

ENVIRONMENTAL

OUR PERFORMANCE

In 2018, Sembcorp was ranked 27th in the Top 100 Green Utilities and 11th in the Top Generators ranked by Renewables Capacity in the Energy Intelligence's Top 100 Green Utilities. Sembcorp is the only company from Singapore on the list, which ranks the world's leading electric utilities based on their renewable energy portfolios and GHG emissions. In 2018, we grew our renewables capacity by over 400 megawatts to 2,600 megawatts, resulting in renewables accounting for over 20% of our total energy generation capacity of nearly 12,500 megawatts.

As part of our continual efforts to ensure the accuracy and consistency of our environmental data, we adopted a cloud-based environmental data reporting system in 2018.

To further encourage innovation from the bottom up, Sembcorp's IDEA Awards Programme recognises innovative ideas and efforts across the Group. Some of the winning ideas in 2018 included autonomous drones for inspections, insulator and heater temperature controls, and the use of ultra low frequency technology to reduce biofouling.

Climate Change

We launched our Climate Change Strategy in 2018 and set reduction targets for our GHG emissions intensity as well as growth targets for our renewables capacity by 2022. We achieved healthy growth of our renewables portfolio in 2018. Our emissions intensity registered a slight increase. However, we remain committed to meeting our 2022 target. We increased our engagement on numerous platforms to highlight the importance for businesses to take action to combat climate change. Our Group President & CEO and other senior executives participated in various climate-related panel discussions, including a Carbon Pricing Leadership Coalition plenary and the CleanEnviro Summit.

Resource Management

Across our plants, we pursue initiatives to increase efficiency. In the UK, we introduced the use of kaolin, a naturally occurring mineral, in our biomass power plant processes. This helps to reduce slag formation, leading to increased reliability, reduced maintenance costs and financial savings. In our India thermal plants, we introduced electric vehicles, buggies, and bicycles for employees to quickly and safely move around our sites. This helps us reduce vehicular emissions. We launched our Virtual Brain water monitoring system in our water plants in China. This system monitors and predicts water effluent quality against regulatory compliance standards and recommends corrective actions through machine learning. The Virtual Brain monitoring system will be progressively rolled out to our other water plants. In one of our Singapore wastewater treatment plants, we piloted a project using cutting-edge membrane and ozonator technologies to lower energy consumption. We also partnered with a Singapore university to develop an advanced biological process to achieve higher quality effluent at a lower treatment cost. These two projects are ongoing and, if successful, will help us reduce our environmental impact while bringing about energy and cost savings.

** 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 ENVIRONMENTAL INDICATORS

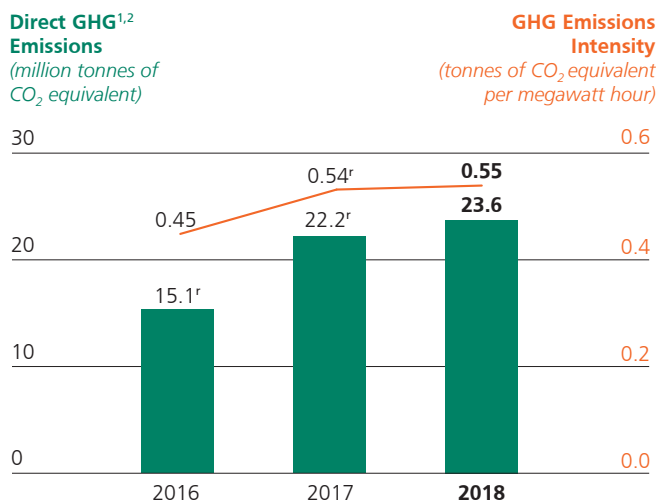
Material Issue – Climate Change

GRI 305-1 GRI 305-4 Environmental: Emissions

Direct GHG emissions and GHG emissions intensity (Scope 1)

In line with the methodology used for the development of our GHG emissions targets, we started reporting our GHG emissions and GHG emissions intensity using an equity share approach from 2017.

Direct GHG Emissions (Scope 1) and GHG Emissions Intensity



- ¹ Emissions data covers entities that produce GHG from the combustion of fossil fuels consumed in our Utilities business' assets. It excludes emissions from anaerobic wastewater treatment plants, and maintenance and servicing equipment. Emission factors used are from 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Only CO₂, CH₄ and N₂O emissions are included in the calculation of direct GHG emissions. Global warming potential factors used are from the IPCC Fourth Assessment Report for 2016 data, and the IPCC Fifth Assessment Report for the 2017 and 2018 data. The time horizon applied is a 100-year time horizon.
- ² Emissions data for 2016 was reported using an operational approach while emissions data for 2017 and 2018 are reported using an equity share approach.
- ^r Indicates restated figure. After an internal verification exercise, direct GHG emissions figure for 2016 has been restated to 15.1 million tonnes of CO₂ equivalent, instead of 15.4 million tonnes of CO₂ equivalent as previously reported. GHG emission intensity for 2017 has been restated to 0.54 tonnes of CO₂ equivalent per megawatt hour instead of 0.55 tonnes of CO₂ equivalent per megawatt hour as previously reported.

Our GHG emissions and GHG emissions intensity by equity approach was 23.6 million tonnes of CO₂ equivalent and 0.55 tonnes of CO₂ equivalent per megawatt hour respectively.

The slight increase in the absolute emissions and emissions intensity is due to increased electricity generation in our India thermal plants.

We report emissions from the combustion of biomass separately, in accordance with Global Reporting Initiative (GRI) Standards. These emissions amounted to about 446,000 tonnes of CO₂ equivalent in 2018, compared to around 442,000 tonnes in 2017.

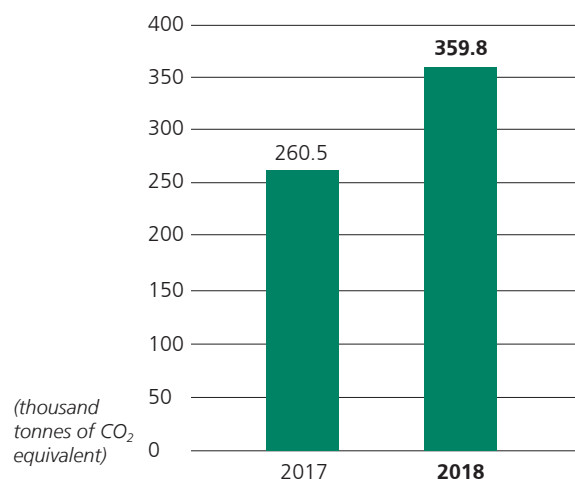
GRI 305-2 Environmental: Emissions

Energy indirect (Scope 2) GHG emissions

We started reporting our Scope 2 emissions in 2017 and we use an equity share approach for our calculations.

Indirect GHG¹ Emissions (Scope 2)

(applying equity share approach)



¹ Indirect GHG emissions includes location-based data for all utilities business' assets; to avoid double counting between Scope 1 and 2, data from Singapore businesses and the Singapore corporate office were excluded. CO₂ (including fugitive emissions), CH₄ and N₂O emissions are included in the calculation of indirect GHG emissions, except for India which only includes CO₂. Emission factors are taken from the International Energy Agency (IEA), Ministry of Energy of Chile, Central Electricity Authority (CEA) of India, and the UK Department for Environment, Food & Rural Affairs (DEFRA).

Our indirect GHG emissions for 2018 was 359.8 thousand tonnes of CO₂ equivalent. This was mainly due to the increase in electricity imported at one of our sites.

Material Issue – Local Environmental Protection

GRI 305-7 Environmental: Emissions

Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Material air pollutants are NO_x, SO_x, and particulate matter. Persistent organic pollutants, volatile organic compounds and hazardous air pollutants emissions are not considered significant and therefore not monitored.

Atmospheric emissions ¹ (thousand tonnes)	2018	2017	2016
Nitrogen oxides (NO _x)	14.4	22.3	17.1
Sulphur oxides (SO _x)	38.2	47.6	19.6
Particulate matter (PM)	1.1	1.6	1.1

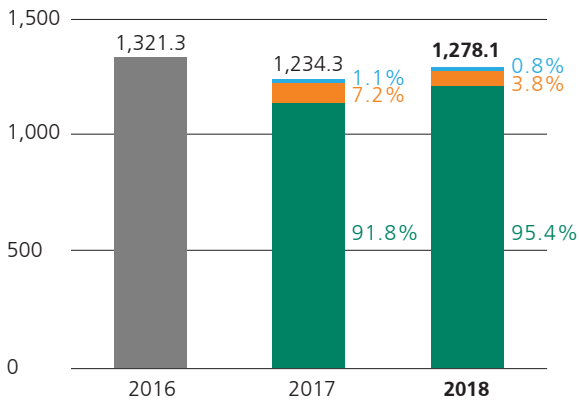
¹ Emission figures are derived from direct measurement.

