

# RISK & SUSTAINABILITY HIGHLIGHTS

## REPORT AT A GLANCE

- A summary of our sustainability efforts for the year 2018, including an overview of our initiatives and performance is reported in this section and should be read in conjunction with the information published in the Sustainability section of our website at [www.stengg.com](http://www.stengg.com);
- Unless otherwise stated, data and activities relate to our Singapore operations only. Information on sustainability efforts relating to our operations in the U.S. is reported on pages 90 to 91;
- Our management approach covering corporate governance, enterprise risk management system and materiality is captured in 'Our Management Approach to Sustainability' listed on the Sustainability section of our website;
- Our 2018 Sustainability Report is prepared in accordance to the Global Reporting Initiative (GRI) Standards: Core Option. It is guided by the SGX Reporting Guide as well as the LBG framework;
- The GRI Content Index is also available on our website.

## BOARD STATEMENT

Our sustainability strategy involves multiple stakeholder considerations that balance today's needs with longer term developments. The Board provides oversight through the Risk and Sustainability Committee (RSC), where material Environmental, Social and Governance (ESG) topics are reviewed. The RSC meets quarterly with the management to review and discuss the Group's risk and sustainability performance. The responsibility for implementing all sustainability efforts rests with the President & CEO of ST Engineering and the Management Committee.

We have built a successful track record in technology, defence and engineering upon good business fundamentals, a commitment to performance with integrity and zero tolerance for fraud and dishonest conduct. We conduct our business in a responsible manner by ensuring that our products not only meet technical specifications and prevailing industry standards, but are also reliable over their life cycles and are safe to produce, operate and maintain. This year, we enhanced our Whistle-Blowing channel, standardising it for local and overseas stakeholders.

### Safer Workplace

Maintaining a safe working environment is paramount and remains a focus area in our sustainability efforts. Regrettably, we reported a workplace fatality this year. In spite of this, a zero workplace fatality remains our aim, and ever more so. The eight safety cardinal rules we rolled out this year as part of our safety campaign reinforce our collective commitment towards that aim.

### Cleaner Future

As a global technology, defence and engineering group, we are well-positioned to bring technology and innovation together to create solutions that help to further our environmental conservation efforts. This year, we remain on target in our journey towards reducing water, energy use and Greenhouse Gas (GHG) emission.

We conduct our business in a responsible manner by ensuring that our products not only meet technical specifications and prevailing industry standards, but are also reliable over their life cycles and are safe to produce, operate and maintain.

### ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The Group adopts an ERM framework to identify key business risks that act as barriers to achieving its business goals in the short, medium and long term. This includes risks arising from changes and trends on the ESG front.

The ERM framework provides discipline for the Group to identify, assess, control and monitor risks. It sets out a consistent definition of risks and risk tolerance limits to ensure that business units have a common understanding when identifying and assessing risks.

The Group is committed to managing these risks well as part of its long-term sustainability. The RSC oversees management in the identification of risks as well as the implementation of risk management policies and strategies.

Further details on the Group’s risk governance, including the responsibilities of the Board, Audit Committee and RSC, can be found in the Corporate Governance Report from page 94 to 124.

A detailed description of our risks is available on our website.

### KEY BUSINESS RISKS

#### Growth & Competition

- Product and technology obsolescence
- Mergers and acquisitions

#### Ethics & Governance

- Cyber risk
- Bribery and corruption
- Regulatory compliance

#### Operations

- Contract compliance
- Business disruption
- Product liability and safety

#### Human Capital

- Talent management and succession planning
- Occupational health and safety

#### Financial

- Credit
- Foreign exchange

### ANTI-BRIBERY AND CORRUPTION (ABC)

The Group has zero tolerance for fraud and corrupt practices. During the year, we reviewed and updated our policies and procedures to ensure that key compliance principles from our Code of Business Conduct and Ethics (Code) are embedded into our processes. Reflective of our global workforce, the Code is translated into six languages and readily available on our intranet.

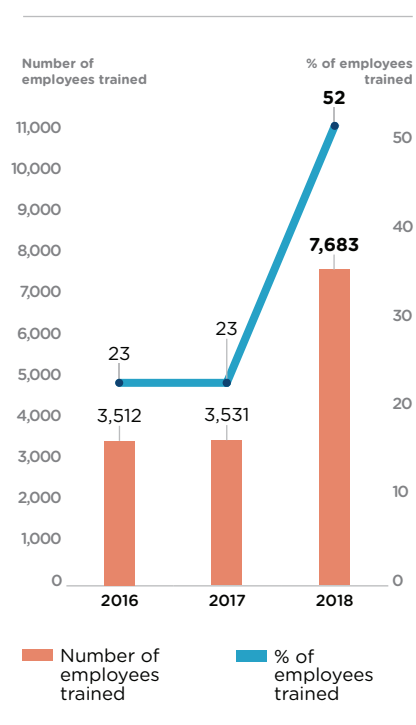
We also carried out a “refresh and remind” exercise on our Code. A handbook was disseminated to all employees, and senior management reiterated key principles of the Code through video messages that are available on our intranet. This sets the tone and underscores our commitment to honest and ethical business conduct.

As part of our compliance and ethics training programme, all employees are required to undergo mandatory training on the Code annually. Relevant employees are also required to complete the ABC training course once every two years.

To strengthen our Whistle-Blowing System, we have added reporting hotlines managed by an external independent party to our existing reporting channels. These hotlines, published on our website, cater to both our local and overseas stakeholders. This implementation is part of our ongoing efforts to encourage and facilitate disclosures of possible improprieties or noncompliance in confidence.

