TRITECH GROUP LIMITED

CREATING SUSTAINABLE VALUE

SUSTAINABILITY REPORT FY2018

CONTENTS

ABOUT THIS REPORT

Tritech Group Limited (hereafter referred to as "**Tritech**" or "**Company**" together with its subsidiaries "**Group**") has always recognised the importance of sustainability for the purpose of long-term value creation both in terms of profitable growth as well as considering environmental and social impact of our operations. We are pleased to report on our Sustainability Practices for the financial year from 01 April 2017 to 31 March 2018 ("**FY2018**").

We had prepared our Sustainability Report for FY2018 by reference to the *Global Reporting Initiative ("GRI") – G4 Sustainability Reporting Guidelines* issued by the Global Sustainability Standards Board. We are also guided by Practice Note 7F of the *Sustainability Reporting Guide* issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), in particular, paragraph 4 therein. Based on the GRI's recommended approach to sustainability reporting and SGX-ST's *Sustainability Reporting Guide*, this report covers key areas of sustainability namely, environmental, social and governance ("**ESG**") factors.

The key material ESG factors for the Group have been identified and were reviewed by the Chairman and the Managing Director ("**MD"**). The Board of Directors (the "**Board**") of the Company oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies. Sustainability is a part of the Group's wider strategy to create long term value for all its stakeholders.

BOARD STATEMENT

Tritech's goal is to become a leading water and environmental group by having a unique platform to provide total solutions for water, environmental and urban infrastructure problems. We do so by owning and operating large, low-cost, and expandable long-life assets diversified by our Water & Environmental Protection and Urban & Environmental Infrastructure business.

Tritech's strategy of owning and operating long-life assets means that we need to think and plan in decades. We can create long-term value only if we safeguard the sustainability of our operations with the support of the communities in which we work. To do that, we must form and maintain deep, authentic and respectful relationships with all of our stakeholders. Sustainability is one of our core values. To us, sustainability means putting health and safety first, being environmentally responsible and supporting our communities. The well-being of our people, the community and the environment is considered in everything that we do.

TARGET

Given that this is our first sustainability report, Tritech does not have any specific targets in place for all of the factors identified in this report. However, we are working to address this as steps are being taken to establish and capture more accurate baseline information. Accordingly, the process of target setting is deferred until such time when adequate data is available.
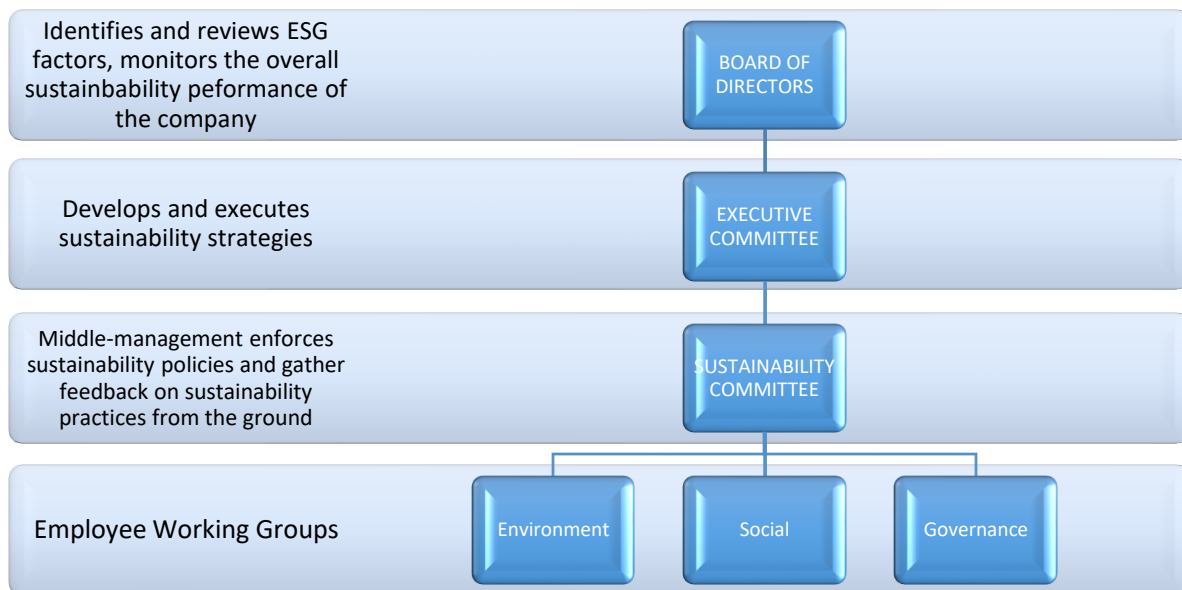
We affirm our commitment to sustainability with the publication of the Company's first sustainability report guided by the Global Reporting Initiative Standards (2016). We have been deeply involved in developing the content of this sustainability report, including the development of material ESG factors, and will continue to monitor, review and update our material ESG factors from time to time, and improve on our sustainability reporting to create value for our shareholders and various stakeholders.