We saw decreases in our NO_x, SO_x, and PM due to more stable operations in our thermal plants in India, which directly resulted in a decreased use of fuel oil.

GRI 306-1 Environmental: Effluents and Waste

Water discharge by quality and destination

Water discharge by destination* (million m³)



- Municipal water / Water utility
- Surface water: others
- Surface water: sea
- Total water discharged**

* The data includes water that is treated and discharged for our customers. Discharge figures are derived from a mix of direct measurement and mass balance. Water was not reused by another organisation

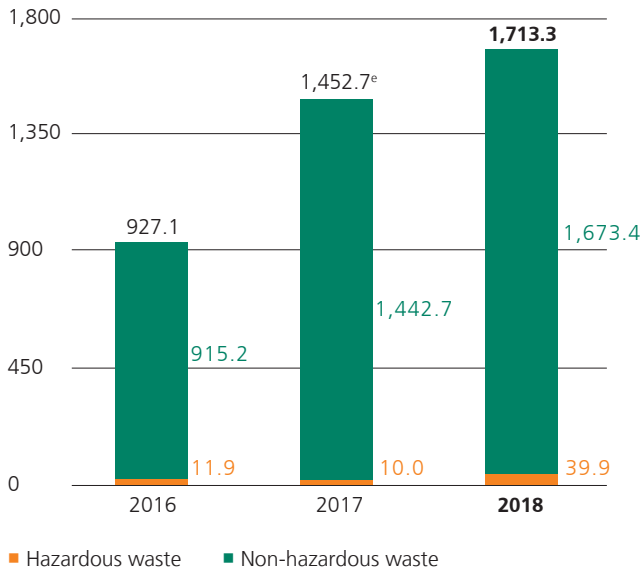
** Water discharge data by destination was not available in 2016

We discharge our treated wastewater in compliance with all of the local and national statutory laws and regulations.

GRI 306-2 Environmental: Effluents and Waste

Waste by type and disposal method

Waste Generated^{1,2} (thousand tonnes)



¹ The data excludes waste that is collected and incinerated for our customers

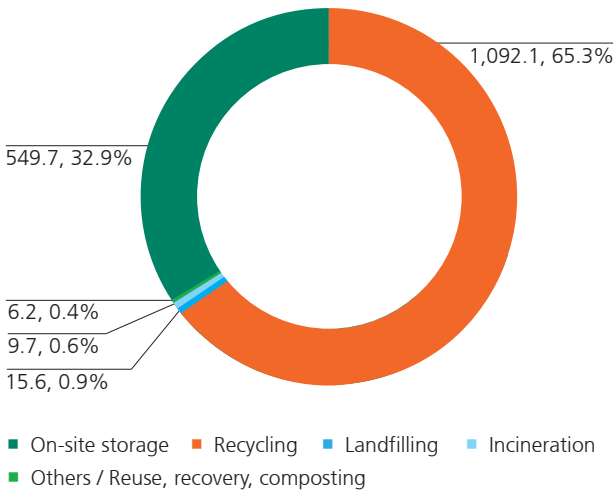
² Hazardous and non-hazardous waste are defined by relevant country regulations in each market

^e Indicates data is based on management's best estimates; we look to further refine the accuracy and consistency of the data

The increase in non-hazardous waste in 2018 was due to increased electricity generation of our India thermal plants. The non-hazardous waste comprised mainly fly ash, a by-product of coal combustion in power plants. In 2018, we achieved an overall fly ash recycling rate of nearly 75% in 2018, which amounted to nearly 1.1 million tonnes.

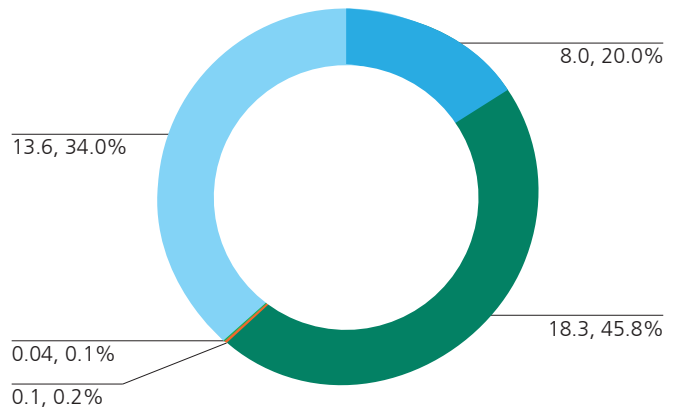
Disposal Method for Non-hazardous Waste^{1,2}

(thousand tonnes, %)



Disposal Method for Hazardous Waste^{1,2}

(thousand tonnes, %)



¹ We do not dispose waste through deep-well injection. The respective disposal methods have been determined through organisational defaults of waste disposal contractors, except for coal ash, which is largely directly disposed by Sembcorp, in line with local regulations

² Percentages may not add up to 100% as they are rounded to the nearest one decimal place

GRI 306-3 Environmental: Effluents and Waste

Significant spills

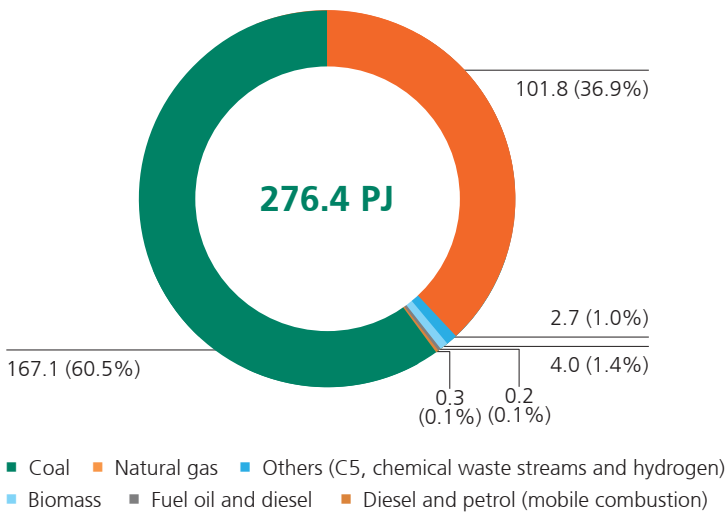
In 2018, we registered zero significant spills at our global operations. A significant spill is defined as that which resulted in a fine equal to or above S\$50,000.

Material Issue – Energy and Water Efficiency

GRI 302-1 Environmental: Energy

Energy consumption within the organisation

Primary Energy Consumption¹ (PJ, %)



¹ Mobile combustion of fuel oil and diesel by company-owned vehicles has been included in 2018. This amounts to less than 0.1% of total energy consumption

* Renewable electricity that is generated and consumed within our assets is not included as it is not a significant amount

Energy Consumed and Sold (in PJ)

Subsidiaries	Non-renewable Fuel				Renewable Fuel	Purchased for Consumption		Self-Generated	Sold	
	Natural gas	Fuel oil, diesel or petrol	Coal	Others	Biomass	Electricity	Steam	Electricity from solar, wind and waves	Electricity	Steam
Energy Utilities	101.8	0.1	167.1	2.7	4.0	2.6	1.3	6.2	106.3	21.1
Water Utilities	0.02	0.001	0.01	-	-	1.1	0.06	-	-	-
Waste Management	-	0.021	-	-	-	0.00	-	-	-	-
Others	-	-	-	-	-	0.01	-	-	-	-
Mobile Combustion ¹ (all subsidiaries)	-	0.3	-	-	-	-	-	-	-	-
Total	272.1				4.0	3.8	1.4	6.2	106.3	21.1

¹ Conversion of fuel data to MWh is based on Carbon Disclosure Project's Technical Note and 2006 IPCC Guidelines

Total energy consumed within Sembcorp was 160.01 petajoules in 2018. Data was collected from meters or invoices.

GRI 302-3 Environmental: Energy

Energy intensity

In 2018, our energy intensity is 3.6 gigajoules per megawatt hour of energy produced for our Energy Utilities, and 0.05 gigajoules per cubic metres of water produced.

GRI 302-4 Environmental: Energy

Reduction of energy consumption

Our asset optimisation programme at all of our energy plants globally has helped us to effectively reduce our energy consumption. Additionally Sembcorp's IDEA Awards programme also recognises innovative ideas and efforts across the group.

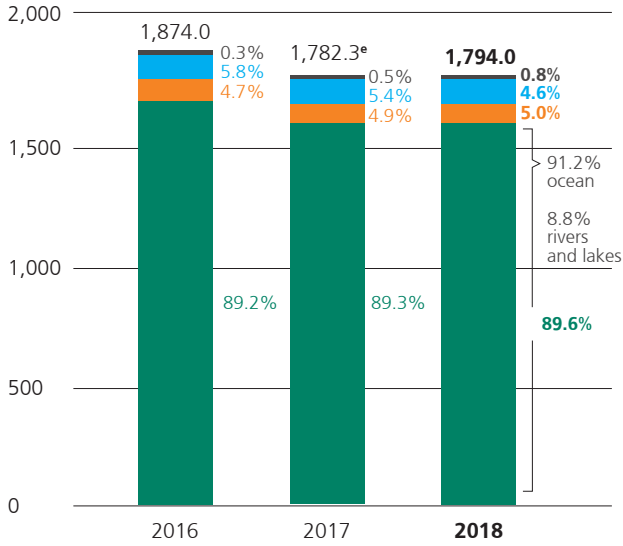
Below are a selection of projects from across the group from 2018 .

