

SEMBCORP MARINE SUSTAINABILITY REPORT 2019

SGX SUSTAINABILITY REPORTING INDEX

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GRI STANDARDS: CORE OPTION CONTENT INDEX

The 2016 GRI Standards have been adopted for this report except for GRI 303 Water and Effluents and GRI 403 Occupational Health and Safety which are based on the revised 2018 Standards.

Details on Sembcorp Marine's alignment with the UN Sustainable Development Goals (SDG) and IPIECA / API / IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting can be found at: <https://www.sembmarine.com/sustainability/sustainability-at-semcorp-marine>

Disclosure Number	Disclosure Title	Page Reference / Notes	Aligned Frameworks
			<ul style="list-style-type: none"> UN Sustainable Development Goals (SDG) IPIECA / API / IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting
GRI 102: GENERAL			
Organisational profile			
GRI 102-1	Name of the organisation	<ul style="list-style-type: none"> Sustainability Report Cover Page 	UN SDG 3, 4, 7, 8, 9, 12, 13, 14, 15, 16, 17
GRI 102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> Key Capabilities www.sembmarine.com/key-capabilities Sustainability Report - Pages 4-5, 12, 20-23 	
GRI 102-3	Location of headquarters	<ul style="list-style-type: none"> Sustainability Report Back Cover Page 	
GRI 102-4	Location of operations	<ul style="list-style-type: none"> Annual Report Pages 4-5 	
GRI 102-5	Ownership and legal form	<ul style="list-style-type: none"> Annual Report Pages 52-53 	
GRI 102-6	Markets served	<ul style="list-style-type: none"> Annual Report Pages 4-5, 213 Key Capabilities www.sembmarine.com/key-capabilities 	
GRI 102-7	Scale of the organisation	<ul style="list-style-type: none"> Sustainability Report Pages 4-5, 39 Annual Report Pages 1, 27-32, 33-41, 111-118, 213 	
GRI 102-8	Information on employees and other workers	<ul style="list-style-type: none"> Sustainability Report Page 39 <p><i>Full-time/part-time categories are not reported as the number of part-time employees is not significant at less than 1%.</i></p> <p><i>There are no significant variations in workforce numbers in the year. A significant portion of production operations is carried out by subcontract workers who supplement the regular workforce.</i></p> <p><i>Data are compiled using the Group's HR management system.</i></p>	
GRI 102-9	Supply chain	<ul style="list-style-type: none"> Sustainability Report Pages 6-9 Annual Report Page 84 Value Chain Management www.sembmarine.com/sustainability/value-chain-management 	
GRI 102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> Annual Report Pages 6-15, 84 Sustainability Report Pages 8-9 	
GRI 102-11	Precautionary Principle or approach	<p>Sembcorp Marine adopts a precautionary approach in our sustainability management</p> <ul style="list-style-type: none"> Sustainability Report Pages 63-64 Annual Report Pages 77-82 Material Issues www.sembmarine.com/sustainability/material-issues 	
GRI 102-12	External initiatives	<ul style="list-style-type: none"> Sustainability Report Pages 1, 4-5, 13, 19, 26-27, 29, 37, 43, 46-47, 49, 55-59, 65 Annual Report Pages 12, 57, 79, 84, 87 	
GRI 102-13	Membership of associations	<ul style="list-style-type: none"> Sustainability Report Pages 5, 59, 65 Annual Report Pages 57 	
Strategy			
GRI 102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> Sustainability Report Pages 2, 63 Annual Report Pages 6-15 	
GRI 102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> Sustainability Report Pages 4-5, 6-7, 64 Annual Report Pages 6-17, 77-82 	
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> Annual Report Pages 1 (inside front cover), 59-61 Sustainability Report Pages 1, 4-5, 43, 62-65 Code of Business Conduct www.sembmarine.com/code-business-conduct Supplier Code of Conduct www.sembmarine.com/supplier-code-of-conduct 	UN SDG 8, 16 IPIECA / API / IOGP : SE11, SE12
GRI 102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> Annual Report Pages 73, 79-80 Code of Business Conduct www.sembmarine.com/code-business-conduct Supplier Code of Conduct www.sembmarine.com/supplier-code-of-conduct 	

