



# TEHO INTERNATIONAL INC LTD.

## Sustainability Report 2018

*This Sustainability Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.*

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## Table of Contents

About this Report.....	2
Report Scope.....	2
Report Methodology.....	2
Report Contact and Feedback.....	2
Board Statement.....	3
Corporate Profile.....	4
Vision and Mission .....	4
Sustainability Governance .....	4
Ethics and Compliance .....	4
Stakeholder Engagement.....	4
Materiality Assessment.....	5
Awards and Achievements.....	5
Product Quality .....	6
Product safety .....	6
Supplier Assessment .....	7
Our People .....	9
Employment.....	9
Rewarding Employees.....	9
Ensuring Wellbeing .....	9
Engaging Employees .....	10
Diversity and Equal Opportunity.....	12
Training and Education .....	14
Occupational Health and Safety .....	15
Governance and Compliance .....	16
Anti-corruption .....	16
Compliance with Laws and Regulations.....	17
GRI Content Index.....	18

## About this Report

TEHO International Inc Ltd (“TEHO” or “the Group”) presents our inaugural sustainability report. This report allows for TEHO’s stakeholders to have a better understanding of TEHO’s strategy as well as the incorporation of sustainability within our business.

### Report Scope

The report covers the period 1 July 2017 to 30 June 2018 (“FY2018”). The content of this report will focus on the sustainability performance, activities and initiatives that are under our direct control in Singapore since our head office is in Singapore and we derive more than half of our revenue from Singapore. Material issues and topics described in this report have been selected according to their level of significance within the company boundaries, the sustainability context and the expectations of the stakeholders. In this respect, this report covers our business in the Marine & Offshore Segment as our material operational boundary in Singapore. All material aspects disclosed in this report are relevant to the activities in Singapore only.

While we start with activities in Singapore in our inaugural sustainability report, we will continue to improve as we embark on our sustainability reporting journey. TEHO plans to publish its sustainability report annually.

### Report Methodology

This report has been prepared in alignment with the requirements of Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) (the “Catalist Rules”), using the Global Reporting Initiative (GRI) Standards as a guide, since it is a well-known and globally recognised sustainability reporting framework.

This report is also developed in accordance with the SGX-ST “comply or explain” requirements of primary components of a sustainability report. As we embark on our sustainability reporting journey with the publication of our first sustainability report, we will continue to improve on our sustainability reporting processes.

We did not seek external assurance for this report.

### Report Contact and Feedback

Communication with our stakeholders is important to us, thus we greatly welcome your feedback on this report. Please address your feedback to [ir@teho.com.sg](mailto:ir@teho.com.sg).

This report is provided in PDF format only and is available for download on the following page of our website: <http://investor.teho.com.sg/ar.html>

## Board Statement

The Board of Directors (“the Board”) is pleased to present TEHO’s first sustainability report which captures our commitment to sustainability and our sustainability performance throughout FY2018.

Our strengths are our technical expertise, robust inventory, high service level, value pricing and global network and TEHO recognises the importance of keeping abreast of changes and developments in the industry in order to stay competitive in a dynamic market. Consideration of how environmental, social and governance (“ESG”) issues may affect our success is an important part of a holistic business strategy. Therefore, for FY2018, management has identified and considered ESG factors as well as opportunities and risks in relation to the Group’s sustainability practices through stakeholder engagement and a materiality assessment process which is presented in this report. The Board oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group’s strategic direction and policies.

Through this report, we invite you to learn more about our sustainability journey as well as our endeavours for the year while creating value for our shareholders and stakeholders.

## Corporate Profile

### Vision and Mission

Our vision is to be a leading and trusted key supplier for the marine and offshore oil & gas industries.

Our mission is to build a company that is recognised internationally as a dependable key supplier and servicing different customers in various major ports of the world.