- Introduced the use of kaolin in our biomass boilers in the UK to reduce maintenance costs, increase reliability and produce estimated financial savings of around S\$850,000 for cleaning one bed
- Introduced electric vehicles, buggies and bicycles for employees to quickly and safely move around our Indian thermal plants
- Using virtual intelligence and predictive maintenance technology, the Sembcorp Virtual Brain proactively identifies and enhances existing plant processes and optimises current assets

GRI 303-1 Environmental: Water

Water withdrawal by source

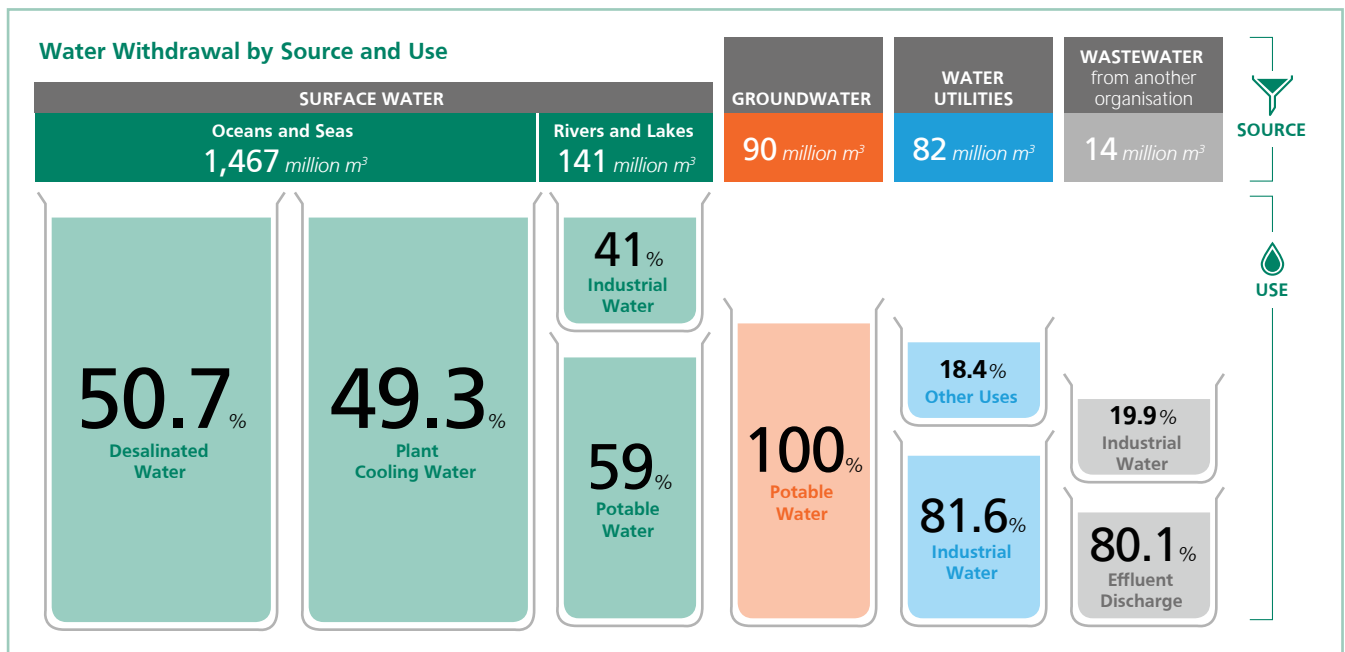
Water Withdrawal^{1,2,3} (million m³)



- Wastewater from another organisation
- Water utilities (potable and non-potable)
- Groundwater ■ Surface water

¹ Data is collected from meters
² Water that is withdrawn during plant commissioning for a closed-loop cooling system is excluded from the reporting scope
³ Percentages may not add up to 100% as they are rounded to the nearest one decimal place
^e Indicates data is based on management's best estimates; we look to further refine the accuracy and consistency of the data

In 2018, over 90% of the surface water drawn comprised water from oceans and seas. We saw a decrease of nearly 11% in the amount of water drawn from rivers and lakes. There was a decrease of around 14% in the water we obtained from water utilities, which was treated non-potable industrial and domestic wastewater. These decreases were due to the divestment of our South African municipal assets in 2018 .



GRI 102-48 General: Restatements of Information

Figures below are restated after an internal verification exercise:

- 2016 Direct GHG Emissions 15.4 million tonnes of CO₂ equivalent (erroneous), 15.1 million tonnes of CO₂ equivalent (restated)
- 2017 Direct GHG Emissions 22.2 million tonnes of CO₂ equivalent (erroneous), 22.7 million tonnes of CO₂ equivalent (restated)
- 2017 GHG Emissions 0.55 tCO₂e/MWh (erroneous), 0.54 tCO₂e/MWh (restated)

SOCIAL

OUR PERFORMANCE

Health and Safety

In line with our global footprint, we continued to focus on aligning our practices with international standards. Key initiatives include:

- Trade-based standards such as the Safe Lifting Operations and Working At Height standards were rolled out in 2018. We will implement a behaviour-based safety observation programme for all our operating assets by 2019
- Operations review activities were conducted at selected sites globally to assist sites in identifying areas for improvement, such as operational processes, and health and safety. The review exercise takes on a peer review approach, where each team conducting the operations review involves the participation of and feedback from other market functions. These collaborative efforts between our markets and Global Operations department aim to drive operational excellence by providing post-review support to the improvement efforts of each site
- An annual Global Operations and HSSE Workshop was last held in Singapore in April 2018. Critical control points for power assets were identified by representatives from all sites globally through a detailed process assessment exercise. These were then mapped to technical and HSSE standards, and, in response, site-specific standard operating procedures were developed to enhance risk management within our operations
- An injury case management programme was developed and piloted in Singapore. All injury cases are managed through a "Return To Work" programme, which encourages a positive safety culture by helping injured employees return to work quickly and supporting a culture of care in the company
- The launch of our Group Security Management System, which sets a framework for the implementation of security policies and application of consistent security standards across our markets. These security standards are presently being developed and formalised

Despite our best efforts, it is with deep regret that we report one fatality in 2018 due to a contractor accident at one of our sites in India. We are deeply saddened by this incident. A thorough review has been carried out, following from which additional safeguards have been implemented to minimise risks. We will strive to ensure that employees and contractors maintain safe work practices and also encourage other companies within our sphere of influence to do the same.

We closely monitor our safety statistics to ascertain the effectiveness of our initiatives. We believe that our efforts to improve our operations' and sites' abilities to identify and address unsafe conditions or actions have borne fruit. In 2018, we were encouraged by positive results in both our operating assets as well as projects under construction. We saw a more than 50% decrease in our lost time injury rate, and our accident severity rate has seen a consistent decrease in the past three years.

People

In 2018, a key enhancement of our approach to workforce management was the development and launch of the Sembcorp Mindset and Leadership Competencies. We also launched a new performance management system, LeAD, in our key markets of Singapore, India, China and the UK. There was 100% uptake of the system for the goal setting and performance review processes by over 3,500 staff in key markets within six months of its launch.

We continued with the Sembcorp Leaders' Programme (SLP), which has received consistently positive feedback. With the launch of the new Leadership Competencies, the SLP will be reviewed as part of the holistic Learning and Development framework to incorporate future skills needed to develop our employees and leaders.

Community

In line with our commitment to manage our impact on the community responsibly and better mitigate the environmental and social impacts of our businesses, key community investments and programmes are designed in consultation with local communities as guided by our CSR Framework. In 2018, we reviewed and enhanced our CSR Framework to develop a more strategic approach with our community investments. The updated framework will be launched and implemented in 2019. We also plan to grow the percentage of our operations with community investment programmes.

* *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 SOCIAL INDICATORS

Material Issue – Health and Safety

GRI 403-1 Social: Occupational Health and Safety

Workers representation in formal joint management-worker health and safety committees

95% of the workforce is represented in formal joint management-worker health and safety committees. Committees operate at the organisation and facility level.

