

HUMAN CAPITAL

Sembcorp Marine aims to be a workplace of choice where human rights are respected, equal opportunities provided and aspirations fulfilled. Through its human resource (HR) strategy, the Group seeks to attract and retain the best talent for developing a globally competitive and future-ready workforce.



Developing a globally competitive workforce with diverse capabilities for future growth



TOTAL

11,847

WORKFORCE PROFILE

As at end December 2018, Sembcorp Marine employed 11,847 people globally.

Reflecting the workforce demographics in the offshore and marine industry, men account for 91% of the Group's headcount due to the nature of its core work activities.

Sub-contractors are supplementary to the regular workforce and are deployed according to operational requirements for a major portion of the Group's production activities.

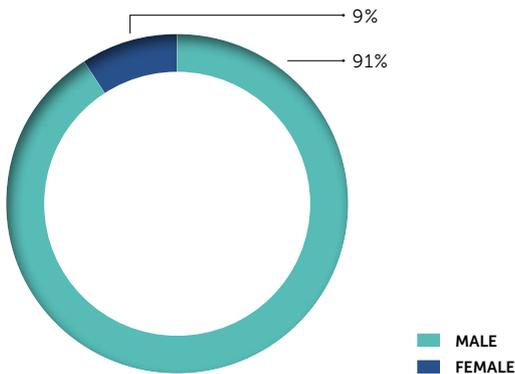
Senior management personnel based at Sembcorp Marine's corporate headquarters in Singapore include 17 Singaporeans and two permanent residents. There are 15 men and four women in the senior management team. Among them, six are in the 40-49 years age group category and 13 are in the 50 years and above age group. More details can be found in the Senior Management section of this Annual Report on page 54 and on the corporate website.



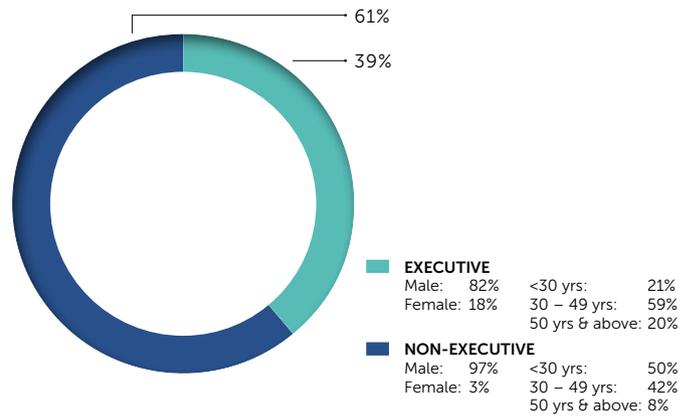
Global Workforce

Total = 11,847

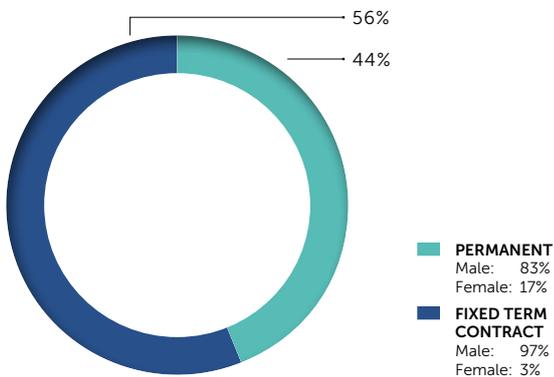
Workforce Distribution: Gender



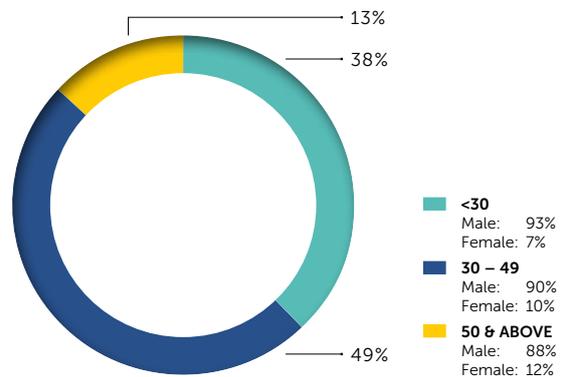
Workforce Distribution: Work Function



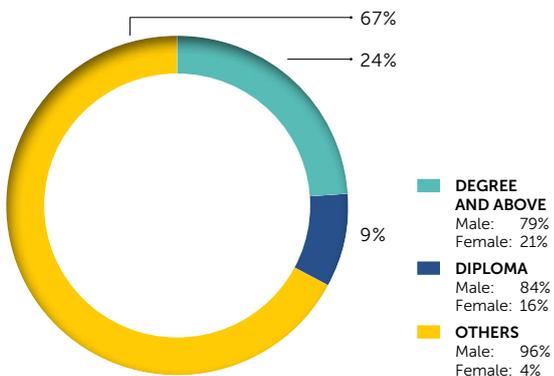
Workforce Distribution: Employment Contract