More information on our Whistle-Blowing channels are available on our website.

### ANTI-BRIBERY AND CORRUPTION TRAINING IN SINGAPORE



# RISK & SUSTAINABILITY HIGHLIGHTS

## OUR SUSTAINABILITY PERFORMANCE

### WHAT WE DID IN 2018

#### World-Class Workforce



Strengthened our goal setting process and enhanced our performance management framework.



Launched action plans in response to 2017 Employee Engagement Survey.

#### Safe & Conducive Workplace



Updated procedures to enhance our overall level of preparedness in the event of a terrorist attack.



Critical workplace safety and health areas like fall prevention, traffic management, industrial machines and hand tools were included in cross audits.

#### Protecting Our Environment



Raised the GHG emission intensity reduction target to 36% on a business-as-usual basis by 2030, with 2010 as the base year.



Improved water consumption intensity by 1.5% year-on-year.

### WHAT WE WILL DO IN 2019



Implement a Global Leaders Development Programme to support our globalisation thrust.



Review and enhance our suite of learning programmes to promote a self-development and lifelong learning culture.



Continue to improve our safety performance.



Identify initiatives to improve mental well-being of our employees as part of total workplace safety and health.



Explore opportunities to improve waste management.



Expand solar panel installations to other facilities.

**OUR SUSTAINABILITY PERFORMANCE**

**WHAT WE DID IN 2018**

**Responsible Sourcing**



Developed a Strategic Vendor Relationship Management programme to evaluate and prioritise our vendors.



Established the Vendor Code of Conduct.

**Responsible Corporate Citizenship**



Partnered TOUCH Community for its Meals-on-Wheels food delivery programme during the ST Engineering Volunteer Week.



Increased the Group's participation rate and contribution to SHARE Community Chest's programme in Singapore.

**Global Operations: The U.S.**



Enhanced the ethics and training programme.



Continued with initiatives to reduce our GHG footprint.

**WHAT WE WILL DO IN 2019**



Formalise the Strategic Vendor Relationship Management process.



Roll out the Vendor Code of Conduct.



Review community outreach focus themes.



Formalise framework to promote staff volunteerism.



Extend health and safety reporting regime to U.S. operations.



Continue with initiatives to raise awareness of the Group's sustainability agenda.

# RISK & SUSTAINABILITY HIGHLIGHTS

## PRODUCTIVITY

The pursuit of higher efficiencies and effectiveness is inherent in our day-to-day operations. In 2018, we made strides to enhance our operational performance.

The Shared Service Centre for seven functions comprising Finance, Human Resource, Information Technology, Procurement, Estate and Facilities Management, Corporate Communications and Legal progressed into its second year of implementation. Improvements included a faster turnaround travel and expense claims management system and a more user friendly email system. We also embarked on a project to simplify our legal structure and governance framework with the aim of further streamlining our organisational resources.

At the operating level, the sectors used continuous improvements tools such as Kaizen and Value Stream Mapping to improve their work processes. We revisited our productivity framework and enhanced our approach to manage and monitor productivity projects.

To encourage our employees to be more collaborative and innovative in their day-to-day work, productivity projects that saw great teamwork and yielded significant savings were recognised at our annual Team Excellence Convention.

Productivity is an important cornerstone of our work as we strive towards sustainable growth by continuously improving our systems and processes.

## HIGHLIGHTS



### Embracing Industry 4.0 to Enhance Productivity

One of our Lean initiatives in 2018 was to transform a manufacturing workshop in the Land Systems sector by incorporating Industry 4.0 concepts.

Technicians at the manufacturing workshop would initiate requests for WIP jobs on their handheld devices and robots would be deployed to deliver requested components to requestors.

Production managers would also be able to view operation status on such handheld devices, and informed decisions could be made on-the-go.

Through the use of logistics robots and smart systems, manual touchpoints can be reduced and real-time information necessary for informed decision-making are readily available.

The initiative targets to achieve at least a 20% reduction in manpower and manufacturing lead time.



## WHAT WE WILL DO IN 2019

- Implement an electronic Compliance Statutory Monitoring System to track renewal of permits and licences.
- Roll out e-learning modules for continuous improvement tools.

**SAFE & RELIABLE PRODUCTS**

In 2018, all operations certified to ISO 9001 Quality Management System successfully converted to the latest ISO 9001:2015 standard. At the same time, we adopted a common Quality Policy Statement as part of an overall quality framework review.

We continued to be recognised on the international stage at the 36<sup>th</sup> International System Safety Conference in Arizona, U.S. where we shared a paper on “Challenges and Benefits of Implementing Hazard Traceability in an Application Lifecycle Management Tool”. We were also invited to speak at several external system safety seminars and remained a key supporter of the Singapore Chapter of the International System Safety Society.

We introduced the System Safety Community of Practitioners in 2018 for like-minded practitioners to share their experiences and lessons learnt.

**QUALITY POLICY**

ST Engineering is committed to the timely delivery and responsive support of products that remain safe and reliable for their intended use, and the provision of services that meet regulatory standards and satisfy our customers’ requirements.

We shall build a quality culture embraced by our employees and business partners, where we are accountable for the quality of our work.

We shall continually sustain and enhance our quality management system to improve the quality of our products and services, maintain appropriate controls and conduct periodic reviews of set goals.

**HIGHLIGHTS**



**Annual System Safety Seminar**

Debuted in 2012, our annual System Safety Seminar is a platform for our business sectors to share and learn about practices, trends and developments in the science of system safety.