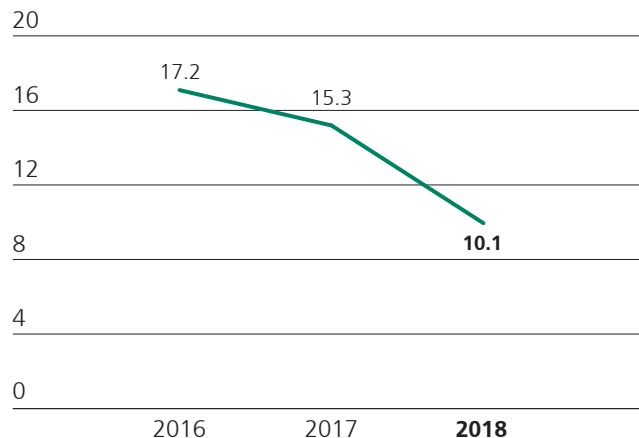
GRI 403-2 Social: Occupational Health and Safety

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Lost Time Injury Rate per Million Man-hours^{1,2}



Accident Severity Rate per Million Man-hours^{1,3}



¹ Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSE Health and Safety Performance Reporting Standards. The principles adopted in the Standards are consistent with the general principles of the Global Reporting Initiative (GRI) Standards, the International Oil and Gas Producers Association (IOGP) Reporting Standards, and the US National Institute for Occupational Safety and Health (NIOSH). Occupational health and safety data covers employees and contractors in our operational assets. It excludes data from administrative offices and service companies.

² First aid injuries are also excluded from the injury rates. All injuries incurred involved male employees and contractors

² Lost time injury rate is defined as the number of fatalities and lost work day cases per million man-hours worked

³ Accident severity rate is defined as the number of lost work days per million man-hours worked. It has been charted excluding fatalities. Accident severity rate including fatalities is recorded as part of our occupational health and safety performance by business lines

Types of Injury and Injury Rate By Region (Employees)¹

	Group	Singapore	China	India	Middle East	UK & The Americas	Rest Of Asia
Number of work-related injuries, by type							
Fatalities	0	0	0	0	0	0	0
Lost work day cases ²	18	9	3	0	0	6	0
Lost work days (excluding fatalities) ²	366	107	143	0	0	116	0
Medical treatment cases	4	1	1	0	0	2	0
Restricted work cases	0	0	0	0	0	0	0
Occupational diseases	1	1	0	0	0	0	0
First aid cases	33	1	0	29	1	0	2
Injury rate³							
Fatal accident rate ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lost time injury rate ⁵	1.5	1.2	1.9	0.0	0.0	7.3	0.0
Accident severity rate (lost day rate) per million man-hours (excluding fatalities)	30.0	13.8	89.5	0.0	0.0	141.8	0.0
Total recordable injury rate per million man-hours ⁶	1.8	1.3	2.5	0.0	0.0	9.8	0.0
Occupational disease rate per million man-hours	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Number of man-hours worked	12,208,823	7,769,687	1,598,204	1,230,207	438,246	818,007	354,472

¹ Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSE Health and Safety Performance Reporting Standards. The principles adopted in the Standards are consistent with the general principles of the GRI Standards, the IOGP Reporting Standards, and the NIOSH guidelines. Occupational health and safety data covers employees and contractors in our operational assets. It excludes data from administrative offices and service companies. All injuries incurred involved male employees and contractors

² Lost work day count begins the day after the onset of the accident. "Days" refers to calendar days

³ First aid injuries are excluded from the injury rates

⁴ Fatal Accident Rate is defined as the number of fatalities per 100 million man-hours worked

⁵ Lost Time Injury Rate is defined as the number of fatalities and lost work day cases per million man-hours worked

⁶ Total Recordable Injury Rate is defined as the number of fatalities, lost work day cases, medical treatment cases, and restricted work cases per million man-hours worked

Types of Injury and Injury Rate By Region (Contractors)¹

	Group	Singapore	China	India	Middle East	UK & The Americas	Rest Of Asia
Number of work-related injuries, by type							
Fatalities	1	0	0	1	0	0	0
Lost work day cases ²	7	7	0	0	0	0	0
Lost work days (excluding fatalities) ²	113	113	0	0	0	0	0
Medical treatment cases	5	4	0	0	1	0	0
Restricted work cases	2	1	0	0	1	0	0
Occupational diseases	0	0	0	0	0	0	0
First aid cases	32	2	0	3	4	0	23
Injury rate³							
Fatal accident rate ⁴	2.9	0.0	0.0	13.6	0.0	0.0	0.0
Lost time injury rate ⁵	0.2	0.5	0.0	0.1	0.0	0.0	0.0
Accident severity rate (lost day rate) per million man-hours (excluding fatalities)	3.2	8.0	0.0	0.0	0.0	0.0	0.0
Total recordable injury rate per million man-hours ⁶	0.0	0.9	0.0	0.1	2.6	0.0	0.0
Occupational disease rate per million man-hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of man-hours worked	35,071,960	14,113,392	6,374,071	7,359,466	764,585	511,088	5,949,358

¹ Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSE Health and Safety Performance Reporting Standards. The principles adopted in the Standards are consistent with the general principles of the GRI Standards, the IOGP Reporting Standards, and the NIOSH guidelines. Occupational health and safety data covers employees and contractors in our operational assets. It excludes data from administrative offices and service companies. All injuries incurred involved male employees and contractors

² Lost work day count begins the day after the onset of the accident. "Days" refers to calendar days

³ First aid injuries are excluded from the injury rates

⁴ Fatal Accident Rate is defined as the number of fatalities per 100 million man-hours worked

⁵ Lost Time Injury Rate is defined as the number of fatalities and lost work day cases per million man-hours worked

⁶ Total Recordable Injury Rate is defined as the number of fatalities, lost work day cases, medical treatment cases, and restricted work cases per million man-hours worked

Breakdown of Fatalities and Lost Time Injury Rate by Business Lines¹

Fatalities		2018	2017	2016
Group		1	2	3
Utilities:	Operating subsidiaries	1	1	0
	Assets under construction	0	0	2
	Solid waste management	0	0	0
Other Businesses:	Sembcorp Design and Construction	0	1	1
	Singapore Mint	0	0	0

Lost Time Injury Rate per Million Man-Hours²

Group		0.5	1.1	1.2
Utilities:	Operating subsidiaries	1.6	0.6	0.9
	Assets under construction	0.0	0.2	1.2
	Solid waste management	2.0	7.5	4.1
Other Businesses:	Sembcorp Design and Construction	0.5	1.7	0.6
	Singapore Mint	9.7	0.0	0.0

¹ Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSE Health and Safety Performance Reporting Standards. The principles adopted in the Standards are consistent with the general principles of the GRI Standards, the IOGP Reporting Standards, and the NIOSH guidelines. Occupational health and safety data covers employees and contractors in our operational assets. It excludes data from administrative offices and service companies. All injuries incurred involved male employees and contractors

² Lost Time Injury Rate is defined as the number of fatalities and lost work day cases per million man-hours worked. It excludes first aid cases

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 by Business Lines¹

Reporting indicators	Group	Utilities: Operating subsidiaries	Utilities: Projects under construction	Solid waste management in Singapore	Other Businesses: Sembcorp Design and Construction	Other Businesses: Singapore Mint
Number of fatalities ²	1	1	0	0	0	0
Number of lost work day cases ³	25	12	0	5	7	1
Number of lost work days (excluding fatalities) ³	479	293	0	59	113	14
Lost time injury rate per million man hours (including fatalities) ⁴	0.5	1.6	0.0	2.0	0.5	9.7
Accident severity rate per million man hours (excluding fatalities)	10.1	28.9	0.0	24.0	7.3	135.6
Accident severity rate per million man hours (including fatalities) ⁵	137.0	390.7	0.0	24.0	7.3	135.6
Total recordable injury rate ⁶	0.8	1.4	0.0	2.0	0.5	9.7
Number of medical treatment cases	9	9	0	0	0	0
Number of near miss cases	83	42	32	0	9	0
Number of dangerous occurrences	0	0	0	0	0	0
Number of occupational disease cases	1	0	0	0	0	0
Number of restricted work case	2	2	0	0	0	0
Number of man-hours worked (employees)	12,208,823	5,106,261	354,472	2,449,168	4,197,597	101,325
Number of man-hours worked (contractors)	35,071,960	12,109,546	11,699,588	11,501	11,249,369	1,956
Total	47,280,783	17,215,807	6,303,830	2,460,669	15,446,966	103,281

- ¹ Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSE Health and Safety Performance Reporting Standards. The principles adopted in the Standards are consistent with the general principles of the GRI Standards, the IOGP Reporting Standards, and the NIOSH guidelines. Occupational health and safety data covers employees and contractors in our operational assets. It excludes data from administrative offices and service companies. First aid injuries are also excluded from the injury rates. All injuries incurred involved male employees and contractors
- ² Data covers employees and contractors
- ³ Lost work day count begins the day after the onset of the accident. "Days" refers to calendar days
- ⁴ Lost Time Injury Rate is defined as the number of fatalities and lost work day cases per million man-hours worked
- ⁵ We record lost time due to one fatality as 6,000 lost work days, as per NIOSH guidelines
- ⁶ Total Recordable Injury Rate is defined as the number of fatalities, lost work day cases, medical treatment cases, and restricted work cases per million man-hours worked

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.