Values	Description
<b>Co-operation</b>	We embrace openness and differences of opinions and are committed to work as a team to fulfil our mission.
<b>Respect</b>	We treat everyone, from colleagues to customers and suppliers, with dignity and respect, regardless of one's position in the company.
<b>Excellence</b>	Our competitive edge is not just on price, but also service, quality and confidence level.
<b>Development</b>	We are committed to constantly develop ourselves, personally and professionally.

### Sustainability Governance

In order to best manage ESG related risks, opportunities and performance, TEHO has formulated a sustainability governance structure where the Board incorporates sustainability issues as part of the company's strategic formulation. The Board is also responsible in approving, managing and monitoring ESG factors that are material to the business, strategy, business model and key stakeholders.

### Ethics and Compliance

Being a listed company on the SGX-ST, we strive to adopt the standards of corporate governance as required in the listing rules. We conform to local and international practices. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by the officers and employees across the organization. Every new employee is introduced to our Code of Conduct and our policies on ethics and compliances. Communication channels, such as Fraud and Whistle-Blower process, are in place to enable all employees and individuals to report complaints of unethical behaviour.

### Stakeholder Engagement

TEHO undertakes a proactive approach in engaging its stakeholders – both internal and external – via various channels in order to identify and understand issues relevant to them. We recognise that our stakeholders are core to our business operations, hence effective collaboration with them is crucial. We have identified our stakeholders based on their relevance and importance to TEHO and our business.

We engage with our shareholders at least once a year through Annual General Meetings. We provide timely announcements and press releases via SGXNet and our company's website.

The quality and safety of our services and products to our customers are the core focuses of our commitments. Through our quality and safety commitments to our customers, we will, in turn, be

contributing to their own sustainable development. To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers share our values in their business practices in areas such as the environment, labour practices and corporate ethics.

We believe that an ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally. We conduct training of employees on critical skillsets to sustain competitiveness. We maintain employee well-being and engagement through organising workplace health and safety activities.

## Materiality Assessment

TEHO conducted a materiality assessment to identify, prioritise and validate ESG factors that were material to the business as well as its stakeholders. Under the guidance of an independent external consultant, background research was conducted to identify ESG factors that were relevant to TEHO. The research includes publications from industry peers and best practices, reporting frameworks and related sector-specific guidance as well as local and global emerging sustainability trends.

Representatives from various business areas took part in a questionnaire which reflected their views on ESG factors relevant to TEHO. They were also involved in the materiality exercise, and were required to participate in a workshop which prioritised the list of ESG factors.

TEHO's top material ESG factors were then identified and are presented in the table below.

Sustainability Categories	Material Factors	More information can be found at:
<b>Economic Sustainability</b>	<ul style="list-style-type: none"> <li>▪ Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Report, Financial Review and Financial Statements, page 46-110</li> </ul>
<b>Product Quality</b>	<ul style="list-style-type: none"> <li>▪ Product Safety</li> <li>▪ Supplier Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Report, page 6-8</li> </ul>
<b>Our People</b>	<ul style="list-style-type: none"> <li>▪ Employment</li> <li>▪ Diversity and Equal Opportunity</li> <li>▪ Training and Education</li> <li>▪ Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Report, page 9-11</li> <li>• Sustainability Report, page 12-13</li> <li>• Sustainability Report, page 14</li> <li>• Sustainability Report, page 15</li> </ul>
<b>Governance and Compliance</b>	<ul style="list-style-type: none"> <li>▪ Anti-corruption</li> <li>▪ Compliance with Laws and Regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Report, page 16</li> <li>• Sustainability Report, page 17</li> <li>• Annual Report, Report of Corporate Governance, page 25-39</li> </ul>

TEHO will consider widening the scope for its materiality assessment in future reports.