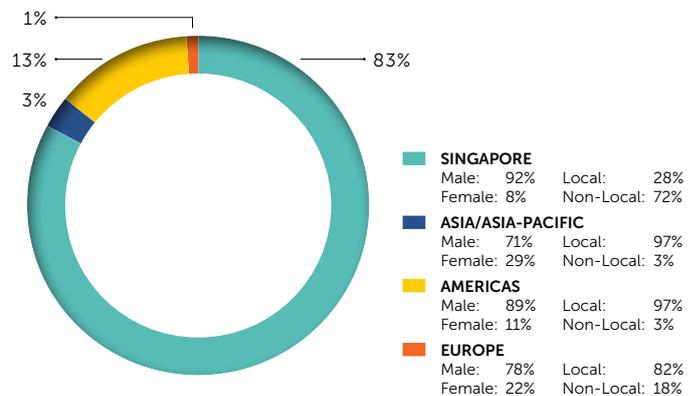
Workforce Distribution: Age Group



Workforce Distribution: Level of Education



Workforce Distribution: Region



HUMAN CAPITAL

HUMAN RESOURCE STRATEGY

Sembcorp Marine's HR strategy contributes to the Group's mission, vision and business goals by:

- Talent management and leadership development – to ensure business continuity;
- Developing workforce competencies and capabilities – to enhance skills, productivity and competitiveness;
- Workforce planning and talent outreach – to attract the best and grow its talent pipeline;
- Ensuring respect for human rights and diversity across its operations and value chain;
- Providing fair employment and equal opportunities; and
- Employee recognition, engagement and well-being – to motivate higher performance, build loyalty and encourage talent retention.

Regular reviews of the HR strategy are performed to ensure effectiveness and relevance of the Group's HR management systems, policies, procedures and human rights compliance. These include assessing internal and external stakeholders' feedback as well as reviewing against recognised standards and industry best practices.

TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT

Talent management and leadership development are crucial to succession-planning and business continuity. Sembcorp Marine has a structured framework to identify and groom promising talent for future leadership roles within the Group. Talent development for key



Training to up-skill workforce capabilities

executives, review of succession plans and approval for senior management appointments are overseen at the Board level by the Executive Resource and Compensation Committee.

Sembcorp Marine's performance management system provides a structured framework to drive job performance, career planning and leadership development. Employees with potential are groomed for leadership positions via the Group's talent development framework, where training is provided to further hone their technical skills and leadership competencies.

Notably, Sembcorp Marine's customised Global Leadership Programme, launched in 2015 with the Singapore Management University, has successfully trained 2,469 management employees; equipping them with leadership competencies in strategy execution and people management.

WORKFORCE CAPABILITY AND COMPETENCY DEVELOPMENT

Sembcorp Marine continues its emphasis on workforce capability and employee competency development. Globally, the Group invested \$6.20 million in employee training and development in 2018, including \$4.76 million for its Singapore operations.

The Group provided a total of 450,972 training hours during the year, averaging 38 training hours per employee across its global operations. Proportionate to the higher ratio of male employees in the workforce, 97% of the total training hours were received by men. Employees in the executive category accounted for 25% of the training hours, while non-executive employees represented 75%. Of the 47,292 training places provided, 40% of the courses related to technical and functional skills training as well as leadership and personal development. Workplace health, safety and environment training accounted for the remaining 60%.

Sembcorp Marine Academy, the Group's in-house training facility, provides a broad range of training to enhance workplace safety and health, skills and competencies, innovation and productivity as well as personal growth and development. The academy leverages innovative technologies to develop customised learning programmes, contextualised training and work simulations to equip employees with core competencies as well as new skill-sets in LNG and gas containment that support business growth.

Initiatives to up-skill and re-skill the workforce are in place to gear employees with the required capabilities for the successful execution of the Group's projects and gas value chain solutions. Workforce optimisation continues with training programmes offered to boost employees' versatility, scalability and competitiveness.

