



**SEMBCORP INDUSTRIES LTD
GROUP POLICY & PROCEDURE MANUAL**

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Group Anti-Bribery & Corruption Policy

1. PURPOSE

This policy sets out the Group’s Anti-Bribery and Corruption program and aims to provide guidance to employees on the measures to effectively mitigate bribery and corruption risks that may be faced by the Group.

2. APPLICATION

This policy applies to the Board of Directors, officers, all full-time employees, contract employees, permanent and part-time employees working with Sembcorp Industries Ltd “SCI”. This policy applies to all non-listed subsidiaries, joint ventures and associates where SCI is considered to have management control, either directly or through its subsidiaries. These are collectively known as “Business Units” (‘BU’). For joint ventures (‘JVs’), associates and other investments that do not have a similar policy, efforts should be made to adopt this Policy through the initial investment discussion & establishment process or through the on-going interactions at Board and Management level. JVs and associates which have a similar policy in place, are strongly encouraged to review their existing policy to adopt key elements and best practices of this Policy.

3. DEFINITIONS

The term ‘**Benefit**’ refers to anything of value, tangible or not. This includes gifts, meals, entertainment, travel, lodging, employment, awarding work, making a donation of contribution (charitable or political). Giving a Benefit includes giving it to someone else at the person’s request. Asking a Benefit includes asking a person to give it to someone other than oneself.

The term ‘**Entertainment**’ is defined to include, but is not limited to, the giving and receiving of meals and refreshments, attendance at sporting, music or cultural events and other business events of value include meals that are provided or received.

The term ‘**Government Official**’ is defined to refer to:

- Any officer or employee of, or any person acting in an official capacity on behalf of, a government or of a department, agency, or instrumentality of a government, or of a public international organization or quasigovernmental agency
- Any director, officer or employee of a company of which a government or other entity listed above has control, or of which a government or entity listed above owns a majority interest; and
- An official of a political party or a candidate for public office

‘**Facilitation payments**’ refer to payments made to public or government officials to obtain or expedite routine services that officials are required to provide in any event.

A “**Third Party Representative**” or “**TPR**” refers to any outside party acting on behalf of SCI, its subsidiaries or associated companies. TPRs can include agents, consultants, distributors, contractors, joint-venture partners, certain vendors and brokers. Vendors that do not represent SCI in dealing with customers and Government Officials and which only supply goods to SCI are not considered Third Party Representatives (for example, the vendor who supplies office stationery to SCI will not be considered a Third Party Representative under this policy). Brokers which customers hire to assist with selecting vendors are not considered as “Third Party Representatives”.



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4. ROLES AND RESPONSIBILITIES

The general supervision and administration of this policy is the responsibility of the Group Ethics and Compliance function.

5. GENERAL STATEMENT OF POLICY

Here at Sembcorp, we do not solicit, receive, offer, give or promise bribes in any form, for any purpose from or to anyone. Similarly, we do not ever authorize third parties to engage in bribery on our behalf under any circumstances. Employees may not, directly or indirectly, offer, promise, agree to pay, authorize payment of, pay, give, accept, or solicit Benefits to or from any third party in order to secure or reward an improper benefit or improper performance of a function or activity.

6. COMPLYING WITH ANTI-BRIBERY AND CORRUPTION LAWS

Employees and TPRs should avoid any conduct that creates even the appearance of improper activity or conduct. Violations can have severe consequences for the Company and employees and can extend to include criminal and civil penalties. Any employee or TPRs found to have engaged in prohibited conduct or ignored suspicious activity may face discipline, including termination of employment or contract and/or referral to appropriate law enforcement authorities.

Employees and TPR must comply with applicable laws in the countries where the Company operates, including local anti-corruption and anti-bribery laws. The laws that may be applicable to the Company include:

- the Prevention of Corruption Act, Chapter 241 of Singapore (“Prevention of Corruption Act”),
- the U.K. Bribery Act 2010 (“Bribery Act”),
- the U.S. Foreign Corrupt Practices Act (“FCPA”), and
- local anti-corruption and anti-bribery laws of other countries.