## Awards and Achievements

Year	Description
<b>2013</b>	bizSAFE 3
<b>2015</b>	DNV GL certification
<b>2017</b>	Business Excellence certification
<b>2018</b>	Eco-Office certification by Singapore Environment Council

## Product Quality

### Product safety

At TEHO, we strive to be a leading and trusted key supplier in the industry. We are committed to providing the best for our customers through our technical expertise. Being able to provide quality products and services ensures that we are able to help our customers meet their business needs.

Maintaining the quality of our products is important to us, thus we ensure appropriate consideration of technical and customer requirements in our material selection and product design. Some of these considerations include how to reduce the use of hazardous substances, ensure compliance with relevant laws and regulations, safeguard the health and safety of the end user, and reduce any environmental impacts during product manufacturing and use.

### Managing Health and Safety impacts of products

TEHO's relationships with its customers are forged on a strong foundation of trust. We are committed to safety and quality, and constantly work towards ensuring the health and safety of our end users by enabling the effective and safe use of our products.

TEHO has in place a thorough assurance process to monitor our policies and performance. These include the following:

- Bi-annual internal quality audits to ensure performance in compliance with ISO quality management standards
- Bi-annual external quality audits conducted by Lloyd's Register Quality Assurance, provider of ISO certification
- TEHO ensures that all findings and issues highlighted from these audits are properly addressed and monitored.
- Corrective Action Request (CAR) and Supplier Corrective Action Request (SCAR) processes to manage corrective actions towards non-conformity in quality standards, both internally and externally.

In relation to TEHO's commitment to safety, TEHO is the first and only local supplier to attain the qualification to issue DNV GL's Certificate of Test and Thorough Examination of Wire Ropes, endorsing TEHO as a company capable of independent assembly and testing of wire ropes. We are working on developing a rope prototype with in-house finishing to produce a product with improved longevity and safety during use.

### Managing environmental impacts of our products

TEHO is compliant with the Environmental Protection and Management (Hazardous Substance) Regulations and the Environmental Approved Lubricant (EAL) in accordance to US EPA 2013 Vessel General Permit (VGP). We also encourage responsible end-of-life treatment of the materials found in our products and packaging. Some of our products are also designed to enable recycling or disposal in a manner which would not harm the environment. We engage an external party to recycle scrap metal, paper, cardboard and plastic water bottles from our offices and warehouses. Packaging material such as wooden drums and pallets are reused for alternate purposes.

TEHO has implemented several initiatives that increase safety and/or reduce environmental impacts of the Group's products:

Initiative	Measure
Ensuring that all materials are free from asbestos, as the inhalation of asbestos fibres has been found to cause serious diseases such as lung cancer, mesothelioma and asbestosis.	<b>We require our suppliers to declare that all materials supplied do not contain asbestos.</b>
TEHO is conducting customer trials with a rope made of aramid fibre – a material used in car tyres but also suitable for mooring ropes in a marine environment. Apart from being resistant to high temperature, these ropes are also recyclable, i.e. yarn can be reused in different applications such as safety barriers.	<b>TEHO is promoting this new type of rope for its operational and environmental benefits.</b>
We were the first in the local market to promote and sell an environmentally acceptable lubricant (EAL) for wire ropes which has been specifically formulated to be biodegradable and minimally toxic, while still meeting the rigorous demands of industrial applications	<b>TEHO will continue to promote and sell EAL.</b>

### Performance and targets

This year is our first year of reporting the performance. As of FY2018, there were no reported incidents of health and safety issues relating to our products. In subsequent years, we will monitor this performance indicator and evaluate the suitability of other performance indicators.

### Supplier Assessment

Supply chain management is an important aspect in our efforts to address the sustainability concerns of our business activities. We recognise that our stakeholders may be indirectly impacted by the business partners whom we choose to collaborate with.

TEHO has an extensive supplier base. With our operations spanning across Asia, the Middle East, Europe and Latin America, we work with a variety of suppliers to ensure the availability of quality products worldwide. These suppliers serve as an extension of our global network. We foster good working relationships with our suppliers and cooperate to ensure consistent quality standards and responsible business practices.

