

SOCIAL

➤ OUR PERFORMANCE

Health and Safety

In 2016, we continued to implement several initiatives to improve our health and safety performance.

The key initiatives implemented include:

- Nurturing greater health and safety ownership through the SafeStart programme, which aims to strengthen the partnership between our employees and contractors. This programme was implemented by the heads of many of our operations worldwide.
- Enhancing our project development health and safety management through targeted focus on the management and surveillance of construction and commissioning activities, and increased engagement with contractors to ensure adherence to our health and safety requirements.
- In 2016, our annual validation and verification assurance programme was conducted, covering operations in Singapore, India, South Africa and Chile. The programme includes training and peer assistance elements, and serves a dual purpose as it reviews the health and safety performance of our operations, while enabling the sharing of good health and safety practices among peers.
- Conducting root cause analysis training to enhance the identification of health and safety root causes. This two-day training programme was conducted in Singapore involving colleagues from our global business units. This training aims to sharpen our capabilities in applying root cause analysis for incident investigation.

It is with great regret that we report three fatalities in 2016 which occurred at two of our construction sites. One fatality was due to a vehicular accident involving our contract worker at a construction site in Singapore. The other two were due to a fall from height and burn injuries sustained by contract workers constructing our second thermal power project in Andhra Pradesh, India. We are very saddened by the loss of these lives. Full support was rendered to the affected families by our operations and human resources teams. Every incident was thoroughly investigated to identify root causes and the necessary corrective actions were taken to prevent recurrence. Comprehensive reviews and assessments were also conducted and additional control measures implemented to minimise risk levels to as low as reasonably practicable. To ensure that we continually improve risk control, Operational Control and Safe Work Procedures are regularly reviewed to ascertain possible areas for improvement. A taskforce was also set up to review our Permit-to-Work systems and evaluate areas for improvement and standardisation.

Our health and safety performance charts reflect group-wide performance and cover both assets in operation and under construction.

Our People

In 2016, we enhanced our Sembcorp Leadership Framework with the implementation of the Sembcorp Leaders Programme and the Occupational Personality Questionnaire and Motivation Questionnaire in Singapore. Emergenetics workshops were conducted for close to 400 employees in China and India. The assessment is a tool for self-evaluation which aims to aid personal and professional development, as well as promote peer understanding and empathy.

Community

In line with our commitment to manage our impact on the community responsibly, and to better mitigate the environmental and social impact of our businesses, we have developed an Environmental and Social Investment Policy for New Investments. The policy embeds the identification of key environmental and social related risks into the early stages of our investment approval process.

In 2016, Sembcorp contributed close to S\$4.2 million in cash and in-kind to charities and community initiatives globally. Over S\$500,000 comprised mandatory contributions and close to S\$13,000 comprised leveraged contributions. These contributions supported causes such as environmental and water conservation education, as well as youth development, apprenticeships and job training programmes. Total volunteer man-hours amounted to more than 14,000 hours, of which 20% were spent outside of working hours due to event requirements.

**The data in this document is presented in accordance with GRI G4 general and specific standard disclosures, and the relevant GRI G4 category, aspect and indicator is specified.*

ALL SOCIAL INDICATORS

Material Issue – Health and Safety

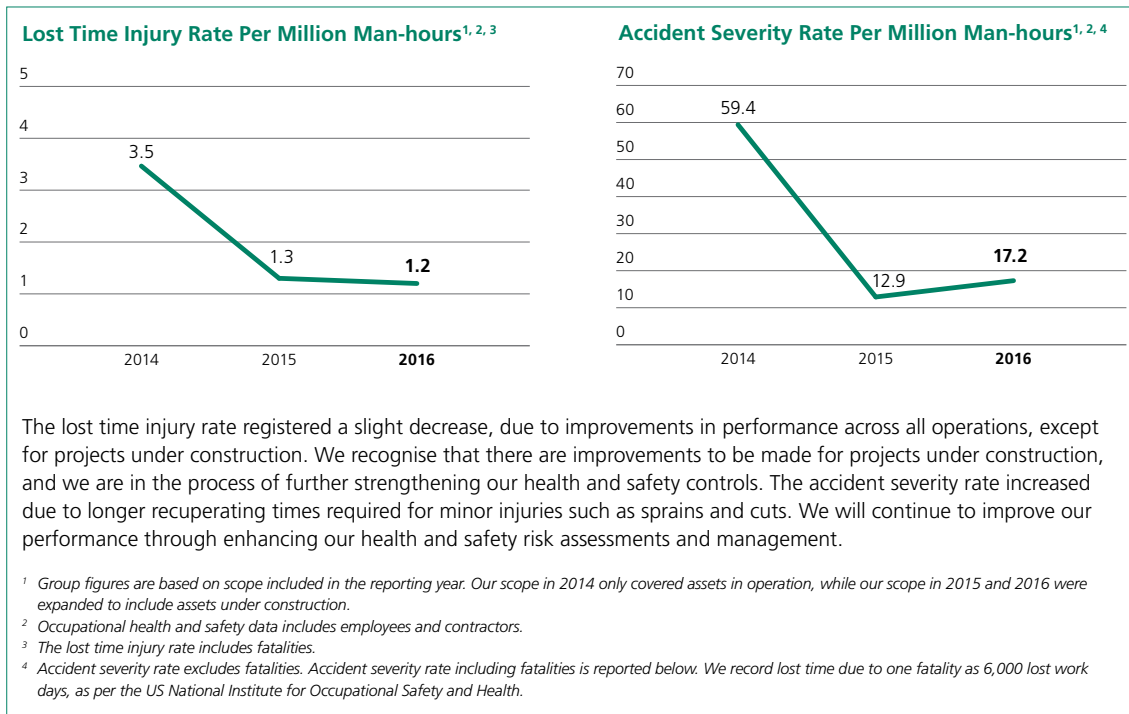
G4-LA5 Social, Labour Practices and Decent Work: Occupational Health and Safety

Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes

100% of the workforce is represented in formal joint management-worker health and safety committees. Committees operate at facility level.

G4-LA6 Social, Labour Practices and Decent Work: Occupational Health and Safety

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender



Breakdown of Fatalities, Lost Time Injury Rate and Accident Severity Rate by Business Lines^{1, 2, 3, 4}

Fatalities		2016	2015	2014
Group		3	3	0
Utilities:	Operating subsidiaries	0	1	0
	Assets under construction	2	1	N/A
	Solid waste management	0	0	0
Other Businesses:	Sembcorp Design and Construction	1	1	0
	Singapore Mint	0	0	0

Lost Time Injury Rate per Million Man-Hours

Group		1.2	1.3	3.5
Utilities:	Operating subsidiaries	0.9	1.8	2.4
	Assets under construction	1.2	0.2	N/A
	Solid waste management	4.1	8.2	8.5
Other Businesses:	Sembcorp Design and Construction	0.6	2.2	4.2
	Singapore Mint	0.0	9.5	0.0

Accident Severity Rate per Million Man-Hours

Group		17.2	12.9	59.4
Utilities:	Operating subsidiaries	11.8	10.6	46.9
	Assets under construction	20.2	3.9	N/A
	Solid waste management	42.3	78.1	117.8
Other Businesses:	Sembcorp Design and Construction	6.8	29.7	83.9
	Singapore Mint	0.0	37.9	0.0

¹ Group figures are based on the reporting scope stated for each year. We expanded our scope in 2015 to include assets under construction.

² Occupational health and safety data covers both employees and contractors.

³ Lost time injury rate includes fatalities.

⁴ Accident severity rate excludes fatalities. Lost time due to one fatality is taken as 6,000 lost work days.

Occupational health and safety data is broken down based on businesses that have different risk profiles due to the nature of jobs and skills of labour used.

Occupational Health and Safety Performance ²

Reporting indicators	Group ¹	Utilities: Operating subsidiaries	Utilities: Projects under construction	Utilities: Solid waste management	Other Businesses: Sembcorp Design and Construction	Other Businesses: Singapore Mint
Number of fatalities	3	0	2	0	1	0
Number of non-fatal lost time injuries	50	13	24	11	2	0
Number of lost work days (excluding fatalities)	770	173	449	113	35	0
Lost time injury rate per million man-hours (including fatalities) ³	1.2	0.9	1.2	4.1	0.6	0.0
Accident severity rate per million man-hours (excluding fatalities)	17.2	11.8	20.2	42.3	6.8	0.0
Accident severity rate per million man-hours (including fatalities)	419.0	11.8	559.9	42.3	1179.5	0.0
Number of medical treatment cases	20	12	8	0	0	0
Number of near miss cases	173	163	10	0	0	0
Number of dangerous occurrences	7	7	0	0	0	0
Number of occupational disease cases	4	4	0	0	0	0
Number of restricted work cases	2	1	1	0	0	0
Number of man-hours worked (employees)	11,215,753.5	5,407,217.5	1,099,838.3	2,654,918.0	1,948,865.0	104,914.8
Number of man-hours worked (contractors)	33,580,096.4	9,260,001.4	21,135,146.0	15,836.0	3,167,936.0	1,177.0

¹ Group figures are based on the reporting scope stated for the reporting year. We expanded our scope in 2015 to include assets under construction.