These laws make it clear that the Company and employees may be subject to criminal liability if an Employee or a TPR, directly or indirectly, offers or pays, or authorizes the payment of Benefits in exchange for an improper advantage for the Company. This includes the improper provision of entertainment, gifts, employment and charitable donations, as well as direct cash payments. Personal funds should not be used to accomplish what is otherwise prohibited by this Policy.

The Company and Employees may also be subject to criminal liability if an Employee requests, solicits, receives or accepts Benefits in exchange for improperly performing a Company function, including granting business or giving any business advantage to a counterparty.

Regardless of local custom or practice, it is not permissible to engage in conduct that is, or would appear to be, a violation of the law.



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7. GUIDANCE ON GIFTS, ENTERTAINMENT, TRAVEL AND ACCOMODATION

All employees must adhere to the Group Gifts and Entertainment Policy at all times. In particular, employees must ensure that they comply with the Governing Principles of the policy which state:

- Any benefit you give or accept must be consistent with all applicable laws, regulations and government policies.
- Any benefit you give or accept must be free of any intent or understanding, express or implied, that any business decision will be influenced thereby, and must be unlikely to create the appearance of any such intent or understanding.
- Any benefit you give or accept must be reasonable. The term Reasonable is defined as follows:
 - Reasonable in value under the circumstances, not so frequent or repetitive as to become unreasonable in value
 - Be given or accepted for a legitimate business purpose
 - Consistent with all company policies and that of the other party
 - Be unlikely to embarrass the Company if disclosed or be perceived as extravagant, lavish or overly generous

8. PROHIBITION ON CASH AND CASH EQUIVALENTS

The giving or receipt of cash or cash equivalents is strictly prohibited. Cash equivalents are defined to include currency, loans, credits, discounts, gift certificates or cards, travel tickets where a Company representative does not accompany the giver/received.

9. PROHIBITION ON FACILITATION PAYMENTS

The Company prohibits Facilitation Payments made for the purpose of expediting or securing the performance of a particular routine governmental action by a government official.

However, the Company makes a narrow exception for payments to Government Officials when, and only when, an Employee has a reasonable belief that he or she is in imminent jeopardy of serious bodily harm or loss of liberty and no other prudent alternative is available or when the payment is necessary to secure immediate governmental services in response to a grave medical or safety emergency.

If you are faced with a situation where a facilitation payment is being demanded, consult your supervisor as soon as possible, and in any case report what has happened after the event to a representative from Group Ethics & Compliance.



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10. CONTRIBUTIONS

Charitable contributions

The Company is proud of its strong commitment to the communities in which it operates. All employees must ensure that contributions are made in accordance with our high ethical standards and in compliance with all applicable laws.

In some cases, Government Officials, business partners and vendors may be involved in charitable organizations and may request charitable contributions from the Company, Employees or TPRs. There may be situations where these requests coincide with the Company's business interests and there may be situations where these would benefit the broader community.

In any case, Employees should ensure that the contribution is not an indirect way of conferring a personal benefit on a Government Official or related party, and that the contribution is not in exchange for a purchasing or other decision affecting Company interests.

Political contributions

It is Sembcorp's general policy to be politically neutral and not to contribute funds or non-monetary support to any political party, politician, elected official or candidate for public office in any country or jurisdiction. Furthermore, such political contributions could be perceived to be payment to influence decision of the beneficiary to achieve financial advantages. Employees and TPRs may not make payments, whether in cash or in kind, to political candidates, political officials or political parties for the purpose of obtaining, retaining or directing business to the Company or any other entity. In-kind contributions can include participation in political campaigns during paid working hours and the use of administrative support, company facilities, equipment and supplies. Employees must ensure they avoid involvement in political activities or making contributions and this includes:

- Funding or hosting events organized by or associated with any political party or politician using Sembcorp facilities or resources for a purpose that does not involve the society at large
- Using any Sembcorp facilities or resources for the benefit of a political party, political candidate or organisations
- Using our position in Sembcorp to influence others to make political contributions or support any political parties or politicians
- Paying wages of a Sembcorp employee working for a party or candidate during normal working hours

If a business partner, Government Official, charitable organization, political candidate or party official promises or offers any benefit, or makes any threat, in connection with a charitable or political contribution request, the request should be denied and you should report the incident to your supervisor and a representative from Group Ethics and Compliance.

