MANAGING FOR SUSTAINABILITY

This is our inaugural sustainability report, addressing our material sustainability issues. This report covers data and activities of our Singapore operations, unless otherwise stated. We aim to expand our scope of reporting across our operations progressively. The report covers the period 1 January to 31 December 2014. Our sustainability reports will be prepared on an annual basis.

This report is prepared in accordance with Global Reporting Initiative (GRI) Core Guidelines. Data measurements are based on GRI G4 Guidelines. The GRI Content Index can be found in the Sustainability section of our website at www.stengg.com.

We aim to seek external assurance in the future. Our greenhouse gas emission data are subject to internal and external reviews as part of ISO 14064 verification. Specific greenhouse gas emission factors used are detailed in the GRI Content Index.

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STAKEHOLDER ENGAGEMENT

ENGAGING OUR STAKEHOLDERS ENABLES US TO UNDERSTAND AND ADDRESS CONCERNS, STRENGTHENING CRUCIAL RELATIONSHIPS FOR WHICH OUR BUSINESS IS DEPENDENT ON.

KEY STAKEHOLDERS AND ISSUES RAISED BY STAKEHOLDERS

ST Engineering aims to create sustainable value for our stakeholders including shareholders, customers, employees and the community at large.

Key stakeholders are identified as part of the Enterprise Risk Management process, based on the magnitude of the impact of parties who can affect or be affected by the Group’s business activities.

Information feeds up to the Risk Management team and Senior Management.

CUSTOMERS

Customer focus is one of ST Engineering’s key strategic thrusts. In fostering a customer-centric culture, we inculcate a ‘customer first’ mindset through building on a robust customer engagement process.

Employees are equipped with the skills and knowledge to maintain exemplary service levels. Courses include, ‘Go the Extra Mile for Service (GEMS)’ training, Emotional Quotient (EQ) workshops, as well as Edward de Bono’s lateral thinking courses to help staff be creative in improving service.

Learning and listening channels help to develop insights into our existing and potential customers’ needs. These channels include participation in local and international forums, exhibitions, trade shows, conferences and other touch points.

Dedicated account managers are assigned to key customers to ensure their needs are addressed. These account managers are contactable 24/7. Customer relationship management activities include regular project review meetings, inviting existing and potential customers to technology seminars, company visits to share our new capabilities and innovative products and services, and dialogue sessions.

We carry out annual customer surveys to seek feedback from the customers to determine their satisfaction levels and develop action plans to address their areas of concern. Customers rate the quality, delivery, responsiveness, service levels and value for money of our products and services. In 2014, the Group achieved above 95% customer satisfaction.

1 The total number of survey questions which scored more than or equal to 6 points, out of a perfect score of 10, is divided by the total number of questions responded by the customers to derive the satisfaction rate.
Employee engagement allows ST Engineering to develop our people into creative, thinking and innovative individuals and team players working to meet business objectives and goals. The strategies adopted to encourage employee involvement and commitment in teamwork and innovation comprise: leadership involvement; effective communication and facilitation; learning and development; and rewards and recognition.

The Business Excellence Seminar is an annual group-wide event, targeted at middle managers and above, where senior management will articulate the direction and plans for the coming year. Similarly, the annual Team Excellence Convention is aimed to motivate employees through recognition of high performing teams that have demonstrated creativity, innovation and continuous improvement. In addition, the President of each sector periodically organises interaction sessions with the employees in the form of forums, briefings and meet-the-staff sessions to share the sector’s performance, direction and plans.

We conduct an Employee Opinion Survey biennially. Senior managers also chair informal focus groups and discussions to engage and consult with employees. Employees are encouraged to provide their suggestions through the Staff Suggestion Scheme. The 24/7 one-stop Enterprise Information Portal (EIP) is the primary platform for employees to access important information. This is complemented by quarterly newsletters, which include updates on key initiatives.

Grievance mechanisms are established to provide a trusted channel to voice and resolve concerns. In 2014, four cases were filed. One case is still ongoing, with the other three cases resolved amicably.

The annual performance appraisal session serves as a platform for employees to discuss their current work progress and career aspirations with their supervisors. More information can be found on page 91.
SUSTAINABILITY-RELATED DISCLOSURES TO SHAREHOLDERS

ST Engineering approaches sustainability as part of business excellence. In our engagement with investors, both mainstream and socially responsible investing arenas, we incorporate sustainability efforts and articulate their linkages to our business performance. Examples include:

- Recruitment and retention efforts to sustain a pipeline of competent engineers
- Environment, health and safety track record as a competitive advantage
- Productivity efforts to help mitigate wage increases
At the operational level, morning briefings and toolbox meetings address day-to-day issues that impact work, while Safety and Quality Briefings highlight important safety issues and lessons. Details on how we engage our employees on safety can be found on pages 94-97.

Potential young employees are also engaged through scholarship fairs and the Young Engineers Programme (YEP). Details on our initiatives relating to our people can be found on page 90-92.

SHAREHOLDERS

We are committed to timely and transparent communication with analysts and all our shareholders. We uphold our responsibility to provide timely, comprehensive and balanced information on the Group’s performance, business developments and challenges. Investor concerns are addressed by enhancing disclosure on these areas in our annual reports and corporate website. Announcements are made via SGX at the earliest feasible time, with our corporate website archiving these announcements.

Throughout the cycle of a year, we organise platforms to give investors and analysts access to our senior management through one-on-one meetings, conference calls, non-deal roadshows, investor conferences and facility visits. These touch-points provide a deeper understanding of our operations and business landscape, while at the same time allowing frank feedback from our investors. Over the course of 2014, our Investor Relations team held about 200 such meetings. Each quarter, our senior management team presents ST Engineering’s financial performance and outlook at combined analyst and media briefings. These briefings are open to the public via real-time webcasts, and viewers may pose questions to our management team.

As part of our ongoing outreach programme to retail investors, ST Engineering is a sponsor of the Securities Investors Association of Singapore’s Investor Education Programme. In recognition of our investor relations practices, ST Engineering is in the Securities Investors Association of Singapore’s Hall of Fame for Most Transparent Company. More information, including our Investor Relations Calendar, can be found on page 60-61.

REGULATORS

We are committed to complying with legal and regulatory requirements. We monitor developments around regulations closely. Key regulators include:

- Singapore Exchange, and Accounting and Corporate Regulatory Authority (ACRA)
- Industry regulators such as the US Federal Aviation Administration
- Export control regulators, due to the international trading involved in our business

Where regulators seek consultation in reviewing existing and emerging policies, we are responsive in providing our constructive feedback. Through monitoring and engaging regulators, we incorporate trends and learning points in our assessment of the business environment.

SUPPLIERS

We recognise our dependency on the timely delivery and quality of key materials or components, and quality of performance by sub-contractors. This is a key risk that we manage diligently, and mitigate where possible.

Supplier milestones and performance are reviewed periodically by the respective project teams. Each sector’s procurement function is responsible for establishing and managing end-to-end integrated supplier arrangements within each of their respective sectors.

We communicate our expectations through our Code of Business Conduct and Ethics, which applies to contractors, consultants and agents. ST Engineering is working towards enhancing our engagement with suppliers on sustainability aspects. In 2014, we engaged an external consultant to work with us to develop a sustainable procurement strategy, which we intend to progressively deploy from 2015 onwards.

“As part of our ongoing outreach programme to retail investors, ST Engineering is a sponsor of the Securities Investors Association of Singapore’s Investor Education Programme. In recognition of our investor relations practices, ST Engineering is in the Securities Investors Association of Singapore’s Hall of Fame for Most Transparent Company.”
ST Engineering holds the view that creating sustainable value for all of our stakeholders is essential to our long-term success. Our business processes should reflect that long-term and multi-stakeholder considerations are meaningful and effective.

This section articulates our governance approach and practices for long-term sustainability. Our report addressing the Code of Corporate Governance in Singapore can be found on pages 106-122.

An engineering group like ST Engineering exists to create real world solutions. These solutions could be for urban rail networks, complex aircraft conversions or meeting security threats posed by land, sea or air or in the cyber space. These solutions could be for today, or for the future. We need to balance meeting our customers’ needs for today, while casting a keen eye on long-term developments.

We are on a journey to adapt and embed good practices in sustainability. We do so progressively and systematically with evident leadership involvement, to ensure management and employees understand how different facets in sustainability are relevant to us. We define sustainability in line with the United Nations’ Brundtland Commission: the goal of sustainability is to “meet the needs of the present without compromising the ability of future generations to meet their own needs.”

Our strategy is underpinned by our values: Integrity, Value Creation, Courage, Commitment and Compassion. Our values shape our motivations as we approach increasingly complex needs in our business environment. Stakeholder expectations of business, government and society are diverse and changing, even as the world gets more interconnected through modern communication technologies. A successful business needs to consider these varying expectations to execute its strategy smoothly.

We develop long-term strategy across our businesses, capturing both existing and emerging trends.

We support our strategy development and execution with robust systems, including our corporate governance and enterprise risk management system. Specific areas such as innovation and environment are addressed and driven across businesses through the structure of Business Excellence component committees. The overall responsibility for sustainability lies with the President & CEO.