SUSTAINABILITY REPORTING FRAMEWORK

The GRI (Global Reporting Initiative) currently provides the most widely adopted sustainability reporting framework. The GRI reporting framework provides flexibility to the reporters so that they can connect reporting to their strategic targets and sustainability impacts.

This reporting process helps to gain a comprehensive understanding of the risks and opportunities for the business. Sharing information about policies and performance on environmental, social and governance issues helps the company to build trust with customers and partners, monitor and mitigate risk, and find ways to improve efficiency, resulting in a positive impact on the financial results.

As seen below, our sustainability reporting framework involves all echelons of the Group as we believe that everyone should have a role in advancing our sustainability goals.

Identifies and reviews ESG factors, monitors the overall sustainability performance of the company	BOARD OF DIRECTORS
Develops and executes sustainability strategies	EXECUTIVE COMMITTEE
Middle-management enforces sustainability policies and gather feedback on sustainability practices from the ground	SUSTAINABILITY COMMITTEE
Employee Working Groups	Environment · Social · Governance

STAKEHOLDER ENGAGEMENT

We engage with our key stakeholders continuously to align our sustainability approach with their expectations and to better understand what material topic will affect them.

Key Stakeholders	Key Issues Raised	Methods of Engagement
Employees	• Employment and career advancement • Training and Education • Health and safety	• Performance reviews • Internal/external trainings • Workplace health and safety activities
Suppliers and Contractors	• Economic Performance • Procurement Practices	• Regular site visits • Face-to-face meetings and phone calls • Email updates
Government and Regulatory Bodies	• Regulatory compliance	• Meeting with authorities • Attendance at Seminars and workshops organized by regulatory bodies
Investors and Shareholders	• Economic Performance • Growth strategy and future outlook	• Annual General Meeting ("AGM") • Annual report • SGXNet announcements • One-on-one investor meeting

OUR MATERIAL FACTORS

We are of the view that sustainability should be a core to the long-term viability of our organisation. We have identified the material factors that are important to the sustainability of our organisation, namely environmental, social and governance. We seek to address sustainability issues by aligning our business practices to these factors as guidance. At the same time, we remain vigilant in mitigating the risks that may come with changes in our external environment.

Environmental	Social	Governance
• Environmental Impact	• Employee Development • Diversity • Community	• Anti-Corruption • Whistle-blowing

POLICIES, PRACTICES AND PERFORMANCE

1. ENVIRONMENTAL

In Singapore, the government has accelerated action with the announcement of "Carbon tax" and a mandatory electrical and electronic waste management system by 2021. It has also named 2018 the 'Year of Climate Action' for Singapore.

As part of our first wave of initiatives to reduce our environmental impact, we are now monitoring our energy, paper and water consumption trends and endeavour to have a marked reduction of usage for each of these categories. This monitoring and reporting of our consumption trends would be set out according to the GRI guidelines.

