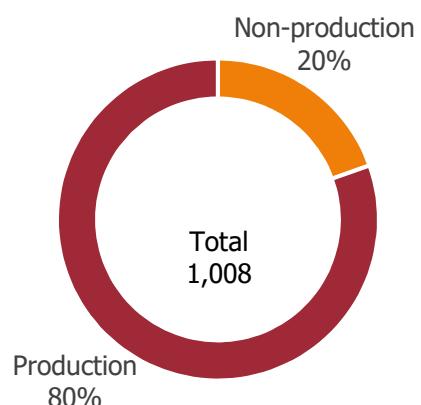
Employees by Gender



Employees by Region



Employees by Category



Employees by Employment Type by Gender and Region

Singapore			Malaysia			India		
	Female	Male		Female	Male		Female	Male
188			127			426		
Full-time	58	128	Full-time	22	105	Full-time	–	426
Part-time	2	–	Part-time	–	–	Part-time	–	–
Total	60	128	Total	22	105	Total	–	426

Bangladesh		
	Female	Male
191		
Full-time	–	191
Part-time	–	–
Total	–	191

Others		
	Female	Male
76		
Full-time	23	53
Part-time	–	–
Total	23	53

Employees by Category by Gender

	Female	Male	Total
Non-production	96	101	197
Production	9	802	811
Total	105	903	1,008

OUR PEOPLE

HEALTH AND SAFETY

Our employees are our biggest asset and foundation of our business. Given the nature of our operations, the health and safety of our employees may be at risk. As such, workplace health and safety is of utmost importance to us.

We have also attained the minimum BizSafe Level 3 standards for our manufacturing entities. Every employee in BRC plays a crucial role in our safety management system. While the Safety Chairman and Management are directly tasked with driving our safety practices, our employees have also been highly encouraged to be actively involved in improving our safety standards through initiatives such as the weekly Tool Box meeting. We have formed a Health and Safety Committee comprising workers from different areas of our operations. The Health and Safety Committee closely supervises adherence to safety protocols with Management gathering timely feedback from the ground while actively monitoring the efficiency of our safety programs, allowing further improvements to be made.

Health and Safety Governance Structure



OUR PEOPLE

BRC recorded zero workplace fatalities and a total of 28 non-fatal workplace injuries¹ for FY2018. All cases involved male employees. Non-fatal injuries were mainly due to slips, trips and falls, work-related traffic accidents, falls from height and machinery incidents. Through continuously strengthening our safety programs and trainings, our target is to lower the Accident Frequency Rate² ("AFR") and Accident Severity Rate³ ("ASR") in the upcoming years. As our employees work in conditions that possess inherent accident risks, we will strive to improve the safety standards of the workplace environment to prevent injuries.

Health and Safety Indicators	
Accident Frequency Rate	12.2
Major Injury ⁴ Frequency Rate	3.9
Moderate Injury ⁵ Frequency Rate	3.1
Minor Injury ⁶ Frequency Rate	5.2
Accident Severity Rate	238.7

Key safety activities

Safety talks to educate workers about past safety performances and future expectations. Feedback channels are provided for workers to suggest ideas on improving safety within factories. Safety banners are placed at different locations within the factories.	Train and educate workers on the importance of practicing safe habits e.g. Weekly Tool Box meeting, talks on dengue fever, haze, etc.	Provide proper facilities, equipment and safety Personal Protective Equipment ("PPE") to workers and ensure their correct use.	Machine noise mapping exercise and dosimetry assessment to identify work zones with high risk of noise-induced deafness for workers and enhanced PPE provided to workers to mitigate the risk of noise induced deafness.
Daily walkabouts by Health and Safety Committees and monthly safety inspections to ensure compliance.	Timely analysis of accidents for immediate preventive measures.	Continuously track and improve workplace traffic safety management.	24 hours medical coverage for all workers.

¹A workplace injury is any personal injury or death resulting from a workplace accident and includes work-related traffic injuries.

²Accident Frequency Rate = (No. of Workplace Accidents Reported / No. of Man-hours Worked) x 1,000,000

³Accident Severity Rate = (No. of Man Days Lost To Workplace Accidents / No. of Man-hours Worked) x 1,000,000

⁴Major injury is any injury requiring medical treatment and medical/hospitalisation leave of more than 20 days, including amputations, major fractures, multiple injuries, or life-threatening occupational disease such as occupational cancer, acute poisoning.

⁵Moderate injury is any injury requiring medical treatment and medical/hospitalisation leave of more than 10 days and up to 20 days, leading to disability and includes minor fractures, dermatitis, deafness, and work-related upper limb disorders.

⁶Minor injury is any injury or ill-health requiring medical treatment and medical leave of more than 4 days and up to 10 days, including lacerations, burns, minor cuts, bruises, irritation, sprains, ill-health with temporary discomfort.

OUR VALUE CHAIN

PRODUCT QUALITY

Maintaining high quality standards in all our products is critical to reduce the risks and costs of replacing faulty goods. In doing so, we are able to maintain and enhance our reputation, and secure long-term revenue and profitability, thus ensuring the sustainability of our business.

In compliance with ISO 9001:2015, Quality Management System, our ISO Management team ensures awareness of the company's quality policy and objectives throughout BRC, and communicates the importance of meeting customers as well as statutory and regulatory requirements. We continuously train our workers to improve their competencies, while conducting frequent management review on our Quality Management System. This includes annual internal audits involving all the Department Heads to ensure the integrity of the system.

