

Corporate responsibility

Introduction

The Board remains committed to high standards of corporate governance, and to ensuring consistent application across the Group of its values of honesty, integrity and fairness which, in the Company's view, are the key elements for building a sustainable and profitable business. Corporate responsibility remains central to the delivery of our business strategy. This report will explain how we applied the principles of good governance throughout the year in key areas, and outlines the processes and controls we use to manage the Group's approach to health and safety, environmental matters, our employees, business ethics and social responsibilities.

Our Board of Directors sets the strategic and financial objectives for the Group and in doing so, requires and seeks to ensure that the Group maintains high ethical standards of behaviour throughout its businesses.

For the purposes of sections 414CA and CB of the Companies Act 2006, this report shall constitute the Group's non-financial information statement.

Health and safety

The Group recognises its responsibilities in relation to the health, safety and welfare of its employees, contractors and visitors to the Group's premises, as well as all those who come into

contact with the Group in its diverse activities. The Board considered and re-approved the Group's existing health safety and environment policy in January 2018 as a declaration of our intent and commitment. We continue to strive towards our ultimate aim of having no accidents or injuries and we have a proactive safety culture across the Group which promotes compliance and ensures continuous improvement. We have a strong focus on employee training, regulatory compliance and accident reduction, all of which are monitored and reported across the Group. Accountability remains with local management who are best-placed to ensure that their businesses comply with local laws and regulations and specific needs on a day-to-day basis. This is overseen by Nick Henry, the Chief Executive Officer, who has overall responsibility for health and safety. The review of health and safety performance is high on the agenda at each Board and business board meetings, and remains a top priority for the Group.

The Group Health and Safety Committee (GHSC), chaired by Nick Henry, meets on a quarterly basis to discuss all health and safety issues including incidents, mitigating actions and training requirements. The GHSC ensures that recordable safety incidents are reported to the Board and that each Group operating company is maintaining high standards of health and safety in its business. Through the GHSC, the

Group shares best practice and lessons learnt following any health and safety incidents, including near misses, to mitigate the risk of recurrence.

The Group's principal operating companies maintain internationally recognised occupational health and safety management systems accredited to OHSAS 18001 and management systems which are accredited to the international quality standard ISO 19001.

The Group has adopted the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) in the reporting of reportable incidents. A reportable incident under RIDDOR is a work-related injury which results in a person's incapacitation for more than seven days. The number of reportable incidents across the Group in 2017 was 5 (2016: 5).

The Group also records lost time accidents (LTAs) to monitor performance and trends. An LTA is an incident which causes a worker to be incapacitated for three or more consecutive days, not including the day of incident. In 2017, the Group incurred 5 LTAs (2016: 6).

The Group monitors its overall RIDDOR reportable frequency rate, defined as the number of RIDDOR reportable incidents per one hundred thousand hours of work. In 2017, the Group's RIDDOR reportable frequency rate was 0.1 (2016: 0.1).

Environmental matters

The Group recognises its responsibility to protect the environment for the benefit of all and is committed to operating its businesses to ensure that the environmental impact of its activities, its consumption of raw materials and its production of waste is minimised. The Group is committed to working within the appropriate regulatory frameworks to minimise the impacts of its operations on the environment.

Nearly all of our principal operating companies are ISO 14001 compliant. This internationally recognised environmental management system enables a systematic approach to handling environmental issues.

Energy consumption was measured across the Group by recording data on the combustion of fuel and the use of electricity at its facilities. The Group's total greenhouse gas emissions (GHG) are set out below.

Emissions total (in thousands of metric tons)

	2017	2016
CO2 equivalent from electricity consumption in facilities	2.3	3.0
CO2 from combustion of fuel at facilities and road vehicles	2.4	2.9
CO2 from combustion of fuel in vessels	84.0	83.9
Total emissions (CO2)	88.6	89.8

Emissions from the combustion of bunkers which fuel the tankers in the Tankships division amounted to 95% of the Group's total emissions (2016: 93%). The benefit of sea transportation is that one 4,000 metric ton vessel can carry 150 times the volume of fuel carried by a single road tanker, which significantly reduces congestion and emissions to air. Emissions from fuel combustion in vessels was similar to 2016 despite one fewer vessel in the Tankships division. This was due to the growth in ship-to-

ship transfer services in Brazil which commenced in January 2017.

The Group's carbon intensity ratio calculated against the Group's revenue remained flat at 0.02% (2016: 0.02%). Our Tankships division operates a Ship Energy Efficiency Management Plan to regulate shipping energy efficiency and to control its marine GHG emissions. One objective under the Group's health, safety and environment policy is to ensure that the impact of our activities and our production of waste is minimised, as such waste management and recycling of materials is encouraged across the Group and in an effort to reduce our carbon emissions from travelling to and from meetings, the use of video conferencing is widely used throughout the Group.

