STEAMSHIPS

SUSTAINABILITY REPORT 2016

Contents

SUSTAINABILITY

The principles of Sustainable Development remain core to how Steamships conducts its business and are key to delivering long term value to its customers and shareholders. The three pillars of Our People, Our Environment and Our Community, underpin the Sustainability strategy of the company. Steamships' understands that a clear commitment to these three pillars will ensure it is always well placed to make a valuable and lasting economic and social contribution to Papua New Guinea.

Steamships people are its most critical asset. At Steamships the focus is to ensure that employees are afforded every opportunity to build strong, rewarding and successful careers in an environment of safety, trust, fairness and respect. Recognising this fact, the company recruited a specialist General Manager for Human Resources in 2016 to drive the necessary changes required for superior people development. The transition of the company's two original GDP (Graduate Development Programme) trainees into fulltime roles within the business marked a significant milestone for its graduate development pathways, and focus will continue to develop programmes for the future leaders of the business. The results of the 2016 People Pulse staff survey confirm that there is an overriding satisfaction with the opportunities and rewards offered at Steamships, as well as highlighting areas for improvement.

Environmental Sustainability continues to be a priority area for Steamships. Responsible and sustainable energy consumption is an area of increased focus and this is done through the regular monitoring and reporting of energy use, water use and environmental emissions at operational level. There is an intention to further enhance reporting to align with internationally recognised reporting standards. Company staff again participated in World Environment Day, delivering awareness lectures to selected school children, and coordinating a number of educational activities to highlight the importance of environmental sustainability.

Steamships has a considerable presence in PNG and it is considered essential to have a positive impact on the various communities in which it operates. Engagement with the community is facilitated through an involvement in social programs that prioritize four key areas; health, social welfare, education, sports and culture. The aim is to identify projects and partnerships that bring measurable, meaningful, and positive impact to those in most need. The company committed over K1.2 million to various community based initiatives in 2016.

Steamships' sustainability performance aligns with the requirements of the Global Reporting Initiative (GRI), a worldwide corporate transparency initiative that Steamships has followed since 2013.

STEAMSHIPS SUSTAINABILTY FOCUS AREAS
OUR PEOPLE

A committed and motivated workforce is a key to delivering long term value to customers and shareholders. At Steamships our focus is to ensure that our employees are afforded every opportunity to build strong, rewarding and successful careers in an environment of trust, fairness, and respect. A concentrated focus on occupational safety and training and development helps to create an 'employer of choice' environment.

Steamships' People Strategy

Providing our people with genuine career opportunities in a nurturing and inclusive environment will allow the company to develop a skilled and satisfied employee group. Our Graduate and Rising Star programmes continue to be refined as we look to develop the next generation of leaders within the Group. The first intake of Graduate Management trainees successfully completing training at the end of 2016, and now have permanent employment with Steamships businesses. Further work continues to identify appropriate training and development opportunities for all levels of skill across the Group.

With the introduction of a dedicated Group Human Resources General Manager in 2016 there was a focus on improving HR metrics and analytics. This has been complemented by the introduction of a number of HR tools to assist with recruitment, performance appraisal, and benchmarking.

Understanding our employee needs and concerns is paramount to building an inclusive and positive work culture, and The People Pulse Survey was again conducted during the year. Results indicate a good level of staff satisfaction in several key areas, and highlight a number of key areas to focus on.

Our People: Review of Activities and Objectives

2016 Highlights	2017 Objectives
The appointment of a dedicated Group General Manager for Human Resources, to bring a deep focus to the development of our People. Areas of achievement included the introduction of a formal performance appraisal system, and the further development of HR analytics.	Full implementation of a performance appraisal system. Further refine HR analytics around diversity, turnover and other measures of HR performance. Continue to address the major task of benchmarking to address remuneration anomalies and establish parity with market.