Sembcorp Marine works closely with organisations such as Workforce Singapore (WSG), NTUC Employment

and Employability Institute (e2i), Association of Singapore Marine Industries and other sector agencies in the area of workforce training and development.

The Group continues to expand its training areas under WSG's Professional Conversion Programme (PCP), which aims to re-skill and up-skill employee competencies through structured training programmes and prepare them for new job roles. Selective employees are identified to undergo six months of classroom and on-the-job training to acquire new competencies that help grow the Group's new business segments. An example is Sembcorp Marine's customised training programme, jointly developed with the Institut Teknologi Petroleum PETRONAS (INSTEP) to enhance employees' expertise in the areas of petroleum industry and upstream plant operations.

Apart from technical and functional skills training, courses are also provided to enhance employees'

management skills. Employees are regularly scheduled to attend in-house training related to teamwork, communication, customer relationship management, change management, innovation, quality, and process improvement. These courses help improve their supervisory skills and personal effectiveness, in turn strengthening their work performance.

Sembcorp Marine supports sub-contractors by providing training and conducting assessments in specific trades to ensure that their employees acquire the necessary technical skills and knowledge. Sub-contractor employees underwent about 262,174 hours of training in 2018. Training related to workplace health, safety and environment formed 94% of the 46,731 training places provided.

The Group also contributes towards industry development through knowledge sharing and partnerships with government agencies, educational institutions, industry associations and certified training



INSTEP training to enhance employees' knowledge of the petroleum industry and upstream plant operations



Courses are provided to equip employees with leadership, management and communication skills

HUMAN CAPITAL



Brazilian trainees on training attachments in Singapore under Sembcorp Marine's Joint Education Programme



EJA employees in Brazil undergoing technical training in offshore and marine trades

providers to raise the standard of offshore and marine engineering training in Singapore.

Beyond Singapore, the Group's subsidiary yard, Estaleiro Jurong Aracruz (EJA) in Brazil, drives and supports a range of capability building and workforce development programmes to nurture local talent. Sembcorp Marine's Joint Education Programme with Instituto Federal do Espirito Santo (IFES) and Singapore's Ngee Ann Polytechnic has benefited more than 120 talented locals since its inception in 2012. This includes

nine trainees in 2018 who had the opportunity to undergo the polytechnic's Diploma (Conversion) in Marine and Offshore Technology programme in Singapore, followed by work attachments at Sembcorp Marine. These graduates will embark on engineering careers at EJA after returning to Brazil.

EJA also offers vocational training to locals in specialised trades, such as industrial painting, welding, industrial automation, hydraulics, electricals, industrial mechanics, pipe fitting and scaffolding. In 2018, 59 youth trainees

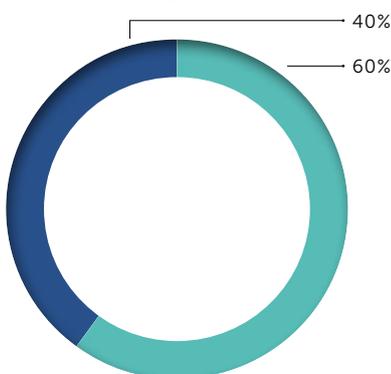
graduated from EJA's Apprenticeship Programme. Initiated in 2012, the year-long Apprenticeship Programme has benefited 331 young locals from the surrounding communities.

In Indonesia, Sembcorp Marine has invested in training infrastructure enhancements to strengthen its workforce capability development. P.T. SMOE Indonesia has in recent years completed a new welding centre as well as a dedicated training and learning centre to scale up the skills and competencies of its workforce.

Employee and Contractor Training

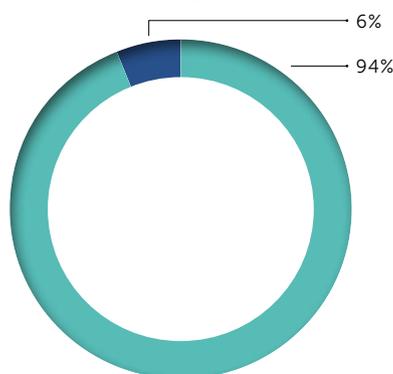
Employees

Training Places = 47,292
(450,972 training hours)



Contractors

Training Places = 46,731
(262,174 training hours)



HEALTH, SAFETY & ENVIRONMENT
SKILLS, COMPETENCIES & OTHERS



Sharing Semcorp Marine's operational best practices with trainees of the ITE Work-Learn Programme

WORKFORCE PLANNING AND TALENT OUTREACH

To ensure its continued competitiveness, Semcorp Marine identifies its talent requirements through strategic workforce planning.

