

# GOVERNANCE

## OUR PERFORMANCE

We undertook a successful roll-out of our new online risk management system to our key markets in Singapore and China. These markets utilised the system to perform their risk and internal controls assessment as part of our Governance Assurance Framework requirements. The new system has helped sharpen our risk management and governance process by providing a centralised database of risk information, and enabled us to perform active management and monitoring of key risks and controls. This has enhanced our reporting and analytics capabilities, and promotes greater accountability and ownership. We will progressively roll out this online risk management system to other key markets in 2018.

In recognising the growing importance of environmental and social risks and as part of our overall risk appetite, we have also developed a set of environmental and social 'no go' criteria as well as a list of 'red flags' that will provide a first-line guidance for our business development team to consider and appraise before we embark on any new investments or acquisitions.

Our ongoing efforts to build in-house capabilities, readiness and resilience in crisis and emergency response situations requires us to regularly conduct and participate in crisis simulation exercises and awareness trainings. In 2017, this included simulation exercises in our operations in Singapore, the UK, China and in the UAE. The exercise in the UAE was conducted in partnership with customers, local authorities and external agencies. We have also made significant enhancements to our internal policies relating to data protection. In doing so, we established higher standards that govern the collection, use, disclosure and care of business and personal data.

We also conducted a group-wide bribery and corruption risk assessment to identify areas of improvement for our Group's anti-bribery and corruption programme.

During the year, our operations in China, Chile, Singapore and the UK incurred significant\* fines amounting to S\$3.9 million. This included a S\$2.5 million fine incurred by our operation in the UK for a work-related accident in 2013 involving a subcontractor's employee. Remediation actions have been taken, including the enhancement of the training of personnel undertaking pressure testing activities, as well as the strengthening of the contractor assessment process for competency to undertake hazardous activities. In China and Chile, we incurred significant\* fines related to environmental non-compliance amounting to S\$885,200. These fines were in relation to environmental non-compliance on wastewater discharge and odour control. In Singapore, the fines were imposed for non-compliance with performance standards on fuel changeover as well as health and safety accidents.

\* A significant fine refers to a monetary sanction equal or above S\$50,000 that has been paid during the financial year

\*\* The data in this document is presented in accordance with the GRI Standards: Core option, and the relevant GRI Standards topic and indicator is specified

# ALL GOVERNANCE INDICATORS

## Material Issue – Compliance

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### **GRI 419-1 Social: Socioeconomic Compliance**

*Non-compliance with laws and regulations in the social and economic area*

We incurred three significant\* fines in Singapore amounting to S\$450,000 for non-compliance with performance standards on fuel changeover as well as health and safety accidents.

### **GRI 307-1 Environmental: Environmental Compliance**

*Non-compliance with environmental laws and regulations*

We incurred 6 significant\* fines in China and Chile related to environmental non-compliance amounting to S\$885,200. These fines were in relation to environmental non-compliance on wastewater discharge and odour control. A non-monetary sanction was incurred in China in relation to non-compliance to sludge treatment and disposal.

\* A significant fine refers to a monetary sanction equal or above S\$50,000 that has been paid during the financial year

### **GRI 205-1 Economic: Anti-corruption**

*Operations assessed for risks related to corruption*

100% of our operations were assessed for fraud risks which included bribery and corruption.

### **GRI 206-1 Economic: Anti-competitive Behaviour**

*Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices*

No legal actions for anti-competitive behaviour, anti-trust and monopoly practices during reporting period.

### **GRI 415-1 Social: Public Policy**

*Political contributions*

In line with our Code of Conduct, we are politically neutral and we do not contribute funds or non-monetary support, including lobbying, to any political party, politician, elected official, or candidate for public office in any country or jurisdiction.

## GOING FORWARD

We plan to perform a detailed review of our risk appetite framework to ensure that it remains relevant and aligned to our overall business model as we embark on our new strategy. This will also include reviewing our existing risk assessment and scoring process for new investments and existing assets. Following the roll-out of our online risk management system in Singapore and China, we will be progressively introducing this online risk management system to our operations in other markets.

Additionally, we will focus on driving compliance improvements by adopting a series of measures which include:

- Ensuring the adequacy and practicality of internal policies
- Improving compliance awareness through training, e-learning and other internal communication tools
- Improving our testing and monitoring programme to identify opportunities for continued improvement

### **Corporate Governance**

To have an effective governance and decision-making structure

### **Risk Management**

To ensure effective identification and management of all material risks

### **Compliance**

To comply with all legal and regulatory requirements

### **Ethical Business Practices**

To ensure we conduct our businesses legally, fairly, honestly and with integrity

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Information on our supply chain is available on pages 87-88 of our Annual Report or in the Sustainability section of our website.