The 7<sup>th</sup> edition of the Seminar held on 23 November 2018 examined industry-specific topics such as the implementation of hazard traceability in lifecycle management, operations risk assessment for unmanned aircraft systems and planning of safety assurance efforts for autonomous land systems.

The annual Seminar is an important meeting point for the exchange of ideas, and to challenge the way we think and practise system safety to produce safer and more reliable products for our customers.



**WHAT WE WILL DO IN 2019**

- Streamline and digitise key quality process workflow for greater efficiency.
- Introduce Quality Community of Practitioners for cross-sharing of experience amongst our quality practitioners.

# RISK & SUSTAINABILITY HIGHLIGHTS

## WORLD-CLASS WORKFORCE

The 2017 Employee Engagement Survey called our attention to two focus areas – empowerment and collaboration. The results were shared with our employees and specific action plans were developed through various brownbag sessions and workshops.

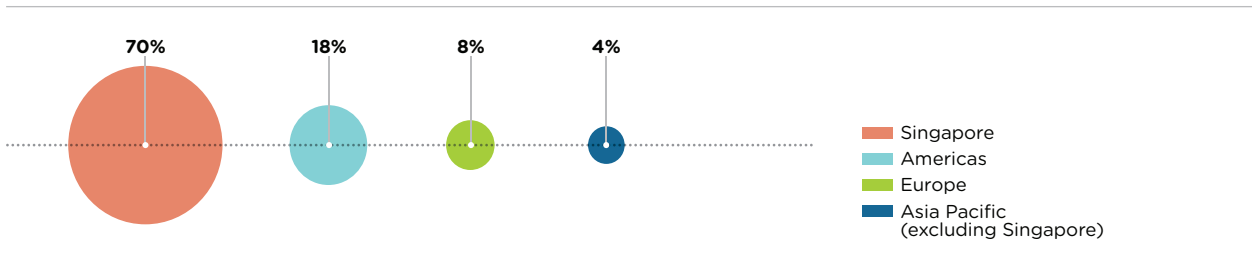
To better align our culture and mindset towards the Group’s

overall goals, we reviewed and improved our talent management framework, compensation plans and Performance Scorecards. We continued to pursue initiatives to promote learning aimed at deepening our employees’ competencies and broadening their skillsets.

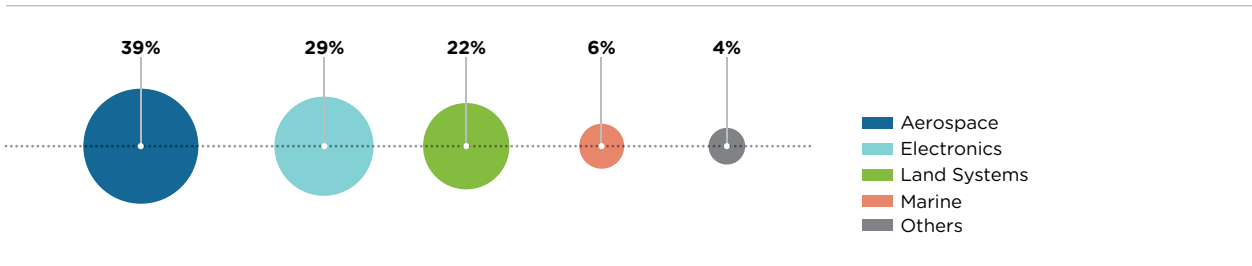
As we forge ahead in our quest to strengthen our core businesses and pursue growth opportunities, people and

culture remain a top priority in our strategy. During the year, we also initiated a Technical Career Pathway review and Strategic Workforce Planning for our employees. Our commercial viability and ability to remain competitive goes beyond attracting and retaining talent. We strive to build a strong sense of purpose and belonging across our global operations while at the same time strengthen our people’s capacities and capabilities for overall growth.

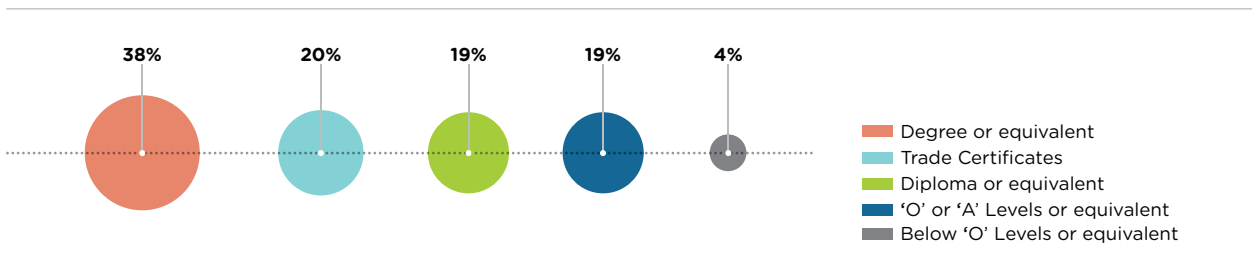
## EMPLOYEES BY GEOGRAPHY



## EMPLOYEES BY SECTORS



## EMPLOYEES BY QUALIFICATIONS



Note: These statistics are calculated based on the Group’s headcount of 21,418.

**WORKFORCE PROFILE FOR SINGAPORE OPERATIONS**



**Employees**

**79%** Male      **21%** Female

**Supervised Workers\***

**95%** Male      **5%** Female

\* Supervised workers refer to workers hired through local contractors. They are on short-term contracts, work in the Group's facilities and are supervised by ST Engineering.