GRI 403-3 Social: Occupational Health and Safety

Workers with high incidence or high risk of diseases related to their occupation

None of our employees and contracted workers are involved in occupational activities that have a high incidence or high risk of specific diseases.

EU18 Social, Labour Practices and Decent Work: Employment

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

92% of contractors and subcontractors received relevant health and safety training designed for their scope of work.

EU25 Social, Labour Practices and Decent Work: Customer Health and Safety

Injuries and fatalities to the public involving company assets, including legal judgement, settlements and pending legal cases of diseases

There were no fatalities involving members of the public.

Material Issue – People*

GRI 102-7 **GRI 102-8** **General: Organisational Profile**

Scale of organisation and information on employees and other workers

Total number of employees by employment contract, by gender

Employment Contract	Male	Female	Total
Permanent	3288	842	4130
Contract	706	47	753

Total number of employees by employment type, by gender

Employment Type	Male	Female	Total
Full-time	3994	889	4883
Part-time	2	6	8

Total number of employees by employment contract, by region

Region	Permanent	Contract	Total
Singapore	1654	699	2353
China	1007	19	1026
India	896	4	900
Rest of Asia	11	22	33
Middle East and Africa	123	1	124
UK	210	0	210
Others	229	8	237

A significant portion of our construction activities are performed by contractors. There were no seasonal or significant variations in our employee numbers during the year. Data is extracted and compiled through our human resources SAP system as well as excel spreadsheets. Employee numbers are expressed as head count.

* All indicators in the People section of this Commentary relate to permanent employees of Sembcorp and its subsidiaries, excluding Sembcorp Marine, unless otherwise stated

GRI 102-41 General: Stakeholder Engagement

Collective bargaining agreements

In 2018, 43% of Sembcorp's permanent and contract employees were covered by collective bargaining agreements.

GRI 202-1 Economic: Market Presence¹

Ratios of standard entry level wage by gender compared to local minimum wage

Singapore ²	Number of times standard entry level wage is greater than the local minimum wage
Male	N.A.
Female	N.A.
China	
Male	1.6
Female	1.7
India	
Male	2.4
Female	4.0

¹ Data presented is from our key markets of Singapore, China and India. Key markets are considered significant locations of operations as defined by total assets, which determine human resource activities

² Singapore does not have a minimum wage

Local minimum wage is not differentiated by gender. Starting salaries of our contractors are reviewed annually to ensure they are above the local minimum wage.

GRI 202-2 Economic: Market Presence

Proportion of senior management hired from the local community

Proportion of senior management¹ hired from local² community at significant locations of operation³

Location	%
Singapore	60%
China	71%
India	78%

¹ Senior management is defined as employees in the senior management committee and specific employees with the highest responsibility roles

² Local is defined as citizens and permanent residents of said country

³ Significant locations of operation is determined by total assets, which determine volume of human resource activities

GRI 401-1 Social: Employment

New employee hires and employee turnover

The total rate of new employee hires is 14.9%.

New Hires by Gender

Gender	No. of employees	%
Male	469	76.4%
Female	145	23.6%
Total	614	100%

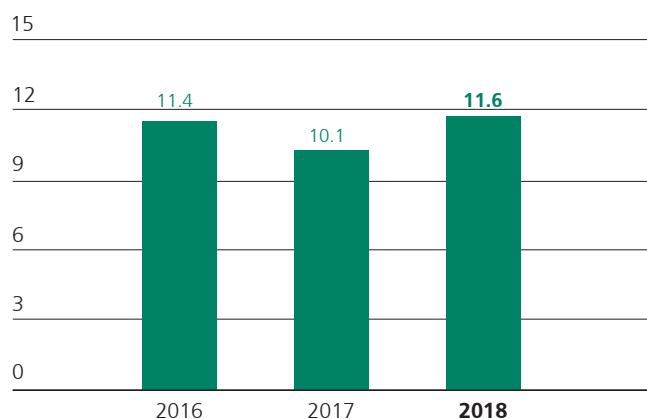
New Hires by Age Group

Age group	No. of employees	%
<30 years	256	41.7%
30-49 years	317	51.6%
≥50 years	41	6.7%
Total	614	100%

New Hires by Region

Region	No. of employees	%
Singapore	242	39.5%
China	229	37.4%
India	91	14.8%
Rest of Asia	1	0.2%
Middle East	1	0.2%
UK	43	7.0%
Others	7	1.1%
Total	614	100%

Employee Turnover* (%)



* The data covers both voluntary and involuntary turnover of permanent employees of Sembcorp and its subsidiaries, excluding Sembcorp Marine

Employee turnover rate was stable, increasing slightly from 10.1% in 2017 to 11.6% in 2018. The voluntary turnover rate increased from 8.4% in 2017 to 9.3% in 2018. We recognise the potential impact that our transformation efforts may have on our employees, and remain committed to consistently engage our employees and equip them to cope with future changes as we continue to implement our new strategy.

Employee Turnover by Gender

Gender	No. of employees	%
Male	368	76.7%
Female	112	23.3%
Total	480	100%

Employee Turnover by Age Group

Age group	No. of employees	%
<30 years	129	26.9%
30-49 years	261	54.4%
≥50 years	90	18.8%
Total	480	100%

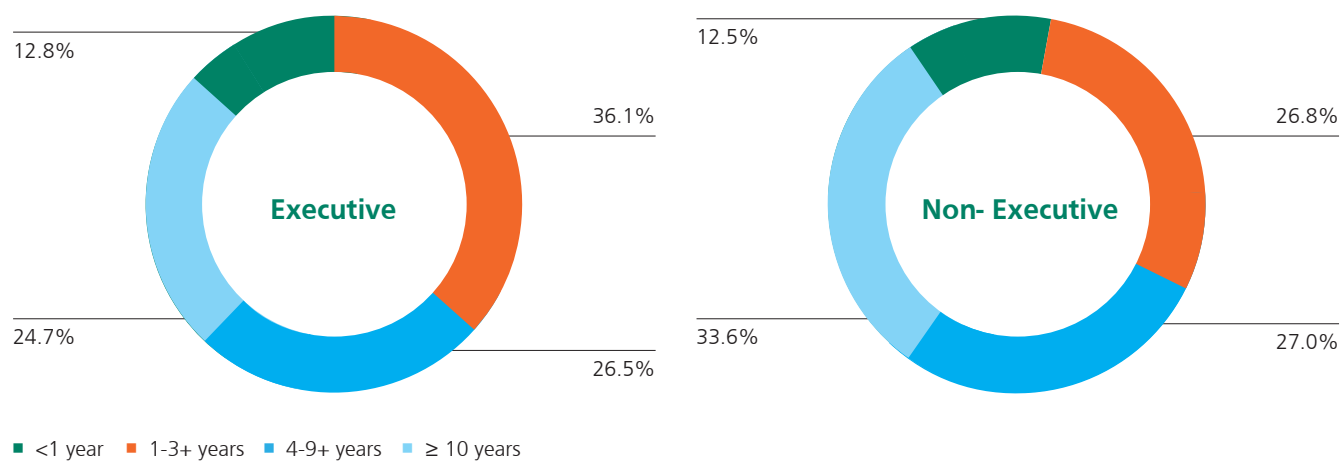
Employee Turnover by Region

Region	No. of employees	%
Singapore	221	46.0%
China	152	31.7%
India	71	14.8%
Rest of Asia	16	3.3%
Middle East	3	0.6%
UK	15	3.1%
Others	2	0.4%
Total	480	100%

SCI Semcorp Indicator: Employee Distribution by Tenure

Tenure of existing employees, broken down by employee category

Employee Distribution by Tenure (%)