Semcorp Marine values diversity and proactively reaches out through different channels to recruit talent with specialised knowledge and requisite capabilities across its key business segments and geographical markets. For its overseas operations, the Group actively recruits local talent with good understanding of the unique market conditions to grow its global business.

To attract a diverse talent pool, the Group leverages a range of recruitment platforms such as career talks, job fairs as well as outreach events and industry promotion activities through schools and tertiary institutions.

Scholarships are another important channel for identifying, supporting and nurturing promising young talents as they pursue their tertiary education. These scholars are earmarked for future leadership roles when they join the Group following their graduation.

To prepare students for future careers in the industry, Semcorp Marine supports the Singapore government's SkillsFuture initiative in the area of internships. The Group collaborates with various local educational institutions to provide students with

attachment opportunities for work assignments and projects within the Group's yards. Such internships also enable the Group to spot potential talent for future recruitment.

In 2018, Semcorp Marine launched the INSIGHT programme to provide students from various educational institutions with opportunities to witness ongoing projects in the Group's Singapore yards through site visits. Besides deepening their technical knowledge and understanding, the programme also aims to arouse students' interest in the offshore and marine industry.

As an Institute of Technical Education (ITE) approved training centre and skills assessment centre, Semcorp Marine continues to work with ITE to review various programmes and tests in Singapore. This collaboration allows ITE to incorporate industry best practices into its curriculum and ensure rigorousness in its marine engineering courses and tests.

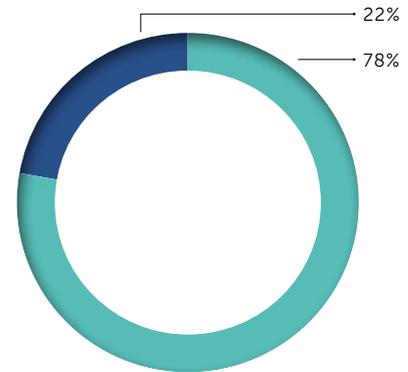
Semcorp Marine has been partnering with ITE on the Work-Learn Technical Diploma (WLTD) Programme since 2018. This programme aims to attract ITE NITEC and Higher NITEC graduates in relevant fields to undergo a three-year programme which includes classroom training at ITE and on-the-job work attachments at the Group's Singapore yards.

Semcorp Marine's close partnership with educational institutions ensures a steady stream of skilled talent for the Group.

New Hires

Total = 3,041

Rate = 26%

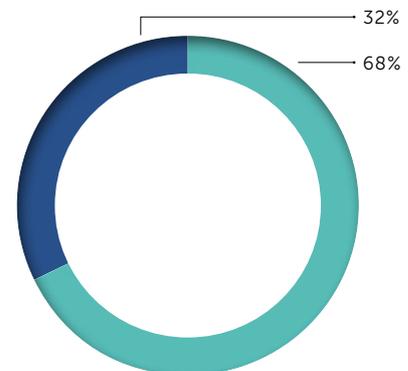


SINGAPORE		OVERSEAS	
Gender			
Male:	92%	Male:	75%
Female:	8%	Female:	25%
Age Group			
<30:	65%	<30:	48%
30 - 49:	34%	30 - 49:	48%
50 & above:	1%	50 & above:	4%

Employee Turnover

Total = 2,090

Rate = 18%



SINGAPORE		OVERSEAS	
Gender			
Male:	90%	Male:	82%
Female:	10%	Female:	18%
Age Group			
<30:	44%	<30:	30%
30 - 49:	46%	30 - 49:	45%
50 & above:	10%	50 & above:	25%

* Turnover figures include resignation, contract expiry and retirement of employees

HUMAN CAPITAL

HUMAN RIGHTS AND SOCIAL RESPONSIBILITY

Sembcorp Marine conducts its business ethically and observes socially responsible employment practices by respecting human rights and complying with labour laws in its various countries of operation.

The Group's human resource approach, policies and procedures are aligned with its Human Rights Policy, which is based on the United Nations Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Sembcorp Marine is recognised by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) as a Human Capital Partner for its continuous investment in people development and socially responsible HR practices. The Group is an early adopter of the Singapore Tripartite Standards and a signatory of the TAFEP Employer's Pledge of Fair Employment Practices.