TEHO adopts a structured approach to supplier selection and the initiation of due diligence in the development of a new relationship with a supplier.

<b>Selection and Evaluation of Suppliers</b>
<p>All suppliers are evaluated based on their ability to meet the company requirements for quality purposes. If found suitable, the suppliers will be included in the approved supplier list. The requirements for the suppliers are as follows:</p> <ul style="list-style-type: none"> <li>✓ The company is established</li> <li>✓ Able to deliver the goods</li> <li>✓ Reliability and responsiveness</li> <li>✓ Competitive pricing</li> <li>✓ Able to meet specifications and standards</li> </ul>



Our supplier requirements address issues relating to quality, legal compliance, and product-specific requirements. Our final decision on supplier selection is based on overall assessment which takes a balanced view of all selection criteria.

In addition to our evaluation of suppliers, we also practice supplier due diligence as part of our procurement policy. Our current supplier due diligence process is currently being enhanced to further integrate sustainability into our supply chain management.

As part of our review process, we engage our key suppliers and communicate our expectations and feedback to ensure alignment of our key suppliers' services and products to our business requirements and sustainability objectives through continuous improvement in our collaboration.

### **Performance and targets**

This year is our first year of reporting the performance. As of FY2018, the key suppliers screened for sustainability criteria is nil. In subsequent years, we will monitor this performance indicator and evaluate the suitability of other performance indicators.

## Our People

### Employment

Our people drive the success of our business and are of utmost importance to TEHO. We aim to build and maintain a strong and cohesive workforce. We have invested our efforts in rewarding our employees with fair and attractive remuneration and benefits, and engaging with them on a regular basis to involve them in the Group's strategic decisions and promote employee wellbeing.

Our Human Resource Policy contains our Code of Ethics and covers topics such as talent recruitment, compensation and benefits, and learning and development. It is made available to all employees via the staff intranet and Employee Handbook. TEHO is also in compliance with the Singapore Ministry of Manpower laws and regulations, such as the Employment Act, Employment of Foreign Manpower Act and Retirement and Re-employment Act.

TEHO constantly engages with its employees and encourages bottom-up feedback so as to improve on its human resource management. We adopt an open-door office and office policy to encourage employees to voice out areas of concern through confidential discussions with senior management (including the CEO). TEHO also conducted an Employee Satisfaction Survey to collect employee feedback on issues related to work environment, management, learning and development and wellbeing at work. In 2016, we introduced suggestion boxes in the office and warehouses as an additional means to gather employee feedback.

TEHO has in place several initiatives centred around three pillars – rewarding employees, ensuring wellbeing and engaging employees – for our employees. We recognise the importance of our employees and that their motivation and wellbeing will affect their work.

#### Rewarding Employees

Employee remuneration is determined based on local market rates and in accordance with local regulations and guidelines. We ensure that we comply with minimum wage requirements throughout our operations worldwide.

We adopt a pay-for-performance framework and compensate our employees based on their level of qualification and performance. We believe this drives individual ownership of Group performance and creates long-term shareholder value.

We aim to provide employee benefits beyond the statutory requirements. Seeing that our workforce comprises individuals of a diverse range of nationalities, we also try to reduce the gap in the type and range of benefits that are available to our Singaporean and foreign employees.

#### Ensuring Wellbeing

We are committed to the welfare of our workforce and make efforts to build strong cohesive teams with camaraderie amongst employees.

Every year, TEHO organises a Christmas dinner gathering and also distributes vouchers and red packets during the Chinese New Year festive season. Employees are also given gift vouchers for the birth of child, marriage, hospitalisation, bereavement and staff retirement.

## Engaging Employees

We regularly involve our employees in strategic planning and conduct various engagement initiatives throughout the year to enhance communication between management and staff.

The Group has conducted Annual International Co-ordination Meetings since the incorporation of TEHO Europe in 2013. Workshops are held to discuss operational and commercial issues with key employees from overseas subsidiaries.