² Occupational health and safety data covers both employees and contractors.

³ Lost time due to one fatality is taken as 6,000 lost work days.

Occupational health and safety data is broken down based on businesses that have different risk profiles due to the nature of jobs and skills of labour used.

EU18 Social, Labour Practices and Decent Work: Employment

Percentage of contractor and subcontractor employees that have undergone relevant health and safety training

100% of contractors and subcontractors received relevant health and safety training designed for their scope of work.

G4-PR1 Social, Product Responsibility: Customer Health and Safety

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Compliance testing of our products is done during various stages, from manufacturing to distribution and supply.

EU25 Social, Product Responsibility: Customer Health and Safety

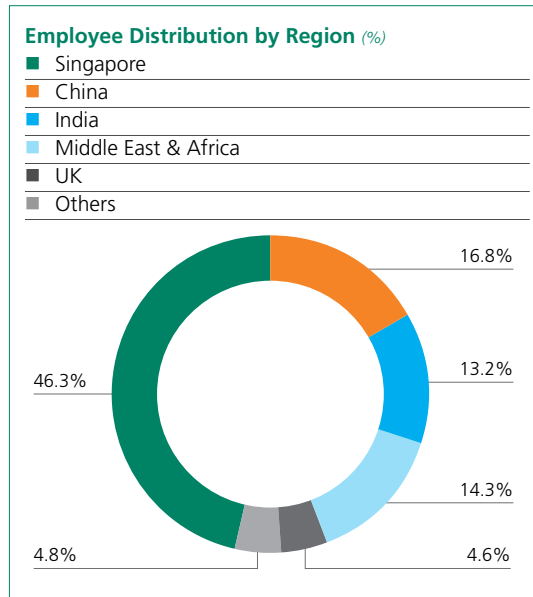
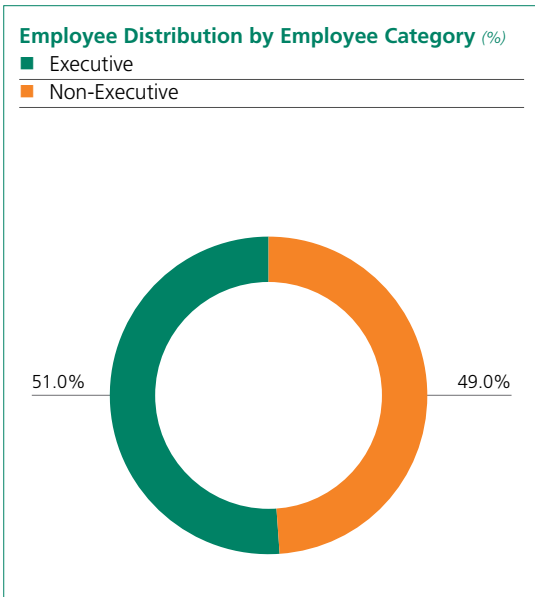
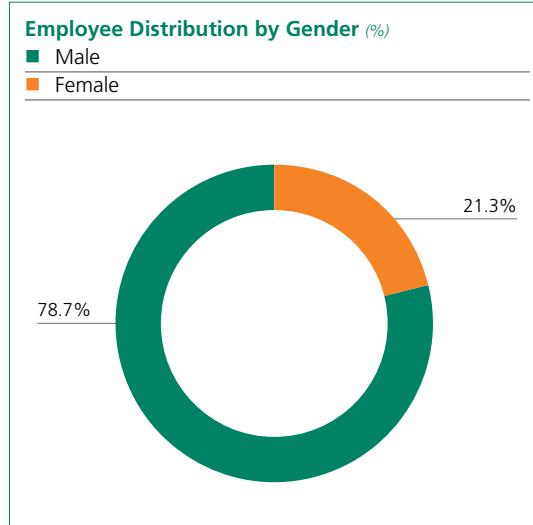
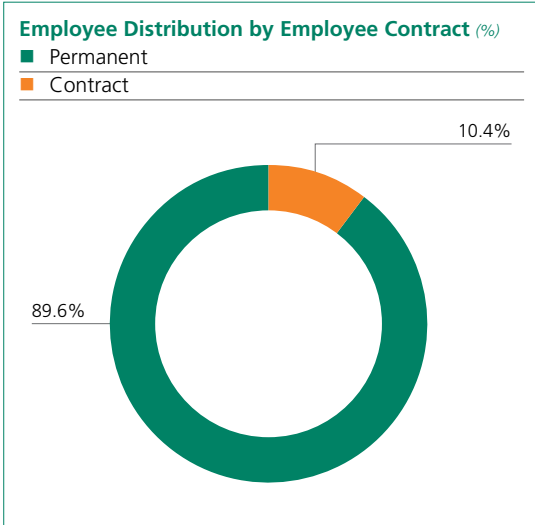
Number of injuries and fatalities to the public involving company assets including legal judgements, settlements and pending legal cases of diseases