Incentives are designed to attract and retain talent, and to encourage executives to adopt strategies that are aligned to the long-term interests of the Group. Variable components of compensation and performance appraisals are tied to various key business indicators, which include non-financial indicators such as safety.

We take a serious attitude towards full compliance with regulatory and legal requirements.

Meeting legal and regulatory requirements is a basic expectation across all our operations. In 2014, there were no significant fines or sanctions for non-compliance with laws and regulations.

Beyond full compliance to legal and regulatory requirements, we align our management systems to international standards. Accordingly, our processes adopt a precautionary approach. All of our operating companies in Singapore are OHSAS 18001 and ISO 14001 certified. In 2014, our Singapore operations have also implemented an energy management system towards achieving ISO 50001 certification.

Continuous improvement is an integral element across management approaches of issues. This includes regular evaluation against peers and industry best practices.
Sustainability Governance
Innovation & Productivity
People Excellence

Health & Safety
Environment
Responsible Procurement
Community

OUR VALUES

Integrity
We believe the foundation of our business success rests on unyielding honesty, trustworthiness and responsibility for our actions, striving to do the right thing and to fulfill our promises to one another, our customers, partners and stakeholders.

Value Creation
We are determined to add value in all that we do - in the best way possible and to the best of our ability. We work together to grow our people, markets and businesses around the world, to consistently create solutions that win in the marketplace and meet, or even exceed, our customers’ expectations.

Courage
We empower ourselves as an organisation, as teams and as individuals through small and large acts of courage in our everyday work and at more challenging moments of uncertainty, without fear of failure or the desire to stick with the status quo. Courage enables us to face the plain realities of our situation (favourable and unfavourable), to address concerns over change, to promote out-of-box thinking and to explore and commit to bold new possibilities for our business.

Commitment
We are determined and energised to achieve our shared vision, mission and strategic objectives together. This dedication to a common purpose stands behind our commitments to customers, partners, other stakeholders and one another, driving us to excellence in our results and in how we achieve them.

Compassion
Along with our passion to succeed and prosper as individuals, as teams and as a business, we also reach out to express our genuine care and responsibility for one another, our communities and the broader world community. We rally around those in difficulty to understand their troubles and actively help them with our time, energy and money.
A major objective of the BE Council is to ensure that the principles of high performing organisations and sustainability are incorporated within business decision-making to achieve positive and sustainable outcomes for all stakeholders including customers, businesses, employees, unions, the environment and the community at large.

ST Engineering embraces the Business Excellence (BE) Framework as a roadmap for its business excellence journey and for achieving its sustainability goals. The BE Council was established in early 2007 to provide direction and oversight to assess where we are on the journey, review performance, identify opportunities for improvement and take action for our sustainability performance. The BE Council also regularly reviews the Framework to ensure its relevance. The last review was conducted in 2014.

The BE Council meets at least twice a year, while its component committees meet at least four times a year. The committees are chaired by members of the senior management team, and involve the relevant management and operating staff from all business areas.

The committees publish the work and results of their initiatives and performance, and share them at the annual Business Excellence Seminar. The theme in 2014 was ‘Sustainable Development’ with the opening keynote presentation by an invited sustainability expert Professor Kenneth Richards. The BE Council’s leadership shared what each committee had achieved and what the plans were for the coming year. Employees who have made outstanding contributions in the areas of innovation, productivity and EHS were also recognised during this event.
THE BUSINESS EXCELLENCE COUNCIL

BUSINESS EXCELLENCE Secretariat

BUSINESS FORESIGHT COMMITTEE
1 Identify and analyse emerging risks and opportunities (including sustainability issues) that are material to the Group
2 Review and update the Group’s vision and mission statements

TECHNOLOGY, IPR & INNOVATION COMMITTEE
1 Identify key technological trends, analyse their impact on sustainable growth, and recommend new areas for business growth
2 Promote and manage innovative and creative efforts within the Group
3 Promote, manage and exploit IP portfolio

CUSTOMER EXCELLENCE COMMITTEE
1 Foster a customer centric culture that inculcates a ‘customer first’ mindset
2 Establish and implement customer excellence practices

PEOPLE EXCELLENCE & LEARNING ORGANISATION COMMITTEE
1 Foster a committed and engaged workforce
2 Develop and maximise the potential of our employees
3 Build a healthy pipeline of talent and leaders for sustainable growth

ENVIRONMENT, HEALTH & SAFETY COMMITTEE
1 Promote and share best practices in:
   a) managing and enhancing workplace safety and employees’ health and well-being;
   b) managing and reducing the environmental impact of our activities, thereby minimising our carbon and water footprints; and
   c) assuring system safety of our products and services
2 Establish common frameworks to fully comply with all applicable environmental, health and safety regulatory requirements and meet customers’ requirements and applicable international standards

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
1 Review the impact of local and international practices and trends on the Group’s community development programmes; and make recommendations to the Council regarding these matters
2 Promote awareness of the current and future impact of our actions on the communities where we operate

CHAIRMAN
President & CEO
ST Engineering
WE BELIEVE THAT FOR A POLICY TO BE EFFECTIVE, IT SHOULD BE UNDERSTOOD. OUR CODE OF BUSINESS CONDUCT & ETHICS IS WRITTEN IN LANGUAGE THAT IS CLEAR AND SIMPLE, GIVING GUIDANCE TO SITUATIONS WHEN IN DOUBT. IT INDICATES APPROACHABLE AND ANONYMOUS LINES OF OUTREACH.

WORKPLACE AND BUSINESS CONDUCT INCLUDES RESPECT FOR PEOPLE, NON-DISCRIMINATION, SAFETY FIRST, SECURITY OF INFORMATION, IDENTIFYING AND AVOIDING BRIBERY, CARE FOR THE ENVIRONMENT, AND ENGAGING OUR COMMUNITY. BESIDES EMPLOYEES, IT IS COMMUNICATED AND APPLICABLE TO CONTRACTORS, CONSULTANTS AND AGENTS.

CODE OF BUSINESS CONDUCT AND ETHICS

To maintain an ethical environment that encourages and promotes professional and ethical conduct of the management and staff members, a Code of Business Conduct and Ethics (‘Code’) has been promulgated.

Our Code applies to all employees in ST Engineering and in all subsidiary companies, in which we have management control. Contractors, consultants and agents who are working on our behalf will be required to act consistently with the Code when acting on our behalf.

Our Code reflects our expectations on responsible behaviour towards our material sustainability issues. It sets out the guiding principles and desired behaviour that embody how our people are expected to operate, and embrace the business practices and standards of behaviour that support the commitment to honest and ethical business conduct. Many standards set out in the Code have also been embedded in the various policies and procedures.

Our Workplace Conduct:

- We are committed to providing a work environment that is free from discrimination or harassment of any type.
- We always place safety and occupational health above other business priorities.
- We observe all security and access arrangements at our premises and facilities, as well as all security policies and regulations.
- We must protect company assets from waste, loss, damage, theft, unauthorised disclosure, misuse or infringement.
- We respect the rights and assets of others, including their proprietary information and intellectual property.
- We will use company information technology facilities appropriately and responsibly.
- We are committed to keeping employees’ personal information confidential.
• We will handle Official or Classified information acquired in the course of our work, in accordance with company policies and applicable laws and regulations.

• We must not buy or sell the shares or securities of a company (including ST Engineering) either directly or through family members or other persons, while we are aware of inside information of the company.

Our Business Conduct:

• We will ensure our products are designed and manufactured, and our services provided, in a manner that seeks to reduce the risk of hazard to operators, the public, property and the environment.

• We must refrain from any practices or involvement that could lead to, or be perceived as, a conflict of interest.

• We must not offer, give, seek or accept any personal payment, gift, favour or other advantage in return for any business advantage or to influence a business outcome.

• We should ensure that third party intermediaries are evaluated and appointed in accordance with policies and procedures.

• We must refrain from ‘facilitation payments’ made to government officials or employees to expedite or perform a routine administrative action as these are prohibited and often illegal under local anti-corruption laws.

• We must seek approval for all gifts and hospitality to be given by us on behalf of the company.

• We must declare all gifts and hospitality received, in accordance with policies and procedures.

• We must not contribute any company funds or resources to any political candidates, political officials or political parties for the purposes of obtaining any business or to influence any official action.

• We will comply with all applicable laws and regulations when importing and exporting products, services, technology and information.

• We conduct our business in a fair, honest and ethical manner, in all our dealings with customers, suppliers, partners and competitors.

• We are committed to conduct ourselves in an environmentally responsible manner in all aspects of our work and business, and to use resources efficiently.

• We will support, sponsor and contribute to the well-being of our communities through volunteerism, charitable giving and civic activities.

All employees are briefed on the Code at least once every two years.

ANTI-CORRUPTION AND ANTI-FRAUD PROGRAMME

ST Engineering takes a zero tolerance approach to fraud and corrupt practices. The senior management sets the tone and promotes an anti-fraud culture throughout the Group, through its set of Core Values.