In addition to our robust internal Quality Management System, we ensure that the suppliers we source from also uphold high quality standards. We understand that working with our suppliers is key to advancing our sustainable goals. In 2018, we sourced from direct mills and traders who complied with the British Standard for Reinforcing Steel BS4449:2005 or Singapore Standard for Reinforcing Steel SS560:2016 or SS561:2010. Our major suppliers included local suppliers as well as suppliers from China, Turkey and Qatar. We constantly monitor and evaluate our suppliers' performance before signing new contracts.

Product quality commitments

- Excellent Quality & Services
- Just-in-time Delivery
- Competitive Pricing

2018 Targets

<0.10% of customer returns

2018 Results

0.09% of customer returns

Target Achieved

2019 Targets

<0.10% of customer returns

Customer returns were mainly related to issues in order processing, data entry and delivery of rebar and mesh. While overall this represented complaints on less than 0.10% of our total production, we have taken immediate corrective actions to rectify the issues.

OUR ENVIRONMENT

MATERIAL EFFICIENCY

Material efficiency concerns the use of materials or physical processes that employ less material, produces more finished products and hence generates less waste. As material efficiency and energy efficiency are interrelated, using materials efficiently will also result in a decrease in energy and consequent CO₂ emissions, leading also to overall cost savings for the company. Hence, we are committed to closely monitoring the generation of scrap in all our production processes at all locations.

We source raw materials according to customers' requirements, with the aim of reducing wastage during manufacturing. We also instil in our workers the mindset of "doing it right the first time" to reduce scrap from customer returns. In addition, we continually optimise our manufacturing operations to reduce scrap material. Steel scrap generated from production is subsequently sold to steel scrap collectors as part of our materials management effort. To ensure that scrap metal is disposed safely, we do not sell to steel scrap collectors that have not obtained the General Waste Disposal Facility license issued by National Environmental Agency.

2018 Targets

- < 1.50% of material scrapped for mesh
- < 4.00% of material scrapped for cut and bend

2018 Results

0.90% of material scrapped for mesh	Target Achieved
2.90% of material scrapped for cut and bend	Target Achieved

2019 Targets

- < 1.35% of material scrapped for mesh
- < 3.80% of material scrapped for cut and bend

GRI CONTENT INDEX

GRI Standard	Disclosure	Disclosure Title	Page Reference and Remarks
Organisational profile			
GRI 102: General Disclosures 2016	102-1	Name of the organization	About Us (Page 3)
	102-2	Activities, brands, products, and services	About Us (Page 3)
	102-3	Location of headquarters	About Us (Page 3)
	102-4	Location of operations	About Us, About the Report (Page 3)
	102-5	Ownership and legal form	Annual Report 2018 (Page 46)
	102-6	Markets served	About Us (Page 3)
	102-7	Scale of the organization	Profile of the Workforce (Page 9), About Us (Page 3)
	102-8	Information on employees and other workers	Profile of the Workforce (Page 9)
	102-9	Supply chain	Product Quality (Page 12)
	102-10	Significant changes to the organization and its supply chain	N.A.
	102-11	Precautionary Principle or approach	Our Environment (Page 13)
	102-12	External initiatives	N.A.
	102-13	Membership of associations	Singapore Metal & Machinery Association
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Board Statement (Page 4)
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behaviour	Corporate Ethics (Page 8)
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	Corporate Governance (Page 7)
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Stakeholder Engagement (Page 5)
	102-41	Collective bargaining agreements	Stakeholder Engagement (Page 5)
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement (Page 5)
	102-43	Approach to stakeholder engagement	Stakeholder Engagement (Page 5)
	102-44	Key topics and concerns raised	Stakeholder Engagement (Page 5)
Reporting Practice			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	About the Report (Page 3), Annual Report 2018 (Pages 80 – 88)
	102-46	Defining report content and topic Boundaries	Materiality Assessment (Page 6)
	102-47	List of material topics	Materiality Assessment (Page 6)
	102-48	Restatements of information	N.A.
	102-49	Changes in reporting	N.A.
	102-50	Reporting period	About the Report (Page 3)
	102-51	Date of most recent report	N.A.
	102-52	Reporting cycle	About the Report (Page 3)
	102-53	Contact point for questions regarding the report	About the Report (Page 3)

	102-54	Claims of reporting in accordance with the GRI Standards	About the Report (Page 3)
	102-55	GRI content index	GRI Content Index (Page 14)
	102-56	External assurance	About the Report (Page 3)
Anti-corruption			
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Corporate Ethics (Page 8)
	103-2	The management approach and its components	Corporate Ethics (Page 8)
	103-3	Evaluation of the management approach	Corporate Ethics (Page 8)
	205-3	Confirmed incidents of corruption and actions taken	Corporate Ethics (Page 8)
Materials			
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Material Efficiency (Page 13)
	103-2	The management approach and its components	Material Efficiency (Page 13)
	103-3	Evaluation of the management approach	Material Efficiency (Page 13)
Occupational Health and Safety			
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Health and Safety (Page 10)
	103-2	The management approach and its components	Health and Safety (Page 10)
	103-3	Evaluation of the management approach	Health and Safety (Page 10)
GRI 403 : Occupational Health and Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees	Health and Safety (Page 10)
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety (Page 10)
Marketing and Labelling			
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Product Quality (Page 12)
	103-2	The management approach and its components	Product Quality (Page 12)
	103-3	Evaluation of the management approach	Product Quality (Page 12)
	417-2	Incidents of non-compliance concerning product and service information and labelling	Product Quality (Page 12)