**AVERAGE TRAINING HOURS PER EMPLOYEE**



**30.2HRS**

**33.0HRS** Male      **20.1HRS** Female

**TURNOVER RATE**



**9.6%**

**9.1%** Male      **11.3%** Female

**HIGHLIGHTS**



**Levelling up Digital Proficiencies**

In 2018, we partnered with NUS School of Continuing & Lifelong Education (SCALE) to promote continuing education and training within ST Engineering. 160 mid-level managers and engineers tapped on the NUS "All-You-Can-Learn" (AYCL) programme to bolster their digital skills in data analytics. Besides modules such as "Data Analytics Begins With Me" and "Data Analytics & Visualisation", the AYCL programme offers Cybersecurity, Internet of Things, Artificial Intelligence, Science, Engineering, Computing and Business courses. In this partnership, the Group is also exploring the feasibility of developing a Corporate Training Academy to offer joint programmes in and outside of Singapore.

Separately, more than 360 engineers and technicians had the opportunity to level up their digital proficiencies through the Digital Transformation and Robotics Course facilitated by LEGO Mindstorms Education kits.



**WHAT WE WILL DO IN 2019**

- Implement a Global Leaders Development Programme to support our globalisation thrust.
- Review and enhance our suite of learning programmes to promote self-development and a lifelong learning culture.



# RISK & SUSTAINABILITY HIGHLIGHTS

## SAFE & CONDUCTIVE WORKPLACE

Workplace safety and health (WSH) is a core aspect of our sustainability journey and is a deep-rooted characteristic within the modus operandi of our business.

We believe that safety starts from the top. The visible and active participation of senior management at safety walkabouts sets the tone for our commitment towards fostering a positive WSH culture.

The Environment, Health and Safety (EHS) Committee governs our WSH management strategy. Members meet at least quarterly to monitor our EHS Management System performance and to review and update our EHS strategies.

This year, as part of the national SG Secure initiative, we reviewed and updated existing security and business continuity procedures to incorporate both preventive and mitigating measures to enhance our overall level of preparedness in the event of a terrorist attack.

We rolled out eight safety cardinal rules on WSH to raise awareness amongst our office and shopfloor colleagues, as we stepped up our WSH efforts in a campaign to improve our safety indicators.

We also launched an electronic workplace incident reporting system. The new system enables us to track and monitor all injuries, so that corrective and preventive measures can be taken promptly.

## OUR 2018 PERFORMANCE

While 2018 saw an improvement in our Accident Frequency Rate (AFR) from 0.8 in 2017 to 0.4, we regret to report that there was one work-related fatality at our Tuas facility. The fatality happened onboard an oil tanker during a valve dismantling operation. As a result of the fatality case, our Accident Severity Rate increased from 19.3 to 151.1 in 2018.

## HIGHLIGHTS

### Promoting Safety Innovations

Across our operations, we continue to develop innovative solutions to enhance WSH. At the 2018 ST Engineering EHS Convention Award, we recognised and commended participating teams that demonstrated the spirit of continuous improvement and commitment to WSH.

Our engineers improved the way doubler plates were replaced on dredger vessels in our shipyards by doing away with the need for confined space entries and reducing crane lifting, falling objects and height hazards. The improved process also increased efficiency and productivity, by substantially reducing the manhours needed in such projects. The team's effort was awarded Gold at the Convention.

Another Gold Award project is the "SMART" Robotic Grinding System, a system that improved the safety and health of our engineers at the fan containment case repair workshop. This project reduces the risk of musculoskeletal injuries through the replacement of labour-intensive work with a robotic arm. As an added safety feature, dust particles are absorbed at the point of contact with the grinding head, reducing the amount being released into the air.

Our engineers were also commended for their innovation in improving the ease of transporting and handling heavy equipment using a specially designed trolley with a three-dimensional axis jig in our aircraft conversion programmes. This improvement removes the need for man-lifting, mitigating potential physical injuries to staff and also reduces the number of men required for the work.

## EIGHT SAFETY CARDINAL RULES



Do not smoke outside designated areas. Keep clear of fire protection systems and equipment.



Use fall prevention and protection devices when working at heights.



Enter confined spaces only if trained and authorised. Comply with confined space entry and emergency procedures.



Dispose and discard waste materials in accordance with requirements.



Operate vehicles only if trained and authorised. Comply with safety operation requirements.



Operate equipment only if trained and authorised. Comply with safety operation requirements. "Lockout Tagout" before performing any maintenance task.



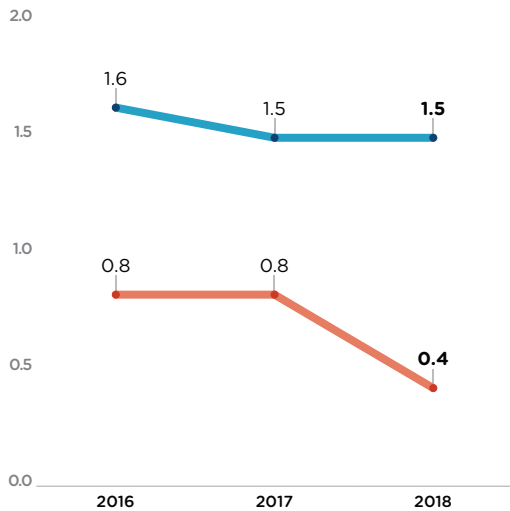
Carry out lifting operations only if trained and authorised. Comply with safe lifting plan.