Briefings are also conducted on specific anti-corruption related policies and procedures, broken down into specific topics. Attendees are nominated based on relevance of their job scope.

The Code is included as one of the important documents for the orientation of all new Directors to the Board. Contracts with independent service providers (‘ISP’) including agents, consultants and advisers, must include anti-corruption undertakings and representations as well as acknowledging the ISP Anti Corruption Policy.

In 2014, an e-learning course on anti-corruption was launched for employees identified to be exposed to corruption risks. 1,885 employees in Singapore completed the course in 2014. The e-learning course will be rolled out in phases to all identified employees in Singapore, with plans to extend this to relevant employees in the other countries from 2015.

ST Engineering conducted an assessment for risks related specifically to corruption and fraud (‘Fraud Risk Assessments) across Singapore operations between 2013 and 2014. The Fraud Risk Assessments will be rolled out to overseas operations from 2015 onwards.

Significant corruption risks identified were:

• Corruption by intermediaries;

• Corruption by employees;

• Gifts and entertainment to government officials construed as kickbacks or bribes.

Following the Fraud Risk Assessments, the business operations will review existing
P R O P E L L I N G  S U S T A I N A B L E  G R O W T H
Sustainability Governance (cont’d)

“The Risk Review Committee has oversight of the Anti-Corruption and Anti-Fraud Programme.”

policy and procedures against significant corruption or fraud risks identified to ensure adequacy of the preventive and detective anti-fraud controls.

At its quarterly meetings, the Risk Review Committee reviews the following:

1. Progress and results of the Fraud Risk Assessments against the annual work plan;

2. Progress of the training on the Code and other anti corruption / anti fraud training against the annual training plan;

3. Substantiated fraud and corruption related incidents where lessons learnt and actions taken to strengthen the related controls will be shared, including updates, if any, to the policies and procedures;

4. Offset contracts.

Violations of the Code, as well as violation of laws or regulations, or any wrong doings may be reported through the whistle-blowing channel. The whistle blowing channel is published in the employee intranet portal. Employees can report to the channel on an anonymous basis. Subject to applicable laws, the identity of the employees who raise any such reports is kept in strict confidence and they are protected from any disciplinary or retaliatory action arising by reason of their having made these reports. All fraud and suspected fraud cases received through the whistle blowing channel will be promptly notified to the Audit Committee Chairman. The Audit Committee has the powers to take prompt actions to inquire into the concerns raised.

| BRIEFING FOR COMPLETE ANTI-CORRUPTION POLICIES AND PROCEDURES, DONE IN PHASES: |
|---------------------------------|----------|----------|----------|
|                                 | 2012     | 2013     | 2014     |
| Number of employees             | 1,637    | 1,424    | 3,043    |
| Percentage of employees         | 11%      | 10%      | 21%      |

THE FOLLOWING WERE REPORTED IN 2014:

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>A former employee of a subsidiary of ST Electronics was convicted in the Singapore Court for receiving a bribe of about $57,000 as a reward for appointing an individual as an agent of the subsidiary. He has appealed against the conviction and the outcome of the appeal is pending.</td>
</tr>
<tr>
<td>December</td>
<td>Three public cases against former employees of ST Marine for alleged corruption in Singapore. Further information on these cases is available on the Press Release section of our website.</td>
</tr>
</tbody>
</table>
ST ENGINEERING BELIEVES THAT EFFECTIVE RISK MANAGEMENT IS CRITICAL TO ACHIEVING THE GROUP’S STRATEGIC AND SUSTAINABILITY GOALS. THE RISK REVIEW COMMITTEE AT BOARD LEVEL PROVIDES LEADERSHIP AND DIRECTION IN THE ESTABLISHMENT OF AN ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK THAT IS INSTRUMENTAL TO BUILDING ROBUST RISK MANAGEMENT PROCESSES WITHIN THE GROUP.

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The ST Engineering ERM Framework is a discipline which the Group uses to identify, assess, control and monitor risks from six key areas:

1. Strategic
2. Operational
3. Financial
4. Integrity
5. Legal Compliance
6. Business Continuity

The ERM framework sets out a consistent definition of risk and risk tolerance limits to ensure that business units have a common understanding when identifying and assessing risks.

To enable ERM practices throughout the Group, we invested in a software application known as the GRC system to capture risks and controls in risk registers. The risk and control owners periodically review and update the registers, regardless of where the businesses are located geographically.

As the Group diversifies further across multiple industries, sectors, geographies and jurisdiction, it becomes more important than ever for the senior management team and the Board to have visibility of key business risks. The GRC system therefore provides the needed transparency on risks.

The Group has identified the following significant business risks and has reviewed them with the Risk Review Committee and the Board. Mitigating measures are in place to manage these risks:

1. Competition
2. Risk Inherent in Operating in a Global Market
3. Merger and Acquisition
4. Foreign Exchange
5. Credit
6. Project Management
7. Human Capital
8. Occupational Health and Safety
9. Subcontractor Performance and Key Suppliers
10. Product Quality, Safety and Reliability
11. Post-sales Support
12. Product Obsolescence
13. Export Controls
14. Compliance with Laws and Regulations
15. Business Interruption

More information about the business risks can be found in pages 80-83.

Significant business risks are also identified in all M&A and new business projects and reviewed with the Risk Review Committee.

Further details on the Group’s risk governance, including responsibilities of the Board, Audit Committee and Risk Review Committee, can be found on pages 106-122.

MATERIALITY

Materiality comprises assessment of risks and opportunities. Sustainability considerations are fed into our risk identification and pursuit of opportunities, through our stakeholder engagement channels and Business Foresight Committee. New and existing opportunities are assessed against the ERM framework, with levels of risk defined by both financial and non financial impact descriptors.
IMPACT CONSIDERATION

In 2013, led by the Risk Management department, the Group conducted a materiality assessment of aspects in the GRI G4 guidelines released in the same year. Responsibilities for management and reporting were assigned for each material aspect. The material aspects were mapped onto the key business risks of the Group to ensure completeness and a clear understanding of areas of risks each material aspect posed. Please refer to pages 80-83.

The diagram on page 79 illustrates the material aspects by level of direct impacts (x-axis) and level of influence from key internal and external stakeholders (y-axis).

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<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Financial</th>
<th>Quality, Health &amp; Safety</th>
<th>Compliance</th>
<th>Reputation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders &amp; Investors</td>
<td>✓</td>
<td></td>
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<tr>
<td>Customers</td>
<td></td>
<td>✓</td>
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<td>✓</td>
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<tr>
<td>Regulators &amp; Government</td>
<td></td>
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<td>✓</td>
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<tr>
<td>Employees &amp; other workers</td>
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<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Suppliers</td>
<td>✓</td>
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INFLUENCE AND ASSESSMENT IMPACT OF MATERIAL ASPECTS

The Group is satisfied that the ERM framework is sufficiently robust in capturing financial and non-financial impact arising from sustainability issues. Notwithstanding, ST Engineering recognises that there is room for improvement in strengthening our capacity and practices in the sustainability journey. The Group worked with a team of external sustainability experts to develop a sustainability roadmap, built on a gap analysis of where ST Engineering stood vis-à-vis regional and industry peers.
INFLUENCE AND ASSESSMENT IMPACT OF MATERIAL ASPECTS

STAKEHOLDER INFLUENCE

High

Freedom of Association & Collective Bargaining

Energy & Greenhouse Gas Emissions

Supplier Assessment

Local Communities

Environmental Products & Services

Medium

Customer Health & Safety

Labour Practices & Grievances Mechanism

Non-Discrimination

Labour Management Relations

Procurement Practice

Low

Employment

Compliance (Products & Services)

Economic Performance

Training & Education

Anti-Corruption

Occupational Health & Safety

ECONOMIC, ENVIRONMENTAL & SOCIAL IMPACT

INHERENT RISKS

Competition
Risk inherent in operating in a global market
Merger & Acquisition
Foreign Exchange
Credit
Project Management

Human Capital
Occupational Health & Safety (OHS)
Subcontractor Performance & Key Supplies
Product Quality, Safety & Reliability

Post-sales Support
Product Obsolescence
Export Controls
Compliance with Laws & Regulations
Business Interruption
The Group’s inherent top risks:

<table>
<thead>
<tr>
<th>RISK AREA</th>
<th>INHERENT RISK</th>
<th>RELEVANT GRI MATERIAL ASPECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>Competition</td>
<td>• Energy and GHG emissions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Environmental Products and Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Risks inherent in operating in a global market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Group conducts business in a number of countries and, as a result, assumes risks that are associated with operating in a global market. Some of these risks include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Changes to government regulations and administrative policies that may result in greater costs and constraints but at the same time present new business opportunities;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Political changes that could lead to changes in the business environment in which the Group operates;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Economic downturns;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Political instability and civil disturbances that could disrupt the Group’s business activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Group seeks to maintain a more balanced portfolio by spreading its business operations across several markets. It continues to pursue new emerging markets such as Africa, Central Asia and the Gulf region to further expand and diversify its revenue streams. The Group also keeps pace with government regulations and administrative policies, and ensure that appropriate actions are taken in response to these changes.</td>
</tr>
<tr>
<td></td>
<td>Merger and Acquisition</td>
<td>One of the avenues through which the Group seeks to grow its businesses is the acquisition of business entities and operating assets or joint ventures. M&amp;A risks include the under-performance or failure of acquired entities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>M&amp;A activities, ranging from the identification of targets to conducting due diligence, are supported by a dedicated team of investment professionals and augmented by external professionals for specialised services. The business proposals are guided by a given set of internal investment criteria, evaluated by senior management and endorsed by a Business Investment and Divestment Committee before seeking final Board of Directors’ approval.</td>
</tr>
<tr>
<td>RISK AREA</td>
<td>INHERENT RISK</td>
<td>RELEVANT GRI MATERIAL ASPECTS</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Financial</td>
<td><strong>Foreign Exchange</strong>&lt;br&gt; The Group’s foreign exchange risk arises both from its subsidiaries operating in foreign countries, generating revenue and incurring cost denominated in foreign currencies, and from operations of its local subsidiaries which are transacted in foreign currencies.&lt;br&gt;The Group’s foreign exchange exposures are primarily from USD and Euro, and the Group enters mainly into forward currency contracts to hedge against its foreign exchange risk resulting from anticipated sale and purchase transactions denominated in foreign currencies in accordance with the Group’s hedging policy.&lt;br&gt;The Group also enters into cross currency swap to hedge the foreign exchange risk of its loans denominated in foreign currencies.</td>
<td>• Economic Performance</td>
</tr>
<tr>
<td>Credit</td>
<td><strong>Credit</strong>&lt;br&gt;Credit risk, or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Company or its subsidiaries obtain collateral from customers or arrange master netting agreements. Cash terms, advance payments and letters of credit or bankers’ guarantees are required for customers of lower credit standing.</td>
<td>• Economic Performance</td>
</tr>
<tr>
<td>Operational</td>
<td><strong>Project Management</strong>&lt;br&gt;The main business activity of the Group relates to management and execution of projects for defence and commercial customers. Risks relating to project management are therefore inherent in the business. These may include issues relating to project costs and schedules, as well as contractual and quality matters.&lt;br&gt;The Group has project review and quality assurance systems in place to mitigate such risks.&lt;br&gt;All contracts of material value require review by legal counsel, and significant deviations from pre-approved standard contract terms and conditions are to be highlighted and presented to higher levels of management for review and approval.</td>
<td>• Economic Performance</td>
</tr>
<tr>
<td>Human Capital</td>
<td><strong>Human Capital</strong>&lt;br&gt;The recruitment and retention of qualified and experienced personnel is critical to achieving the Group’s strategic objectives. ST Engineering continues to work with local authorities in markets where it operates, and leverages training, retention schemes, scholarships as well as alternative sources for hire to sustain its growth. Talent management programmes also help to create a pool of potential successors for key positions.</td>
<td>• Training and Education&lt;br&gt;• Employment&lt;br&gt;• Labour/Management Relations&lt;br&gt;• Labour Practices&lt;br&gt;• Grievances Mechanisms&lt;br&gt;• Non-discrimination&lt;br&gt;• Freedom of Association and Collective Bargaining&lt;br&gt;• Local Communities</td>
</tr>
</tbody>
</table>
### Propelling Sustainable Growth

Enterprise Risk Management & Materiality (cont’d)

<table>
<thead>
<tr>
<th>Risk Area</th>
<th>Inherent Risk</th>
<th>Relevant GRI Material Aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational</td>
<td>Occupational Health and Safety (OHS)</td>
<td>• Occupational Health and Safety</td>
</tr>
</tbody>
</table>
|           | Subcontractor Performance and Key Suppliers | • Procurement Practices  
|           | | • Supplier Assessment (Environmental, Labour Practices, Human Rights and Impacts on Society) |
| Product Quality, Safety and Reliability | Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. The Group recognises that as systems become increasingly more complex, the impact on the surroundings increases. Efforts must be made to protect the safety of those who use the products. Accordingly, the Group has implemented system safety in all the products since the 1990s. The Group embraces system safety with emphasis of safety at the design stage, carrying through to safety in use, and all the way to disposal. The Group actively promotes awareness and a culture of system safety within its organisation and among its key suppliers. In addition, the Group has a comprehensive insurance programme for product and service liability. | • Customer Health and Safety  
|           | Post-sales Support | • Compliance (Products and Services) |
|           | Product Obsolescence | • Economic Performance  
|           | | • Environmental Products & Services |

To provide a safe working environment, ST Engineering has integrated safety measures into key business activities with detailed OHS policies. The Group also seeks continuous improvement through proactive hazard and risk identification and constant monitoring of the safety targets. The Group has also initiated various programmes and activities to raise OHS awareness, and inculcate a safety culture and instil a responsibility in all of the employees. This includes regular safety briefings & trainings, health talks and recreational activities.

The Group is dependent upon the delivery of key materials or components by suppliers and the performance by its subcontractors in a timely manner, and in accordance to specifications. The respective sector procurement function is responsible for establishing and managing end-to-end integrated supplier arrangements within each of their respective sectors. Supplier milestones and performance are reviewed periodically by the respective project teams.

Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. The Group recognises that as systems become increasingly more complex, the impact on the surroundings increases. Efforts must be made to protect the safety of those who use the products. Accordingly, the Group has implemented system safety in all the products since the 1990s. The Group embraces system safety with emphasis of safety at the design stage, carrying through to safety in use, and all the way to disposal. The Group actively promotes awareness and a culture of system safety within its organisation and among its key suppliers. In addition, the Group has a comprehensive insurance programme for product and service liability.

Post-sales support is essential to the Group’s overall strategy in promoting customer excellence. It is often complex, as it involves high volume of work that is driven by intermittent and unpredictable events, in the countries where the customers are located. The Group makes investments into infrastructures, systems and processes to support our customers in the use of the product or service post sales. This is critical to our customer retention, operational performance and competitive differentiation.

The Group is affected by changes to technology and industry business structures and models. To keep pace with these developments, the Group, through analysis of the key technological trends and their potential impact on sustainable growth, constantly identifies new areas for business development and growth, promotes and manages innovative and creative efforts and invests in R&D efforts.
<table>
<thead>
<tr>
<th>RISK AREA</th>
<th>INHERENT RISK</th>
<th>RELEVANT GRI MATERIAL ASPECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Compliance</td>
<td>Export Controls</td>
<td>• Compliance</td>
</tr>
<tr>
<td></td>
<td>Exports of ordnance products, which constitute a portion of the Group’s sales, are typically subject to export control regulations. Changes in these regulations could have an impact on the Group’s sales, while non-compliance could result in financial penalties, suspension of projects or even restrictions on future export business. The Group continues to place great emphasis on this area and has formal systems in place and designated personnel to ensure export control regulations are complied with.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compliance with Laws and Regulations</td>
<td>• Energy and GHG emissions</td>
</tr>
<tr>
<td></td>
<td>The Group, with its operations in several parts of the world, is subject to applicable laws and regulations of various jurisdictions. These laws and regulations include anti-corruption laws, aviation laws and regulations, export controls, safety and environmental regulations, anti-competition laws, etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Failure by the Group to comply with these laws and regulations may result in criminal liabilities such as fines and penalties, and / or the suspension or debarment of the Group from government contracts.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Group has in place a framework that proactively identifies applicable laws and regulatory obligations, and embeds compliance into the day-to-day business processes.</td>
<td>• Water</td>
</tr>
<tr>
<td></td>
<td>Business Continuity</td>
<td>• Occupational Health and Safety</td>
</tr>
<tr>
<td></td>
<td>Business Interruption</td>
<td>• Compliance</td>
</tr>
<tr>
<td></td>
<td>The Group recognises that quick recovery and resumption of business operations after a disruption are critical to minimising financial, operational and reputational impact.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accordingly, it has in place a Business Continuity Management Framework (BCM Framework), which embodies enterprise-wide planning and arrangements of key resources and procedures that enable the Group to respond and continue to operate critical business functions across a broad spectrum of interruptions to the business, arising from internal or external events.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Besides incorporating force majeure clauses in all contracts to mitigate risk from acts of God, the Group also has in place a comprehensive insurance programme aimed at mitigating financial losses that might arise from such risks.</td>
<td>• Economic Performance</td>
</tr>
</tbody>
</table>
## Propelling Sustainable Growth
### Sustainability Targets & Performance

### WHAT WE DID IN 2014

<table>
<thead>
<tr>
<th>Sustainability Governance</th>
<th>• Commenced alignment of environmental management approach of the US operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>• Met target spending on R&amp;D</td>
</tr>
<tr>
<td>Productivity</td>
<td>• More than 75% employees are involved in productivity initiatives</td>
</tr>
<tr>
<td>People Excellence</td>
<td>• Reviewed annual Team Excellence Competition assessment criteria</td>
</tr>
<tr>
<td></td>
<td>• Organised Team Excellence Convention 2014 based on enhanced assessment criteria</td>
</tr>
</tbody>
</table>

