

# OUR SUSTAINABILITY

To create long-term value for our stakeholders, Sembcorp Marine aims to deliver strong business performance, underpinned by good governance and positive environmental and social impact.



**Business Growth**

We actively address the values, needs and priorities of our stakeholders in managing our long-term growth and sustainability

**Material Issues:**

- Innovation & Solutions
- Customer Alignment

CORPORATE GOVERNANCE



**Corporate Governance**



We are committed to regulatory compliance, transparency, accountability and a proactive risk management culture with high ethical standards

**Material Issue:**

- Business Integrity



**Environmental Sustainability**

We mitigate our environmental impact by improving resource and operational efficiency, reducing our carbon footprint, and developing sustainable products and solutions

**Material Issue:**

- Environmental Sustainability

ENVIRONMENTAL SUSTAINABILITY



SOCIAL GROWTH

**Social Growth**



We create positive impact on our communities and for our stakeholders through our business and corporate social responsibility activities

**Material Issues:**

- Human Capital
- Total Workplace Safety & Health
- Community Engagement



## SUSTAINABLE DEVELOPMENT GOALS



We embrace the United Nations Sustainable Development Goals in our sustainability management

### SUSTAINABILITY REPORTING

Sembcorp Marine now publishes separate sustainability and annual reports. We have also extended our sustainability reporting to cover the Group's operations in Singapore, Indonesia and Brazil.



See Sembcorp Marine Sustainability Report 2019

# OUR SUSTAINABILITY

## OUR VALUE CREATION AND SUPPLY CHAIN MANAGEMENT

Sembcorp Marine has a track record of delivering our projects on time, within budget and according to specifications. We achieve these outcomes by identifying areas in each project's life-cycle where we can apply innovation and standardisation to optimise resources and cost-savings, and improve quality and execution efficiency. Our projects in turn are supported by a supply chain management framework comprising:

- Strategic sourcing and responsible procurement;
- Due diligence and compliance;
- Engagement and collaboration;
- Harnessing technologies; and
- Inventory optimisation.

Robust governance practices ensure that our supply chain and procurement processes as well as our suppliers meet Sembcorp Marine's required environmental, social and governance (ESG) standards.

Sembcorp Marine's suppliers declare their compliance with our Supplier Code of Conduct and Code of Business Conduct, which set out the Group's expectations relating to business integrity, conflicts of interest, human rights, fair employment, decent labour practices, ethical sourcing, health, safety and environmental responsibility, data protection and privacy, as well as compliance with rules and regulations.

The Group's due diligence process includes pre-qualifications, audits and surveillance on key suppliers against our ESG requirements. As part of our ISO 37001:2016 Anti-bribery Management System certification in 2019, our Supply Chain and Procurement function went through an independent third-party audit.

We also regularly share best practices, technical knowledge and technology developments with our suppliers and contractors.



Hosting Norwegian Energy Partners (Norwep)

## OUR VALUE CHAIN

### Innovation & Solutions Development

Strategic technology research and solutions development programmes contribute to the design, engineering and production of safer, smarter and more environmentally sustainable products and services

### Procurement

Due diligence of supply chain partners and contractors on adherence to environmental, social and governance principles in our Supplier Code of Conduct

### Construction & Commissioning

- Management of resources, project execution and production activities
- Quality, health, safety and environment management
- Adoption of greener production processes
- Community engagement for managing social impact

### Quality, Health, Safety & Environment

Quality, health, safety and environment assurance and compliance checks to ensure products and solutions conform to rules and standards of regulatory bodies and classification societies

### Transportation and Delivery

- Management of customer requirements and fulfilling their delivery specifications
- Provision of innovative and sustainable solutions to support customers in their transportation and logistic needs