Use approved appliances and equipment with safety mark. Do not overload electrical circuits.

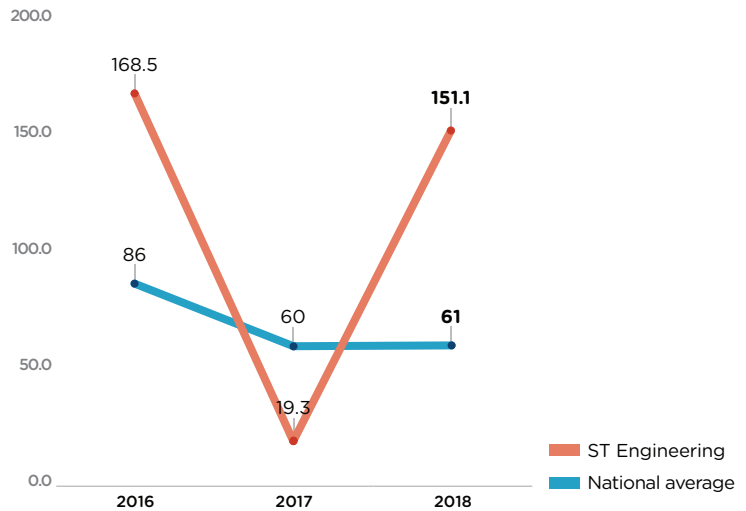
### ACCIDENT FREQUENCY RATE

Number of accidents per million manhours worked



### ACCIDENT SEVERITY RATE

Number of man-days lost per million manhours worked



### OCCUPATIONAL HEALTH PERFORMANCE INDICATORS



**108**

Number of occupational health activities organised.



**100%**

Percentage of at-risk staff who attended the Audiometric Examination.



**100%**

Percentage of at-risk staff who attended the Respiratory Protection Training.



**0**

Number of Occupational Disease cases (excluding Noise Induced Deafness cases).



**0\***

Number of Advanced Noise Induced Deafness cases.

\* Errata: The number of Advanced Noise Induced Deafness cases the Group witnessed in FY2018 is zero, not "one" as indicated in the printed FY2018 Annual Report.



#### WHAT WE WILL DO IN 2019

- Continue to improve our safety performance.
- Identify initiatives to improve mental well-being of our employees as part of total workplace safety and health.

# RISK & SUSTAINABILITY HIGHLIGHTS

## PROTECTING OUR ENVIRONMENT

Critical to the sustainability of our business is the ability to successfully forge a symbiotic relationship with the environment. To do so, we have been actively working on a set of robust targets to reduce our environmental footprint, whilst making certain that these targets are stepped up where possible.

In 2018, we revised our GHG emission intensity reduction target to 36% on a business-as-usual basis by 2030 with 2010 as the base year. Our new target is aligned with Singapore's Intended Nationally Determined Contribution (INDC) commitment.

As part of our long-term commitment towards renewable energy solutions, we continue to seek opportunities in solar energy, replacing lights and ageing air compressors with energy efficient alternatives.

We also initiated a study to evaluate energy saving potential in our data centres. This is achieved by measuring temperature patterns and deriving optimum operational indicators. Additionally, we identified ways to improve overall energy consumption involved in the use of air-cooling carts.

In the area of water consumption, we achieved our goal of water intensity improvement of 1.5% from 2017 by replacing existing taps with water efficient alternatives, and constant monitoring of water consumption patterns for early detection of leakages.

We ensure that our GHG inventory is audited by an external accredited agency in accordance with the standards specified in ISO 14064-1:2006.

## HIGHLIGHTS



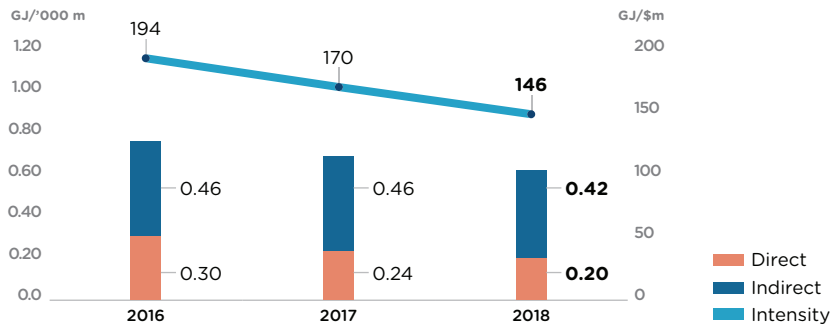
### Going Green with Solar: One Rooftop at a Time

The sun delivers more energy to Earth in an hour than we consume in the course of a year. Sufficient sunlight hits the Earth to power an economy and businesses indefinitely. This free source of energy is available to us and at ST Engineering, we have taken prudent steps to pave our way towards clean energy.

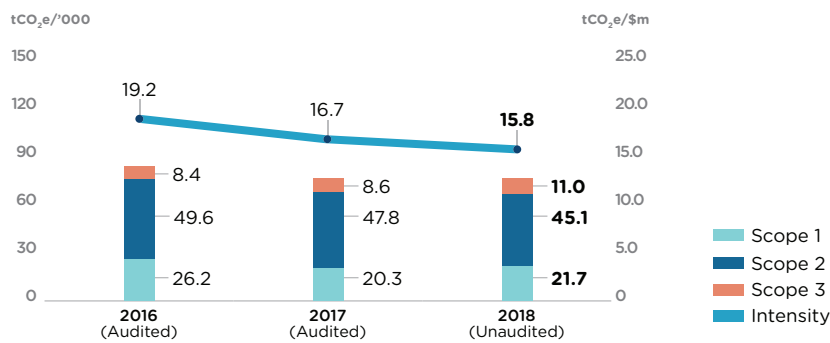
Since 2014, we have harnessed solar energy to reduce our dependence on fuels and help us reduce our carbon footprint.