Transport & Port Services division (TPS) began the process of building in-house safety training capacity with a Senior Manager receiving the appropriate PNG accreditation. Pacific Palm Properties successfully engaged SITE PNG to conduct tailored safety training in the division.	TPS to extend specialist safety training modules to other STC divisions. SITE PNG capacity to deliver tailored safety training to be investigated by STC divisions.
Coral Sea Hotels continued its association with the Australia Pacific Technical College. The programs have been a resounding success with turnover numbers improved in 2016 and evidence of a general uplift in attitude and standards. Consort is still supporting the cadet programme at the PNG Maritime College in Madang, and had a number of cadets seconded to the YWAM medical ship. Pacific Towing successfully provided short term secondment opportunities for several staff members in Singapore.	Divisions to explore apprenticeship options and TVET training opportunities through the APTC Stage III development phase. Steamships Trading Company is committed to continuing support of the PNG Maritime College in 2017. Pacific Towing to continue to seek secondment opportunities for staff.
The Graduate Management Program was extended by a year and is now a four year assignment. The two original inductees completed training in 2016 and are now employed in junior management positions at Pacific Towing and Laga Industries respectively.	Further refinement of the Graduate Management Training and the Rising Stars Programme.
The People Pulse survey was again conducted in 2016.	People Pulse survey results to be published and issues and observations appropriately addressed.

Health

Steamships' continues to prioritise the health and well-being of staff, with the staff medical insurance program now in its fourth year.

Health awareness forums are also organised at both head office and divisional level and conducted regularly throughout the year. Topics cover a broad range of issues including cancer, workplace hygiene, malaria, diabetes, typhoid, women's health issues, mental health and HIV/AIDS.

The company is considered a business leader in the fight against TB, and arranged a pilot testing programme for select staff at the Transport & Port Services and Computer Services Divisions as part of the commitment to addressing the growing problem. Following the pilot programme, the company is now fully engaged with B4H, a private sector initiative to address and combat tuberculosis, and supported by the Australia PNG Business Council and World Vision.

Steamships employees are also involved in health awareness through a staff sponsored initiative, "The Climb against Cancer" (CAC). This involves staff and interested parties climbing PNG's highest peak, Mt Wilhelm, and raising funds for cancer awareness.

Safety

The safety of our workplace continues to be a leading priority for the company. This is reflected in the structure that has been put in place over the last three years, and which continues to be refined and improved. Safety metrics are published in a monthly report and discussed at various levels throughout the organisation. The Group Safety Committee meets on a monthly basis to discuss the safety report and other safety issues that may arise and the report content is further analysed and discussed in regular meetings between divisional safety representatives and Steamships head office staff.

The tighter reporting structure for Safety has resulted in a more efficient management of incidents, with all lost time injuries and medical treatment injuries addressed in a timely and appropriate manner. Better reporting and reaction times has not however, adequately addressed the proactive aspects of safety culture, and it was disappointing to note a slight increase in the number of lost time injuries in the second half of the year, together with insufficient reporting of near miss incidents and other safety observations. An analysis of the 2016 safety performance of the Group, whilst depicting a satisfactory performance,

highlights the need for a greater emphasis on behavioural safety, as part of the need to have a sustainable and healthy workplace safety culture.

A Steamships Safety Forum will be convened in 2017 to review the safety performance of the company in 2016, and to realign and re-focus efforts to ensure that safety continues to improve and maintain a position as a key priority for the Group.

Security

Security incidents continue to be monitored and addressed vigilantly. Our businesses take all the precautions that they can to mitigate harm to property and personnel and a number of initiatives put in place in 2016 have improved results in this area. These measures include the outsourcing of the security function at the Coral Sea Hotels and the installation of security cameras at Laga Industries.

A third party security assessment of our newer properties was commissioned in late 2016, and this is a process that is being considered for wider application.

Training and Development

Training and development remains a priority for Steamships although 2016 was a relatively quiet year in terms of training delivery. After a concerted rollout of Leadership skills, Customer service and business etiquette, and business communication in the preceding two years, demand has dropped off, with this training reaching a ceiling at several divisions.

Coral Sea Hotels continued its training arrangement with the Australia Pacific Technical College. The training has seen a definite lift in attitude, grooming and skills to cater for existing and planned activities, along with a year on year reduction in staff turnover. The training has also contributed to the creation of a solid localisation and succession plan. Cookery graduates are now head chefs at Bird of Paradise and Huon Gulf hotels and Hospitality graduates are running restaurants at most of the outlets throughout the group.

A positive initiative was introduced by Pacific Towing in 2016 with the short term overseas secondment of crew to work in Singapore. The experience was a rewarding experience for selected employees, who were given an invaluable opportunity to experience a new culture and working environment, and bring learning back to Papua New Guinea. There are plans to continue the secondments in 2017.

Consort Express Lines continued to support the cadet programme at the PNG Maritime College, and also took the opportunity to provide crew to the MV YWAM, a medical ship that has been carrying out community outreach work in various coastal areas of PNG.