Electricity & Paper & Water Consumption in FY2018

Category	FY2018
Electricity consumption	S$160,054
Paper consumption	S$8,453
Water consumption	S$91,519

In recognition that improvements can be made throughout these areas, the executive committee, in consultation with the Board of Directors, has developed a plan as below. We aim to reduce energy usage by 10% for FY2019.

Electricity & Paper & Water Prediction Consumption in FY2019

Category	FY2019
Electricity consumption	S$144,000
Paper consumption	S$7,600
Water consumption	S$82,300

Water Management and Efficiency

Tritech constantly monitors the water consumption level and is following the below effective ways to minimise water wastage.

- Flow regulators;
- Self-closing delayed action faucets/motion-activated faucets; and
- Dual flush/low flush toilets.

Paper Management and Efficiency

Paper management is another important aspect in contributing towards a greener environment. The selection of reduced paper printing, encouraging e-copy and paper recycling are becoming more viable. These savings are attributable to the conscious effort taken by every staff to reduce paper usage. Tritech has established a systematic paper management and recycling programme. Work processes are increasingly made available online to avoid paper consumption. Default settings for double-sided and non-colour printing, use of emails and tracking of paper consumption are some measures implemented by our staff to consume less paper. In addition, Tritech also actively promotes the use of environmental-friendly paper.

Electricity Management and Efficiency

- Savings on electricity consumption by natural ventilation to reduce air-conditioning demands;
- Sun shading, cool paints to reduce heat gain;
- Use of daylight, sun pipes/light shelves to reduce the need for artificial lighting;
- Usage of light efficient LED bulbs instead of fluorescent bulbs – as they produce the same amount of light as incandescent using less energy; and
- Using Occupancy sensors - They provide convenience by turning lights on automatically when someone enters a room. They reduce lighting energy use by turning lights off soon after the last occupant has left the room.

2. SOCIAL

2.1 Employee Development

We place great emphasis on our employees' progress and development within our Group and we seek to enhance their capabilities and work prospects through various internal and external programmes.

All staff sign employment contracts with the key employment terms and conditions clearly spelt out, so that staff fully understands what the terms and conditions mean. This allows staff to understand their rights and obligations as well as those of the company, thus minimising potential employment disputes in future. Key employment terms specified in the

employment contract include the job title and description, duration of employment, working hours, salary and allowances, and (statutory) contributions/deductions, leave entitlements, probation and notice periods, key insurance and medical benefits etc.

All regular full-time staff undergo an annual performance review where there is an open discussion on the staff's performance, areas for improvement, developmental needs and career plans. Our employees are encouraged to participate in training and development programmes such as professional training, executive and leadership development as well as technical seminars, for career growth and personal development. In particular, we have organised these courses for our employees. Please refer to Appendix A for the list of training and courses attended by our employees in FY2018.

The safety and health of our employees and workers may affect their performance and productivity. It is therefore important to manage occupational health and safety risks whilst promoting healthy lifestyles and holistic wellness at the workplace. We are committed to ensuring a safe workplace environment for all our employees and workers.

As most of the company activities are outdoor (construction sites), efforts are made to control incidents/accidents rate within three cases per year. A typical example of a minor injury is described below.

The injury was attained by the worker during bore hole drilling works. The worker was treated at the nearby hospital and was discharged the same day. To prevent similar recurrence of the incident, some recommendations were implemented such as:

a. Advice the crew to use hand tools in the correct method;
b. Drilling crew to wear personal protective equipment at all times within the working zone; and
c. Working with due diligence and ensuring safety measures are in place before and during site works.