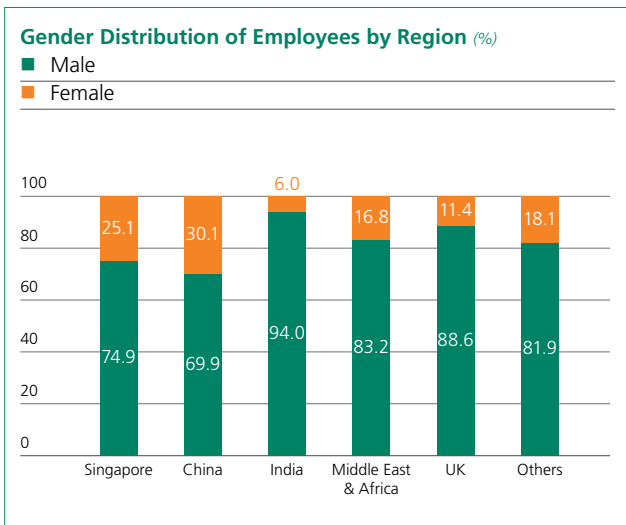
No incidents of injuries and fatalities to the public involving company assets were reported during the reporting period.

G4-9 G4-10 Organisational Profile: Workforce

Scale of organisation and information on employees and other workers.

Sembcorp employs 3,826 permanent employees and 443 contract employees.





There were no seasonal or significant variations in our employee numbers during the year.

G4-11 Organisational Profile: Workforce

Percentage of employees covered by collective bargaining agreements

In 2016, 58.3% of Sembcorp's permanent and contract employees were union members or covered by collective bargaining agreements.

G4-EC5 Economic: Market Presence

Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

Singapore¹	Number of times standard entry level wage is greater than the local minimum wage
Male	N.A.
Female	N.A.
China	
Male	1.46-1.71
Female	1.46-1.51
India	
Male	1.54-1.93
Female	1.72-1.78

¹ Singapore does not have a minimum wage

G4-EC6 Economic: Market Presence

Proportion of senior management hired from the local community at significant locations of operation

Proportion of senior management hired from the local community at significant locations of operation	
Location	%
Singapore	100
China	62
India	73

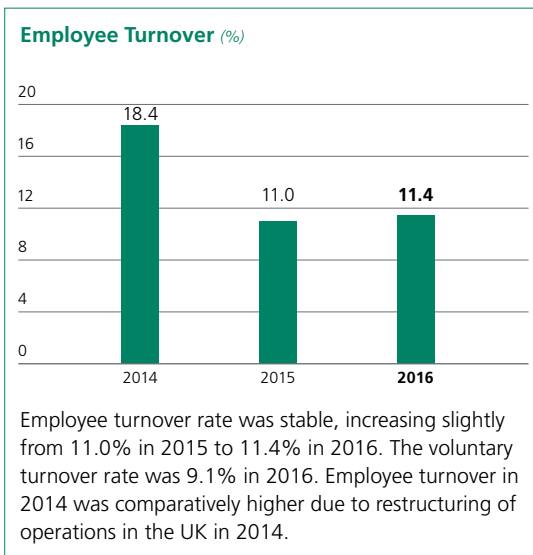
G4-LA1 Social, Labour Practices and Decent Work: Employment

Total number and rates of new employee hires and employee turnover by age group, gender and region

New Hires by Age Group		
Age group	No. of employees	%
<30 years	158	35.4
30–39 years	147	33.0
40–49 years	98	22.0
≥50 years	43	9.6
Total	446	100

New Hires by Gender		
Gender	No. of employees	%
Male	355	79.6
Female	91	20.4
Total	446	100

New Hires by Region		
Region	No. of employees	%
Singapore	216	48.4
China	89	20.0
India	79	17.7
Middle East & Africa	38	8.5
UK	19	4.3
Others	5	1.1
Total	446	100



Employee Turnover by Age Group

Age group	No. of employees	%
<30 years	102	23.3
30-39 years	146	33.3
40-49 years	99	22.6
≥50 years	91	20.8
Total	438	100