The two original GMP (Graduate Management Programme) graduates completed their formal programme at the end of 2016. Following the successful completion of the programme, Danmon Pangali was offered full time employment as a Fleet Manager with Pacific Towing, and Sebastian Negints has joined Laga Industries as a Business Analyst.

Safety Training underwent a review of training providers in 2016, and a tailored safety programme was piloted by Pacific Palm Properties with SITE PNG. More involvement by other divisions is anticipated in 2017. Transport & Port Services have opted to bolster in-house capacity and a senior manager has received the necessary accreditation to conduct safety training. Such training will be offered to other divisions when the curriculum has been properly imbedded.

OUR ENVIRONMENT

Papua New Guinea is world renowned for its rich biodiversity and Steamships is committed to ensuring that we operate in such a way as to minimise the effect of our operational footprint on the environment. We will continue to strive to improve our performance in this area as part of our responsibility as a good corporate citizen.

Approach to Environmental Sustainability

Responsible and sustainable energy consumption is an area of increased focus at Steamships. There is regular monitoring and reporting of energy use, water use and environmental emissions at operational level with the intention of improving performance wherever possible.

Awareness within the community is one way that Steamships promotes environmental sustainability. The company continued its support of World Environment Day in conjunction with the Conservation and Environment Protection Authority of PNG, with Steamships staff delivering awareness sessions to school children and coordinating debates and essay competitions.

The company also engaged local communities in a clean- up campaign in coordination with World Vision.

OUR COMMUNITY

Community is one of three pillars of the Steamships Sustainability strategy, alongside People and the Environment. Steamships Trading Company has a considerable footprint in PNG and it is considered essential to have a positive impact on the various communities in which it operates. The Steamships Sustainable Development Policy commits the Group to playing an active role as a responsible corporate citizen.

Approach to Community Engagement

Engagement is facilitated through an involvement in community programs that prioritize four key areas: health, social welfare, education, sports and culture.

The aim is to identify projects and partnerships that bring measurable, meaningful, and positive impact to project beneficiaries. The strategy reinforces how STC's operations are having a positive impact on the lives of PNG people.

Sustainable development relates to how we make a lasting and meaningful contribution to communities we engage with.

The intent of the Community Engagement Strategy is to ensure that there is a clear and consistent approach to Corporate Social Responsibility, which delivers the required impact, and fulfils Steamships' philanthropic intent.

There was a major review of the Community Engagement strategy in 2016 with a number of major changes to be introduced in 2017.

OUR COMMUNITY: Review of Activities and Objectives

2016 Highlights	2017 Objectives
The company spent just over K1 million on community engagement activities in 2016. Funding was principally provided to existing partners such as Salvation Army, YWAM, Susu Mamas, Coalition for Change and Buk bilong Pikinini.	Launch of the Community Grants Programme. A new initiative that seeks funding applications from high performing organisations that deliver tangible outcomes for Papua New Guineans, in the areas of health, education and social welfare.
STC staff across the business continued to engage with local community groups through visitations and donation of clothing, food and other items.	Increase staff participation in community engagement activities.
Staff members, including the Managing Director and senior managers, scaled Mt Wilhelm as part of the Climb against Cancer.	Increase community engagement focus at a divisional level.
A major review of the Community Engagement strategy was undertaken.	

AREA	2016 Spending (Kina)
Health & Social Welfare	661,000
Education & Environment	233,000
Sports & Culture	41,000
Divisional	154,000
TOTAL	**1,089,000**

Major Recipients of Steamships Community Engagement Funds in 2016

Westpac Outstanding Women's Award. **Purpose:** Steamships continues to support WOW yearly. WOW aims to recognize the activities of outstanding women and their contributions in the public, private and NGO organizations. *Steamships 2016 contribution: K25,000.*	*Susu Mamas.* **Purpose:** Provides primary health care, general maternal health care and supports and promotes optimal nutrition to infants and young children. *Steamships 2016 contribution: K100,000*.	*YWAM.* **Purpose:** Delivers medical services to remote areas of Gulf, Milne Bay and Huon Gulf. *Steamships 2016 contribution: K100,000.*
Salvation Army **Purpose:** Steamships assists Salvation Army to organize the kick start the Red Shield Appeal through a Launch Lunch, donation and pays rental for House of Hope. *Steamships 2016 contribution: K135,700.*	*Buk Bilong Pikinini* **Purpose:** Steamships established three libraries including Port Moresby, Lae and Goroka. Buk Bilong Pikinini aims to promote literacy and reading in under privileged areas. *Steamships 2016 contribution: K100,000.*	*Coalition for Change* Purpose: Establish and create awareness to change our community attitude towards violence against women. *Steamships 2016 contribution K20,000.*
World Environment Day *Purpose: Creates for students to learn and share ideas about the importance of taking care of our environment.* *Steamships 2016 contribution: K17,640.01*	*PNG Paralympic* **Purpose:** Provides and promotes participation of people living with special needs through national and international sports. *Steamships 2016 contribution: K10,000.*	*Cheshire Homes* **Purpose:** Provides and supports people living with special needs to access services provided by Cheshire Disability. *Steamships 2016 contribution: K50,000.*