11. REQUESTS FOR EMPLOYMENT

In some cases, a current or prospective business partner, vendor, customer or Government Official may request an Employee to help find a job for a relative or friend, or suggest that a relative or friend be offered an internship or similar position within the Company. In other cases, they might seek to play a role in a future Company hiring decision, or may seek employment for themselves in anticipation of leaving a current position.



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While there is no absolute prohibition on hiring persons recommended by others, such hiring decisions should not be part of any decision related to Company business transactions. Offers of employment should not be given in exchange for or to reward any benefit received by the Company, and Employees should not offer employment in order to seek any advantage in any business negotiation.

If anyone offers to give a benefit to the Company in exchange for the Company's hiring of a suggested person, or if they threaten to take adverse action if the suggested person is not hired, the suggested person may not be hired. In such cases, you should report the incident to your supervisor and a representative from Group Ethics and Compliance.

12. THIRD PARTY REPRESENTATIVES

Third Party Representatives such as contractors, vendors, consultants or agents, are important to our operations in many ways. However, the improper acts of TPRs can create criminal liability for the entities for whom those representatives work and for the Company. To this end, TPRs working for Sembcorp are expected to adhere and comply with Sembcorp's Supplier Code of Conduct and this Anti-Bribery and Corruption policy in the performance of the contract entered into with Sembcorp.

All employees who play a role in engaging TPRs on behalf of the Company must take measures to identify and mitigate the risks associated with engaging TPRs. These will include conducting the necessary due diligence and adhering to the guidelines for contracting with TPRs in order to reduce risks that a TPR will engage in improper conduct on behalf of the Company.

It is never permissible for Employees to circumvent the Company's policies and procedures by using a TPR to do what the Company could not do itself.

Please rely on the [Guidance Note to Engaging Third Party Representatives](#) and the [List of Third Party Representative Red Flags](#) for additional Guidance.

If a potential TPR exhibits one or more of these "red flags," you must raise the issue with a supervisor and a representative of Group Ethics and Compliance for further review promptly.

13. INTERNAL FINANCIAL CONTROLS

All employees must record all financial transactions according to the Company's financial and internal control policies and procedures.

Payments and other compensation to third parties should be accurately recorded in the Company's corporate books, records, and accounts in a timely manner and in reasonable detail. This includes any commissions, service or consulting fees, expenditures for gifts, meals, travel and entertainment, and expenses for promotional activities.

Proper reporting should include clear notation regarding the nature of each expense, identification of all recipients and/or participants, the necessary approvals received for the expense.

No undisclosed or unrecorded accounts of the Company may be established for any purpose. False, misleading, incomplete, inaccurate, or artificial entries in the books, records, or accounts of the Company are a violation of this policy and anti-bribery laws and are strictly prohibited. Examples include the payment of a false or fraudulent invoice, the miscoding of an improper



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payment in the general ledger, or a falsified expense report to hide improper entertainment or legitimate services rendered.

14. MONITORING

Group Ethics & Compliance will work with relevant line/functional managers of business units to conduct periodic risk-based substantive testing of compliance with this Policy. The findings arising from this should be periodically reported to the Audit Committee, Group President and CEO and Board Risk Committee.

15. REFERENCES

- *Code of Conduct*
- *Group Gifts and Entertainment Policy*
- *Guidance Note to Engaging Third Party Representatives*
- *List of Third Party Representative Red Flags*

16. INQUIRIES

Requests for exception from policy requirements must be submitted to Group Ethics & Compliance in writing. This will be reviewed to determine if the request is consistent with the Policy. Group Ethics & Compliance in writing may approve the request if it is consistent with the Policy but retains discretion to deny the request. Exceptions will not be routinely granted.

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