We now have solar energy systems installed on 17 roofs across our facilities at Jalan Boon Lay, Changi and Seletar in Singapore. These systems, when fully operational, are forecasted to account for 9.2% of our annual electricity consumption and consequently reducing our GHG emissions by 4,400 tonnes of Carbon Dioxide Equivalent (tCO<sub>2</sub>e).

### ENERGY CONSUMPTION AND INTENSITY



### GHG EMISSION AND INTENSITY\*

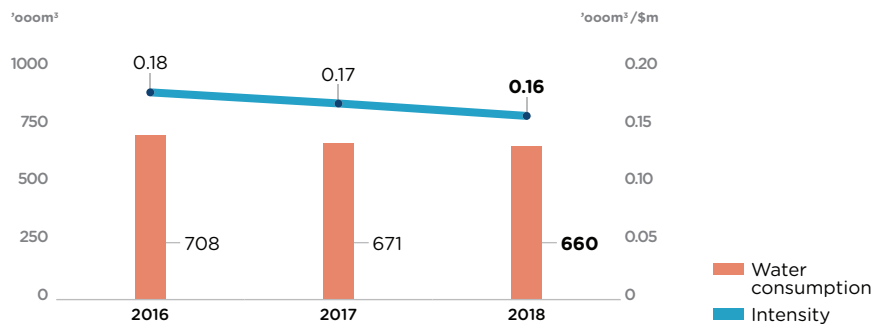


\* GHG intensity figures are computed based on Scope 1 & 2 emissions normalised using revenue from Asia, where Singapore is a significant contributor.

Notes:  
Energy consumption and GHG emissions figures for 2017 were adjusted as a result of audits and restated accordingly.

- Scope 1: Direct GHG emissions from sources owned or controlled by Singapore entities.
- Scope 2: Indirect GHG emissions from the generation of purchased electricity consumed by Singapore entities.
- Scope 3: Indirect GHG emissions from business travels by air carried out by Singapore entities.

### WATER CONSUMPTION AND INTENSITY



#### WHAT WE WILL DO IN 2019

- Explore opportunities to improve waste management.
- Expand solar panel installations to other facilities.

# RISK & SUSTAINABILITY HIGHLIGHTS

## RESPONSIBLE SOURCING

Every year, we continuously improve the way we design, deliver and produce. We are increasingly compelled to source responsibly and create mutual benefits with credible vendors. As a result, we strengthened our commitment to responsible sourcing by formalising our responsible sourcing programme.

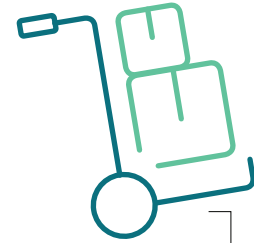
### Principles and Standards

In 2018, we took a major step forward and set the tone and standards for our procurement practices. We formulated and rolled out our Global Procurement Policy. We also developed the Vendor Code of Conduct,

setting out the basic behaviours and practices that we require from our vendors. Having these standards in place helps us chart a better path forward in our ongoing development of a responsible supply chain.

### Strategic Vendor Relationship Management

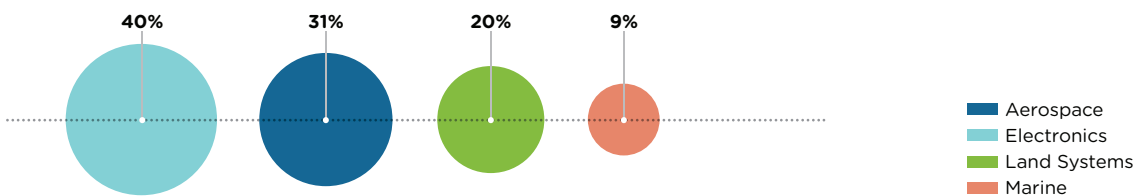
Enhancing our Strategic Vendor Relationship Programme helped us manage strategic vendors better. By segmenting our vendors, we were able to better determine their sustainability profiles and identify strategic vendors. This not only allows us to have a balanced consideration of ESG factors in our procurement process but also boosts the resilience of our supply chain.



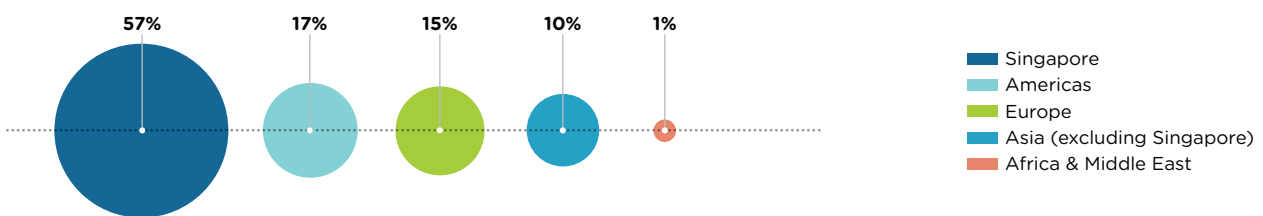
Total Purchase Value

**\$3.23b**

## DISTRIBUTION OF PURCHASES BY BUSINESS SECTORS



## DISTRIBUTION OF PURCHASES BY GEOGRAPHICAL LOCATIONS



### WHAT WE WILL DO IN 2019

- Formalise the Strategic Vendor Relationship Management process.
- Roll out the Vendor Code of Conduct.