STEAMSHIPS TRADING COMPANY & THE GLOBAL REPORTING INITIATIVE

Steamships Trading Company is committed to providing an accurate and relevant set of data from across the Group and improving this as its systems mature over time. This is done in accordance with the Global Reporting Initiative's G4 Guidelines.

The primary sustainability data disclosed in this report was collected by all Steamships Divisions and reported to the Steamships Board on a quarterly basis throughout 2016. Year-on-year comparisons are made with baseline data collected in 2015.

Steamships is committed to providing an accurate and relevant set of data from across the Group and improving this as its systems mature over time. Steamships will submit a preliminary report of the 2016 data to GRI assessors for appraisal and feedback. It is anticipated that this feedback will validate our data collection.

The table on the following page outlines the full list of GRI Indicators adopted by Steamships.

WHAT IS THE GRI?

The Global Reporting Initiative (GRI) is an international not-for-profit organisation that has pioneered and developed a comprehensive Sustainability Reporting Framework which is widely used around the world.

The GRI Framework is a reporting system that provides metrics and methods for measuring and reporting sustainability-related impacts and performance, enabling greater organisational transparency and accountability.

Thousands of organisations, of all sizes and sectors, use GRI's Framework to understand and communicate their sustainability performance.

The GRI's G4 Guidelines were launched in 2013. Performance Indicators are organised into three categories: Economic, Environment and Social. The Guidelines offer two options to an organisation in order to prepare its sustainability report 'in accordance' with the Guidelines: the Core option and the Comprehensive option. The options do not relate to the quality of the report or to the performance of the organisation. They reflect the compliance of the organisation's sustainability report with the Guidelines. Steamships 2016 Sustainability Report is in accordance with the "core" requirements of the G4 Guidelines.

More information on the GRI and the G4 Guidelines can be found at www.globalreporting.org.

Category	ASPECT	GRI INDICATOR	Description
Economic Performance	Economic Performance	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
	Market Presence	EC6	Proportion of senior management hired from the local community at significant locations of operation.
Labour Practices, Staff Development and Welfare Performance	Employment	LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.
	Occupational Health and Safety	LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.
		LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.
	Training and Education	LA9	Average hours of training per year per employee by gender, and by employee category.
Environmental Performance	Energy	EN3	Direct energy consumption by primary energy source.
		EN4	Indirect energy consumption by primary energy source.
	Water	EN8	Total water withdrawal by source.
	Emissions, Effluent, and Waste	EN15	Total direct greenhouse gas emissions by weight.
Community Engagement	Local Community Support	Part of EC1	Funds committed to Community Health and Social Welfare, Education, Sports and Culture development.

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GRI READER'S GUIDE

This report covers the sustainability performance of Steamships Trading Company Ltd and the activities over which Steamships had operational control during the calendar year 2016. Steamships' 2015 Sustainability Report (released in June 2016) covered the calendar year 2015.

This report covers all business and operational activities of Steamship's Divisions in Papua New Guinea and, where noted, internationally. It is structured around the principles of Steamships' Sustainable Development Policy, which was released in 2013 and can be accessed here.

The report provides an objective and transparent overview of Steamship's sustainability performance in 2016 for the information of our major stakeholders including investors, partners, employees, government, community members and non-government organisations.

This report uses a framework which follows the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines. Steamships reports on the GRI performance indicators which are most relevant to the Group and its operations. The information in this report has been prepared in accordance with the GRI G4 guidelines. This report targets a Core level of compliance.