Employee Turnover by Gender

Gender	No. of employees	%
Male	353	80.6
Female	85	19.4
Total	438	100

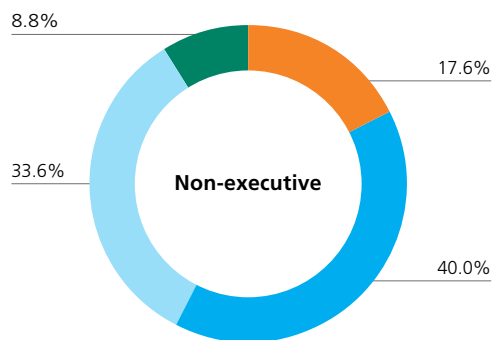
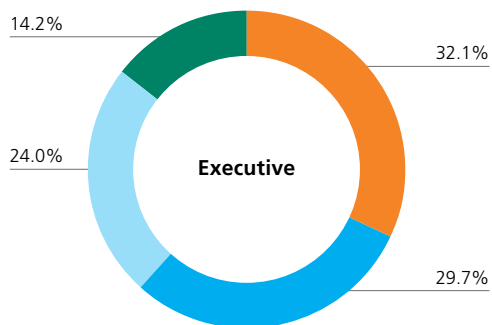
Employee Turnover by Region

Region	No. of employees	%
Singapore	304	69.4
China	63	14.4
India	36	8.2
Middle East & Africa	27	6.2
UK	4	0.9
Others	4	0.9
Total	438	100

Employee Distribution by Tenure (%)

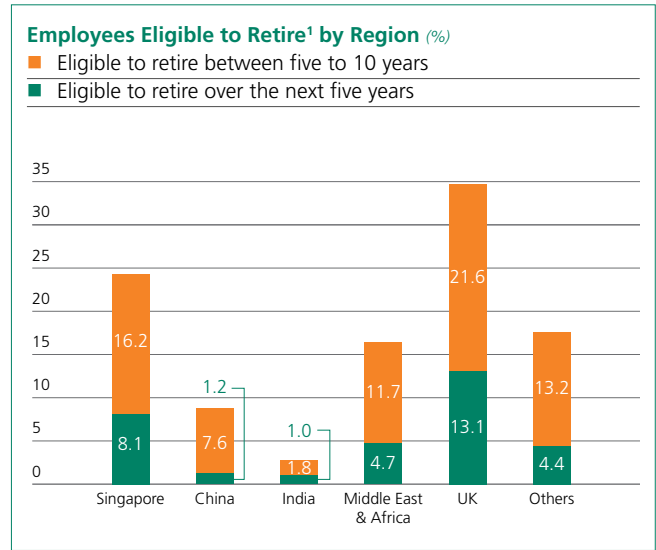
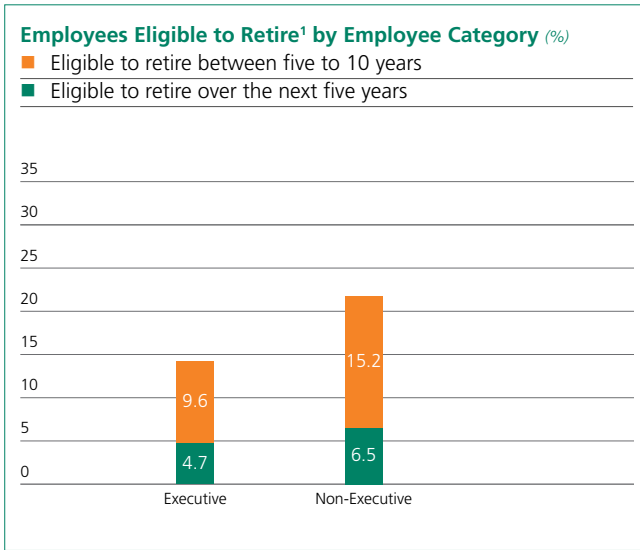
Tenure of existing employees, broken down by employee category

■ <1 year ■ 1-3+ years ■ 4-9+ years ■ ≥10 years



EU-15 Social, Labour Practices and Decent Work: Employment

Percentage of employees eligible to retire in the next five and 10 years broken down by job category and by region



¹ The age of retirement is defined as 62 years and above.