## RESPONSIBLE CORPORATE CITIZENSHIP

A strong believer in giving back to the communities that we operate in, we focus on making our communities more resilient and inclusive by engaging and investing our time and resources in them. For the 19<sup>th</sup> consecutive year, we supported the President's Challenge, contributing a total of \$258,000 in 2018. In total, we have contributed more than \$7.5m to this cause.



Community Contributions

\$2.67m

To increase our participation rate and contributions to SHARE, Community Chest's monthly giving programme, we introduced an online sign-up process and extended our outreach to our employees through roadshows and emails to encourage sustained giving. We received a total of 19 awards at the Community Chest Awards this year, in recognition of our high participation rate and significant contribution to the SHARE programme.

### Community Grants

The NTUC Education and Training Fund uplifts working Singaporeans through training and education by providing subsidies for skills upgrading and re-skilling. With a commitment of \$1m over four years beginning in 2018, we support programmes and initiatives that are aligned to our focus area of enriching lives through education.

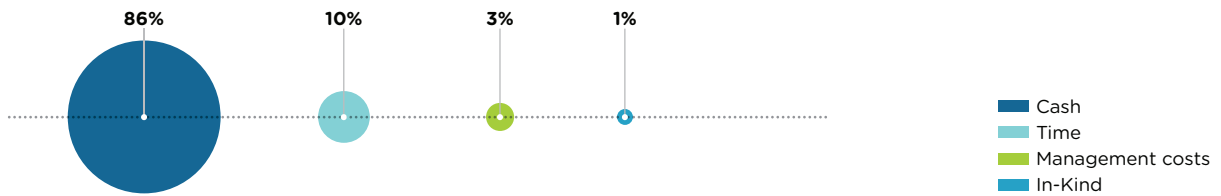
We have also committed to donating \$1m over five years beginning in 2018 towards the

cause of Project Silver Screen, a nation-wide initiative by Singapore's Ministry of Health and Temasek Foundation Cares, to bring functional screening to seniors aged 60 and above. The functional screening includes checks on seniors' vision, hearing and oral health, and subsidies for functional aids such as hearing aids, spectacles and dentures. With this commitment, we champion for better affordability and accessibility of healthcare, and help the elderly to take good care of their health for an improved quality of life.

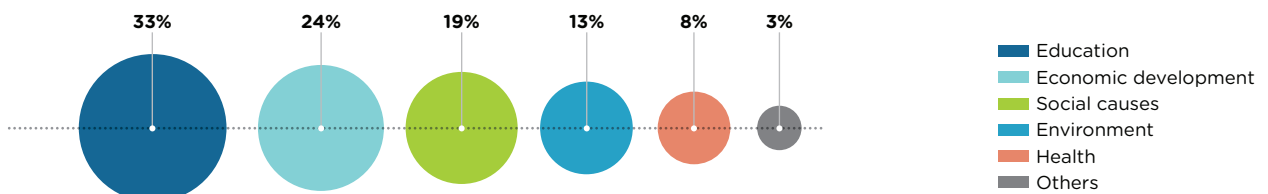
### Community Engagement

We reaffirmed our commitment to engage and support our community this year through TOUCH Community Services' Meals-on-Wheels programme, where 330 of our colleagues dedicated over 1,200 manhours to deliver 1,500 food packages in Ang Mo Kio, Bukit Batok, Jurong and Toa Payoh areas across Singapore during the ST Engineering Volunteer Week.

## OUR CONTRIBUTION\*



## ISSUES ADDRESSED\*



\* LBG framework was applied to measure community contributions and issues addressed.



### WHAT WE WILL DO IN 2019

- Review community outreach focus themes.
- Formalise framework to promote staff volunteerism.

# RISK & SUSTAINABILITY HIGHLIGHTS

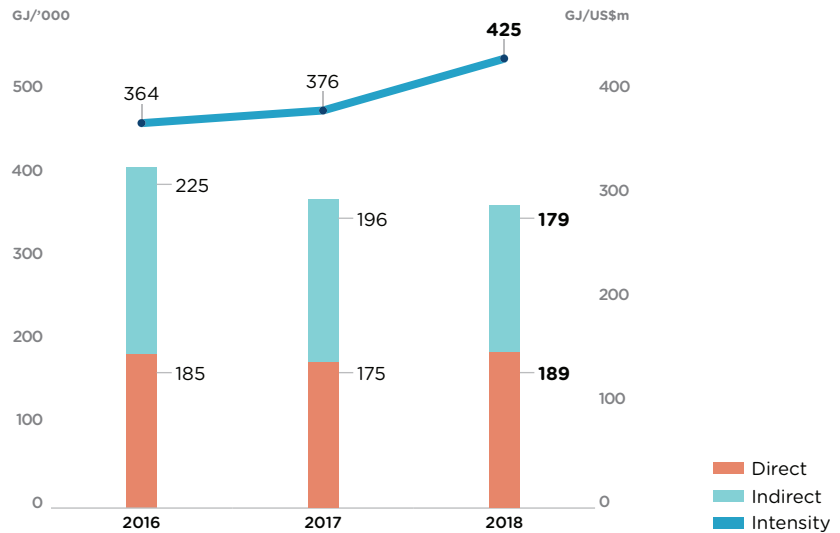
## GLOBAL OPERATIONS: THE U.S.