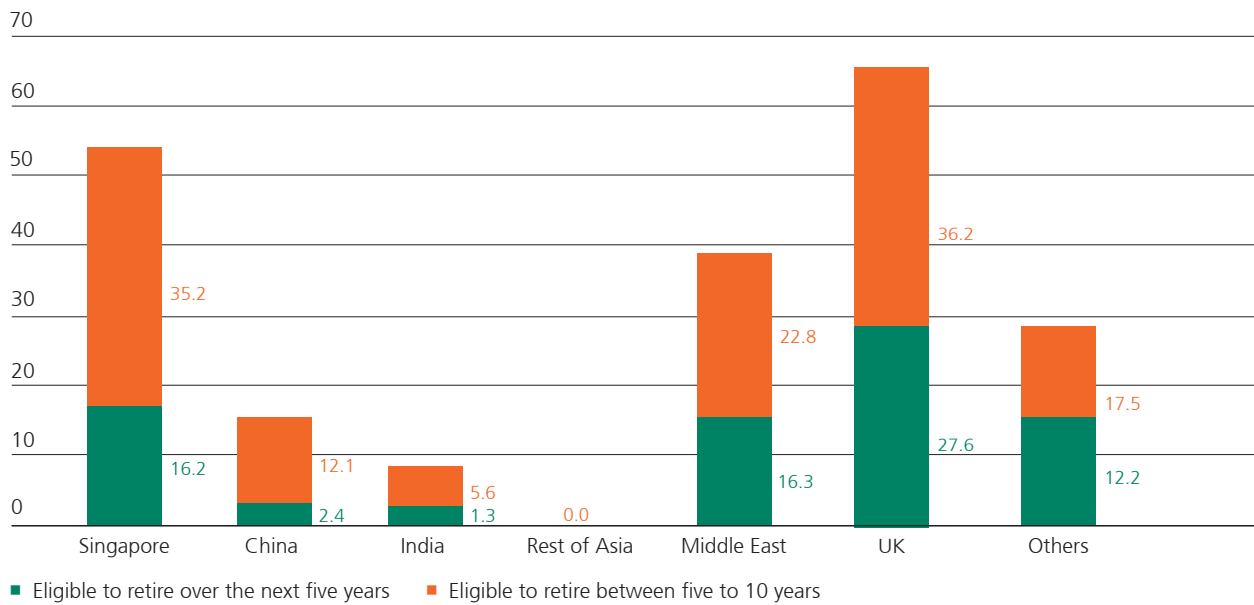
EU15 Social, Labour Practices and Decent Work: Employment

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

Employees Eligible to Retire¹ by Employee Category (%)



Employees Eligible to Retire¹ by Region (%)



¹ Retirement age is defined in accordance with Singapore's statutory retirement age as 62 years. The UK has no statutory retirement age

GRI 402-1 Social: Labour / Management Relations

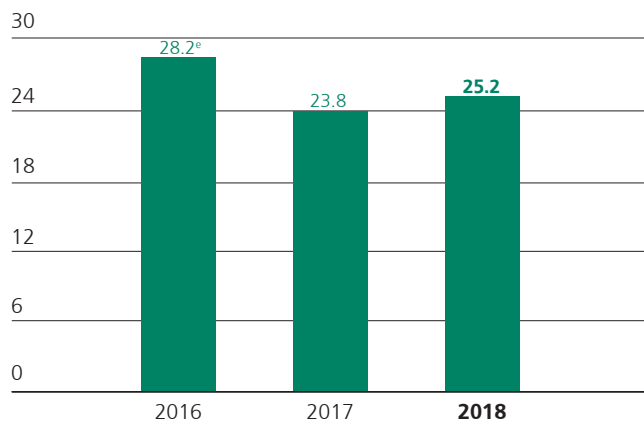
Minimum notice periods regarding operational changes

In countries where our operations are covered by collective agreements, we abide by the minimum notice period stated in the agreements. Notice period, and provisions for consultation and negotiation are specified in collective bargaining agreements.

GRI 404-1 Social: Training and Education

Average hours of training per year per employee

Average Training Hours per Employee



^e Indicates training data is based on management's best estimates; we have since further refined the accuracy and consistency of the data

The average number of training hours per employee was 25.2 hours in 2018, an increase from 23.8 hours in 2017. This increase reflects our efforts to build up our employees' capabilities to respond effectively to ongoing industry change and disruption.

Average Training Hours by Gender

Gender	No. of hours
Male	24.9
Female	26.2

Average Training Hours by Employee Category

Employee category	No. of hours
Executive	29.6
Non-executive	20.2

GRI 404-3 Social: Training and Education

Percentage of employees receiving regular performance and career development reviews

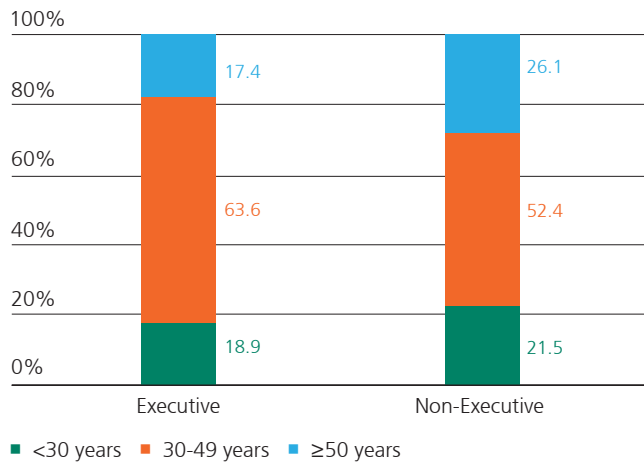
In 2018, we launched and rolled out an enhanced performance management system, LeAD (Lead, Appraise, Develop), in our key markets of Singapore, China and India. As part of the performance review, employees are assessed for the achievement of their work targets and how well they demonstrate the Sembcorp Leadership Competencies. 99.3% of all relevant staff* received a performance review through our LeAD online system.

* Staff from Singapore Mint and non-executives from Singapore Design and Construction received their performance review through a manual performance appraisal form

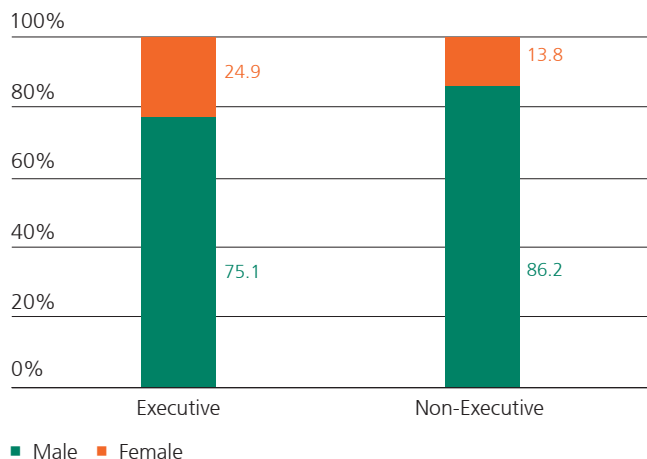
GRI 405-1 Social: Diversity and Equal Opportunity

Diversity of governance bodies and employees

Employee Distribution by Employee Category and Age Group (%)



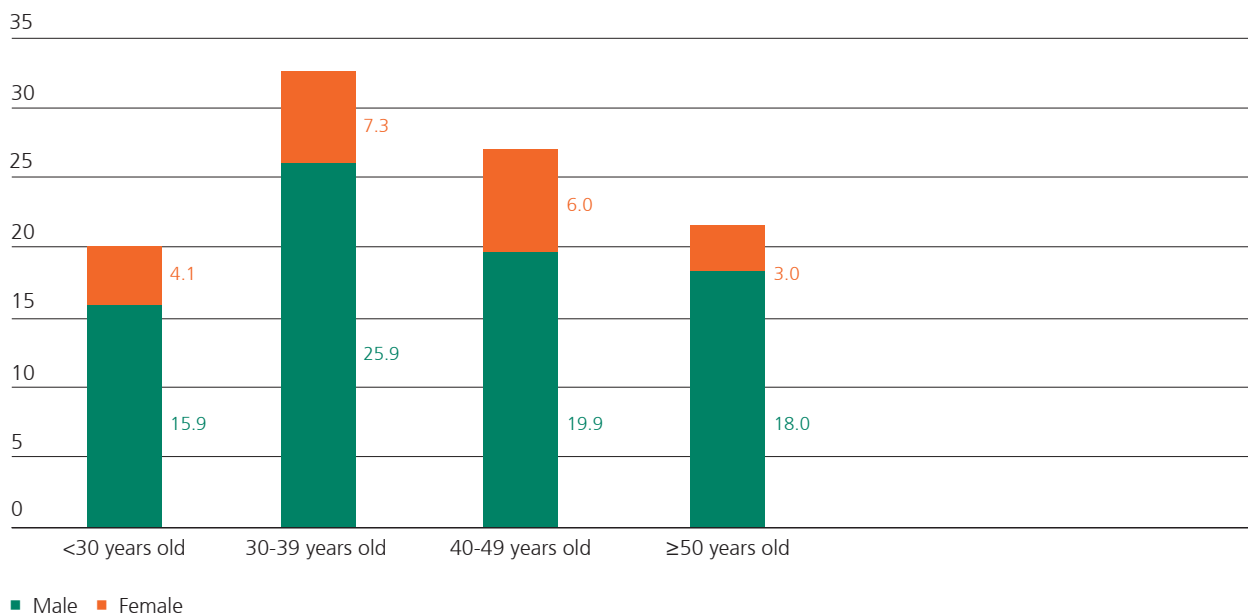
Employee Distribution by Employee Category and Gender (%)



SCI Semcorp Indicator: Diversity and Equal Opportunity

Breakdown of employees according to gender and age group

Employee Distribution by Age Group and Gender (%)



The gender composition of our board of directors is 82% male and 18% female. The Nominating Committee of Semcorp's board of directors considers gender diversity as well as other diversity factors such as competencies in the selection of directors. For more information on Semcorp's board of directors, please refer to pages 68-71 of our Annual Report.