Employee related matters

The Chief Executive Officer is responsible for employee matters and he is assisted by the Group Head of Human Resources. The Group is committed to complying with all applicable laws governing employment practices and to the prevention of discrimination on the basis of any unlawful criteria. Employment arrangements are intended to be fair, equitable and consistent with the skills and abilities of the employees and the needs of the business.

The Group is committed to developing its employees and ensuring that investment in learning and development is in line with the business strategy and goals. We recognise that the success of our business depends on our talented workforce. Employees throughout the Group are encouraged to participate in training and development programmes and to obtain professional qualifications relevant to their roles. In order to develop this further, the Group has broadened its management development and graduate recruitment programmes, which focus on recruiting talented graduates and developing skills and experience to produce potential future managers. The Company also has a dedicated learning and development team who deliver in-

house training to employees throughout the Group on a wide variety of personal development and compliance-related topics, much of which is tailored to each business to give the employees targeted, bespoke training which will advance their development.

The Group believes that effective learning and development will help to attract and retain high quality people, support them in reaching their potential and build the capabilities necessary to succeed, which in turn rewards the Group by securing the dedication and motivation of those employees. Keeping our people inspired remains one of our highest priorities and so we focus on creating an environment where performance is rewarded, people are respected for their contributions, diversity and inclusion is encouraged and where integrity is upheld in all aspects of our work. The Group remains committed to providing equal opportunities free from discrimination, and to developing and retaining talent to maximise business growth and performance.

The Company also recognises the need to provide flexible working practices to support the needs of employees to maintain a successful work-life balance. In support of this the Company operates a flexible working policy. Under this policy, the Company states that it will, where possible, try and accommodate an employee's needs. During 2017, 49 requests for flexible working were made and 100% were accepted by the Company.

Developing and maintaining employee engagement with the Company is important. The Group communicates with its employees on matters of concern to them as employees, and on the financial and economic factors affecting the performance of the Company. This is done principally through management briefings and newsletters, the Company's website, the Group's intranet resource, and by the distribution of preliminary and interim announcements and press

releases. Copies of the Annual Report and Accounts are also made available to the operating businesses and this communication process enables employees to gain an understanding of the Group's objectives and performance and how they have contributed to those results. Where decisions are being made which are likely to affect employees' interests, such employees or their representatives are consulted so that their views can be taken into account.

We operate in a competitive marketplace and the Board recognises the importance of rewarding employees appropriately for the value they bring to the business. It aims to offer rewards that attract and retain key talent.

The Group also encourages its employees to share in its successes through share ownership. As at 31 December 2017, 284 employees were participants in the James Fisher Sharesave Scheme which gives them the opportunity to purchase shares at the end of a three or five year saving plan (2016: 293).

Equal opportunities and diversity

The Group values the diverse backgrounds of all its people and strives to create a culture of honesty, openness and accountability. It is Group policy to treat all job applicants and employees fairly. The Group has made the commitment that no employee or potential employee shall receive more or less favourable treatment or consideration on the grounds of race, colour, ethnic origin, nationality, national origin, religion or belief, gender, age, disability, sexual orientation, marital status or any other similarly protected status. We aim to ensure that people from any background or of any gender identity have equal access to employment, training and career progression opportunities. We strive to select individuals on merit and do not consider that targets or quotas are appropriate.

The Board recognises that having a

diverse workforce allows the Group to meet better the differing requirements of our global customer base. Our strategy is to identify current and/or future potential successors to senior management roles throughout the Group, and gender diversity is encouraged by the Board. The Group's diversity policy is reviewed annually and approved by the Board and is available on the Company's website.

The objectives of the Group's diversity policy are to ensure that the Group benefits from a diverse workforce and has a working environment where all employees are encouraged to realise their full potential and where there is an open atmosphere of trust, honesty and respect. The policy applies to all Group employees and to all staff, contractors, consultants and any other individual working for, at, or on behalf of the Group. One diversity policy initiative is to provide training and mentoring for women at all stages of their career to support their development as leaders. In the last two years, 63 women passed through this leadership programme.

Gender diversity

	2017		2016	
	Male	Female	Male	Female
Main Board Directors	6	1	6	1
Senior Managers	61	11	47	9
Employees	2,081	564	2,152	560

The Group will report on gender pay in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 by 4 April 2018. The Board has been considering the preliminary results of the Group analysis and whether any action might be required.

All of our employees are treated with respect and dignity. Harassment of any kind is not tolerated. In addition to complying with legislative requirements, the Group strives to ensure that disabled employees are treated fairly and that

their training, career development and promotion needs are met. If an employee were to become disabled during the course of their employment, the Group would provide support, wherever practicable, whether through re-training or re-deployment, so that they continue to be employed, wherever practicable, in the same job, or if this were not practicable, every effort would be made to find suitable alternative employment.