### Product in Operation

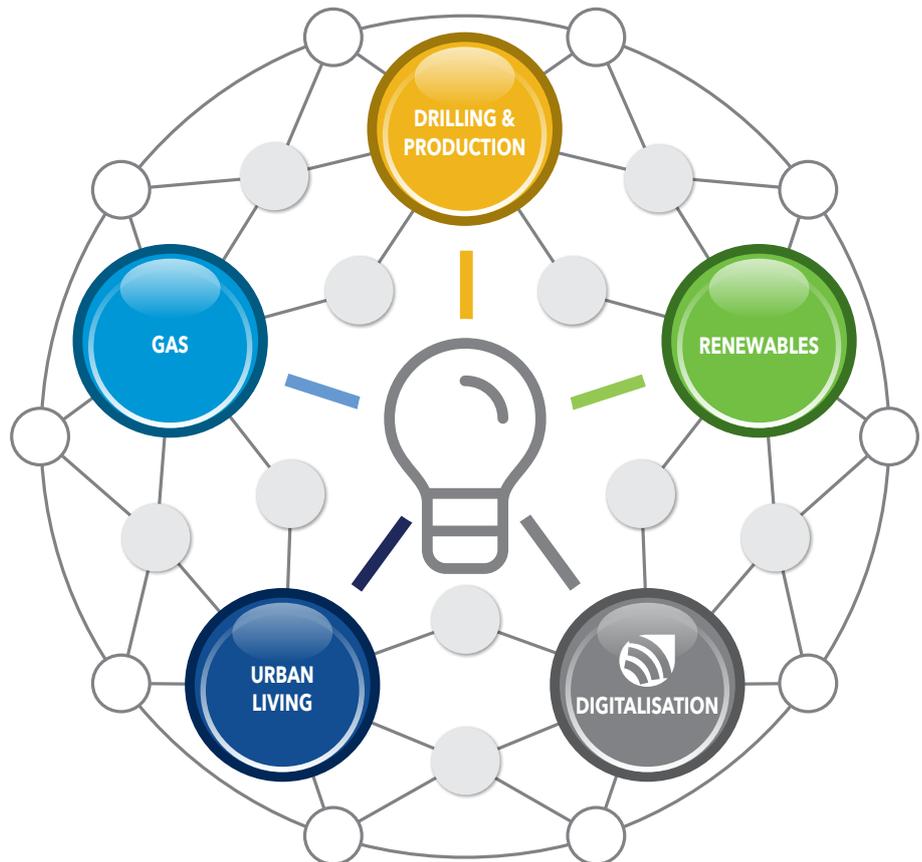
Management systems and risk mitigation measures to control product-related safety and environmental impact

## DEVELOPING INNOVATIVE & SUSTAINABLE SOLUTIONS

Sembcorp Marine's value proposition centres on providing cutting-edge solutions that not only fulfil our customers' requirements but also enhance their operational sustainability and competitiveness. To achieve this, we place great emphasis on innovation development, particularly in areas that promote cleaner energy production, storage, transportation and consumption. We actively harness Industry 4.0 technologies to improve the safety, quality and sustainability of our own yard operations.

*More details on our Innovation and Solutions approach can be found in our Sustainability Report 2019 on pages 12 - 15.*

## OUR INNOVATION FOCUS



## OUR CUSTOMER FOCUS

By building long-term relationships based on trust and a continuous understanding of our customers' needs, we aspire to be a partner of choice in the global offshore, marine and energy industries. Our collaborations with customers, vendors and suppliers often go beyond the scope of commercial projects to include joint efforts in R&D, cybersecurity management and workplace safety & health. In this way, we multiply our contributions across the value chain.

*Read more about our Customer Alignment approach on pages 18 - 23 of our Sustainability Report 2019.*



# OUR SUSTAINABILITY

## ADDRESSING ENVIRONMENTAL CHALLENGES

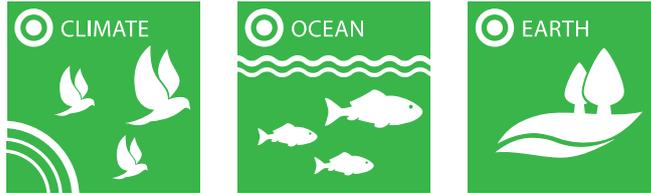
In all aspects of our operations, we are committed to mitigating our environmental impact and reducing our carbon footprint. We support Singapore's Ministry of Environment Climate Action Pledge and are steadily increasing our use of renewable energy and energy-efficient equipment. We optimise our power consumption through smart energy-saving systems.

Across our global operations, we manage our resources responsibly by monitoring materials handling and use, and waste disposal.

## NURTURING OUR HUMAN CAPITAL

At Sembcorp Marine, we create an equal-opportunity workplace to attract and retain the best talent and to empower our employees' growth. We embrace a fair, inclusive and equitable work culture. We adhere to international and local human rights principles, regulations, guidelines and best practices.

