

STRENGTHENING OUR HUMAN CAPITAL



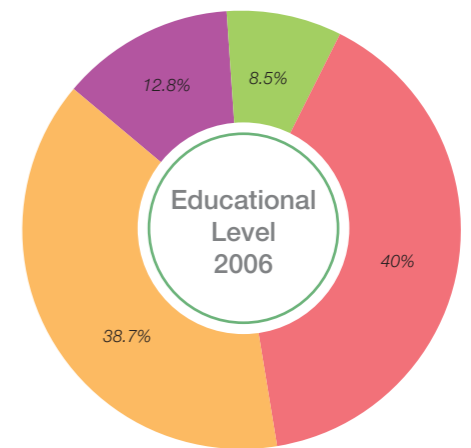
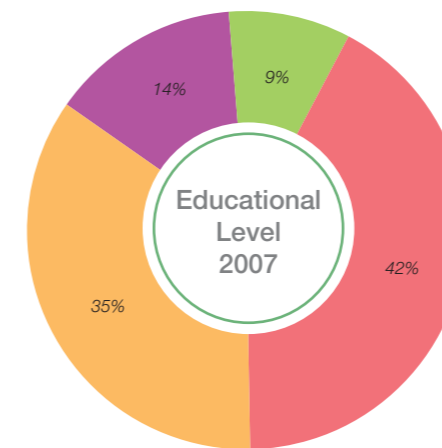
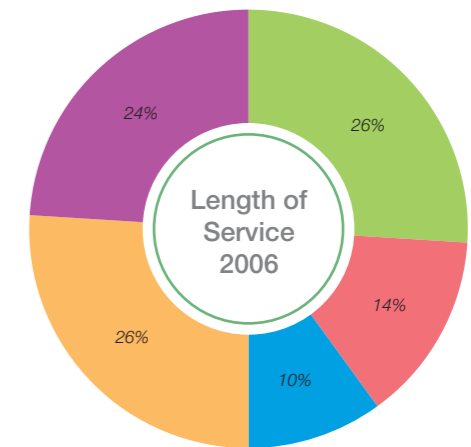
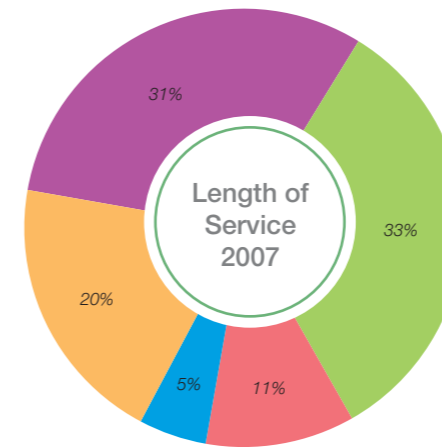
The Group's growth continued to be sustained by investments in its key driving force – people. Its relentless efforts to strengthen its human capital were evident from its active strategies to attract, train, develop and retain capable talents. The Group also strived to create a work environment and culture conducive for employees to translate their creative energies into innovative solutions and technologies to steer the business ahead.

Growing Workforce

The total workforce of Sembcorp Marine rose by 6.34% to 9,710 as of December 31, 2007 as compared to 9,131 last year. This increase is attributed to the Group's expanding operations and increased production activity fuelled by robust growth in the marine and offshore sector.

Profile of Workforce

Category	No. of Employees	Percentage %
Management Level	2908	29.95
Support Staff	652	6.71
Production Workers	6150	63.34
TOTAL	9710	100



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Recruiting & Nurturing Talent

To support its growing marine and offshore engineering operations, Sembcorp Marine and its subsidiary yards engaged in proactive multi-tiered recruitment drives to reach out to prospective jobseekers and graduating students. Throughout the year, the Group participated in large career fairs and roadshows for educational institutes such as universities, polytechnics, institutes of technical education.

Partnerships were also forged with government agencies like the Workforce Development Agency, Republic of Singapore Navy and Singapore Maritime



Foundation, to target groups with specialised skills that would complement the Group's needs. In its search for talent, the Group also cast its net further by organising overseas recruitment events to attract capable people from across the region into the Group's fold.