The Group follows proper Incident Management procedures that establish guidelines for carrying out thorough investigation after the occurrence of an accident, incident or emergency. In FY2019, the Group aims to reduce injury rates to achieve a zero-harm policy.
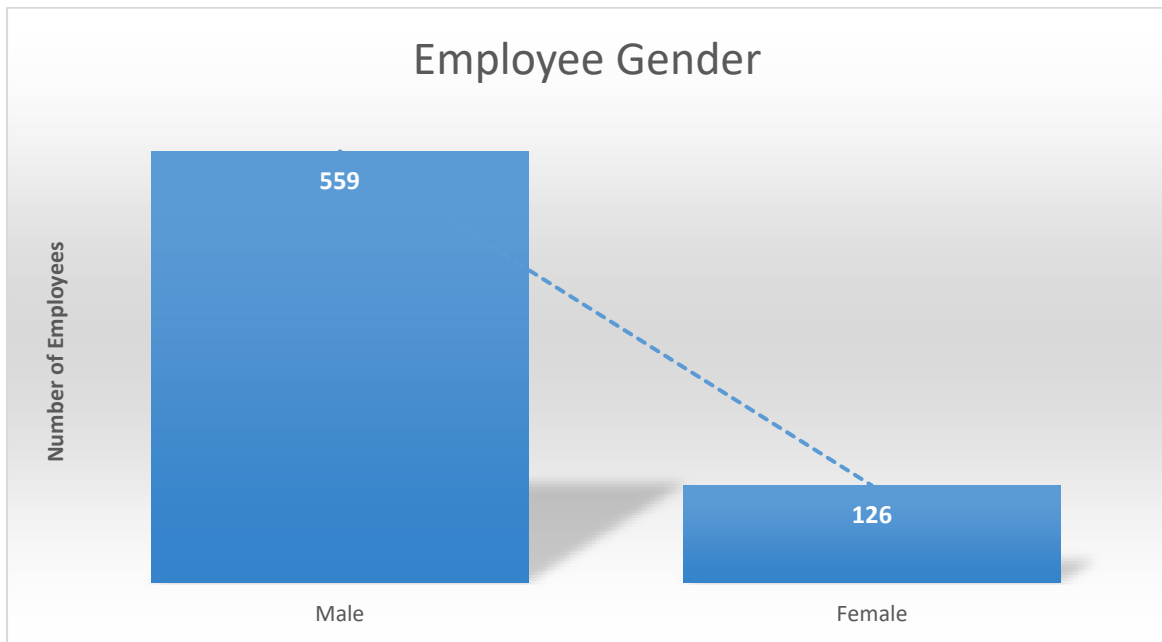
Tritech's care is not only restricted to our employees but also to their family members, their health and well-being. Our employees and their family members have access to annual complimentary basic health screenings. They are also offered comprehensive health screening packages at preferential corporate rates. We assist our employees to achieve a work-life balance by observing a five-day work week, having regard to the requirements of the Group and the exigencies of the business.
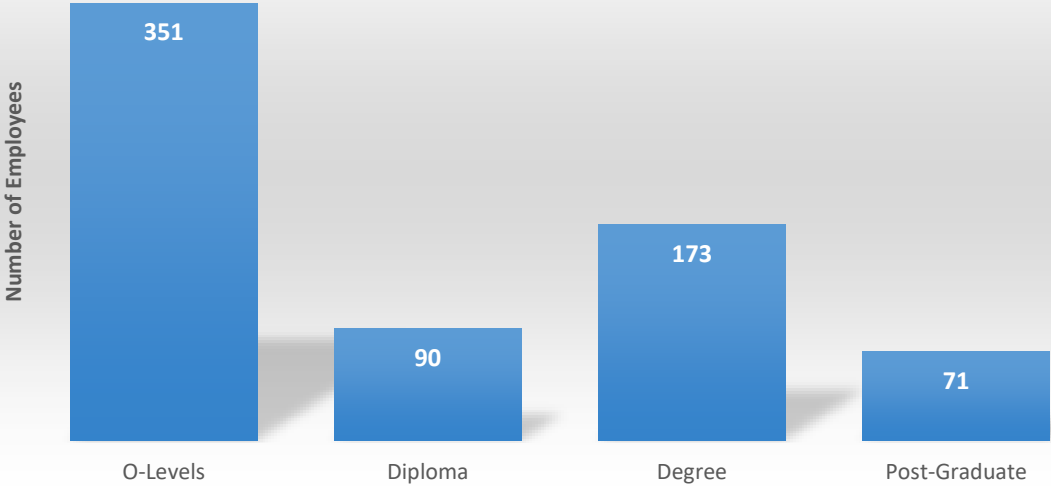
2.2 Diversity