The process that the company undertook for identifying material aspects and boundaries is effectively an update of a major exercise undertaken in 2012-2013, when Steamships identified the GRI as its preferred model for sustainability reporting. For the 2016 report, all disclosures and indicators have been updated for compliance with the G4 guidelines; however the company has not undergone an additional group-wide exercise to determine whether there are now additional indicators and aspects that are material to company operations. Such an exercise is foreseen for calendar year 2017.

Material Categories and Aspects that have been identified by the company are included in the table on page 12 of this report.

The GRI G4 Content Index in this report shows the GRI G4 references in abbreviated form. For full disclosure of the references from the Guidelines, please refer to the complete G4 Guidelines which can be found at www.globalreporting.org.

For additional information or to provide feedback, please contact Steamships through the corporate website at: http://www.steamships.com.pg.

SELECTED GROUP PERFORMANCE HIGHLIGHTS

2016 Sustainable Development Highlights

GR4 Indicator	Description	2016	2015	% Change
G4-10	Total employees	3,888	4,259	-8.7
EC6	Citizens in senior roles %	176	146	21
LA1	Staff turnover %	27	29	-6.9
LA5	Staff representation on health & safety committees %	8.1	8	0.1
LA6	LTIIR (number of injuries per 100 full-time equivalent employees)	0.33	0.55	-40
LA6	LTISR (average number of days off per injury)	10.2	11.32	-2
LA9	Average hours of training per employee	20	36.0	-44.4
EN3	Direct Energy consumed (Gj)	801,188.7	894,350	-10.4
EN4	Indirect Energy consumed (Gj)	73,419.1	70,790	+3.7
EN8	Water withdrawal (KL)	524,331	594,310	-12.52
EN15	Energy consumed (CO_2 tons)	71,128.5	77,449	-8.4
EC1	Expenditure on community programs (k'000)	1,089	1,608	-519

GRI G4 CONTENT INDEX

STANDARD DISCLOSURES: PROFILE DISCLOSURES

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE/LINK
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker of the organisation.	Fully	2016 Sustainability Report - Sustainability: A Message from the Board of Directors	Page 3
G4-2	Description of key impacts, risks, and opportunities.	Partially	2016 Sustainability Report - Sustainability: A Message from the Board of Directors 2016 Sustainability Report Selected Group Performance Highlights given in each of the following three sections: Our People; Our Environment: Our Community in boxes	Page 3-5, 11 and through out
ORGANISATIONAL PROFILE				
G4-3	Name of the organisation.	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd	Pages 2 - 3
G4-4	Primary brands, products, and/or services.	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd	Pages 2 - 3
G4-5	Location of organisation's headquarters.	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd, Company Directory	Page 65
G4-6	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd,	Pages 2-3, 8-14

	relevant to the sustainability issues covered in the report.		Review of Operations	
G4-7	Nature of ownership and legal form.	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd.	Pages 2-3
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd, Review of Operations	Pages 2-3, 8-14
G4-9	Scale of the reporting organisation.	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd, Financial Highlights	Pages 2-3, 4-5
G4-10	Total workforce by employment type, employment contract, region and gender.	Partially 2016 not dis-aggregated by gender	2016 Sustainability Report	Page 29
G4-11	Percentage of total employees covered by collective bargaining agreements.	Did not report	Not available at present. To be addressed in 2016	
G4-12	Organisation's supply chain.	Partially Detailed supply chain analysis has not been included. This is targeted for 2016.	2016 Annual Report- Review of Operations.	Pages 8-14
G4-13	Significant changes during the reporting period regarding size, structure, ownership, or its supply chain.	Partially	2016 Annual Report - Chairman's Report, Directors' Review, Review of Operations	Pages 6-14
ORGANISATIONAL PROFILE: COMMITMENTS TO EXTERNAL INITIATIVES				
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation.	Fully	Steamships follows the precautionary principle through implementation of the Sustainable	N/A