GRI 406-1 Social: Non-discrimination

Incidents of discrimination and corrective actions taken

No incidents were reported during reporting period.

GRI 407-1 Social: Freedom of Association and Collective Bargaining

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

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.

Data from suppliers is not available. We have reviewed and are in the process of implementing a system to collect data on our suppliers.

GRI 408-1 Social: Child Labour

Operations and suppliers at significant risk for incidents of child labour

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

In 2018, we launched our Human Rights Policy which states our commitment to ensuring our operations are free from the exploitation of child labour. As part of the Human Rights Policy development, human rights risks across our operations and supply chain were assessed, and these risks will be reviewed regularly. Markets will also be assessed for policy compliance on a quarterly basis through a self-declaration form. All employees must meet the legal working age and eligibility requirements set by each jurisdiction where we operate. If child labour is found, we will work within the law and with relevant parties to determine the best remediation plans to avoid negative consequences for the children involved.

We also launched our Supplier Code of Conduct in the same year. Suppliers now have to commit to the Supplier Code which contains a clause on child labour. Data from suppliers is not available. We have reviewed and are in the process of implementing a system to collect data on our suppliers.

GRI 409-1 Social: Forced or Compulsory Labour

Operations and suppliers at significant risk for incidents of forced or compulsory labour

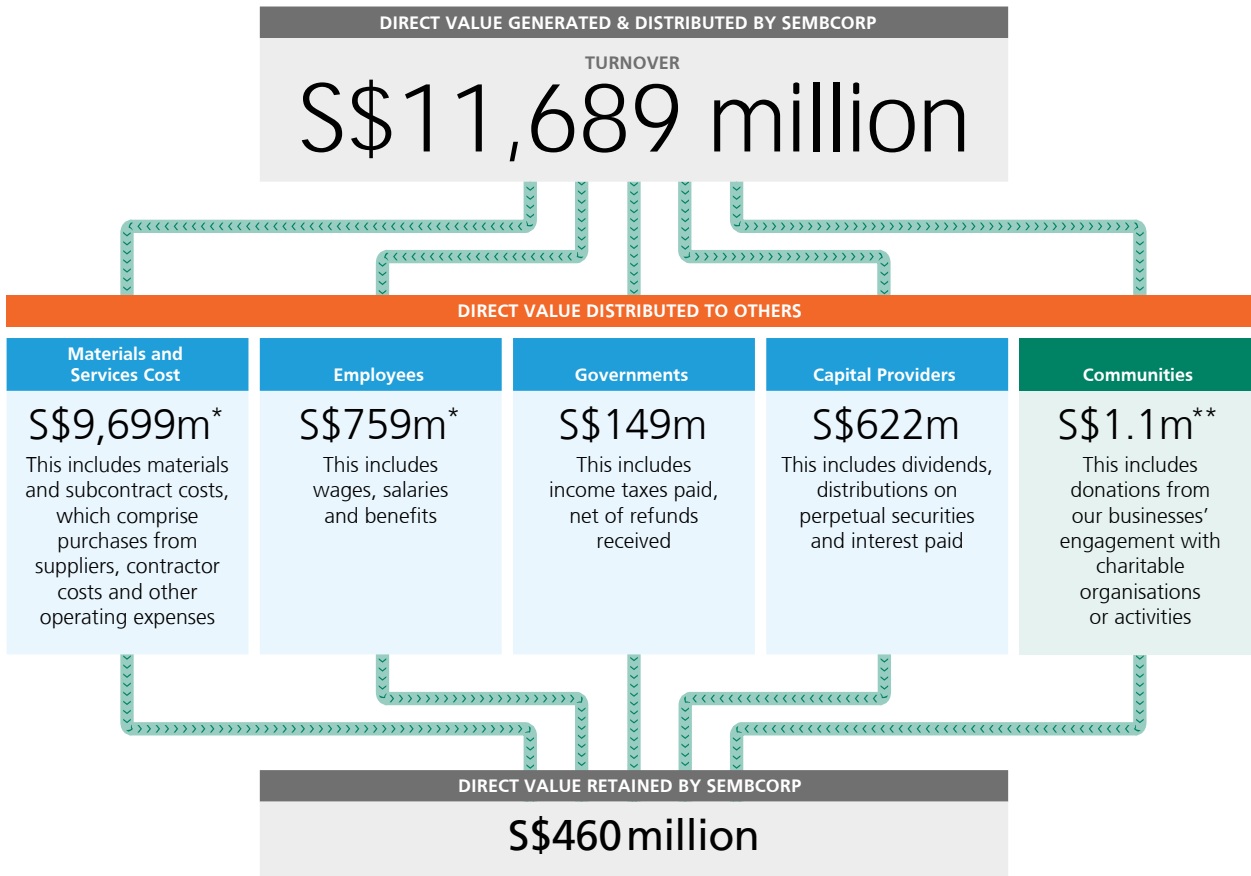
No incidents of forced or compulsory labour were reported in our operations during the reporting period.

In 2018, we launched our Human Rights Policy which states that we prohibit all forms of modern slavery in our operations, including forced and compulsory labour, bonded labour, and human trafficking. Our employment and procurement practices contribute to identifying, assessing and monitoring potential risk areas within our business and mitigate the risk of slavery and human trafficking occurring in our engagement of external contractors and suppliers.

We also launched our Supplier Code of Conduct in the same year. Suppliers now have to commit to the Supplier Code which contains a clause on modern slavery, which includes forced and compulsory labour. Data from suppliers is not available. We have reviewed and are in the process of implementing a system to collect data on our suppliers.

GRI 201-1 Economic: Economic Performance

Direct economic value generated and distributed



* On an accruals basis

** Figure presented separately for information. Covers data from Sembcorp Industries and its subsidiaries excluding Sembcorp Marine

GRI 203-1 Economic: Indirect Economic Impacts

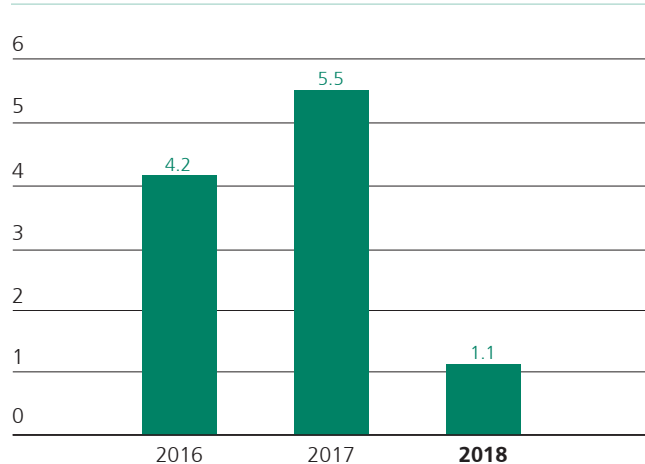
Infrastructure investments and services supported

In 2018, we contributed close to S\$600,000 in pro bono infrastructure investments. The amount included contributions towards community infrastructure improvements in our operations in India and Myanmar.

As part of our commitment to SDG 6, one of our priority SDGs, we invested in programmes to secure access to safe drinking water for the communities living within the vicinity of our plants. In 2018, we installed 14 water treatment plants in Myanmar. To date, we have installed a total of 27 water treatment plants that benefit more than 68,000 people in over 50 villages in India and Myanmar .

Our community investments also impact the lives of the youth in these communities, and we have designed holistic education programmes that include not only the physical upgrading of school building infrastructure, but also awareness raising campaigns on issues such as personal healthcare and drug addiction. In 2018, we renovated over 35 schools and classrooms, benefitting more than 6,700 students in India and Myanmar.