We aim to maintain a reasonable balance in important societal aspects namely gender, educational level, age group, and race. This enables us to create a more flexible working environment for the Group and its workforce. While we endeavour to do so as aforementioned, our hiring practices are limited due to the nature of the work we undertake and the availability of candidates appropriate for that work.

The graphs below show our current progress in meeting our diversity goals.

i)   Gender
ii)   Educational level
iii)   Age group
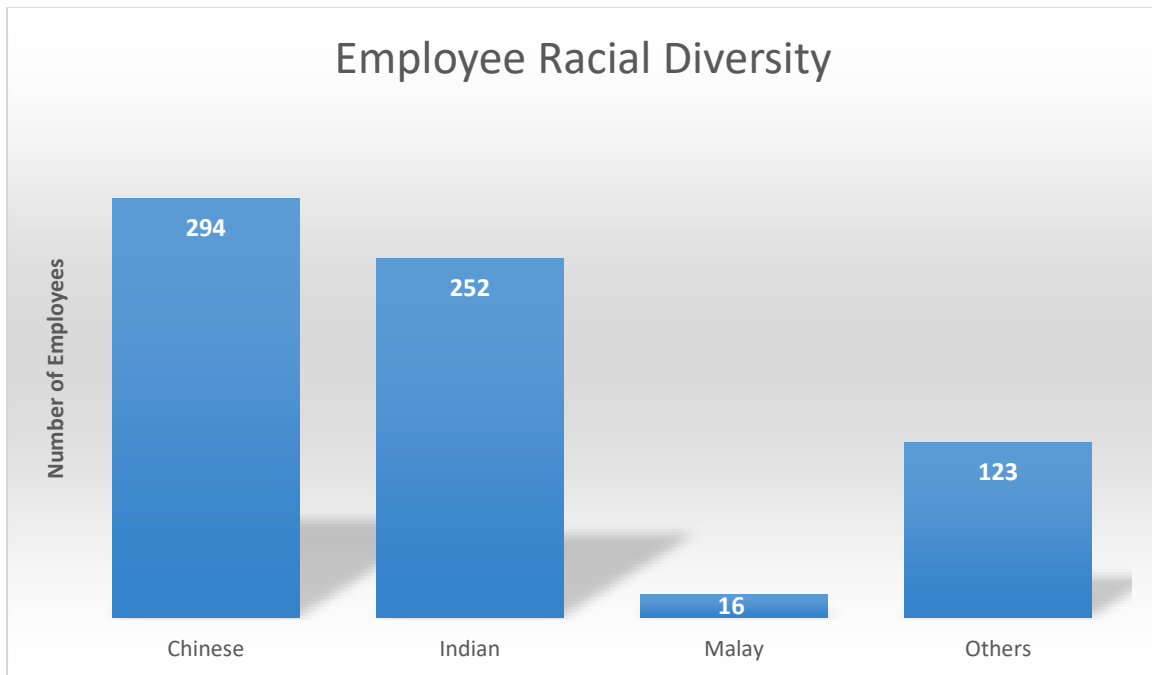iv)   Race