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			<ul style="list-style-type: none"> UN Sustainable Development Goals (SDG) IPIECA / API / IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting
Governance			
GRI 102-18	Governance structure	<ul style="list-style-type: none"> Annual Report Pages 44-49, 50 Sustainability Report Pages 62-63 	UN SDG 8, 16
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> Sustainability Report Pages 62-63 	
GRI 102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> Annual Report Pages 44-49, 59-61 Sustainability Report Pages 62 	
GRI 102-23	Chair of the highest governance body	<ul style="list-style-type: none"> Annual Report Pages 44-49, 59-63 Sustainability Report Pages 62 	
GRI 102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> Annual Report Pages 64-66 	
GRI 102-25	Conflicts of interest	<ul style="list-style-type: none"> Annual Report Pages 59, 61-65, 73 Code of Business Conduct www.sembmarine.com/code-business-conduct Supplier Code of Conduct www.sembmarine.com/supplier-code-of-conduct 	
GRI 102-35	Remuneration policies	<ul style="list-style-type: none"> Annual Report Page 66-69 	
GRI 102-36	Process for determining remuneration	<ul style="list-style-type: none"> Annual Report Page 66-69 	
GRI 102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> Annual Report Page 68-69 	
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	<ul style="list-style-type: none"> Sustainability Report Pages 6-7 Stakeholders and Engagement Platforms www.sembmarine.com/sustainability/stakeholders 	UN SDG 8, 17
GRI 102-41	Collective bargaining agreements	<i>In Singapore, about 8% of the Group's employees are covered under collective bargaining agreement.</i>	
GRI 102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> Stakeholders and Engagement Platforms www.sembmarine.com/sustainability/stakeholders 	
GRI 102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Sustainability Report Pages 6-7 Stakeholders and Engagement Platforms www.sembmarine.com/sustainability/stakeholders 	
GRI 102-44	Key topics and concerns raised	<ul style="list-style-type: none"> Stakeholders and Engagement Platforms www.sembmarine.com/sustainability/stakeholders 	
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> Annual Report Pages 220-223 Sustainability Report Page 1 	
GRI 102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> Annual Report Pages 83-87 Sustainability Report Pages 1, 4-7 Value Chain Management www.sembmarine.com/sustainability/value-chain-management 	
GRI 102-47	List of material topics	<ul style="list-style-type: none"> Sustainability Report Pages 4-5 Material Issues www.sembmarine.com/sustainability/material-issues 	
GRI 102-48	Restatements of information	<ul style="list-style-type: none"> Sustainability Report Pages 29, 33 	
GRI 102-49	Changes in reporting	<ul style="list-style-type: none"> Sustainability Report Page 1 	
GRI 102-50	Reporting period	<ul style="list-style-type: none"> Sustainability Report Page 1 	
GRI 102-51	Date of most recent report	<i>March 2019</i>	
GRI 102-52	Reporting cycle	<i>Yearly</i>	
GRI 102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> Sustainability Report Page 1 	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	<i>This report has been prepared in accordance with the GRI Standards: Core option.</i>	
GRI 102-55	GRI content index	www.sembmarine.com/scm2016/wp-content/uploads/2020/03/Sembcorp-Marine_SR19_SGX-GRI-Content-Index.pdf	
GRI 102-56	External assurance	www.sembmarine.com/scm2016/wp-content/uploads/2020/03/Sembcorp-Marine_SR2019_Assurance-Report.pdf	

