



SUSTAINABILITY

REPORT 2015

MESSAGE FROM

EXECUTIVE CHAIRMAN & GROUP CEO



For over 25 years, Hyflux has prided itself in providing innovative environmental solutions that make a difference in the communities we work in. As our global presence continues to expand throughout the Asia Pacific, Africa, the Middle East and the Americas, we remain

dedicated to our commitment to provide innovative solutions that contribute to resource optimization and sustainable growth.

As a leader in environmental solutions, Hyflux believes that our businesses should complement our humanitarian goals, and we strive to create long-lasting positive change through sustainable technology and continuous innovation. In line with this strategy, we are also in support of the values upheld by the United Nations Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption.

I am pleased to present our Communication on Progress report, in which we share the progress we have achieved in our journey towards a better tomorrow.

Olivia LUM

Executive Chairman & Group CEO

VISION, MISSION & APPROACH

Our Vision

To be the leading company the world seeks for innovative and effective environmental solutions.

Our Mission

To provide efficient and cost effective solutions to meet our clients' needs through innovation and technological advancement.

Our Approach

As a global leader in sustainable solutions, focusing on the areas of water and energy, Hyflux is committed to providing cost-effective and innovative solutions that contribute to resource optimisation and sustainable growth for communities and industries. A specialist in water treatment and among the top global desalination plant developers, Hyflux is distinctive in its ability to address the challenges at every point of the entire water value chain. In the area of energy, the company has expanded from energy generation and retail to renewable energy through our latest waste-to-energy project in Singapore.

Hyflux aims to integrate sustainable development into our projects around the world. Our water solutions help ease the strain on limited resources by providing alternative sources of water to industries and communities, such as seawater and used water. We also treat wastewater according to environmental standards before they are discharged back into our waterways. In the area of energy generation, when completed our new waste-to-energy plant will support the recycling of waste and contribute to Singapore's clean energy resources.

At Hyflux, we place a strong focus on continuous technological improvements and innovation to ensure we remain competitive in providing the sustainable environmental solutions the world needs.

HUMAN RIGHTS

We consider our employees' safety a key priority in Hyflux, a commitment that is upheld through regular reviews of our quality, environmental, health and safety (QEHS) policies and ensuring that all our employees are aware of and understand the policy and its objectives.



Hyflux holds the BS OHSAS 18001:2007 certification which reflects our continued compliance with international standards towards protecting the health and safety of our employees. We have also achieved the bizSAFE Star certification under Singapore's Workplace Safety and Health Council, which reiterates Hyflux's sustained efforts towards promoting good workplace safety conditions.

We cultivate a culture of safety ownership amongst our employees and ensure that they receive sufficient safety information and conduct monthly training sessions and refresher courses for those working on specific tasks and tasks that carry a higher level of risk to injury. We also expect our contractors to comply with safety standards that are aligned to our policies.

Hyflux complies with the Personal Data Protection Act (PDPA), and recognises the rights of individuals to protect their personal data, including rights of access and correction, and the needs of organisations to collect, use or disclose personal data for legitimate and reasonable purposes. We take reasonable steps to protect employees' personal data from misuse and loss and from unauthorized access, modification or disclosure. In addition, we do not keep personal data for longer than is necessary and will take reasonable steps to destroy or permanently de-identify personal data if it is no longer needed.

OUR PEOPLE

The Hyflux team comprises of about 2,500 employees around the world. At Hyflux, we believe in providing an inclusive workplace for our diverse workforce where employees are given equal opportunities to develop their capabilities regardless of age, gender or ethnicity. Our



employees are our fount of new ideas and innovation, and we are committed to their development through objective job performance evaluation processes and a range of in-depth training programmes.

On the employee development front, we conducted a company-wide learning-needs analysis, and implemented an Executive Development Program that includes leadership training, executive coaching and internal mentorship, as well as put in place a comprehensive training calendar that provides personal effectiveness, managerial and functional courses for our employees. We also conduct a Technical Lecture Series for young engineers to enhance their knowledge of the industry and organise regular internal knowledge sharing sessions. Our employees are provided with opportunities for job rotation and overseas work experience.



Hyflux complies with the employment laws and regulations of the countries we operate in, such as the minimum age for employment, and guarantees fair employment that does not discriminate against our employees or condone forced or child labour.

ENVIRONMENT

As an environmental solutions provider, Hyflux aims to harness the existing synergies between essential utilities such as water, power, wastewater treatment and recycling, to form a sustainable, integrated approach to urban development. Our recently completed Tuaspring Integrated Water and Power Project (IWPP) combines our 318,500m³/day desalination plant with a 411 MW combined-cycle power plant, which ensures a reliable energy source for the desalination process. Situated in Tuas, Singapore, the space-efficient Tuaspring IWPP provides an innovative solution to Singapore's water, energy and land-scarce challenges.

The IWPP is able to achieve lower energy consumption through the integration of energy generation and desalination. The power plant heats the feed water entering the desalination plant, and with warmer feed water, lower osmotic pressure and hence lower energy is required during the reverse osmosis phase. The combined-cycle plant using a gas and a steam turbine is also more energy-efficient compared to a simple-cycle plant.



Traditionally a water specialist, Hyflux continues to provide innovative and sustainable water solutions to meet the growing demand for clean, alternative sources of water around the world. In the Middle East, Hyflux will design, build and supply a containerised desalination solution to the Kingdom of Saudi Arabia, scheduled to be completed in a few months, with a total designed capacity of 30,000m³/day that will supplement the Yanbu Desalination Plant on the Red Sea coast, 350 km north of Jeddah. Compared to traditional desalination plants built from the ground up, the containerised desalination system is a quick and innovative answer to increased water demands, while minimising environmental impact.

CORPORATE GOVERNANCE



Towards Excellence in Corporate Governance

Hyflux continues to maintain the standards of corporate governance as found in the

Singapore Code of Corporate Governance issued by the Monetary Authority of Singapore and the Singapore Exchange Securities Trading Ltd. The company has zero tolerance for corruption, and believes strongly in conducting our business in an open, honest and ethical manner.

The company encourages all employees to promptly report any breach or suspected breach of any law, regulation or other company policies and procedure or any other alleged irregularities. All reports will be investigated promptly and with strict confidentiality, without retaliation or action against any employees who have filed a report. In addition, employees are informed to disclose situations where a conflict of interest may arise through their dealings with third parties that may influence the way they handle the transaction of the company. Employees are required to declare if they have any share in any business undertaking other than that in a public-listed company, are holding a directorship or other executive or non-executive appointment in any company, or have relatives/friends working in the company and/or its subsidiary.

This year, Hyflux was a participating company in the Corporate Governance – Statement of Support 2015 organised by the Securities Investors Association (Singapore), an important platform that showcases our commitment to integrating good corporate governance practices.