Employee Education Level

Number of Employees

- O-Levels: 351
- Diploma: 90
- Degree: 173
- Post-Graduate: 71

Employee Age Group

Number of Employees

- 20-30: 193
- 30-40: 280
- 40-50: 127
- 50-60: 63
- >60: 22

Employee Racial Diversity

Number of Employees

Chinese	Indian	Malay	Others
294	252	16	123
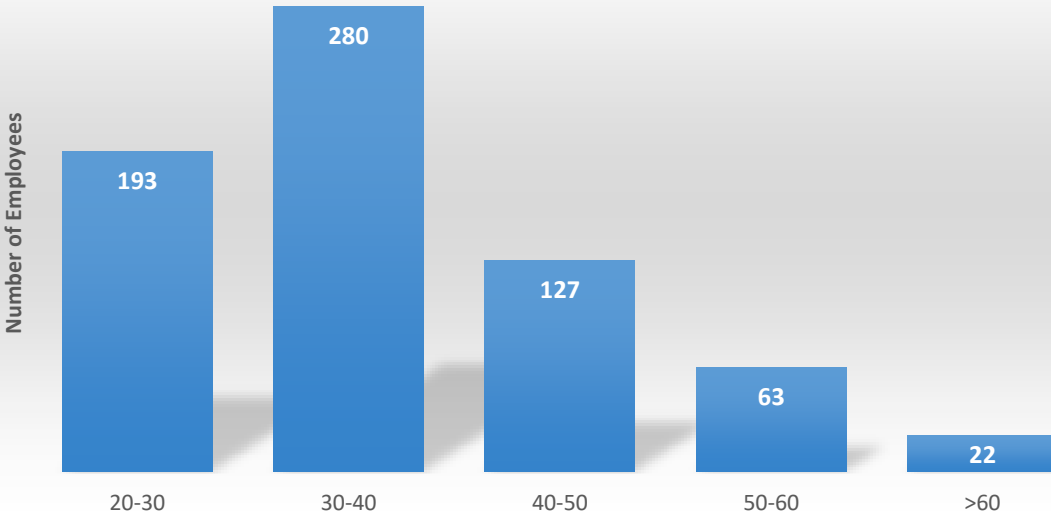
Inclusion and diversity

We believe that all our people should have the opportunity to fulfil their potential and thrive in an inclusive and diverse workplace. This helps to promote safety, productivity and well-being within the company. We employ, develop and promote people based on merit and do not tolerate any form of unlawful discrimination, bullying or harassment. Our systems, processes and practices empower fair treatment to all.

Board Diversity

With regard to the Board composition, the Nominating Committee evaluates the diversity and balance of skills, gender, knowledge, experience and size of the Board which would facilitate decision-making. In the light of such evaluation and consultation with management, the Nominating Committee assesses if there is any inadequate representation in any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.

Notwithstanding the above, the Nominating Committee recognises the merits of gender diversity in relation to the composition of the Board and in identifying candidates for new appointment to the Board, would consider suitable female candidates. Having said that, gender is but one aspect of diversity and new directors will continue to be selected based on objective criteria set as part of the process for appointment of new directors and Board succession planning. For more information on the process of appointment of new directors, please refer to the page 33 and 34 of the Company's FY2018 annual report.

2.3   Work Benefits

<u>Positive Work Environment</u>

The Group recognises that a positive work environment is essential to attract, motivate and retain talent. A total well-being program has been put in place to promote personal development, health and work-life harmony. Initiatives include a flexible medical and benefits plan, flexible work arrangements and staff engagement initiatives. The Group advocates a pay-for-performance philosophy to drive ownership of collective goals leading to a high performance culture which creates long-term shareholder value. Its robust performance management system ensures that all staff receives regular performance and career development reviews.

<u>Central Provident Fund (CPF) Scheme and Contributions</u>

In Singapore, the CPF is a comprehensive social security savings plan introduced by the Singapore government to enforce savings by salaried workers for a more secure retirement. Under the CPF scheme, the Group and its staff make monthly contributions to the staff's CPF account in accordance with the prevailing regulations. Apart from complying with Singapore's statutory requirements on making monthly contributions to staff's CPF accounts, the Group also adheres to the respective social security contribution or pension plan obligations of the countries it operates in.