Respect for human rights

James Fisher is committed to supporting and respecting human rights in the workplace and in the communities in which it operates across its international business. We have implemented work practices and policies throughout the Group which are designed to ensure that respect for human rights is integrated into the systems and culture of our businesses. We do not tolerate the use of child or forced labour within our business and take all steps possible to ensure that our suppliers and customers also uphold internationally recognised human rights. The Group has a formal slavery and human trafficking statement which is available on the Group's website and which outlines steps taken by the Group to ensure that there is transparency in the Group and throughout our supply chains. As part of this policy statement, the Group encourages any concerns relating to modern slavery to be raised using the procedure set out in the whistleblowing policy. There is an on-going process of risk assessment with the effectiveness of this statement and the Group's other policies, and procedures being regularly monitored and reviewed by the Audit Committee to ensure that they align with our Group strategy. During 2017, no whistleblowing reports were brought to the attention of the Audit Committee.

Business ethics, anti-bribery and corruption matters

As a Group we aim to act responsibly and ethically in all of our business dealings. Through our ethics policy we aim to instill the highest standards of business behaviour across the Group and we focus on embedding a culture of ethical compliance so that all of our people understand the standards of ethical business practice that are expected of them. As well as protecting the reputation of the Group and safeguarding the investment of our shareholders, the business ethics policy aims to protect the interests of every employee by ensuring legal and regulatory compliance in all jurisdictions where the Group operates, as well as promoting responsible behaviour across the Group.

The Group has an established anti-bribery and corruption policy and has introduced a compliance programme which has the support of the Board and senior management within the Group. The programme includes communication of the statement and policy, training, risk assessment, monitoring and review processes. Employees assessed to be at risk are required to complete the training and to self-certify that they understand and agree to be bound by its provisions. By the end of 2017, over 1,000 employees had undertaken this training.

The Group does not permit bribery, nor illegal or corrupt business practices and our whistleblowing procedure allows employees to raise any malpractice concerns they may have in an appropriate forum without fear of recourse. On-going compliance is monitored by local compliance officers who are required to report to their local boards and to the Group Compliance Officer on at least a biannual basis. The compliance officers are responsible for ensuring that risk assessments, training and awareness are carried out where appropriate and are kept up to date. They are also required to monitor, record and report agency arrangements

with third parties to ensure that all our business dealings are appropriate and within our ethical framework.

Customers

Our customers are extremely important to us. The Group aims to provide superior customer service through value added solutions combined with high quality products. First class customer service and innovation are critical to our success.

We appreciate that every customer has different needs and expectations and we have developed long-lasting relationships with customers and suppliers over many years to help customers find the solutions they need. We have followed a customer-led strategy with regards to expansion into international markets, and we are proud to be a trusted partner of many major corporations, government agencies and other customers around the world. We understand that a continued commitment to our existing and future customers is fundamental to our success and so we strive to work hard to understand our customers' needs and to continue delivering customer satisfaction.

Suppliers

Our businesses have developed their own long-term relationships with suppliers based upon best practice, legal requirements and Group policies and procedures. Group companies promote human rights, social responsibility, trade compliance and anti-corruption within their own supplier base, and key suppliers are vetted to ensure that they adhere to all relevant laws, our policies and codes of conduct and, where appropriate, operate within internationally recognised quality, health and safety and management systems.

Our community matters

Whilst the Group has no formal policy on supporting the community, it continues to encourage its businesses to support local communities within

their operational areas. During 2017, the Group was involved in the provision and installation of two manual boreholes which will provide fresh drinking water to two rural communities based in the Mpohor district of the western region of Ghana. The Group has also set up an educational bursary in South Africa for prospective new mariners in a bid to help promising female students complete the necessary studies for a career in the maritime industry. During the year our employees have given their time and money to a wide range of charitable giving and fund raising activities.

Charitable causes supported in 2017 included: Macmillan; Make a Wish Foundation; Meningitis Research Charity; Ty Gobaith (Hope House) children's hospice; RNLI; NeST (Nephrotic Syndrome Trust); the Alzheimer's Society; Breast Cancer Now; CLAN Cancer Support.

The Sir John Fisher Foundation (SJFF) is a charitable trust, which was established in 1979 by Sir John and Lady Fisher, and supports causes throughout the UK, with special regard to those based in and working for the benefit of people living in Barrow-in-Furness and the surrounding area. The Trustees of SJFF hold a significant shareholding in the Company and support charitable causes in relation to maritime, medical and disability, education, music, arts and community projects. In 2017 SJFF made grants or commitments to charitable causes of £2.0m (2016: £2.3m).

In accordance with the requirements under sections 414CA and CB of the Companies Act 2006, information in relation to the following matters can be found on the pages specified below:

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Employees	23-24
Social matters	25
Respect for human rights	24
Anti-corruption and anti-bribery	25