Attractive scholarship and sponsorship programmes formed another key component of the Group's strategy to draw in and nurture talent. The year saw a total of 42 scholarships being given out.

Sembcorp Marine continued to work closely with organisations such as the Association of Singapore Marine Industries, polytechnics and universities to sponsor diploma, advanced diploma, university and post-university graduate programmes.

To strengthen the Group's talent pool, promising individuals within and beyond the Group were handpicked through a stringent selection process. They were then groomed either locally or overseas at established educational institutions such as Nanyang Technological University and National University of Singapore in Singapore, University of Michigan in USA, University of Glasgow and



Strathclyde in Scotland, and the University of Leeuwarden in Netherlands.

The Group has an in-depth talent management and succession planning system in place to ensure business continuity and sustainability in the Group's operations and management. Individuals with management and leadership potential continued to be identified and groomed through training and development to further raise their performance levels.

Retention of Mature Employees

Besides seeking out fresh talents, Sembcorp Marine was also active in its efforts to re-employ mature and older workers. Silver talents play an important role in the mentorship of their younger peers, the transfer of critical knowledge, and in driving innovation in the yards. Currently, mature and older workers above 50 years old account for about 5.1% of the Group's total workforce.

To complement efforts in this area, Jurong Shipyard launched a post-retirement Chronic Disease Medical Plan, the first of its kind in Singapore which would provide retired employees with financial assistance for chronic disease treatment.

Training & Skills Development

As a learning organisation, Sembcorp Marine and its shipyards deployed a robust framework for training and development, which aligned learning and development initiatives to business objectives, goals and values.

By grounding employees with the right knowledge and techniques, they would be better equipped to execute their responsibilities well and excel in their job performance. This enables the Group to constantly maintain its high standards of operational efficiency, quality and safety.



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The Group's commitment to people development is reflected in its significant investment in training and development. During the year, 14,635 employees underwent 204,035.6 hours of training to upgrade their skills and capabilities to improve their competency on the job.

Recognition for Outstanding Performance

The Group's performance management and recognition system has been designed to reinforce and encourage positive behaviors and practices among employees.

To ensure talent retention, remuneration was benchmarked against industry standards of competitiveness. Salary increments and career advancements were further tied to the achievement of key performance indicators to reward and retain individuals with outstanding performance.

In addition to annual performance appraisals, employees who had shown exemplary contribution such as proactive participation in innovation, safety, quality, and teamwork were recognised through special awards.

Long Service Awards

Long-time employees within the Group were recognised for their steadfast loyalty and invaluable contributions through Long Service Awards given annually. In 2007, a total of 354 employees with 10, 15, 20, 25, 30, 35, 40 years of service were rewarded with tokens of appreciation and cash awards.

Festive Celebrations

To foster closer ties and a greater sense of belonging among employees, special celebrations were organised during festive occasions such as Deepavali, Hari Raya, Christmas, and Chinese New Year. Besides providing cheer to employees and customers who were away from their families, these festivities helped to strengthen the familial spirit within the yards.



Union-Management Relations

The close and cohesive relationship between management and union continued to be directed towards one common objective of ensuring the welfare and well-being of employees. Strong support has been rendered by union groups over the years toward workplace safety and health promotion initiatives as well as community care and social responsibility programmes spearheaded by the yards. This close relationship is also reflected during celebrations and events jointly organised by the yards and their unions for the welfare of employees.



Every year, management, union and employees of the yards come together in a strong show of tripartite unity to commemorate Singapore's National Day. In 2007, union leaders called at Jurong Shipyard for a learning journey on the marine and offshore industry. Led by Mr Lim Swee Say, NTUC's Secretary-General and Minister in the Prime Minister's Office, and Mr John de Payva, Chairman of NTUC, the 80-member delegation garnered insights about the Group's operations and the wide range of career prospects available to help them better understand the needs of workers.

Management and employees from Jurong Shipyard also joined in the 40th Anniversary Celebrations of the yard's Multi-purpose Co-operative Society. Encapsulating the principles of union-management collaboration, the society, established in 1967, is believed to be the first of its kind registered in Singapore where management and union leaders work together to serve workers' interests and welfare.