In 2018, we continued working towards achieving our environmental target of 15% reduction in GHG intensity. We implemented LED lightings to reduce energy consumption and invested in electric vehicles for daily travel between facilities to reduce GHG emissions and energy consumption.

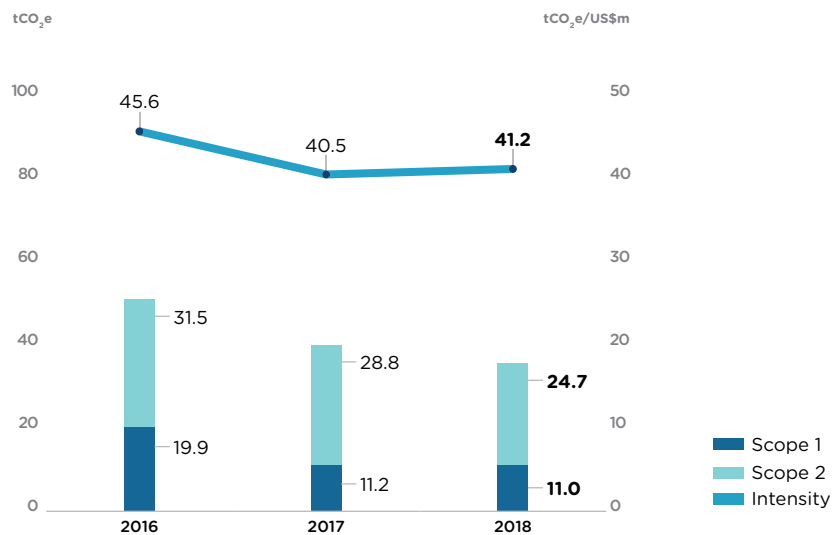
We enhanced the compliance training programme. All employees underwent the mandatory training on the Group's Global Code of Conduct and Ethics. In addition, key personnel completed training on Anti-Bribery and Corruption.

Our people and companies have contributed significantly to their communities through both personal time commitment and cash donations. Examples include: VT MAE assisting in a week-long series of events, contributing more than \$85,000 to benefit St. Jude's Children's Hospital; VT Miltope participated in a Breast Cancer Walk to raise money for Breast Cancer Research, contributions to local high schools, Big Brothers Big Sisters, and animal shelters.

## ENERGY CONSUMPTION AND INTENSITY



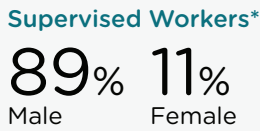
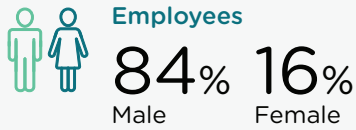
## GHG EMISSION AND INTENSITY\*



Note:  
\* GHG intensity figures are computed based on Scope 1 & 2 emissions normalised using revenue from U.S. operations.

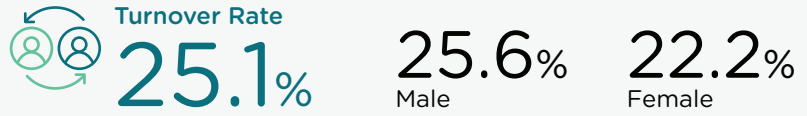
- Scope 1: Direct GHG emissions from sources owned or controlled by U.S. entities.
- Scope 2: Indirect GHG emissions from generation of purchased electricity consumed by U.S. entities.
- Scope 3: Indirect GHG emissions from business travels by air carried out by U.S. entities. However, this has been excluded due to its insignificant contribution to overall emission.

**WORKFORCE PROFILE**



\* Supervised workers refer to workers hired through local contractors. They are on short-term contracts, work in the Group's facilities and are supervised by VT Systems.

**TURNOVER RATE FOR EMPLOYEES**



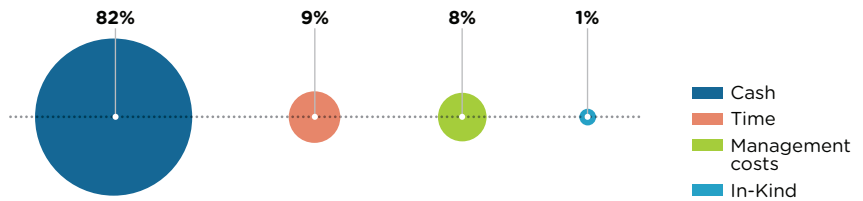
**AVERAGE TRAINING HOURS PER EMPLOYEE**



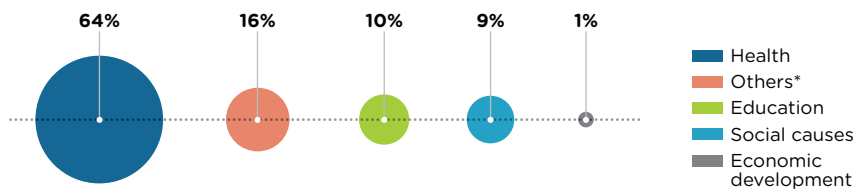
**OUR CONTRIBUTIONS**



Community Contributions  
**US\$0.2m**



**ISSUES ADDRESSED**



\* Others include arts & culture, environment and emergency relief.



**WHAT WE WILL DO IN 2019**

- Extend health and safety reporting regime to U.S. operations.
- Continue with initiatives to raise awareness of the Group's sustainability agenda.