### WHAT WE WILL DO IN 2015

<table>
<thead>
<tr>
<th>Sustainability Governance</th>
<th>• Start to include US operation in sustainability report progressively from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Meet target spending on R&amp;D</td>
</tr>
<tr>
<td></td>
<td>• Involve at least 75% employees in productivity initiatives</td>
</tr>
<tr>
<td></td>
<td>• Review questions for Employee Opinion Survey 2015</td>
</tr>
<tr>
<td></td>
<td>• Organise Team Excellence Convention 2015</td>
</tr>
<tr>
<td></td>
<td>• Organise Business Excellence Seminar 2015</td>
</tr>
</tbody>
</table>

### Executing Operations Responsibly

| Environment               | • Implemented energy management system in line with ISO 50001 |
|                          | • Participated in the Carbon Disclosure Project (CDP) report for first time |
|                          | • Tracked water consumption |
|                          | • No significant fines or sanctions for non-compliance to environmental laws and regulations |

<p>|                          | • Continue journey to reduce greenhouse gas intensity by 16% on a business as usual basis for Singapore operations by 2025 with the base year as 2010 |
|                          | • Achieve ISO 50001 certification for all Singapore operations |
|                          | • Measure water efficiency for Singapore operations |
|                          | • No significant fines or sanctions for non-compliance to environmental laws and regulations |</p>
<table>
<thead>
<tr>
<th>WHAT WE DID IN 2014</th>
<th>WHAT WE WILL DO IN 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td><strong>Sustainable Procurement</strong></td>
</tr>
<tr>
<td>• Improved noise conservation programme for employees indentified to be at risk for Early Noise Induced Deafness (E-NID)</td>
<td>• Engaged a consultant to help develop a group-wide sustainable procurement strategy</td>
</tr>
<tr>
<td>• Achieved AFR and ASR below national benchmarks</td>
<td></td>
</tr>
<tr>
<td>• No significant fines or sanctions for non-compliance to safety laws and regulations</td>
<td>• Develop ST Engineering Sustainable Procurement Policy and Code of Conduct for Suppliers</td>
</tr>
<tr>
<td><strong>Sustainable Procurement</strong></td>
<td></td>
</tr>
<tr>
<td>• Adopted London Benchmarking Group (LBG) guidelines</td>
<td></td>
</tr>
<tr>
<td>• Extended strategic community development partnership that leverages on ST Engineering’s unique expertise</td>
<td>• Improve reporting based on LBG guidelines</td>
</tr>
</tbody>
</table>

More information on targets, programmes, performance and activities in 2014 can be found under respective sections.
INNOVATION

Innovation is central to our value creation model. Synthesising the most advanced ideas with practical needs, we continuously push frontiers to maintain our competitive edge. Where there are opportunities, innovation serves as a critical lever to create products and services that empower our customers to operate in a sustainable and resource-efficient manner.

Our Group Chief Technology Officer chairs our Technology, Intellectual Property and Innovation (TII) Committee. The TII Committee is tasked to ensure there is a stream of ideas and innovations in the pipeline, with representatives across our businesses to facilitate innovation of integrated solutions.

Working with the TII Committee is the Technology Management Committee, which also reports to the Chief Technology Officer. This committee focuses on the execution aspect of projects relating to innovation, and discusses and identifies action plans for the Group. The committee also draws insights from emerging technologies and trends, and shares them with the business units.

Each business sector nurtures its research and development projects, and also works across businesses.
PROPELLING SUSTAINABLE GROWTH

on collaborative research and development projects. Inputs from the Business Foresight and Customer Excellence committees are incorporated into innovation project development.

Employees with outstanding ideas are given prizes and the opportunity to develop their ideas. In addition, the ideas and achievements of these employees are given recognition at both Group and business sector level at events including the annual President’s Forum.

ST Engineering’s unrelenting focus on innovation earned us a place on Forbes’ list of The World’s Most Innovative Companies 2014, the only Singapore company on the list.

Some platforms to encourage innovation are as follows:

- Our Advanced Engineering Centre works closely with inventors, innovative firms and the academia, to develop strategic partnerships that have the potential to develop new business or product ideas for the Group.

- The Idea Competition is an annual event for employees to present their ideas for innovative products, services, new businesses and environmentally friendly solutions to senior management. Winning ideas are nurtured by the relevant business units. The quantity, quality and geographical diversity of entries received have grown steadily over the years.

- THINKOUT is our in-house biennial event to bring together entrepreneurial and creative problem solvers from across the business sectors and functions. The event is structured to leverage on the confluence of diverse expertise and experiences to generate new perspectives to overcome challenges facing our customers.

In inculcating an innovative culture, employees are encouraged to constantly challenge conventions, explore new ideas and implement innovative ideas.

PRODUCTIVITY

Productivity is about better use of our resources: from facilities, equipment and materials to the skills, knowledge and teamwork of our people. In doing so, we improve our value proposition to our customers.

At ST Engineering, productivity is also a key strategy where we engage our employees collectively. We believe that workforce productivity and engagement is critical to the success and resilience of the Group.

The Group’s productivity agenda focuses on six drivers of productivity:

1. Enabling a productive work environment;
2. Encouraging innovation and leveraging technology;
3. Developing people and enhancing skills;
4. Organising work systems and reviewing work processes;
5. Adopting best practices and networking;

Each business sector has a Productivity / Economic Value Added (EVA) Steering Committee which identifies critical initiatives to focus on and determine the monitoring and review process, based on the nature of the initiatives. Sources of productivity initiatives include Kaizen Projects, Quality Improvement Teams, EVA projects, Idea and Innovation Competitions, and the Staff Suggestion Scheme.

More than 75% of employees contributed to productivity initiatives in 2014. We believe that every employee is an expert in their job and thus best positioned to seek improvements. We empower employees through our continuous learning approaches to learn to spot and eliminate wastage of resources in business processes. Exemplary contributions are acknowledged through awards such as Top Kaizen Awards, EVA Awards, and the best teams and individuals are recognised at the annual Business Excellence Seminar as well as best practices and project sharing sessions.
AT ST ENGINEERING, OUR EMPLOYEES ARE ENCOURAGED AND EMPOWERED TO COME UP WITH INNOVATIVE SOLUTIONS TO IMPROVE OUR WORK PROCESSES. HERE ARE SOME EXAMPLES OF OUR INITIATIVES:

**Enhancing and improving turnaround time**

In the offshore service industry, the removal and retrofitting of vessel propeller and shaft is a labour intensive process that involves certain levels of risks. Such tasks are part of the repair services that ST Marine provides. ST Marine designed and built an innovative jig that comprised a propeller shaft extractor, a supporting stand with roller assembly and a detachable track. Besides reducing the crew size required by 50% from six men to three, the use of the jig also prevents body injuries and fatigue.

The project earned several commendations from customers for quality work achieved within a shorter turnaround time. This project won the Star Award in the ST Engineering Team Excellence Convention Innovation & Quality Circle 2014.

**Increasing cost effectiveness, reducing equipment required**

A Kaizen project was initiated to improve the productivity of the hard chroming of SAR21 and GPMG barrels. After a detailed review of the process, the cycle time per batch was reduced by 40% and the operating manpower required was reduced by 33%. An adaptor was developed and fitted to the GPMG barrel rotating fixture, such that both types of barrels can be chromed in the same loading. This results in greater production flexibility and efficiency, and cost savings from requiring two different sets of rotating fixtures.

ST Kinetics’ SAR21 assault rifle and GPMG gun
Leveraging Knowledge Management

ST Electronics developed a software programme that allows its service engineers to rectify network and system failures more efficiently. Called the System Maintenance Management and Knowledge Portal, it standardises the historical data collected by engineers, and provides a more accurate fault analysis. This makes it easier for the engineer to review past service records and be better equipped to attend to the problem. With the Portal, time taken to restore a network and system from failure on-site has improved by 25%.

Reducing labour time, increasing quality of work

An important task in aircraft maintenance, repair and overhaul (MRO) is to detect corrosion, remove it and measure the remaining aircraft skin thickness. ST Aerospace worked with an external party to develop a dedicated testing platform using Phase Array Ultrasonic technology coupled with automated data extraction to carry out the measurements.

This innovative inspection and measurement method resulted in manhour savings, reduced fatigue level of the technician performing the task and improved the turnaround time for the maintenance of the aircraft. The technology is being incorporated into Airbus’ Structure Repair Manual for the A319, A320 and A321. Other airlines and aircraft MRO companies are similarly able to do so as the SRMs are available to them.

Building on its success, we are developing software upgrades that will expand the capabilities to perform other inspections such as delamination and porosity of composite parts.

The System Maintenance Management and Knowledge Portal helps service engineers work more efficiently.
Investing in our people is the key to our continued success and delivery of strategic advantage both locally and globally.

**HOW WE MANAGE**

The People Excellence and Learning Organisation (PELO) committee drives our human capital management programmes.

Key indicators, such as turnover rates and training utilisation, are reported and analysed monthly at business sector level. Selected indicators are also reported quarterly at Group level.