In FY2017, TEHO Singapore conducted a two-day strategic planning retreat involving managerial staff across various functions. Participants re-examined and re-defined TEHO's Vision, Mission, Core Values and Strategic Thrusts. They also developed strategic goals and action plans. Going forward, we plan to further integrate ESG topics in our discussions.

A benchmarking workshop was held to communicate TEHO's strategic plans to its employees.

In January 2017, we achieved the Business Excellence (BE) certification as a testament to our management system and processes.

## Performance and targets

During the year, TEHO saw an increase in new employee hires from 12 new hires in FY2017 to 16 new hires in FY2018, this was an increase in annual new hire rate from 14% to 19%. On the other hand, TEHO saw no change in employee turnover from 19 in FY2017, to 19 in FY2018, therefore, the annual turnover rate remained at 22% each year.

### New employee hires during the year by age group

New employee hires		
	FY2017	FY2018
< 30 years old	5	10
30 – 50 years old	6	6
> 50 years old	1	0
<b>Total</b>	<b>12</b>	<b>16</b>

### New employee hires during the year by gender

New employee hires		
	FY2017	FY2018
<b>Male</b>	<b>4</b>	<b>9</b>
<b>Female</b>	<b>8</b>	<b>7</b>
<b>Total</b>	<b>12</b>	<b>16</b>

### Employee turnover during the year by age group

Employee turnover		
	FY2017	FY2018
< 30 years old	7	6
30 – 50 years old	9	11
> 50 years old	3	2
<b>Total</b>	<b>19</b>	<b>19</b>

Employee turnover during the year by gender

Employee turnover		
	FY2017	FY2018
<b>Male</b>	13	13
<b>Female</b>	6	6
<b>Total</b>	19	19

We intend to maintain or reduce employee turnover rate going forward.

## Diversity and Equal Opportunity

TEHO's human resource policies are grounded on equal opportunities and fair employment practices. We believe that a fair and inclusive workplace helps our employees perform to their full potential. Our operations are enriched by the exchange of knowledge and expertise that comes with a healthy and diverse workforce.

TEHO does not condone any form of harassment or unlawful discrimination in the recruitment, retention, and development of our employees. All opportunities for advancement and promotion are provided purely based on merit.

We subscribe to the five principles of the Fair Employment Practices outlined in the Tripartite Guidelines on Fair Employment Practices (TAFEP):

- a. Recruit and select on the basis of merit (such as skills, experience or ability to perform the job) regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
- b. Treat your employees fairly and with respect and put in place progressive human resource management systems.
- c. Provide employees with equal opportunities to be considered for training and development based on their strengths and needs, to help them achieve their full potential.
- d. Reward your employees fairly based on their ability, performance, contribution and experience.
- e. Comply with the labour laws and abide by the Tripartite Guidelines on Fair Employment Practices.

TEHO is committed to building a diverse and collegiate culture on the Board. As such, the Board's diversity policy describes that in examining the Board composition and succession planning, the Board will consider balancing the benefits of all aspects of diversity, including diversity of skills, experience, knowledge, gender and other relevant factors. The Board is of the view that the current composition does facilitate effective decision-making. All director appointments are based on meritocracy with the objective of forming an effective board. In relation to gender diversity, the Board does not preclude the selection of female candidates for director appointments. While the Board recognises the emerging target of Singapore's Diversity Action Committee of having at least 30 per cent female representation on boards of Singapore listed companies, the Board's collective view is that it should not be the main selection criteria and that board appointments, based on the right blend of skills, experience relevant to the Group's business and ability to contribute effectively, should remain a priority. Thus far, TEHO has maintained 40% of its Board or 2 out of 5 directors, to be females.

### **Performance and targets**

In FY2018, TEHO's workforce consisted of 38% females and 63% males across the three companies. In FY2017, 100% of employees were permanent employees, and this remained the same in FY2018 as well.