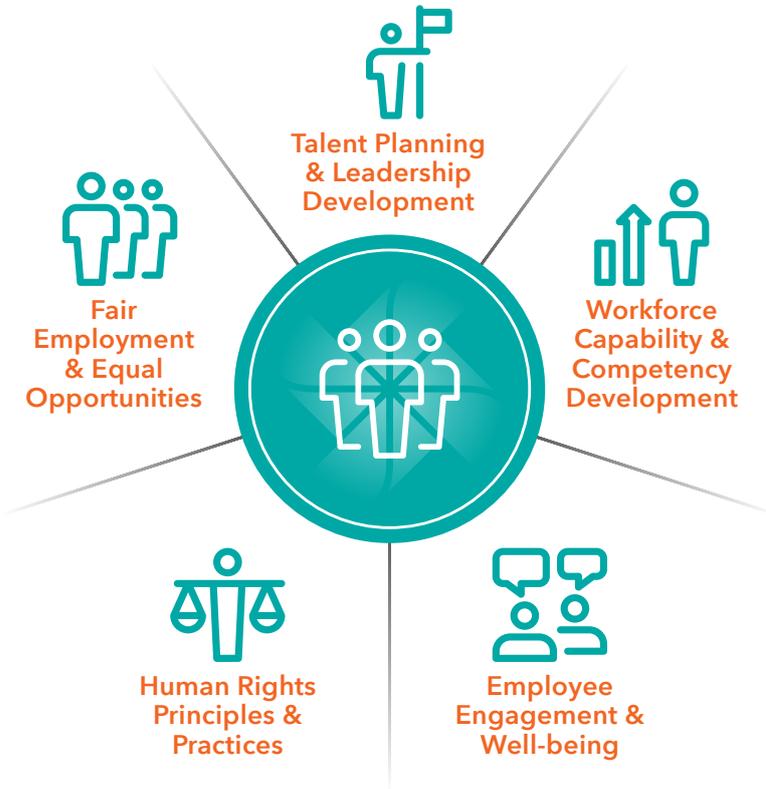
### CLIMATE, OCEAN AND EARTH



Sembcorp Marine's 'Climate, Ocean and Earth' sustainability programmes focus on reducing carbon emissions, conserving oceans and managing natural resources responsibly.

For more information on our Environmental Sustainability approach, please refer to pages 26 - 33 of our Sustainability Report 2019.

### OUR HUMAN CAPITAL STRATEGY



SEMBCORP MARINE STRIVES TO BE AN EMPLOYER OF CHOICE

Please see pages 36 - 43 of our Sustainability Report 2019 for more information on our Human Capital approach.

**PROTECTING OUR PEOPLE**

Sembcorp Marine’s Workplace Safety and Health (WSH) 2028 Vision Zero incidence goal is an important foundation of our work ethos. It encompasses all staff, contractors, customers and suppliers operating within our facilities.



More details on our Total WSH approach can be found on pages 46 – 51 of our Sustainability Report 2019.

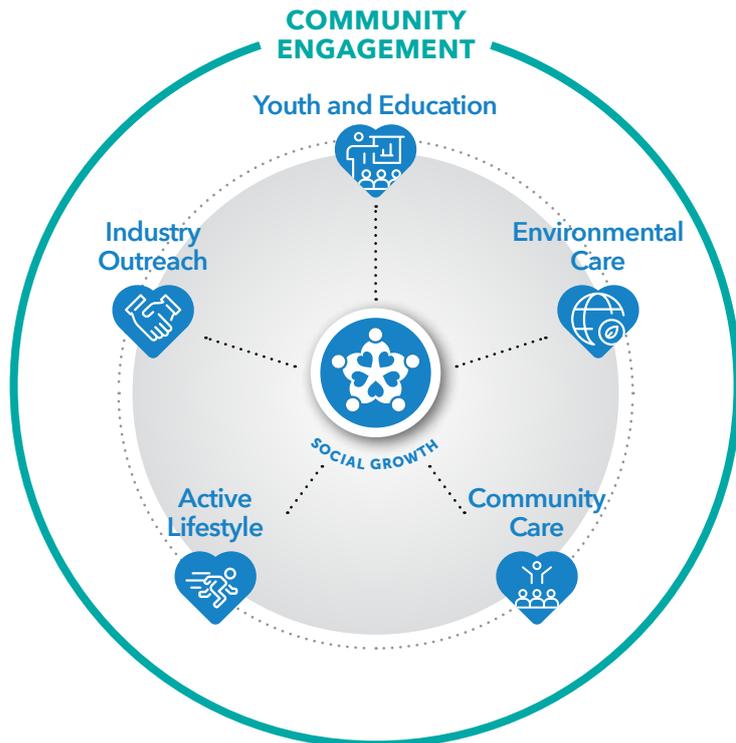
**CARING FOR OUR COMMUNITIES**

Sembcorp Marine’s community engagement initiatives are aligned with the United Nations Sustainable Development Goals and ISO 26000 Guidance on Social Responsibility.

**Community contributions in 2019**

- **\$1.81 MILLION** through global corporate social responsibility initiatives, sponsorships, corporate donations, staff contributions and industry programmes
- Over **10,000 VOLUNTEERING HOURS**

**OUR COMMUNITY ENGAGEMENT FOCUS**



For more information on our Community Engagement approach, please refer to pages 54 – 59 of our Sustainability Report 2019.