			Development Policy and Corporate Code of Conduct	
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	Steamships website - Sustainability	http://www.steamships.com.pg/sustainability/our-commitment
G4-16	Memberships of associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: holds position on governance body; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic.	Fully	2016 Sustainability Report	Pages 10-11 and throughout.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents; report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	Fully	2016 Annual Report - Brief Profile of Steamships Trading Company Ltd: Organisational Structure	Page 3
G4-18	Process for defining report content and Aspect Boundaries; how organisation has implemented Reporting Principles for Defining Report Content.	Fully	Sustainability Report - Reader's Guide	Page 14
G4-19	List all material Aspects identified in the process for defining report content.	Fully	2016 Sustainability Report	Pages 13-14
G4-20	For each material Aspect, report the Aspect Boundary within the organisation, as follows: whether the Aspect is material within the organisation, if the Aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either: – The list of entities or groups of entities included in G4-17 for which the Aspect is not material or – The list of entities or groups of entities included in G4-17 for which the Aspects is material; Report any specific	Fully	2016 Sustainability Report - Reader's Guide	Page 14

	limitation regarding the Aspect Boundary within the organisation.			
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation, as follows: whether the Aspect is material outside of the organisation, if the Aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified and any specific limitation regarding the Aspect Boundary outside the organisation.	Fully	Sustainability Report - Reader's Guide	Page 14
G4-22	Explanation of the effect of any restatements of information provided in previous reports, and the reasons for such restatement.	N/A	N/A	N/A
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	N/A	N/A	N/A
STAKEHOLDER ENGAGEMENT				
G4-24	List of stakeholder groups engaged by the organisation.	Partially	2016 Sustainability Report Steamships website - Corporate Governance, Sustainability	http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/sustainability/our-commitment
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Partially	2016 Sustainability Report Steamships website - Corporate Governance, Sustainability	Page 14 http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/sustainability/our-commitment

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G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group whether any of the engagement was undertaken specifically as part of the report preparation process.	Partially	2016 Sustainability Report Steamships website - Corporate Governance, Sustainability	Page 15 http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/sustainability/our-commitment
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting; stakeholder groups that raised each of the key topics and concerns	Partially	2018 Sustainability Report Steamships website - Corporate Governance, Sustainability	Page 15 http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/sustainability/our-commitment
REPORT PROFILE				
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	2016 Sustainability Report - Reader's Guide	Page 15
G4-29	Date of most recent previous report (if any).	Fully	2016 Sustainability Report - Reader's Guide	Page 15
G4-30	Reporting cycle (annual, biennial, etc.).	Fully	Annual	N/A
G4-31	Contact point for questions regarding the report or its contents	Fully	2016 Sustainability Report – Reader's Guide	Page 15
REPORT PROFILE: GRI CONTENT INDEX				
G4-32	'In accordance' option the organisation has chosen, GRI Content Index for the chosen option, reference to the External Assurance Report, if the report has been externally assured.	Fully	2016 Sustainability Report-Reader's Guide	Page 14

REPORT PROFILE: ASSURANCE				
G4-33	Policy and current practice with regard to seeking external assurance for the report.	N/A	The report has not been externally assured	N/A

GOVERNANCE				
G4-34	Governance structure of the organisation, including committees under the highest governance body; identify any committees responsible for decision-making on economic, environmental and social impacts.	Fully	2016 Annual Report - Corporate Governance Statement Steamships website - Corporate Governance	Page 16 www.steamships.com.pg/about-us/corporate-governance
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Fully	Steamships website - Corporate Governance	www.steamships.com.pg/about-us/corporate-governance
G4-36	Whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Fully	Steamships website - Corporate Governance	www.steamships.com.pg/about-us/corporate-governance
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Fully	Steamships website - Corporate Governance	http://www.steamships.com.pg/about-us/corporate-governance
G4-38	Composition of the highest governance body and its committees by: Executive or non-executive, Independence, Tenure on the governance body, Number of each individual's other significant positions and commitments, and the nature of the commitments, Gender, Membership of under-represented social groups, Competences relating to economic, environmental and social impacts, Stakeholder representation	Partially	2016 Annual Report - Corporate Governance Statement Steamships website - Corporate Governance	Page 16 www.steamships.com.pg/about-us/corporate-governance

G4-39	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	2016 Annual Report - Corporate Governance Statement Steamships website - Corporate Governance	Page 16 www.steamships.com.pg/about-us/corporate-governance
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: Whether and how diversity and independence are considered, Whether and how expertise and experience relating to economic, environmental and social topics are considered, Whether and how stakeholders (including shareholders) are involved	Fully	Steamships website - Corporate Governance	www.steamships.com.pg/about-us/corporate-governance Section: Structure the Board to Add Value
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed, whether conflicts of interest are disclosed to stakeholders.	Fully	Steamships website-Charters and Policies (Corporate Code of Conduct)	http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Fully	Steamships website - Corporate Governance	http://www.steamships.com.pg/about-us/corporate-governance
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Fully	Steamships website - Corporate Governance	http://www.steamships.com.pg/about-us/corporate-governance
G4-44	Processes for evaluation the highest governance body's performance with respect to economic, environmental, and social topics, whether such evaluation is independent or not, and its frequency, whether such evaluation is a self-assessment. Actions taken in response to evaluation of the highest governance	Fully	Steamships website - Corporate Governance Statement, Charters and Policies	http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/about-us/corporate-

