

SPA / FMI / YSH Group of Companies

Corporate Governance and Operational Compliance

General Guidelines

Disclaimer: Purpose of this document is to provide general information on Group's compliance requirements from operational/day to day perspective. Please consult Group Legal Department for any legal advice, corporate governance and legal related compliance requirements.

### 1. Group Covenant Obligations

Following is the list of policy reporting covenants, which you need to provide information to the Director of Risk Management and Assurance at first instance.

#### *Quote*

"Policy Reporting Covenants: The Company shall, without limitation:

- i. promptly notify IFC and ADB of any litigation or investigation that may have a material adverse effect, any criminal investigations, or proceedings involving the Company or any related party;
- ii. deliver to IFC and ADB, within [90] days after the end of each fiscal year, an environmental and social annual monitoring report confirming compliance with the environmental and social action plan;
- iii. notify IFC and ADB, within [3] days after the occurrence, of any social, labor, health and safety, security or environmental incident, accident or circumstance reasonably expected to have a material adverse social or environmental impact;
- iv. provide to IFC and ADB, within [60] days after the expiry of any required insurance policy, a copy of the renewal/replacement insurance policy;
- v. development impact reporting requirement as per the final agreement;
- vi. permit the IFC compliance advisor ombudsman to have inspection and access rights for matters required by it; and
- vii. provide any additional information IFC and ADB may request and shall permit IFC and ADB to have inspection and access rights".

#### *Unquote*

### 2. Group Policies and Procedures

Following policies and procedures are approved by the Board, to be disseminated across the Group, and must be made available, assessable and understood by the workers (e.g. display of policies on notice boards, discussion at meetings, briefing sessions and induction programs).

- a) Employee Hand Book
- b) Code of Conduct
- c) Whistle Blower Policy

Disclaimer: Purpose of this document is to provide general information on Group's compliance requirements from operational/day to day perspective. Please consult Group Legal Department for any legal advice, corporate governance and legal related compliance requirements.

- d) Environmental and Social Management System
- e) Environmental Health & Safety Policy
- f) Human Rights Policy
- g) Land Acquisition Policy
- h) Anti-Bribery Policy
- i) Anticorruption Procedure
- j) Conflict of Interest Policy

### 3. Risk Management

As part of the Singapore Code of Corporate Governance, Annual Risk Assessments and regular Risk-based Internal Reviews are conducted by Risk Management & Assurance team, to provide independent assurance to the Board regarding risk exposure, and to validate the existence and effectiveness of mitigating controls in place.

### 4. SGX listing rules

The Group is bounded by SGX listing rules. Guidance will be provided by Group Legal and CFO's Office as required (e.g. prohibition period of dealing in the company's shares, disclosure on interested party transactions etc.).

### 5. Legal Contracts and Intellectual Property Rights

All legal contracts (including IP rights), require review and approval of Group Legal Department.

### 6. IFC Performance Standards 1 to 8

- a) The Group is bounded by Performance Standards' compliance requirements and disclosure obligations, in relation to project-level activities, throughout the life of an investment by IFC.
  - PS 1: Assessment and Management of Environmental and Social Risks and Impacts
  - PS 2: Labor and Working Conditions
  - PS 3: Resource Efficiency and Pollution Prevention
  - PS 4: Community Health, Safety and Security

Disclaimer: Purpose of this document is to provide general information on Group's compliance requirements from operational/day to day perspective. Please consult Group Legal Department for any legal advice, corporate governance and legal related compliance requirements.

- PS 5: Land Acquisition & Involuntary Resettlement
- PS 6: Biodiversity Conservation and Sustainable Natural Resource Management
- PS 7: Indigenous People
- PS 8: Cultural Heritage

b) Depending on the nature of the project, we may need to consider:

- Environmental Impact Assessment (EIA);
- Environmental and Social Management System (ESMS);
- Annual Environmental Performance Audit Programs; and
- Labour & Working Condition assessments including workers accommodation.

c) For workers accommodation, there are specific requirements by IFC such as:

- Room Size
- Space allocation males vs. female vs. family
- Facilities provided
- Hygiene
- Health care
- Waste management
- Disease control etc.

Refer to Part II: Standards for management of workers' accommodation.

d) Sourcing of labour: consideration must be given to use local workforce as first priority, if available (evidence must be provided if required).

e) OH&S requirements

- Establishing policies, PPE
- Briefing/training sessions

Disclaimer: Purpose of this document is to provide general information on Group's compliance requirements from operational/day to day perspective. Please consult Group Legal Department for any legal advice, corporate governance and legal related compliance requirements.

- Regular inspections
  - Incident reporting
  - Meeting minutes
  - Monthly report covering above action items with photo evidence
- f) Supply Chain Obligation
- Provision with contractor and subcontractor to ensure contractor compliance with PS2 provisions on child labor, working hour, and working conditions.
  - Giving the Group access to conduct random audits.

### 7. Global Compact and its 10 Principles

- a) The Group is an active member of Global Compact and is bound by its ten principles.
- b) The United Nations Global Compact, also known as the Compact or UNGC, is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.
- c) It is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
  - Principle 2: make sure that they are not complicit in human rights abuses.
  - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
  - Principle 4: the elimination of all forms of forced and compulsory labour;
  - Principle 5: the effective abolition of child labour; and
  - Principle 6: the elimination of discrimination in respect of employment and occupation.
  - Principle 7: Businesses should support a precautionary approach to environmental challenges;
  - Principle 8: undertake initiatives to promote greater environmental responsibility; and
  - Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Disclaimer: Purpose of this document is to provide general information on Group's compliance requirements from operational/day to day perspective. Please consult Group Legal Department for any legal advice, corporate governance and legal related compliance requirements.

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### 8. ADB Safeguard Policy Statement (SPS)

a) The objectives of ADB's safeguards are to:

- avoid adverse impacts of projects on the environment and affected people, where possible;
- minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and
- strengthen safeguard systems and develop the capacity to manage environmental and social risks.

b) Assessments must be made and manage environmental performance in compliance with ADB Safeguard Policy Statement at all times, and ensure operating adequately for its purpose in three key safeguard areas:

- environmental safeguards;
- involuntary resettlement safeguards, and
- Indigenous Peoples safeguards.

### 9. United Nations Security Council Resolutions

The group will not enter into or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter (action with respect to threats to the peace, breaches of the peace, and acts of aggressions).