

Sembcorp Marine Value-Supply Chain

Operation	Description	Ability to Influence INSIDE ORG / OUTSIDE ORG	Material Issues / Challenges / Risks	Negative or Positive Impact on Stakeholders
DESIGN & ENGINEERING				
Product	Sustainability begins at the conceptualisation and design stage. We design rigs and ships to be as efficient and safe as practicably possible. We design to meet customer expectations and aim to deliver products that allow energy and fuel savings and that meet environmental emissions regulations.	HIGH / LOW	We can influence the impacts relating to: <ul style="list-style-type: none"> • Customer satisfaction • Environmental compliance • Technology innovation • Productivity • Safety (Employee and Customer) • Materials management 	<ul style="list-style-type: none"> • Customers • Employees • Investors
Process	Continuous process innovations and improvements for quality, productivity, efficiency and safety are crucial in enabling the Group to continually achieve new breakthroughs in business excellence.	HIGH / MEDIUM	We exert a larger, more direct influence on operational processes within our yard facilities and this will impact: <ul style="list-style-type: none"> • Safety (Employee, Contractor and Customer) • Environmental compliance • Productivity • Technology innovation • Materials management • Customer satisfaction 	<ul style="list-style-type: none"> • Employees • Contractors • Customers • Investors
PROCUREMENT				
Raw Materials	Steel remains the primary resource for the industry, supplemented by other metals. Liquefied gases are consumed for cutting and welding. Other items used in our operations include paint, chemicals (eg. anti-fouling, water treatment and lubrication), materials (eg. wood, plastics, cables and wire).	HIGH / HIGH	Procurement involves two primary areas – for projects and for operations. Impacts relevant to this part of the value supply chain are: <ul style="list-style-type: none"> • Customer satisfaction • Product quality • Business integrity • Environmental management • Materials management 	<ul style="list-style-type: none"> • Suppliers • Customers • Investors
Equipment & Parts	The Group purchases a range of equipment and parts as <ol style="list-style-type: none"> 1) Ad hoc equipment for internal shipyard operations, such as forklifts and cranes. 2) Equipment and parts that are utilised for newbuilding, repair and upgrading projects, including specialist items like engines, drilling packages, rig/ship operation software, furniture, navigation systems, etc. 	HIGH / HIGH		

<p>Services & Manpower</p>	<p>These include specialist services ranging from waste disposal services to commissioning agencies. Manpower vendors include the Group's contracted workforce.</p>	<p>HIGH / HIGH</p>	<p>Manpower and services vendors are individually managed by our yards based on their operating requirements and policies:</p> <ul style="list-style-type: none"> • Health & safety • Business integrity • People development 	<ul style="list-style-type: none"> • Customers • Employees • Government • Regulators
<p>PRODUCTION</p>				
<p>Repairs & Upgrades</p>	<p>We repair a diverse range of vessels and platforms in our yards. These include cargo and container vessels, tankers, liquefied natural and petroleum gas carriers, passengerships, drillships, drilling rigs and crane barges.</p>	<p>HIGH / HIGH</p>	<p>We leverage the complementary facilities and specialised capabilities of our yards to deliver integrated solutions for a broad range of projects on time, within budget and in accordance with high standards of quality, safety and excellence.</p>	<ul style="list-style-type: none"> • Customers • Employees • Government • Regulators • Investors • Suppliers/contractors • Institutions (Academic, R&D) • Community
<p>Rigs & Floaters</p>	<p>We have turnkey expertise in the proprietary design and construction of deep drilling offshore jack-up rigs and drillships as well as the construction of semi-submersibles, including drilling units, accommodation rigs and well intervention units. The Group has proven capabilities in building high-specification rigs for challenging and harsh environments such as the North Sea.</p> <p>We provide a host of solutions for the conversion of offshore production and storage platforms and specialised dynamic positioning offshore vessels. Our track record of conversions include FPSOs, FSOs, FPU, FDPSOs and FSRUs, shuttle tankers, ARVs and heavy-lift pipe-laying vessels.</p>		<p>The key impacts of our production operations are:</p> <ul style="list-style-type: none"> • Health & safety • Customer satisfaction • People development • Product quality • Economic performance • Innovation, R&D • Business integrity • Environmental management • Materials management • Social responsibility 	
<p>Offshore Platforms</p>	<p>We provide total solutions in the engineering, procurement, construction, transportation, installation, offshore hook-up and commissioning of offshore production platforms and floating production facilities for the oil and gas industries. This includes construction of integrated, process, production, drilling, wellhead and accommodation platforms as well as fabrication of modules and living quarters</p>			
<p>Specialised Shipbuilding</p>	<p>We design and construct dynamic positioning heavy lift pipe-lay vessels, mid-sized tankers, container carriers, ice class chemical tankers and a wide range of other specialist units.</p>			

QUALITY & SAFETY VALIDATION				
Quality Assurance & Compliance Checks	A project at various stages of its construction or repair in our shipyards will require multiple levels of quality and safety validations. Offshore vessels and platforms are required to be certified and compliant to a range of international regulations and benchmarks.	HIGH / HIGH	The key impacts of our quality and safety validation processes are: <ul style="list-style-type: none"> • Health & safety • Customer satisfaction • Product safety 	<ul style="list-style-type: none"> • Customers • Employees • Classification societies and other companies offering testing services • Investors
TRANSPORTATION DELIVERY				
Towing Solutions	The transportation delivery of completed projects is an optional add-on depending on the job type and contract nature. Ships after repairs generally do not require transport as they depart on their own capacity. Transportation is usually offered as a contract option for rigs and fixed platforms which have low or no propulsion for long distance travel to provide customers with a one-stop service solution. These projects are either towed with tugboats or transported via heavy-lift ships.	HIGH / MEDIUM	We recognise that the following impacts are relevant: <ul style="list-style-type: none"> • Health & safety • Customer satisfaction • Environmental management • Social responsibility 	<ul style="list-style-type: none"> • Customers • Employees • Suppliers/contractors • Investors
CORPORATE FUNCTIONS				
HQ, Sales & Marketing, Human Resource, Procurement, Finance etc	Project-related progress and customer satisfaction are monitored through corporate functions such as HSSE, Finance and Risk Management, which are accountable to the Board of Directors and senior management. Financial and risk teams track threats and opportunities in the business. All core functions are aligned to Group-level policies and comply with a structured framework which are audited regularly both internally and by external agencies.	HIGH / HIGH	Risk-based processes drive performance in key impact areas, including: <ul style="list-style-type: none"> • Product quality • Economic performance • Innovation, R&D • People • Social responsibility 	<ul style="list-style-type: none"> • Employees • Government/regulators • Investors • Customers • Community