This commitment towards human rights and social responsibility is articulated in Sembcorp Marine's HR policies, which advocate fair treatment of employees and responsible employment practices; as well as the Code of Business Conduct and Supplier Code of Conduct, which the Group's employees, suppliers, sub-contractors, business partners and associates are expected to uphold.

All forms of child labour, forced labour and human exploitation are prohibited within Sembcorp Marine's operations and supply chain. The Group strives to ensure a safe and secure workplace

for personnel and does not tolerate any form of violence or harassment.

Sembcorp Marine is committed to creating an inclusive work culture where diversity and human rights are respected, as well as an equal opportunity workplace allowing employees to achieve their full potential regardless of background. All employees are treated fairly and any form of discrimination is not condoned. Recruitment, training and development, employee appraisal, remuneration and career advancement are based on merit and objective criteria, such as skills, job size, experience, capabilities and performance.

In 2018, there were no reported cases of discrimination and exploitative labour practices in the Group.

Sembcorp Marine's stance on human rights, ethics, anti-bribery compliance, corporate governance and social responsibility is conveyed to employees, suppliers, sub-contractors, business partners and associates through various platforms; including briefings, training workshops and other communication channels.

The Group continues to provide human rights training to heighten

awareness of the relevant issues among employees as well as empower them to prevent human rights non-compliances within the Group's operations and value chain. Security personnel are also trained to respect human rights in executing their duties. They are prohibited from the use of firearms and have been trained to safeguard and restore order without the use of force.

Freedom of Association and Labour Relations

Sembcorp Marine respects freedom of association as well as the right of choice that employees have in joining relevant trade unions and be represented.

The Group adheres to labour relations legislation in its various countries of operation. For its Singapore operations, the Group manages its labour relations in accordance with the relevant employment legislation, including the Industrial Relations Act which provides guidance for resolving grievances and industrial disputes through conciliation, arbitration and tripartite mediation.

Sembcorp Marine's management works with unions to develop collective bargaining agreement covering employment terms, working



Briefing employees on Sembcorp Marine's Human Rights Policy

conditions, benefits, training, as well as workplace safety and health. In Singapore, close to 8% of the Group's employees are covered under collective bargaining agreement.

Sembcorp Marine recognises the value of mutual discussions in resolving misunderstandings and disagreements to preserve a harmonious working environment. Employees who have grievances are encouraged to discuss such matters with the management.

As part of the Group's Grievance Management Policy, there are fair and structured processes for resolving disputes within the organisation. Employees can bring up grievances to their immediate supervisors or respective department heads, without fear of reprisal. There are also channels for the anonymous reporting of grievances. If the matter remains unresolved, the issue will be forwarded to the HR Department for review, mediation and conciliation.

For workplace safety and health issues, all employees – irrespective of rank and seniority – are empowered to exercise 'Stop-Work Authority' without fear of reprisal should they encounter a potential hazard. This is also applicable to customers and contractors working at Sembcorp Marine yards. For more information, please refer to the Total Workplace Safety and Health section on pages 150 - 156.

The Group's management and unions enjoy harmonious relations and work closely on initiatives that promote employee safety, health, welfare, training, development and continued employment. Jointly organised events such as National Day observances, innovation carnivals and festive celebrations demonstrate the tripartite synergy among stakeholders.



Strong tripartite links – Sembcorp Marine's management and employees commemorating Singapore's National Day with union and government representatives



An employee briefing session on Sembcorp Marine's Transformation progress

EMPLOYEE RECOGNITION, ENGAGEMENT AND WELL-BEING

Recognising Performance and Contributions

Sembcorp Marine has merit-based processes to recognise and reward employees for their contributions and achievements. Under the performance management system, employees are assessed using a balanced score card approach based on objective criteria. All employees – with the exception of new hires who joined after the appraisal period or those resigning – are appraised at least once annually.

For the Group's local operations, a total of 9,139 employees, representing 93% of its workforce in Singapore, received performance appraisals and career development reviews in 2018. Men accounted for 92% and women 8% of the appraisals and reviews, with 37% of the appraised employees from the executive category and 63% from the non-executive category.

Employee remuneration is linked to performance and accomplishments. Specifically, career advancement, salary increments, bonuses and equity-based incentives are aligned with appraisal outcomes.