Our Employee Value Proposition articulates our commitments in:

- Investing in high performing teams by providing continuous development opportunities to our people, and nurturing and grooming leaders;
- Providing continuous learning and development opportunities to strengthen our technical and leadership competencies;
- Developing a workforce that promotes innovation and entrepreneurship, guided by our core values;
- Rewarding excellence and encouraging work-life harmony.

All business sectors have talent management and development programmes based on specific industry needs.

Information on how we engage our employees can be found on page 67.

**Nurturing a Talent Pool**

To identify and develop talent early, scholarships are awarded to outstanding students who have demonstrated leadership qualities. These students go on to pursue undergraduate and graduate studies in courses relevant to the Group in leading universities such as Massachusetts Institute of Technology, Imperial College London and Tsinghua University. 18 scholarships were awarded in 2014.

The Young Engineers Programme (YEP) was developed to promote engineering as a career. Junior college students interact with our Chief Technology Officers, and are assigned mentors and buddies throughout the programme. They are given internship opportunities and invited to visit our facilities. 22 students were selected for the YEP in 2014.

Internships for tertiary students are thoughtfully designed to provide exposure to various business and career opportunities. ST Engineering offered 665 internships this year.

At the business sector level, ST Aerospace signed Memorandum of Understandings (MOUs) with Singapore Polytechnic and Republic Polytechnic to develop skilled aviation talents, where participating students will be able to work on real-life projects through industrial attachments. 25 students participated in 2014.

To attract individuals from non-marine backgrounds, ST Marine works with industry and union partners to equip these individuals with knowledge and skills to progress as marine technical associates, supervisors and engineers in the marine industry.

**Grooming Our Leaders**

At ST Engineering, we believe in grooming leadership at all levels. The online self-assessment tool, Leadership Enhancement Portal (LEAP), provides a database of learning resource items that helps to develop a Personal Development Action Plan based on an employee’s preferred learning style. In addition, ST Engineering also engages external consultants to facilitate leadership competency assessments.

Employees not only have the opportunity to assume managerial roles and move up the general management track, but the more technically-inclined also have the option to progress along the engineering specialist path. These two career tracks fulfill different career aspirations. Employees who are versatile may also move between tracks to gain more exposure.

We identify, groom and secure a pipeline of leaders to take up key positions in the Group. Senior employees may be selected for Senior Leadership Development Programme and Executive Education Programmes in leading universities such as Harvard, Stanford and INSEAD.

**Diversity and Inclusion**

In demonstrating our commitment to diversity and inclusion, ST Engineering signed the Employer’s Pledge of Fair Employment Practices. There were no reported incidences of discrimination by employees in 2014.

We regard our workers who are past retirement age as a valuable and stable resource. Thus, we have also signed a Memorandum of Understanding to offer retirement planning and reemployment opportunities to all employees leading up to and beyond the retirement age. In 2014, there are 483 employees beyond the age of...
62. ST Engineering also works collaboratively with the union to facilitate the re-employment of older employees, implementing processes and systems ahead of the tripartite guidelines announced in 2010.

As the Group expands its global footprint, a conscious effort is made to equip our employees with the skills to operate effectively in culturally diverse business units through overseas assignments, postings and attachment programmes.

Scholarships and internships are also offered to students studying at top universities in China and India. In 2014, there were 25 interns from China and 8 from India.

**Career Development**

Our training development plan and performance management system work in tandem to support the career progression of our employees. All employees will have at least one performance appraisal session annually with their supervisors, where they can discuss their current work progress and career aspirations. It also serves as a platform to identify skill gaps required for the current and next level of job requirements.

We continue to send employees for professional training and skills upgrading, including undergraduate and postgraduate studies. In 2014, 80 employees received sponsorships for undergraduate and graduate studies, including 9 who were sent for the Master of Defence Technology and Systems Programme.

We are committed to developing our employees for excellence, beyond technical competencies. Training programmes include communication skills such as business writing, and our Building Interpersonal Skills Programme, which covers a range of topics such as active listening strategies.

**Rewarding Our People**

We offer competitive remuneration, and reward individual contribution with performance-based pay and bonuses. Regular salary reviews are conducted to ensure that our annual remuneration package remains competitive. For example, we have revised the entry pay of our engineers to ensure that we remain attractive as a career option for young engineering talent.

We grant eligible employees performance shares with KPIs that drive efficiency, productivity and profitability. The Group also gives out awards to recognise deserving employees.

**Promoting Work-Life Harmony**

We recognise that employees increasingly seek a balance between work and personal life. We provide a supportive work environment with a degree of work schedule flexibility. A formal framework for flexible work arrangements has been introduced.

Our Sports & Recreation Clubs organise activities catering to the needs of different employee profiles. These activities include sports like badminton, soccer and bowling; customised wellness programmes ranging from talks and annual health screenings to kickboxing, shiatsu and cardio dance; and social activities such as canteen sales, prawn-catching and karaoke contests.

**Union Relations**

ST Engineering recognises that harmonious labour management relations are built on trust and fairness.
We respect all employees’ fundamental rights to freedom of association, including the right to be members of trade unions. In Singapore, we take guidance from the Industrial Relations Act. The excellent relations between the unions and management have earned the Group several awards from the National Trades Union Congress.

In 2014, 33% of our employees are covered under collective bargaining agreements. We ensure our unions maintain representations on key committees such as safety and welfare so that concerns that affect daily activities are better heard. Union-Management meetings are held at least twice a year. At these Union-Management meetings, both parties discuss and resolve staff issues expeditiously, clarify policies and seek buy-in on new initiatives, improve the management-employee relationship and generally enhance the working climate.

Monthly staff branch union meetings are means to discuss, clarify and resolve issues, and seek buy-in on new initiatives.

The coverage of health and safety topics in formal agreements with unions can be found on page 95.

We have achieved zero stoppage of work arising from any industrial action to date.

WORKFORCE PROFILE FOR SINGAPORE OPERATIONS

EMPLOYMENT BY GENDER

Full-time Male 11,635 Female 2,958
Part-time Male 15 Female 20

EMPLOYEES VS SUPERVISED WORKERS

Employees Supervised Workers*
Male 11,650 Female 2,978 Male 2,284 Female 93

EMPLOYEES BY EMPLOYMENT TYPE & GENDER

EMPLOYMENT BY EMPLOYMENT CATEGORY

Managers Executives Non-Executives
≥65 158 325 359
40+ - 50 3,651 4,397
30+ - 40 2,631
20+ - 30
18-20 6

* Supervised workers refer to foreign workers whom we hire through contractors. They work on our premises and are supervised by us.
We continuously review our training and development programmes to ensure a dynamic workforce. The average training hours per employee in 2014 is 43.2 hours.
EXECUTING OPERATIONS RESPONSIBLY

ST ENGINEERING IS COMMITTED TO PROTECTING THE ENVIRONMENT AND THE HEALTH AND SAFETY OF OUR EMPLOYEES, CUSTOMERS, AND THE COMMUNITIES WHERE WE OPERATE.


The Committee meets quarterly to set direction and review the overall EHS performance and progress of each of the sub-committees. The sub-committees also meet regularly to monitor and discuss practices and initiatives to enhance their respective areas. Benchmarking exercises are conducted externally to identify opportunities for cross-learning.

To encourage individuals and teams from business sectors to find innovative solutions to EHS challenges, our business sectors compete for rewards and recognition at the Group, industry and national levels. The ST Engineering BE EHS Excellence Award recognises outstanding efforts in EHS innovation and helps raise the profile of EHS issues among our employees.

ST ENGINEERING ENVIRONMENT, HEALTH AND SAFETY (EHS) STATEMENT

We at ST Engineering are committed to protecting the environment for our future generations; promoting the wellbeing and safeguarding the occupational health and safety of our employees; and ensuring the safety of our products and services for our customers.

We fulfill this commitment by:

1. Complying fully with applicable EHS regulations.
2. Working with our business partners on their compliance with applicable EHS regulations and our EHS requirements.
3. Integrating EHS best practices into our daily activities.
4. Permeating a positive EHS culture with a strong sense of individual and collective responsibility among our employees and business partners working within our premises.
5. Improving our products and processes continually to reduce our environmental impact in the areas of emissions, waste material generation, water utilisation and energy consumption.
6. Setting realistic annual targets and monitoring our performance to continually enhance the effectiveness of our environmental, health and safety management systems towards both minimising our carbon and water footprints, and achieving zero incident in workplace injury, occupational disease and environmental pollution.
7. Ensuring our products and services are safe to produce, operate, support and service while minimising environmental impact through the use of system safety principles.
ST Engineering is committed to ‘Safety Before Profit’. The health and safety of our employees and contractors working on our products and delivering our services, as well as the health and safety impact arising from the use of our products are very important to us. We recognise the positive impact of health and safety on increasing work effectiveness, raising employees’ morale and enhancing our Group’s reputation. At the same time, we are cognizant of the negative impact manifested through lost time, higher costs and schedule delays. Product safety is a key criterion in our product quality assessment. Our system safety initiatives ensure that safety implications are thoroughly assessed and managed throughout the entire product life cycle.