2.4   Community

We seek to build good relationships with our stakeholders based on mutual respect, transparency over our activities with open communication. Our practitioners use a range of tools that are tailored to the needs of our stakeholders. We plan, implement, evaluate and document stakeholder engagement activities which include a range of culturally and socially inclusive engagement activities and update our plans annually. Tools include stakeholder mapping, complaints and grievance reporting procedures, perception surveys, social impact and opportunity assessments and human rights impact assessments. Through these, we gain valuable insights into what we do well and where we need to improve our performance. We also seek opportunities to actively participate in forums and discussions on themes that span our global communities such as environment, sustainable development, transparency and human rights.

3.   GOVERNANCE

The Group conducts business with uncompromising honesty and integrity, adhering to laws, regulations, and our written Code of Conduct. Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs.

3.1   Anti-Corruption

Corruption misallocates resources, reinforces poverty, undermines the integrity of the company, community decision-making and wastes opportunities that arise from resource

development. We are committed to contributing to the fight against corruption and working with business, government and civil society to support this effort. We also have a specific anti-corruption procedure that sets out mandatory requirements to identify and manage the risk of anti-corruption laws being breached. We prohibit authorising, offering, giving or promising anything of value directly or indirectly to a government official to influence official action, or to anyone to encourage them to perform their work disloyally or otherwise improperly. We also require our people to take care that third parties acting on our behalf do not violate anti-corruption laws. A breach of these requirements can result in disciplinary action, including dismissal.

3.2 Whistle-blowing

The Group has a zero-tolerance policy towards fraud and corruption, and whistle-blowing procedures for employees and other persons to raise, in confidence, concerns of possible improprieties. Tritech's zero-tolerance policy towards fraud, bribery and corruption provides assurance to all our stakeholders including investors and customers.

Integrity and ethical behavior remain as the fundamental elements in the context of Code of Conduct and this has been cascaded from top to bottom and across all levels within the Group. In addition, we have a Whistle-blowing Policy in place to enable our employees and external parties such as suppliers and customers to report any non-compliance or dishonest practices or signal serious matters that they may be aware of.

In addition, the Group's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the following members of the Audit Committee:

Director	Email
Prof. Yong Kwet Yong	uciyky@nus.edu.sg
Mr Aw Eng Hai	enghaiaw@yahoo.com.sg
Dr Loh Chang Kaan	lohck@tritech.com.sg

To-date, there were no whistle-blowing reports received. The Group will continue to strive for the highest level of governance, and to continue the zero incidence of whistle blowing for the upcoming years ahead.

Appendix A

List of Training & Courses in FY2018

Workplace Safety		
S/N	Course	Date
1	Building Construction Supervisor Safety Course	April 2017
2	Occupational First Aid Course	April 2017
3	Metal Scaffold Erection Course	April 2017
4	Apply Workplace Safety and Health in Construction Sites	May 2017
5	Registered Earthworks Supervisor Course	June 2017
6	Performing Rigger and Signalman Tasks	July 2017
7	Structural Steel Fitting Tradesman Course	July 2017
8	Metal Scaffold Erection Course	August 2017
9	Hydraulic Excavator	August 2017
10	Safety Course for Tunneling	August 2017
11	Construction Safety Course for Project Managers	November 2017
12	Perform Work in Confined Space Operation (Manhole)	December 2017
13	Design for Safety Professionals Course	February 2018
14	LTA Construction Safety Management Course for Qualified Site Supervisors	February 2018
15	Working Circumstance & Site Safety Training	March 2018
16	Supervise Construction Work for WSH	March 2018

Product Training		
S/N	Course	Date
1	KLD Analyzer	July 2017
2	Omron PLC Training	March 2018
3	Introduction of Ultra Filter Process Equipment	March 2018

Seminars		
S/N	Course	Date
1	ACES Seminar - Innovations, Challenges and Regulatory Development 2018	March 2018

Auditing		
S/N	Course	Date
1	Internal Auditor training for ISO9001:2015 & ISO14001:2015	July 2017
2	Internal Audit Course	August 2017