	body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organisational practice.			governance/charters-and-policies/
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Fully	Steamships website - Corporate Governance, Sustainability	http://www.steamships.com.pg/about-us/corporate-governance/ http://www.steamships.com.pg/sustainability/our-commitment
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	Fully	Steamships website-Risk Management, Charters and Policies	http://www.steamships.com.pg/about-us/corporate-governance/risk-management/ http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Fully	Steamships website - Corporate Governance, Sustainability	http://www.steamships.com.pg/about-us/corporate-governance/ http://www.steamships.com.pg/sustainability/our-commitment

G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered	Fully	2016 Sustainability Report: Message from the Board of Directors Steamships website-Charters and Policies	Page 3 http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/
G4-49	Process for communicating critical concerns to the highest governance body.	Fully	Steamships website - Corporate Governance	http://www.steamships.com.pg/about-us/corporate-governance
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	Did not report	This information was not available. To address in 2016	
G4-51	Remuneration policies for the highest governance body and senior executives for the below types of remuneration: Fixed pay and variable pay: – Performance-based pay – Equity-based pay – Bonuses – Deferred or vested shares, Sign-on bonuses or recruitment incentive payments, Termination payments, Clawbacks, Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees; how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.al performance).	Fully	Steamships website - Corporate Governance	http://www.steamships.com.pg/about-us/corporate-governance
G4-52	Process for determining remuneration, whether remuneration consultants are involved in determining remuneration and whether they are	Fully	Steamships website - Corporate Governance, Charters and Policies	http://www.steamships.com.pg/about-us/corporate-governance

	independent of management; any other relationships which the remuneration consultants have with the organisation.			http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Fully	Sustainability Report 2016	P5 and throughout (People Pulse survey)
G4-54	Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Partially	2016 Annual Report-Directors' Report	Page 58
G4-55	Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Partially	2016 Annual Report-Directors' Report	Page 58
ETHICS AND INTEGRITY				
G4-56	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Fully	Steamships website - Corporate Governance, Charters and Policies	http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	Fully	Steamships website - Corporate Governance, Charters and Policies	http://www.steamships.com.pg/about-us/corporate-governance

				http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Fully	Steamships website - Corporate Governance, Charters and Policies	http://www.steamships.com.pg/about-us/corporate-governance http://www.steamships.com.pg/about-us/corporate-governance/charters-and-policies/

STANDARD DISCLOSURES: PERFORMANCE INDICATORS				
PROFILE DISCLOSURE	**DESCRIPTION**	**REPORTED**	**CROSS-REFERENCE/ DIRECT ANSWER**	**PAGE/LINK**
ECONOMIC				
ECONOMIC PERFORMANCE				
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	2016 Sustainability Report – EC1	Page 29
MARKET PRESENCE				
G4-EC6	Proportion of senior management hired from local community at significant locations of operation; define 'senior management', 'local' and 'significant locations of operation'.	Fully	2016 Sustainability Report – EC6	Page 31
ENVIRONMENTAL				

ENERGY				
G4-EN3	Direct energy consumption by primary energy source.	Fully	2016 Sustainability Report -EN3	Page 29
G4-EN4	Indirect energy consumption by primary energy source.	Fully	2016 Sustainability Report – EN4	Page 29
WATER				
G4-EN8	Total water withdrawal by source.	Partially	2016 Sustainability Report – EN8	Page 29
EMISSIONS				
G4-EN15	Total direct greenhouse gas emissions by weight.	Partially	2016 Sustainability Report – EN15	Page 29
SOCIAL				
LABOUR PRACTICES AND DECENT WORK				
EMPLOYMENT				
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender and region.	Partially	2016 Sustainability Report – LA1	Page 30
OCCUPATIONAL HEALTH AND SAFETY				
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	2016 Sustainability Report – LA5	Page 31

2015 SUSTAINABLE DEVELOPMENT STATISTICS

ECONOMIC PERFORMANCE INDICATORS

Direct Economic Value Generated, Distributed and Retained (EC1)