HUMAN CAPITAL

Sembcorp Marine has a Flexible Benefit Programme in Singapore where employee benefits can be customised based on individual preferences. Employees can choose from a range of benefits in health care, self-improvement, travel, insurance, childcare and fitness. Additional medical benefits are provided for employees above 35 years of age for the purpose of health screening.

Flexible work arrangements, including staggered work hours or part-time work, may be requested by employees with special circumstances.

To reward staff loyalty and contributions, Sembcorp Marine gives out long service awards annually. In 2018, a total of 687 employees in Singapore were recognised for their long service, ranging from 10 years to 50 years.

Engaging Employees

Sembcorp Marine communicates with employees through a range of platforms, including staff induction, training workshops and briefings, newsletters and memos, as well as intranet portals and the company website. Through these channels, employees are aligned with the Group's core values, policies, Code of Business Conduct, best practices



Educational and engagement events organised for foreign workers

and programmes in the areas of risk management, corporate governance, whistle-blowing, workplace safety and health as well as quality and security management.

Open communication is valued and employees are encouraged to share their inputs during dialogue sessions, focus group discussions, staff retreats and surveys. The feedback collected allows the Group to gain insights into employees' perspectives, preferences and concerns, along with their suggestions for improvement.

Employee Care and Support

Sembcorp Marine seeks to foster an inclusive, cohesive and supportive work environment for employees. Team-building initiatives, social activities, recreational outings, sporting events, competitive games and festive gatherings are regularly organised to encourage employee-bonding.

The Group also ensures non-local employees are well-integrated into their new work environment. Apart from regular induction sessions, supplementary courses and language classes are



Roadshows to promote security awareness among dormitory residents



Sembcorp Marine representatives with Mr Zaqy Mohamad, Minister of State for National Development and Manpower, at the Dormitory Awards, organised by MOM in partnership with the Dormitory Association of Singapore and the Migrant Workers' Centre





Active employee participation in sporting events

arranged for non-local employees who require additional support.

To meet the living needs of its non-local workforce in Singapore, Sembcorp Marine provides purpose-built dormitories and subsidised accommodation near or within the Group's yards. A range of recreational, sports and social activities are held year round to promote closer ties among dormitory residents.

Educational programmes and roadshows are also organised to enhance employees' knowledge on topics such as workplace safety and health, crime prevention and security awareness. Sembcorp Marine has in place a programme to train foreign worker ambassadors to provide support and advice to their peers and to promote a strong security and safety culture in the dormitories.

In 2018, Sembcorp Marine won accolades at Singapore's annual Dormitory Awards for its Tuas Lodge and Cassia at Penjuru dormitories. Organised by the Ministry of Manpower (MOM) in partnership with the Dormitory Association of Singapore and the Migrant Workers' Centre, the Dormitory Awards recognise dormitory operators who have gone the extra mile to provide for the social, recreational and emotional needs of their foreign worker residents.

Health and Wellness

Sembcorp Marine is committed to the health, safety and wellness of its employees. The Group provides comprehensive medical facilities, emergency management systems as well as health and wellness programmes to ensure the welfare and well-being of its employees and stakeholders.

The Group's global yards are equipped with in-house facilities that deliver timely medical treatment and emergency response, should any contingencies arise.

In Singapore, the yards also have close links with hospitals and medical care organisations which provide support in accelerating incident response, conducting health talks as well as promoting awareness on chronic diseases and infectious disease prevention.

Ongoing initiatives are in place to mitigate the risk of infectious diseases such as dengue fever, malaria, yellow fever and mosquito-borne viruses. Regular fumigation, treatments, and

site checks for preventing mosquito breeding are conducted at Sembcorp Marine's various yard locations.

Furthering the holistic well-being of employees is another area of focus. Various talks on healthy lifestyle, work-life balance and stress management were organised in 2018. Workshops covering emotional intelligence and family bonding were also held to enhance employees' relational skills at work and in their personal lives. In Singapore, preparatory workshops are provided to help older employees and retiring personnel make a smooth transition to retirement.

Sembcorp Marine promotes active living among employees through various healthy lifestyle initiatives and exercise programmes. In Singapore, the Group's yards have in-house gymnasium facilities, personal training and fitness classes, providing yoga, pilates and zumba lessons, for employees to keep fit. Sporting activities, competitions and outdoor events are also organised at departmental, company and industry levels.