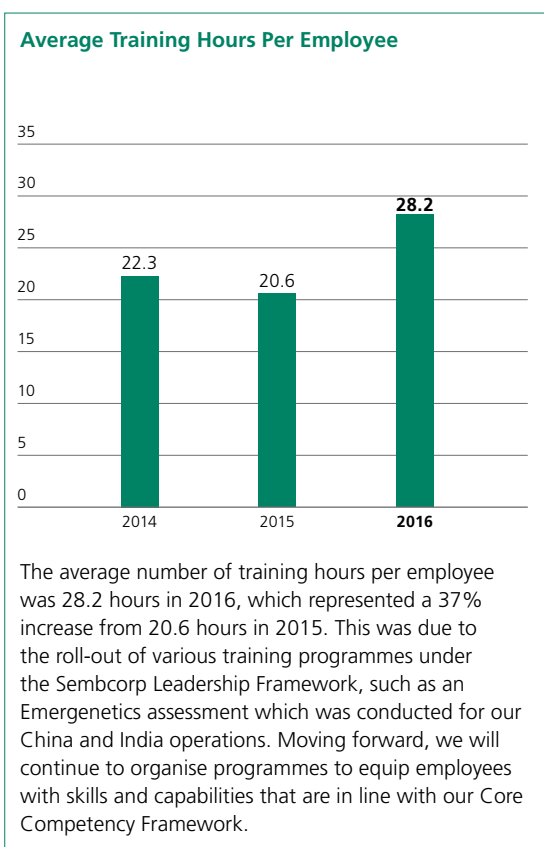
G4-LA4 Social, Labour Practices and Decent Work: Labour / Management Relations

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

In countries where our operations are covered by collective agreements, we abide by the minimum notice period stated in the agreements.

G4-LA9 Social, Labour Practices and Decent Work: Training and Education^{1, 2}

Average hours of training per year per employee by gender, and by employee category



Average Training Hours by Gender

Gender	No. of hours
Male	28.5
Female	27.1

Average Training Hours by Employee Category

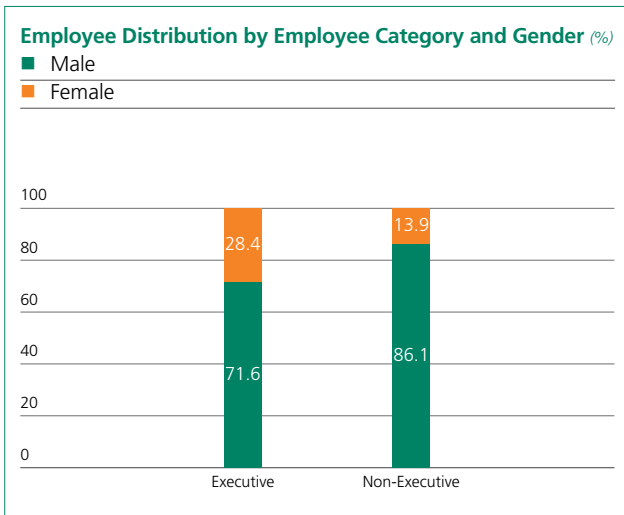
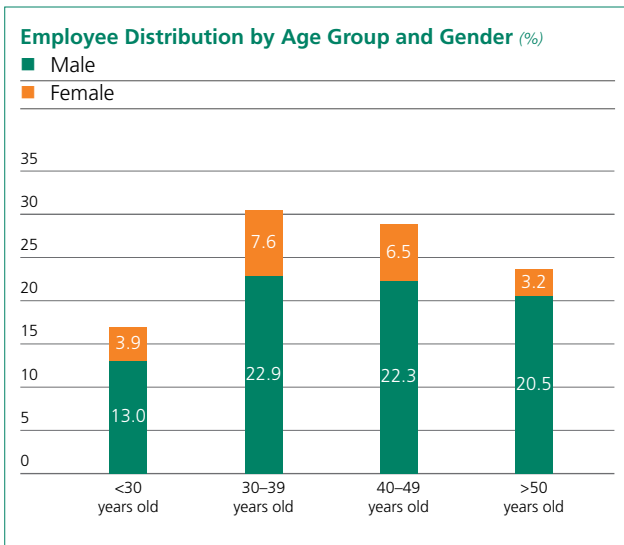
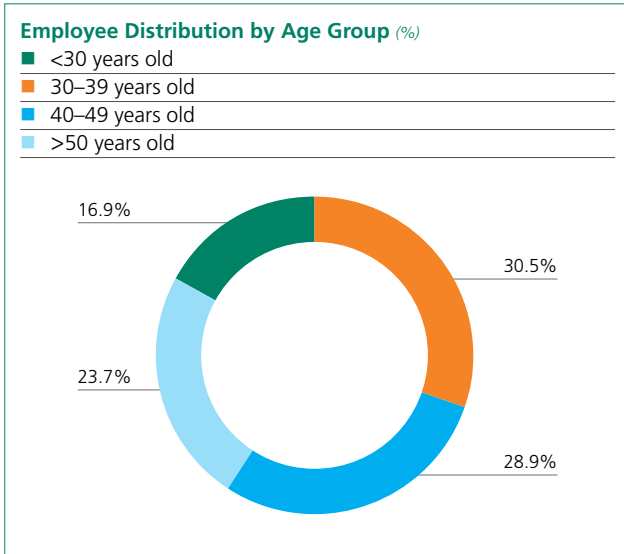
Employee category	No. of hours
Executive	32.0
Non-executive	24.8

¹ Training data covers both permanent and contract employees of Sembcorp and its subsidiaries, excluding Sembcorp Marine. Other indicators in the People section relate to permanent employees of Sembcorp and its subsidiaries, excluding Sembcorp Marine.