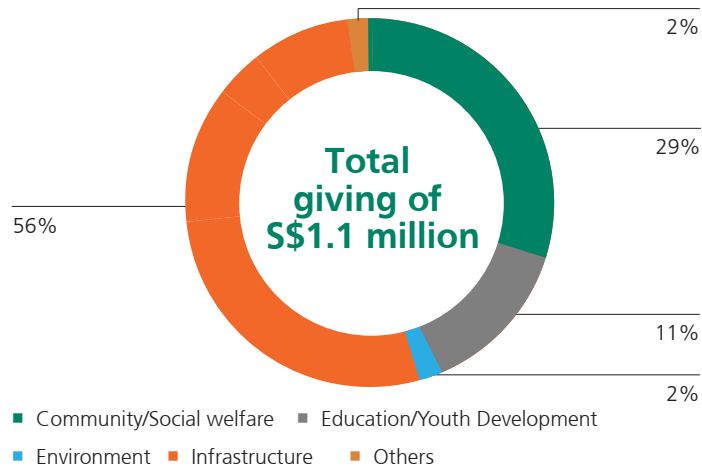
Community Contributions (S\$ million)



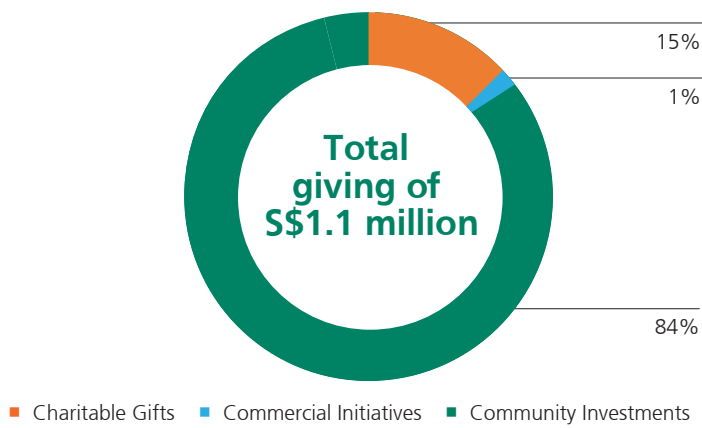
In 2018, Sembcorp contributed S\$1.1 million in cash and in-kind to charities and community initiatives globally. Over S\$470,000 comprised mandatory contributions and close to S\$15,000 were leveraged contributions. These contributions supported causes such as environmental and water conservation education, as well as youth development, apprenticeships and job training programmes. There was a decrease in our community investments as we paid out the final instalment of our investment in the enhancement of the Cool House at Singapore's National Orchid Garden in 2017.

Total volunteer man-hours amounted to more than 4,000 hours, of which over 25% was spent outside of working hours due to event requirements.

Community Contributions by Subject Focus (%)



Community Contributions by Contribution Motive (%)



GRI 413-1 Social: Local Communities

Operations with local community engagement, impact assessments, and development programs

52% of our operations had local community engagement and / or development programmes.

GOVERNANCE

OUR PERFORMANCE

We continued to be ranked sixth in the Singapore Governance and Transparency Index, the leading index for assessing corporate governance practices of Singapore-listed companies.

In 2018, we undertook a suite of improvement initiatives following a group-wide bribery and corruption risk assessment in 2017. We enhanced our Code of Conduct (CoC) and Anti-bribery and Corruption Policy to strengthen employees' understanding of their obligations and foster accountability and ownership of our ethical commitments. Extensive training and awareness programmes were conducted globally, including face to face training, train-the-trainers programme, a CoC video and monthly key compliance message communications. We conducted face to face training in our operations in Singapore, China, India, Bangladesh and Myanmar. For the remaining regions, training was conducted via video conference and train-the-trainers programme. In 2018, 96% of employees underwent training in the enhanced CoC through various platforms, and over 99% of employees have acknowledged their compliance with the CoC. We also launched our whistle-blowing portal. The portal is available in the Whistle-blowing Policy document on our website. It has a pre-defined set of questions to guide whistle-blowers in providing the required information / documents in reporting their concerns and also to allow the investigation team to maintain communication.

In 2018, our operations in Chile paid significant* fines totalling S\$421,000. Two fines for incidents in 2016 and 2018 were for non-compliance with environmental regulations totalling S\$362,000. They pertained to odour issues and the discharge of sewage to the ocean, stemming from failures in sewage lifting stations. Remedial actions have been taken, including enhancing the electrical system of the lifting stations and level metering system to better manage sewage water discharge, and building a new sludge thickener and dewatering plant with bio-filter system for odour control. The other fine of S\$59,000 was for a delay in constructing a well in a timely manner as committed to under a Regulatory Development Plan in 2014. The well was completed thereafter and has been in operation since 2015.

In 2018, we embarked on transitioning from the GAF to an IAF to put greater emphasis on the three LOD model. Through the IAF structure, the respective LODs work closely to ensure that key financial, operational, compliance and IT risks are reviewed and tested using a robust assurance process. The IAF is expected to be implemented for all key markets by end 2019. The Audit Committee, supported by the Risk Committee, oversees the IAF and its implementation.

Our ongoing efforts to build in-house capabilities, readiness and resilience in crisis and emergency response situations require us to regularly conduct and participate in crisis simulation exercises and awareness training. While we recognise the importance of effective crisis response procedures and proactive stakeholder engagement to manage a crisis, we see the importance of helping affected employees cope with the psychological and emotional impacts, so that they can recover faster from an incident. We have developed a Business Psychological Resilience programme which complements the existing Group Crisis Management Framework and enhances Sembcorp's resilience in crisis and emergency response situations.

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

ALL GOVERNANCE INDICATORS

Material Issue – Ethical Business Practices

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 307-1 Environmental: Environmental Compliance

Non-compliance with environmental laws and regulations.

We incurred two significant* fines in Chile related to environmental non-compliance amounting to S\$362,000. They pertained to odour issues and the discharge of sewage to the ocean, stemming from failures in sewage lifting stations.

GRI 415-1 Social: Public Policy

Political contributions

Our Code of Conduct states that 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.

GRI 419-1 Social: Socioeconomic Compliance

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

We incurred one significant* fine in Chile amounting to S\$59,000 for a delay in constructing a well in a timely manner.

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



INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY INFORMATION OF SEMBCORP INDUSTRIES LIMITED

Attention to the Board of Directors of Sembcorp Industries Limited

We have been engaged by Sembcorp Industries Limited (the "Company") to undertake a limited assurance engagement in respect of the selected sustainability information from the 2018 Performance Data and Commentary report of the Company described below for the year ended 31 December 2018 (the "Identified Sustainability Information").

Identified Sustainability Information

The respective Identified Sustainability Information for the year ended 31 December 2018 is set out below:

1. GRI 201-1: Direct economic value generated and distributed
2. GRI 202-2: Proportion of senior management hired from the local community
3. GRI 302-1: Energy consumption within the organisation
4. GRI 303-1: Total water withdrawal by source
5. GRI 305-1: Direct (Scope 1) GHG emissions
6. GRI 305-4: GHG emissions intensity
7. GRI 305-2: Indirect (Scope 2) GHG emissions
8. GRI 306-1: Water discharge by quality and destination
9. GRI 306-2: Waste by type and disposal method
10. GRI 306-3: Significant spills
11. GRI 307-1: Non-compliance with environmental laws and regulations
12. GRI 401-1: New employee hires and employee turnover
13. GRI 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
14. GRI 404-1: Average hours of training per year per employee
15. GRI 405-1: Diversity of governance bodies and employees
16. GRI 413-1: Operations with local community engagement, impact assessments and development programmes

Our assurance engagement was with respect to the year ended 31 December 2018. We have not performed any procedures with respect to (i) earlier periods and (ii) any other elements included in the Company's 2018 Performance Data and Commentary report, and in the annual report, website and other publications, and therefore do not express any conclusion thereon.¹

Reporting Criteria

The Identified Sustainability Information has been assessed against relevant criteria in the Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2016 (the "Reporting Criteria").

¹ The Company is responsible for their website and that we do not accept responsibility for any changes that may have occurred to the reported subject matter information or criteria since they were initially presented on the website.



Sembcorp Industries Limited
03 April 2019

Management's Responsibility for the Identified Sustainability Information

Management of the Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Reporting Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Practitioner's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We performed our limited assurance engagement in accordance with Singapore Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits and Reviews of Historical Financial Information (the "Standard"). This Standard requires that we plan and perform our work to form the conclusion about whether the Identified Sustainability Information is free from material misstatement. The extent of our procedures depends on our professional judgement and our assessment of the engagement risk.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Reporting Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures selected included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, we also performed the following:

- Interviewed management and personnel in Group Human Resources & Organisational Development, Group Health, Safety, Security & the Environment, Group Ethics & Compliance, Group Finance and Group Strategic Communications & Sustainability departments in relation to the Identified Sustainability Information;
- Obtained an understanding of how the Identified Sustainability Information is gathered, collated and aggregated internally;



Sembcorp Industries Limited
03 April 2019

- Performed limited substantive testing, on a selective basis, of the Identified Sustainability Information (i) to verify the assumptions, estimations and computations made in relation to the Selected Sustainability Information; and (ii) to check that data had been appropriately measured, recorded, collated and reported, to the extent we considered necessary and appropriate to provide sufficient evidence for our conclusion; and
- Assessed the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

In designing these procedures, we considered the system of internal controls in relation to the Identified Sustainability Information and reliance has been placed on internal controls where appropriate. Because of the inherent limitations in any accounting and internal control system, errors and irregularities may nevertheless occur and not be detected.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information for the financial year ended 31 December 2018 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Other Matter

The Company has prepared a subset of Identified Sustainability Information for the year ended 31 December 2018 which will be incorporated as part of the Company's Annual Report, on which we issued a separate Assurance Report to the Company dated 7th March 2019.

Purpose and Restriction on Distribution and Use

This report, including our conclusion, has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

Yours faithfully

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

03 April 2019