The breakdown of staff as well as TEHO’s governance bodies according to gender and age group are reflected below.

**Number of employees by gender**

<b>Number of employees</b>		
	<b>FY2017</b>	<b>FY2018</b>
<b>Male</b>	55	49
<b>Female</b>	33	35
<b>Total</b>	88	84

**Number of individuals within the Board of Directors (BOD) by gender**

<b>Individuals within BOD</b>		
	<b>FY2017</b>	<b>FY2018</b>
<b>Male</b>	3	3
<b>Female</b>	2	2
<b>Total</b>	5	5

**Number of individuals within the Board of Directors (BOD) by age group**

<b>Individuals within BOD</b>		
	<b>FY2017</b>	<b>FY2018</b>
<b>&lt; 30 years old</b>	0	0
<b>30 – 50 years old</b>	3	3
<b>&gt; 50 years old</b>	2	2
<b>Total</b>	5	5

TEHO is proud to have employees from different nationalities such as Singaporean, Malaysian, Burmese, Chinese, Indian and Belgian. TEHO does not discriminate against aged employees and values the commitment and experience which they bring to the Group. There is no clause within the Group’s human resource policies which prescribe employee termination based solely on age, and employees who reach the local statutory retirement age are not subject to revisions of their employee contracts.

We did not have a significant portion of our activities performed by workers who are not employees in FY2018. We intend to continue to employ fair recruitment practices with no preference for any particular age, race, gender, religion, marital status and family responsibilities, or disabilities.

## Training and Education

We recognise that investing in our people is the key to sustaining excellent service quality. We constantly strive to enrich the skills of our employees and encourage personal development. TEHO mandates in-house training for all new employees as part of the employee orientation process. In addition, the Human Resource department maintains a training log to record the trainings attended by each employee. Supervisors and employers may refer to this log to identify their training gaps or needs.

TEHO also conducts external and in-house staff training programmes which aim to develop employees' management and maritime skills, operational excellence, and promote a proactive attitude towards workplace health and safety and environmental conservation. All training materials are widely available to employees via the internal company server. Some of these trainings include product training, rigger and signal course and Excel. Employees are also encouraged to sign up for courses conducted by the NTUC Learning Hub or the Singapore National Employers Federation, or any other relevant courses.

With regard to employee development, all employees participate in an annual appraisal exercise where supervisors review and provide feedback on their performance and career progression. Leadership development programmes are also provided for employees.

### Performance and targets

The table below presents the number of hours of training that our employees received by gender and employee category. The average number of hours of training in FY2017 was higher than that in FY2018 because of additional training conducted as part of the Business Excellence workshops in FY2017.

#### Average number of hours of training employees received during the year by gender

Hours of training		
	FY2017	FY2018
<b>Male</b>	8.6	4.8
<b>Female</b>	5.3	2.3
<b>Total</b>	7.3	3.8

#### Average number of hours of training employees received during the year by employee category

Hours of training		
	FY2017	FY2018
<b>Senior Management Level</b>	7.4	15.0
<b>Middle Management Level</b>	8.8	8.1
<b>Executive Level</b>	7.1	2.0
<b>Total</b>	7.3	3.8

We intend to accumulate an average of 10 training hours per employee per year in future.

## Occupational Health and Safety

Ensuring the health and safety of employees is our top priority. Our employees might be exposed to workplace hazards in our day to day operations. As a responsible employer, TEHO recognises its obligation to address and mitigate these risks where possible, thereby creating a zero-accident workplace environment for its employees.

TEHO has in place an internal Occupational Health and Safety Policy which aims at creating a healthy and safe working environment for our employees. We are also a member of the Workplace Health and Safety Council to promote acceptable WSH practices and raise WSH standards in Singapore. TEHO encourages all employees to be proactive towards ensuring health and safety within the workplace.