² A learning management system was launched in 2016 in Singapore, and will be progressively implemented across overseas operations. Consolidated training data is based on management's best estimates and we look to further refine the accuracy and consistency of the data.

G4-LA12 Social, Labour Practices and Decent Work: Diversity and Equal Opportunity

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity



G4-HR3 Social, Human Rights: Non-discrimination

Total number of incidents of discrimination and corrective actions taken

No incidents were reported during reporting period.

G4-HR4 Social, Human Rights: Freedom of Association and Collective Bargaining

Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

No incidents were reported in our operations during reporting period where the right to exercise freedom of association and collective bargaining was violated or at significant risk.

G4-HR5 Social, Human Rights: Child Labour

Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labour

No incidents of child labour were reported in our operations during reporting period.

G4-HR6 Social, Human Rights: Forced or Compulsory Labour

Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labour

No incidents of forced or compulsory labour were reported in our operations during reporting period.

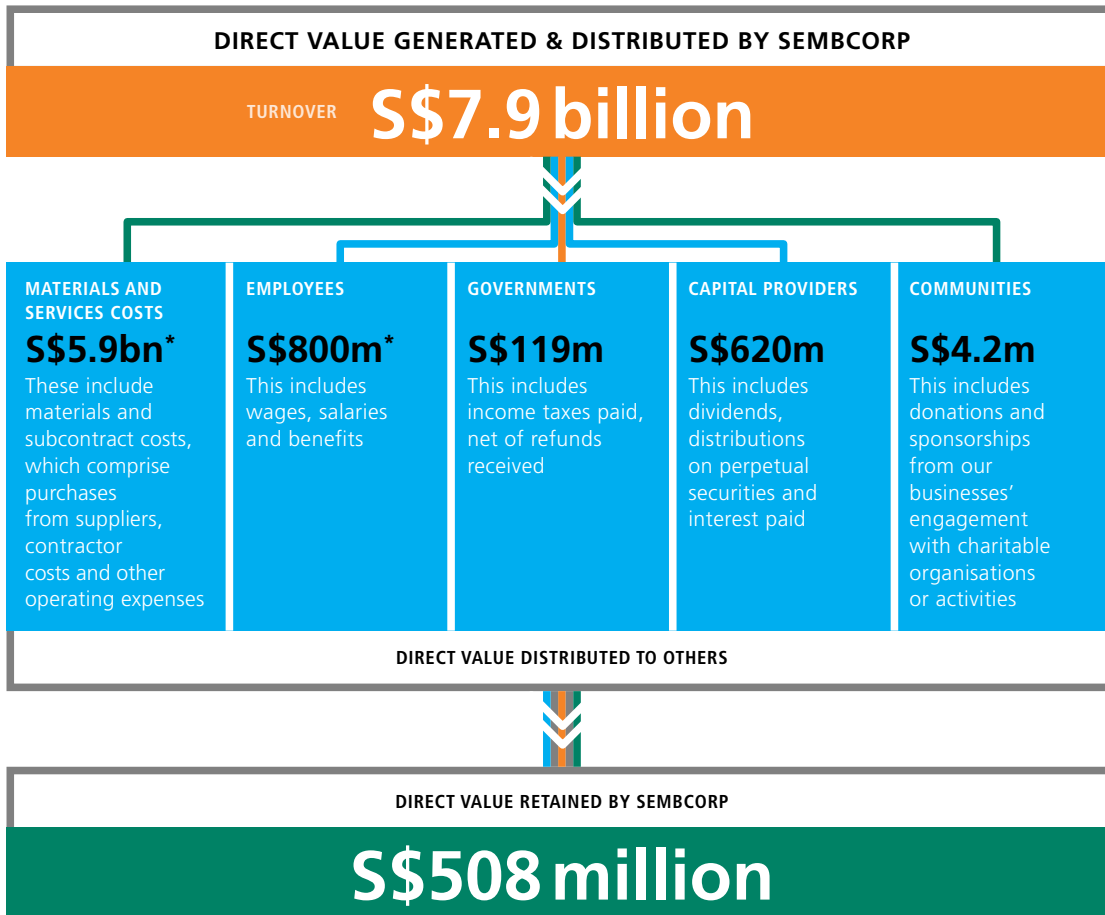
Sembcorp Indicator: Developing Local Capability

Percentage of localisation targets met

We are on track to meeting our localisation targets.