STEAMSHIPS GROUP	2016 ('000 Kina)	2015 ('000 Kina)	% Change
Direct economic value generated			
Turnover	732,701	773,535	-5.5
Finance income	12,248	18,286	-49.2
Share of profits of jointly controlled and associated companies	5,865	3,062	47.8
Subtotal	750,814	794,883	-5.9
Economic value distributed			
Purchase of goods & services	210,396	255,553	-21.5
Employee compensation	148,611	172,288	-15.9
Payments to providers of capital	21,987	25,696	16.9
Payments to government	35,677	37,710	-5.7
Community investments	1,089	1,608	-47.7
Subtotal	417,760	492,855	17.98
Economic value retained			
Depreciation (including impairment)	102,142	106,715	-4.5
Profit after dividends	53,123	43,919	17.3
Subtotal	155,265	150,634	2.98

Proportion of Senior Management Hired from the Local Community at Significant Locations of Operation (EC6)

STEAMSHIPS GROUP	2016	2015	% change
Total Workforce	3,899	4,259	-9.2
Total Staff in Senior Roles	244	232	+5
Citizen Staff in Senior Roles	176	146	+21
% Citizen Staff in Senior Roles	72 %	63	+9

ENVIRONMENTAL PERFORMANCE INDICATORS

Total Energy Consumption (EN3 & EN4)

STEAMSHIPS GROUP		2016	2015	% change
EN3	Direct Energy Consumption (Gj)	801,188.7	894,350	-10.4
EN4	Indirect Energy Consumption (Gj)	73,419.1	70,790	+3.7

Total Water Withdrawal by Source (EN8)

STEAMSHIPS GROUP		2016	2015	% change
EN8	Water used (KL)	524,331	594,310	-12.5

Total Direct and Indirect Greenhouse Gas Emissions by Weight (EN15)

STEAMSHIPS GROUP		2016	2015	% change
EN15	Scope 1 - Direct Greenhouse Gas Emissions (Tonnes CO_2 equivalent)	71,128.5	77,449	-8.4

STEAMSHIPS
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SOCIAL PERFORMANCE INDICATORS: LABOUR PRACTICES AND DECENT WORK

Total Workforce by Employment Type, Employment Contract, and Region
Broken Down by Gender (G410)

STEAMSHIPS GROUP	2016		2015		% change
	Subtotal	% of workforce	Subtotal	% of workforce	
Citizen Fulltime – Male	2135	36.5	2,388	56.1	- 10.6
Citizen Fulltime – Female	807	13.8	872	20.5	- 7.5
Citizen Casual (FTE) – Male	2827	48.3	911	21.4	+210
Citizen Casual (FTE) - Female					
Non-Citizen Fulltime – Male	83	1.4	88	2.1	-5.7
Non-Citizen Fulltime – Female					
Total Workforce	3, 888	100	4259	100	+ 37.4

Total Number and Rates of New Employee Hires and Employee Turnover by Age Group, Gender and Region (LA1)

STEAMSHIPS GROUP	2016		2015	
	M	F	M	F
<30	242	150	238	181
30 to 50	261	90	265	111
>50	21	4	1	0
Total	524	244	504	292
Turnover %	27		29	

Percentage of Total Workforce Represented in Formal Joint Management-Worker Health and Safety Committees that Help Monitor and Advise on Occupational Health and Safety Programs (LA5)

STEAMSHIPS GROUP	2016		2015		% change
	Subtotal	% of workforce	Subtotal	% of workforce	
Total Workforce	3,899*	100	4,259	100	-9.2
Number of Employees on Formal OHS Committees	316	8.1	274	6	+13.7
Number of Senior Managers on Formal OHS Committees	57	18	67	1.6	-16.2

*Average of 12 months total.

Rates of Injury, Lost Days, and Work Related Fatalities (LA6)

STEAMSHIPS GROUP	2016	2015	% change
Total employees	3,899	4,259	-9.2
Total Fatalities (employee)	0	0	-
Total Lost Time Injuries (employees)	13	24	-45.8
Lost Time Injury Incidence Rate	0.33	0.55	-41.1
Lost Days due to Injuries	132	240	-45
Lost Time Injury Severity Rate	10.2	11.32	+2

Average Hours of Training per Year per Employee by Gender, and by Employee Category (LA9)

STEAMSHIPS GROUP	2016	2015	% change
Hours per employee	20	36.0	-44