TEHO is in compliance with the Ministry of Manpower's Workplace Safety and Health (WSH) requirements, including the following:

- Workplace Health and Safety Act
- Work injury compensation
- Work accident reporting
- Workplace safety and health training
- Requirements for a safety and health management system

Through our efforts, TRSPL has attained bizSAFE Level 3 certification for workplace health and safety. This signifies that top management is committed to continuously monitor HSE matters and develop practices to enable the effective management of HSE performance.

### Health and Safety within the Workforce

TRSPL has set in place several initiatives relating to health and safety for our employees. These include the following:

- ✓ Regular safety briefings and safe work procedure trainings are conducted for office employees and warehouse staff. TRSPL has dedicated and highly experienced training managers to conduct in-house trainings, in addition to external trainers.
- ✓ EHS trainings on safety awareness and risk assessment are conducted bi-annually, which all operations staff are mandated to attend.
- ✓ All warehouse staff are required to attend a safety orientation course for metalworking.
- ✓ We send our workers to attend specific skills training as and when required. Some of these training include forklift operation and lifting operation for signalmen and riggers.

### Performance and targets

During the year, there were 2 injuries. There were no workplace fatalities in FY2017 and FY2018. We intend to achieve zero incidents resulting in employee workplace injury for FY2019.



## Governance and Compliance

### Anti-corruption

Businesses exist and grow with the permission of the communities in which they operate. Maintaining public trust in the business is our utmost priority. TEHO is committed to uphold high ethical standards and integrity in its operations. This involves good corporate governance as well as an accountable and transparent management system. We undertake measures to prevent corruption and criminal misconduct in our business.

TEHO has in place a Whistleblowing Policy which establishes the procedures for reporting, in good faith, any improper conduct while protecting the whistle-blower from reprisals. In addition, the Employee Code of Conduct, found in the Employee Handbook, sets out expectations of employees in relation to issues such as fraud or bribery. Our employees are required to adhere to the Employee Code of Conduct and maintain high levels of integrity. Internal Auditors monitor for risk of corruption and report any findings to the Audit Committee, without the presence of management as a means of monitoring TEHO's policies and performance internally.

#### **Performance and targets**

During the year, there were zero confirmed incidents of corruption and zero received whistle-blowing reports. There were also zero confirmed incidents in which employees were dismissed or disciplined for corruption and zero confirmed incidents when contracts with business partners were terminated or not renewed due to violations relating to corruption. Additionally, there were zero public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases. We aim to continue with our current performance the following year.

## Compliance with Laws and Regulations

TEHO is committed to maintaining high standards of corporate governance within the Group to ensure greater transparency and to protect the interests of all stakeholders. This includes ensuring compliance with the relevant laws and regulations. The Group has put in place various policies and practices to avoid the violation of any laws and regulations.

TEHO is compliant with external laws and regulations such as the Catalist Rules and Personal Data Protection Act.

Our Enterprise Risk Management (ERM) Framework facilitates the identification and management of the risk of regulatory non-compliance. Where significant risks of non-compliance occur, the Heads of Department or Risk Champions will escalate the incident to the ERM Office immediately to assess if further action is required. We practice a strict zero tolerance policy for violations of the law. We take the appropriate disciplinary action against employees who violate them.

Every employee is tasked with the responsibility of ensuring compliance and to act in accordance with prevailing legislation and regulations. Any employee can report a suspected violation to his/her line manager or the Chief Financial Officer.

### **Performance and targets**

During the year, TEHO had zero significant fines and non-monetary sanctions. We did not have any cases brought through dispute resolution mechanisms and no other major incidents that should be disclosed.

We intend to achieve zero non-compliance with laws and/or regulations resulting in significant fines and non-monetary sanctions.