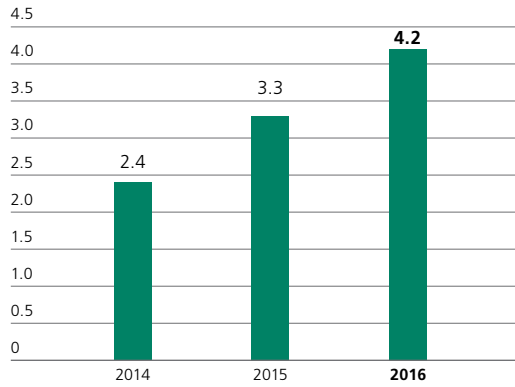
G4-EC1 Economic: Economic Performance

Direct economic value generated and distributed



* On an accrued basis

Community Contributions (S\$ million)



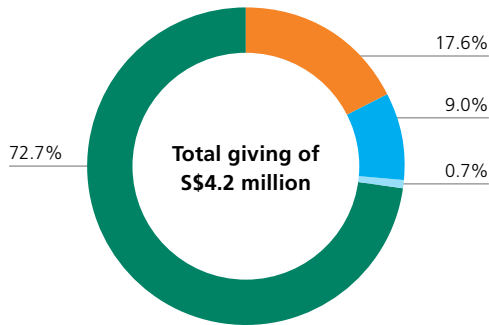
In 2016, our community contributions in cash and in-kind increased by 26% compared to 2015. This was mainly due to the inclusion of our new operations in India, where a range of CSR activities relating to infrastructural improvements, education and healthcare were organised to benefit the surrounding community. Our operations in South Africa expanded their CSR contributions in the

areas of drought awareness and prevention in response to the local drought crisis, and enhanced their contributions to education through sponsorships and bursaries at the local universities. In addition, we continued to contribute to the Sembcorp Cool House, a temperature-controlled glasshouse within the Singapore Botanic Gardens – a UNESCO World Heritage Site.

Breakdown based on the London Benchmarking Group model

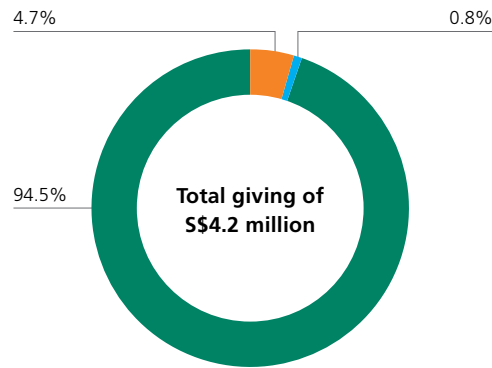
Community Contributions by Subject Focus (%)

- Environment
- Community: social welfare
- Community: youth development / education
- Others



Community Contributions by Contribution Motive (%)

- Community investments
- Charitable gifts
- Commercial initiatives



G4-SO1 Social, Society: Local Communities

Percentage of operations with implemented local community engagement, impact assessments, and development programmes

49.4% of our operations had local community engagement and / or development programmes.

➤ GOING FORWARD

Health and Safety

As Sembcorp continues to grow our footprint internationally, we will continue to focus on the following areas to align our businesses to global standards:

- Strengthening of health and safety ownership and leadership at all working levels
- Promotion of health and safety communication and engagement
- Strengthening of risk management and control measures for both project development and operational activities.

With the launch of several initiatives in previous years targeting health and safety management, we have seen improvements in health and safety practices and performance. We expect such improvements to continue. The validation and verification programme remains our key assurance programme for compliance and improvement in health and safety performance. Visits are tailored and prioritised for sites which require more attention, and the target is to complete all scheduled validation and verification visits and ensure that the necessary improvements identified have been made in a timely manner.

Our People

Moving forward, we are preparing for the global roll-out of programmes under the Sembcorp Leadership Framework. We will also be launching an organisation survey to formally assess organisational health.

Community

We continue to enhance our internal processes for managing our impact on our communities. This includes the implementation and roll-out of our Environmental and Social Policy for New Investments to relevant stakeholders.

- **Health and Safety**
To make health and safety management an integral part of everyday business and culture
- **Our People**
To offer a compelling employment experience for our people to develop and excel
- **Community**
To be a responsible business that makes a positive impact on our communities