HOW WE MANAGE

Through our monitoring and continuous improvement efforts, we aim to achieve our goal of zero accidents. We believe that ‘Safety Starts With Me’ and strive to build a culture whereby all staff abide by all safety rules and proactively stop all unsafe practices they see in the workplaces. The Group’s duty of care extends to all employees, visitors, supervised workers and sub-contractors working within our premises.

The EHS Committee drives our health and safety efforts. The objectives are set out in the EHS Statement in page 94 and the EHS Committee ensures health and safety management systems are properly implemented and improved upon, setting performance indicators and monitoring them. Programmes such as sharing opportunities and benchmarking projects take place annually to drive and sustain improvements. The EHS Committee also organises recognition events to acknowledge efforts of individuals and teams who contribute ideas to improve our health and safety practices.

Each business sector monitors leading and lagging health and safety indicators on a monthly basis, with Group-wide data reviewed on a quarterly basis. Data is analysed over the past years, then presented and discussed at management review meetings.

Joint representation of management and employees supports a collaborative safety conscious culture. Representatives are selected from the worker level up to supervisory personnel, middle management and higher management in compliance with Workplace Safety and Health (WSH) Council regulation. Our collective agreements with our trade unions cover among other things, the following: personal protective equipment; joint management-employee health and safety committees; participation of worker representatives in workplace safety inspection, training and education; complaints mechanism; right to refuse unsafe work; periodic inspections; and clear and large safety message signboards at our facilities.

Occupational Health and Safety

All our local business units are certified to OHSAS 18001:2008 standards by established certification bodies. Our operations in Singapore also adhere to the WSH Act.

All business sectors participate in the national WSH Award, keeping abreast of best practices. We also organise induction briefings, health talks and occupational health seminars for our employees, and toolbox briefings for employees and contractors where WSH issues are discussed. Other initiatives are sector-specific, such as safety training for work-at-height workers, supervisors and managers. In addition, to better prepare ourselves for business continuity, we conduct emergency response exercises such as fire drills and chemical spill simulations. Our business sectors also share information with one another on successful safety initiatives and accident cases so the rest can learn from the experiences.

To raise awareness of workplace safety to the wider community, ST Engineering partnered WSH Council to organise the Safety@Work Creative Awards for the tenth year in 2014. The winning posters and animation clips by tertiary students were subsequently reproduced and made available to industrial companies as resources for training.

“ We believe that ‘Safety Starts With Me’ and strive to build a culture whereby all staff abide by all safety rules and proactively stop all unsafe practices they see in the workplaces. ”
EXECUTING OPERATIONS RESPONSIBLY
Health & Safety (cont’d)

Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) registered a slight increase across other sectors as a result of greater reporting awareness within the workforce. The increase in AFR and ASR for Land Systems is due to three injuries that arose from use of machinery and tools, that resulted in recuperation periods over two months. We will strengthen training and communication to ensure that our employees are able to handle equipment in a safe manner.

All sectors have implemented the Behaviour-based Safety (BBS) programme. BBS aims to eliminate substandard work practices, a primary cause of injury, by shaping mindsets to achieve a safety focused culture and environment.

AFR and ASR figures across sectors remain below national industry averages.

* 2014 national average of manufacturing and marine sectors is an average of January to June only, as full year data is not yet available as of date of report preparation.
EXECUTING OPERATIONS RESPONSIBLY

Categories of products and services are assessed for improvement. Each business sector proactively identifies areas for improvement and plans new initiatives to promote system safety. We continue to participate actively in the annual International System Safety Conference to learn and share processes, methods and techniques that advance objectives in the system safety discipline. In 2014, three papers were selected for presentation at the conference. In addition, each business sector also presents at least one topic for our annual internal ST Engineering System Safety Seminar, held in October 2014.

PERFORMANCE INDICATORS (2014)

<table>
<thead>
<tr>
<th>Category</th>
<th>Aerospace</th>
<th>Electronics</th>
<th>Land Systems</th>
<th>Marine</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Occupational Health Activities Organised (target &gt; 4)</td>
<td>25</td>
<td>11</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>Audiometric Examination (Percentage of staff attended out of those identified at risk)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Respiratory Protection Training (Percentage of staff attended out of those identified at risk)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Number of Occupational Disease Cases</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of Noise Induced Deafness Cases</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Our occupational health programmes focused on risk assessment, hygiene monitoring, medical examination, noise induced deafness management and promotional activities. Our occupational health risk assessment programme involves regular reviews and surveillance inspections of the work environment. All employees identified to be exposed to occupational health hazards will undergo an annual medical examination.

We conducted inter-sector studies and sharing and engaged vendors to keep abreast of best practices in these focus areas. WSH teams are formed to look into innovative practices and solutions to improve safety and health in the workplace. In 2014, the WSH teams also won various WSH awards in both industry and national conventions. For a list of our health and safety awards, please refer to page 63.
Climate change, widely thought by climate scientists to be caused by an increase in greenhouse gases in the atmosphere, is an issue of increasing urgency. Correspondingly, climate change is an issue of increasing importance to ST Engineering. We believe that a low carbon business strategy not only enables us to better respond to climate change regulations and price volatility of hydrocarbon resources, it also provides us with opportunities to meet the rising demand for energy efficient products. Being energy efficient also cuts our operating costs.

Water is a valuable natural resource and ST Engineering believes in conserving it and ensuring that our operations are conducted in the most water efficient manner. Likewise, pollution is stringently controlled to protect our employees, and the communities where we operate.

**HOW WE MANAGE**

Environmental efforts are driven by the EHS Committee. Our objectives are set out in the EHS Statement (see page 94).

We take progressive steps towards achieving environmental sustainability and environmental excellence. Our challenge is to minimise our environmental impact across all our business sectors’ operations. Our commitments to tackle the challenges include:

- Analysing our energy consumption profile and its impact on climate change;
- Taking initiatives towards better resource management through conservation programmes;
- Making continuous effort on caring for the environment and prevention of environmental pollution; and

- Benchmarking efforts and investing in technology towards environmental sustainability.

All ST Engineering’s local business units are certified to ISO 14001:2004, and are audited by reputable third party auditors on a yearly basis. In addition, internal auditors who are our employees trained by external consultants also carry out audits to assess the implementation of our environment management system and standards. The audits also assess business units’ compliance with key legislation.

Environmental issues are among those periodically reviewed and addressed by the Control Self-Assessment (CSA) Team and the Regulatory Compliance Audit (RCA) Team.

In 2014, there were no significant fines or incidents relating to non-compliance of environmental laws and regulations.

**Environmental Management Plan for Excellence**

The environmental management plan for excellence shows how ST Engineering will progress through management systems to leadership and excellence, in alignment with our vision, mission and key strategic thrusts.

Our first steps towards environmental sustainability focus on our processes that minimise the use of resources and environmental waste. The next steps will be examining the possibility of using renewable resources and evaluating the life cycle of ST Engineering’s products and processes to help us understand how they fit into the natural cycle, meaning that raw materials would come from renewable sources and waste would be assimilated into the environment without causing harm.

The Group sets annual objectives and targets for its performance relating to the environment. These targets are supported by a work plan, which is an integral part of the EHS Committee’s annual plan. This work plan and EHS Committee’s annual plan are reviewed quarterly.

The business sectors conduct a wide range of briefings and training on environmental compliance and related management topics for their employees in accordance to their needs. Other means of communication to raise environmental awareness include sharing of best practices, study visits and articles relating to the environment published in our newsletters. The newsletters are distributed to all employees and some of our customers.

**Environmental Products and Services**

Cities and organisations are increasingly looking to reduce their environmental impact. Our innovation and productivity initiatives incorporate these considerations into our product development.

Energy efficiency, in particular, is an area of focus. Besides developing energy efficient products, we also design mid-life upgrades with state-of-the-art technology to ensure that products continue to perform in an energy efficient manner. This is important as most of our products have a long service life, and tend to consume significantly more energy than when first manufactured.

In 2014, our investments in innovation resulted in energy reductions from our products and services, with estimated energy savings of 5,200 terajoules.
Climate Change
An external consultant was engaged in 2010 to map out the carbon footprint of ST Engineering’s operations in Singapore. In 2011, the 2010 greenhouse gas emissions computation was audited and validated to ISO14064. Operations in the USA had begun their greenhouse gas emissions computation journey in 2014. All operations in Singapore are planned to be ISO 50001 certified in 2015.

We target to reduce greenhouse gas intensity by 16% below 2025 business as usual levels, with the base year set at 2010.

We are continuously exploring energy efficiency initiatives, including technological investments that provide a reasonable rate of return. These initiatives include:

- Installation of data loggers;
- Replacement of chillers and lighting to energy efficient models;
- Installation of motion sensors in toilets and staircases;
- Use of transparent corrugated sheet to bring natural daylight to the production area in the day; and
- Implementation of productivity work measures such as more efficient layout and process flow.

The amount of energy consumed is very dependent on the product mix delivered during the year. The greenhouse gas intensity remained at about the same level since 2012. Scope 1, 2 and 3 emissions decreased slightly in 2014.