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			<ul style="list-style-type: none"> UN Sustainable Development Goals (SDG) IPIECA / API / IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting
GRI 103: MANAGEMENT APPROACH			
GRI 103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Sustainability Report Pages 1, 4-5 Stakeholders and Engagement Platforms www.sembmarine.com/sustainability/stakeholders Material Issues www.sembmarine.com/sustainability/material-issues 	
GRI 103-2	The management approach and its components	<ul style="list-style-type: none"> Sustainability Report Pages 4-5, 12-15, 18-23, 26-33, 36-38, 40-43, 46, 48-51, 54-59, 62-65 Sustainability at Sembcorp Marine www.sembmarine.com/sustainability/sustainability-at-semcorp-marine 	
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Sustainability Report Page 4-5, 62 Annual Report Pages 70-73, 77-78 	
SPECIFIC STANDARD DISCLOSURES			
Economic			
GRI 201, 205, 206	Management approach disclosures	<ul style="list-style-type: none"> Sustainability Report Pages 4-5, 12-15, 18-23, 62-65 	UN SDG 7, 8, 9, 14, 17
GRI 201-1	Direct economic value generated and distributed	<i>In 2019, Sembcorp Marine generated ~\$2.88 billion in total direct economic value. We distributed ~\$2.93 billion through materials and services costs (~\$2.34 billion), employee wages (~\$416 million), income and other taxes paid to government (~\$45 million), dividends and interests paid to capital providers (~\$130 million), and community engagement programmes (~\$1.81 million). After these value distributions excluding ~\$1.81 million, Sembcorp Marine retained -\$46.2 million.</i>	
GRI 205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> Sustainability Report Page 65 <p><i>All members of the governance body (i.e. the Board of Directors) received trainings on anti-corruption before 2019. Anti-corruption trainings are provided to all new Board members. There was no training conducted in 2019 as no new member joined the Board in 2019.</i></p>	
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<ul style="list-style-type: none"> Sustainability Report Page 65 	
Environment			
GRI 301, 302, 303, 305, 306, 307	Management approach disclosures	<ul style="list-style-type: none"> Sustainability Report Pages 4-5, 26-33 	UN SDG 3, 7, 12, 13, 14, 15 IPIECA / API / IOGP : E1, E2, E3, E6, E9, E10
GRI 301-1	Materials used by weight or volume	<ul style="list-style-type: none"> Sustainability Report Page 33 	
GRI 302-1	Energy consumption within the	<ul style="list-style-type: none"> Sustainability Report Page 28 	
GRI 302-4	Reduction of energy consumption	<ul style="list-style-type: none"> Sustainability Report Page 29 	
GRI 303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> Sustainability Report Page 33 	
GRI 303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> Sustainability Report Page 33 	
GRI 303-3	Water withdrawal	<ul style="list-style-type: none"> Sustainability Report Page 33 	
GRI 305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Sustainability Report Page 29 	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Sustainability Report Page 29 	
GRI 306-3	Significant spills	<ul style="list-style-type: none"> Sustainability Report Page 32 	
GRI 307-1	Non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> Sustainability Report Page 32 	

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			<ul style="list-style-type: none"> UN Sustainable Development Goals (SDG) IPIECA / API / IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting
Social			
GRI 401, 403, 404, 405, 406, 408, 409, 413, 416	Management approach disclosures	<ul style="list-style-type: none"> Sustainability Report Pages 4-5, 18-23, 26-33, 36-38, 40-43, 46, 48-51, 54-59 Stakeholders and Engagement Platforms www.sembmarine.com/sustainability/stakeholders Human Rights & Social Responsibility www.sembmarine.com/sustainability/human-rights-social-responsibility Caring Globally www.sembmarine.com/sustainability/caring-globally 	UN SDG 3, 4, 8, 9, 13, 14, 15, 17 IPIECA / API / IOGP : HS1, HS3, SE1, SE4, SE8, SE9, SE15, SE16, SE17, SE18
GRI 401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> Sustainability Report Page 39 <p><i>New hire rate is computed based on number of new hires divided by monthly average headcount</i> <i>New Employee Hire Rate: 14%</i> <i>By Gender</i> <i>Male: 14%; Female: 21%</i> <i>By Age Group</i> <i><30: 21%; 30 - 49: 12%; 50 and above: 4%</i> <i>By Region</i> <i>Singapore: 13%; Brazil: 25%; Indonesia: 10%; Rest of the world: 13%</i></p> <p><i>Employee turnover rate is computed based on number of attrition divided by monthly average headcount</i> <i>Employee Turnover Rate: 23%</i> <i>By Gender</i> <i>Male: 23%; Female: 22%</i> <i>By Age Group</i> <i><30: 26%; 30 - 49: 23%; 50 and above: 17%</i> <i>By Region</i> <i>Singapore: 24%; Brazil: 24%; Indonesia: 14%; Rest of the world: 15%</i></p>	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Sustainability Report Page 42 <p><i>Benefits such as leaves, social security contributions and insurance coverage are applicable to full-time, contract and part-time employees, with the exception of temporary staff. Variable incentives and flexible benefits may differ depending on individual contracts and performance.</i></p> <p><i>In addition to the above, Singapore yards have a Flexible Benefit Programme where employee benefits can be customised based on individual preferences. Employees can choose from a range of benefits in health care, self-improvement, travel, insurance, childcare and fitness. Additional medical benefits are provided for employees above 35 years of age for the purpose of health screening. In Brazil, EJA yard offers health plan, grocery card and transport benefits. Indonesia yards provide health care benefits and long service incentives.</i></p>	
GRI 403-1	Occupational health and safety management system	<ul style="list-style-type: none"> Sustainability Report Pages 46, 48-49 	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> Sustainability Report Page 49 The Right To Stop Work www.sembmarine.com/sustainability/safety 	
GRI 403-3	Occupational health services	<ul style="list-style-type: none"> Sustainability Report Page 50 	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> Sustainability Report Page 50 	
GRI 403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> Sustainability Report Page 49 Training www.sembmarine.com/sustainability/safety 	
GRI 403-6	Promotion of worker health	<ul style="list-style-type: none"> Sustainability Report Pages 42, 50 	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> Sustainability Report Pages 6-9, 19 Code of Business Conduct www.sembmarine.com/code-business-conduct Supplier Code of Conduct www.sembmarine.com/supplier-code-of-conduct 	
GRI 403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> Sustainability Report Page 48 Risk & Safety Management Systems www.sembmarine.com/sustainability/safety 	
GRI 403-9	Work-related injuries	<ul style="list-style-type: none"> Sustainability Report Page 47 <p><i>Sembcorp Marine reports on Accident Severity Rate, Accident Frequency Rate and Workplace Incident Rate in alignment with Singapore Ministry of Manpower's industry benchmarking metrics.</i></p>	
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"> Sustainability Report Pages 40-42 	