## GRI Content Index

GRI Standards (2016)		Notes/Page number(s)
<b>General Disclosures</b>		
<b>Organisational Profile</b>		
102-1	Name of the organisation	TEHO International Inc. Ltd.
102-2	Activities, brands, products, and services	Annual Report, Corporate Profile, Page 3 – 4
102-3	Location of headquarter	Annual Report, back cover page
102-4	Location of operations	Annual Report, Distribution Network, Page 5
102-5	Ownership and legal form	Annual Report, About TEHO Group, Inside front cover page
102-6	Markets served	Annual Report, Distribution Network, Page 5 Annual Report, Note 27 Operating Segments, Page 91
102-7	Scale of the organisation	Annual Report, Financial Highlights, Page 20
102-8	Information on employees and other workers	Sustainability Report, <b>Our People</b> , Page 9
102-9	Supply chain	Sustainability Report, Product Quality, Page 6
102-10	Significant changes to organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	TEHO does not specifically address the principles of the Precautionary approach.
102-12	External initiatives	Sustainability Report, Awards and Achievements, Page 5
102-13	Membership of associations	Sustainability Report, Awards and Achievements, Page 5
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Sustainability Report, <b>Board Statement</b> , Page 3
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Report, <b>Corporate Profile</b> , Page 4
<b>Governance</b>		
102-18	Governance structure	Annual Report, Report of Corporate Governance, Page 25 - 39 Sustainability Report, <b>Sustainability Governance</b> , Page 4
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Stakeholder Engagement, Page 4
102-41	Collective bargaining agreements	Not applicable, no collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Page 4
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 4
102-44	Key topics and concerns raised	Stakeholder Engagement, Page 4
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Annual Report, Note 7 Investments in Subsidiaries, Page 71 – 72
102-46	Defining report content and topic Boundaries	Sustainability Report, <b>About this Report</b> , Page 2 Materiality Assessment, Page 5

102-47	List of material topics	Materiality Assessment, Page 5
102-48	Restatements of information	No restatements
102-49	Changes in reporting	No significant changes
102-50	Reporting period	Sustainability Report, <b>About this Report</b> , Page 2
102-51	Date of most recent report	June 2018
102-52	Reporting cycle	Sustainability Report, <b>About this Report</b> , Page 2
102-53	Contact point for questions regarding the report	Sustainability Report, <b>About this Report</b> , Page 2
102-54	Claims of reporting in accordance with GRI Standards	Sustainability Report, <b>About this Report</b> , Page 2
102-55	GRI content index	GRI Index, Page 23-25
102-56	External assurance	Sustainability Report, <b>About this Report</b> , Page 2
<b>Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 4; Materials, Page 6-8; Customer Health and Safety, Page 6-8; Supplier Assessment, Page 9-10; Employment, Page 11-13; Diversity and Equal Opportunity, Page 14-15; Training and Education, Page 16-17; Occupational Health and Safety, Page 18-20; Anti-corruption, Page 21; Compliance with Laws and Regulations, Page 22
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
<b>Material Topics</b>		
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	Annual Report - Financial Statements, Page 46-110
<b>Materials</b>		
301-2	Recycled input materials used	Sustainability Report, Product Safety, Page 6-7
<b>Customer Health and Safety</b>		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report, Product Safety, Page 6-7
<b>Supplier Environmental Assessment</b>		
308-2	Negative environmental impacts in the supply chain and the actions taken	Sustainability Report, Supplier Assessment, Page 7-8
<b>Employment</b>		
401-1	New employee hires and employee turnover	Sustainability Report, Our People, Page 9-11
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Sustainability Report, Our People, Page 12-13
<b>Training and Education</b>		
404-1	Average hours of training per year per employee	Sustainability Report, Our People, Page 14
<b>Occupational Health and Safety</b>		
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Sustainability Report, Our People, Page 15
<b>Anti-corruption</b>		

205-3	Confirmed incidents of corruptions and actions taken	Sustainability Report, Governance and Compliance, Page 16
<b>Socioeconomic Compliance</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Report, Governance and Compliance, Page 17