* Intensity figures are normalised using revenue from Asia, which Singapore is a significant contributor.

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**ENERGY CONSUMPTION**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Energy Consumption (GJ)</td>
<td>410,356</td>
<td>578,560</td>
<td>362,749</td>
</tr>
<tr>
<td>Indirect Energy Consumption (GJ)</td>
<td>511,396</td>
<td>527,996</td>
<td>527,061</td>
</tr>
<tr>
<td>Energy intensity* (GJ/S$ m)</td>
<td>245.23</td>
<td>286.04</td>
<td>235.34</td>
</tr>
</tbody>
</table>

**GREENHOUSE GAS EMISSIONS**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Energy Consumption (GJ)</td>
<td>29,598</td>
<td>59,719</td>
<td>8,775</td>
</tr>
<tr>
<td>Indirect Energy Consumption (GJ)</td>
<td>39,454</td>
<td>61,650</td>
<td>9,231</td>
</tr>
<tr>
<td>Energy intensity* (GJ/S$ m)</td>
<td>26.76</td>
<td>28.52</td>
<td>25.94</td>
</tr>
</tbody>
</table>

In 2014, ST Engineering participated in the Carbon Disclosure Project (CDP) for the first time, and was named Best New Responding Company (for Hong Kong and South East Asia).
Greenhouse Gas Inventory

ISO 14064-1:2006 specifies principles and requirements at the organisation level for quantification and reporting of greenhouse gas (GHG) emissions and removals. The GHG Protocol defines direct and indirect emissions as follows:

- Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity.
- Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

The GHG Protocol further categorises these direct and indirect emissions into three broad scopes:

- Scope 1: All direct GHG emissions.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.
- Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport related activities in vehicles not owned or controlled by the reporting entity, electricity related activities (e.g., T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.
Environment Protection

ST Engineering business sectors use water in their facilities for processes, products, cooling, cleaning and general sanitation uses. Our source of water is solely from municipal water supplies.

In 2014, our water consumption increased by about 26%. Water efficiency improvement efforts were focused on Marine and Land Systems sectors, which accounted for 70% of total water consumption. Initiatives undertaken included installation of digital water meters at strategic locations within the facilities, installation of water-saving devices such as water thimbles and flow reducing valves, and the use of NEWater for certain processes. Water conservation awareness was promoted through toolbox briefings, talks, productivity projects and other campaigns such as World Water Day. In addition, the business sectors aim to implement the Water Efficiency Management Plan in 2015, so as to further improve water conservation initiatives.

All ST Engineering business sectors have introduced waste minimisation and recycling initiatives. We constantly monitor our operations to look out for opportunities to reduce, recycle or reuse the waste generated. This includes the use of computer numerical controlled (CNC) cutting machines to minimise material wastages and initiating double-sided printing for all working documents.

Based on the Code of Practice on Pollution Control, our business units have taken conscious efforts to reduce pollutants generated as a result of operations. This includes:

- Segregation of waste through waste bin management programme which include heavy metals, lead batteries, contaminated oil and plastics etc;
- Substituting the use of environmentally friendly degreaser and chemicals for components and vehicle washing/maintenance;
- Centralising the storage, monitoring and distribution of chemicals for better control; and
- Introduction of wet abrasive blasting to progressively replace conventional blasting.

<table>
<thead>
<tr>
<th>WATER CONSUMPTION ('000 m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2012</td>
</tr>
</tbody>
</table>

More than 1,500 employees forming a water droplet in support of World Water Day.
In December 2013, we engaged a consultant to assist in the development of a procurement sustainability strategy for the Group.

Working with the consultant, the Group mapped out our supply chain and undertook a supply chain sustainability risk assessment, which included a SWOT analysis, and assessing the economic, social and environmental impacts in the supply chain.

The Group’s businesses rely on a diverse range of suppliers to deliver high quality goods and services to customers. Our suppliers include Original Equipment Manufacturers (OEMs), Commercial Off-the-Shelf (COTS) goods manufacturers and suppliers, authorised distributors, stockists and agents, wholesalers and traders, contractors, sub-contractors and services providers. Across our business sectors, we purchase a wide variety of goods and services as illustrated on page 103.

The Group purchased more than $2.47b worth of goods and services in 2014 from a diverse range of suppliers across our businesses. Our supplier base included 15,675 suppliers located in 73 countries, of which about 76.4% per cent of these were suppliers based in Singapore. In 2014, Singapore-based suppliers accounted for 52.6% per cent of our total purchase value at the Group level. Less than 5% of our suppliers were located in developing countries. In other words, a large majority of our suppliers are in developed countries where social and environmental risks are considered to be low.

The Group intends to develop a sustainability vision, policy and strategy, and a supply chain monitoring and audit framework which will be progressively implemented across the Group from 2015.
### TYPES OF GOODS AND SERVICES PROCURED

<table>
<thead>
<tr>
<th>AEROSPACE</th>
<th>ELECTRONICS</th>
<th>LAND SYSTEMS</th>
<th>MARINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft engine, parts and components.</td>
<td>Electronic hardware, parts, components and equipment.</td>
<td>Engines, transmissions, electronics, electrical, tyres and other parts and components of vehicles.</td>
<td>Major marine equipment</td>
</tr>
<tr>
<td>Oil and lubricants and chemicals.</td>
<td>Communication hardware, parts, components and equipment.</td>
<td>Materials: steel, aluminum, titanium, rubber, plastic, chemicals etc</td>
<td>Marine hardware and automation.</td>
</tr>
<tr>
<td>Engineering services and on-wing support.</td>
<td>IT Software.</td>
<td>Vehicle fuel, oil and lubricants.</td>
<td>Bulk material: Timber and building material, steel material, Aluminum material, rubber material</td>
</tr>
<tr>
<td>Tools and GSE Support.</td>
<td>Miscellaneous industrial tools and items.</td>
<td>Production equipment and supply.</td>
<td>Miscellaneous industrial tools and items.</td>
</tr>
<tr>
<td>Safety Equipment.</td>
<td>Safety equipment.</td>
<td>Measuring and testing equipment.</td>
<td>Furniture &amp; fittings, sanitation fittings.</td>
</tr>
<tr>
<td>Services, sub-contractors.</td>
<td>Services, sub-contractors.</td>
<td>Safety equipment.</td>
<td>Safety equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Services, sub-contractors.</td>
<td>Services, sub-contractors.</td>
</tr>
</tbody>
</table>

### IT Equipment and Services

- Office supplies
- Professional Services
Our engineering expertise provides us an opportunity to inspire students to build a better future for themselves and others. In partnership with Assumption Pathway School (APS), ST Engineering organised a project where students build professional grade remote-controlled vehicles with the support of our staff mentor. The project culminated in an exciting and memorable race event and the formation of the school’s RC (remote control) Club where current and future students could join to learn more about wireless control applications.

With the objective to inspire and motivate students to stay and do well in school, ST Engineering aimed to forge a well-rounded partnership. Students participated in student attachments, and are given opportunities to visit our facilities and interact with our engineers and technicians. We created academic awards for excellence and the most improved, and funded an assistance scheme for needy students to support expenses such as textbooks, transport, and school lunches.

In recent years, ST Engineering has been exploring long-term partnerships where it can contribute with its vast engineering resources and expertise. To this end, we embarked on a partnership with Assumption Pathway School (APS) in 2013. APS is an educational institution that works to transform and empower students who have difficulty accessing or completing mainstream education. We have extended it for the next three years with the hope that the partnership can develop in size and content to benefit more students. Our sponsorship amounts to an annual commitment of $30,000.

At ST Engineering, supporting communities where we operate enables us to cultivate employees with compassion, one of our core values. We are committed to be a good corporate citizen, a firm that our employees are proud to belong to. We seek to leverage on our unique expertise to benefit lesser served segments of society.

HOW WE MANAGE
We focus our efforts on the less fortunate in society. Our community contributions operate both at a Group and business sector level. In order to assess our contributions and impact on the community systematically, we adopted the London Benchmarking Guidelines (LBG) in 2014.

We are working with SG Enable, a unit of the Ministry of Social and Family Development, to support the Enabling Village. When completed in third quarter of 2015, the Enabling Village will be a focal point of services for Persons with Disabilities (PWD) and their caregivers. Within the Enabling Village is a one-stop consultancy
and education centre to showcase how assistive and information technologies (AT/IT) can help meet the needs of PWD, as well as educate caregivers, employers and the public about AT/IT equipment available.

The centre at the Enabling Village will also allow our engineers to put to good use their expertise to help PWD.

We contribute financially to various charities on a regular basis. For example, we continued our support for the President’s Challenge in 2014 with a contribution of $370,000. Our donations were channelled to Community Chest and Voluntary Welfare Organisations by the organiser of the President’s Challenge.

Our people also give their time. Our employees organise visits, outings and celebrations with the less fortunate in society, and also volunteered for the International Coastal Cleanup Singapore.

Employees and their families participated in the International Coastal Cleanup Singapore.