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GRI 404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> Sustainability Report Page 40 <p><i>A total of 9,752 employees, representing 91% of our global workforce, received performance appraisals and career development reviews in 2019. Men accounted for 90% and women 10%, with 41% of the appraised employees from the executive category and 59% from the non-executive category.</i></p>	<ul style="list-style-type: none"> UN Sustainable Development Goals (SDG) IPIECA / API / IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting <p>UN SDG 3, 4, 8, 9, 13, 14, 15, 17</p> <p>IPIECA / API / IOGP : HS1, HS3, SE1, SE4, SE8, SE9, SE15, SE16, SE17, SE18</p>
GRI 405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> Sustainability Report Pages 38-40 <p><i>There is 1 female director (representing 9%) of Sembcorp Marine's Board. All 11 directors are in the 50 years and above age group.</i></p> <p><i>Of the 4,294 employees at the executive level, 81% are male and 19% are female, with 20% under 30 years old, 60% between 30 to 49 years old and 21% above 50 years old. Of the 6,447 employees at the non-executives level, 96% are male and 4% are female, with 47% under 30 years old, 45% between 30 to 49 years old and 8% above 50 years old.</i></p> <p><i>Other indicators of workforce diversity are not significant.</i></p>	
GRI 406-1	Incidents of discrimination and corrective actions taken	<p><i>No reports were received of discrimination or exploitative labour practices relating to the Group's operations or suppliers. The company's operations and supply chain are not considered to have significant risks of child, forced or compulsory labour.</i></p>	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	<ul style="list-style-type: none"> Sustainability Report Pages 1, 55-59 Green Wave Environmental Care Competition www.sembmarine.com/2019/05/22/sembcorp-marines-annual-green-wave-competition-fuels-environmental-awareness-and-creative-sustainability-solutions-among-young-people-in-southeast-asia Sembcorp Marine SchoolBAG 2019 awards www.sembmarine.com/2019/11/12/sembcorp-marine-schoolbag-2019-awards-s173500-of-bursaries-to-835-students <p><i>Relevant local community engagement activities were conducted by all operating units during the course of business.</i></p>	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> Sustainability Report Page 19 <p><i>Sembcorp Marine assessed the health and safety impact for two of the sustainable products and solutions that were completed and delivered in 2019 - Sleipnir and Semb-Eco LUV ballast water management system installation onboard semi-submersible rig Transocean Norge.</i></p>	