

RESHAPING FOR RESILIENCE IN THE NEW NORMAL

Ensuring Safety, Health & Well-being

Expanded capabilities to ensure pandemic readiness and enhance the well-being and welfare of all personnel at the workplace



To safeguard the safety and health of our employees, customers and stakeholders in our yards, we have implemented robust Safe Management Measures to mitigate the risk of COVID-19.



Regular in-house COVID-19 swab tests for personnel on-site

OUR COVID-19 RESPONSE

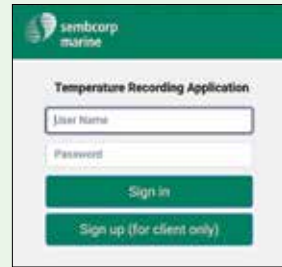


Transforming for Business Continuity

Proactive business continuity measures and digital transformation for operational resilience



We have transformed our work processes and taken measures to mitigate disruptions caused by COVID-19 for business continuity and resilience. The pandemic has accelerated our digital transformation and integration of new technologies in our work processes to rise above the challenges and constraints.



Smart mobile applications implemented for efficient temperature recording

Engaging our Stakeholders

Stakeholder communications and partnerships to enhance sustainable and responsible practices for effective pandemic response



Scan for more information on our stakeholders and engagement platforms

The Group worked closely with our customers and partners to ensure safe business operations and timely progress of projects. We maintained close connection with stakeholders to ensure their well-being and leveraged digital platforms for timely communications and active engagements.



Distribution of care packs to workers residing in our dormitories

Sembcorp Marine's comprehensive Emergency Contingency Plan has been further augmented since successive flu epidemics of the past. With our robust emergency response framework, we were able to roll out our COVID-19 contingency plan decisively across the Group. Our pandemic-related surveillance, rapid response and strategies for infection control protected our employees, customers and all stakeholders.



Wearing of face masks and safe distancing across our global yard operations

- Safe entry controls (e.g. TraceTogether) for contact tracing
- Temperature screening at entrances
- Twice-daily temperature recording mobile application
- Wearing of face masks
- Safe distancing demarcation
- Stepped up disinfection and cleaning of facilities.
- Regular routine swab tests for personnel on-site
- Appointment of trained Safe Management Officers and Safe Distancing Officers



Digital non-contact thermal scanners provide quick and accurate temperature screening

- Developed mitigation plans and actions to address operational risks and disruptions to supply chain
- Implemented Safe Management Measures as well as staggered and remote work arrangements for business and operational continuity
- Leveraged digital platforms for interfacing with employees, business partners and suppliers
- Developed smart applications and enterprise IT solutions to enable flexible work arrangements for operational resilience and business continuity
- Harnessed technologies for remote work execution (e.g. remote vessel surveying)
- Application of digital platforms and IT security controls for key processes and controls
- Engaged internal and external stakeholders via virtual conferencing



Working with customers for the safe and timely execution of projects

- Proactive exchanges with stakeholders on business continuity plans, pandemic response best practices and risk mitigation measures
- Provide support to partners affected by the pandemic
- Ensure regular communications and active engagements to maintain strong links with stakeholders
- Extend care and support to stakeholders impacted by COVID-19

RESHAPING FOR RESILIENCE IN THE NEW NORMAL

STAKEHOLDERS ENGAGEMENT DURING COVID-19



Employees & Contractors

- Safeguard employees' and contractors' well-being through safe management measures
- Engagement on business continuity and digital transformation
- Virtual team meetings/work discussions



Customers

- Active engagement with customers to ensure business continuity, safe work resumption and timely completion of projects
- Resumed discussions on project tenders/bids
- Remote work execution/surveys and virtual meetings



Communities

- Organise virtual engagement activities for foreign workers in our community
- Contribute face masks, sanitisers and essentials to local communities in Singapore, Brazil and Indonesia



Government & Industry Partners

- Identification and management of sourcing restrictions by authorities
- Close engagement with government and industry partners
- Management participation in national and industry dialogues on COVID-19 mitigation and financial relief packages



Business Partners & Suppliers

- Close interface with partners and suppliers on business continuity plans and mitigation measures
- Assist suppliers and contractors affected by pandemic control measures
- Use digital platforms for managing suppliers, trade and business meetings



Investors, Finance Professionals & Media

- Engage investors, buy-side/sell-side finance professionals, media by virtual conferences, web meetings and teleconferences
- Held Annual General Meeting and Extraordinary General Meeting via electronic means

SHARING INSIGHTS WITH THE PUBLIC SECTOR TO DRIVE INDUSTRY RECOVERY

Sembcorp Marine works in close partnership with public sector agencies to drive the recovery for the marine, offshore and energy industries. On 9 November 2020, we hosted a ministerial delegation comprising Mr Chan Chun Sing, Minister for Trade and Industry, and Mrs Josephine Teo, Minister for Manpower, to Tuas Boulevard Yard.

During the walkabout and dialogue session held as part of the visit, our Chairman Tan Sri Mohd Hassan Marican, President & CEO Mr Wong Weng Sun, and key management representatives shared insights into the Group's COVID-19 response and strategic initiatives for sustainable growth.

In his ministerial address, Minister Chan commended industry players such as Sembcorp Marine for their continuous investments to "build up capabilities for the long term" and "groom their engineering talent". This has enabled the Group to pivot into new areas such as Liquefied Natural Gas (LNG), offshore wind as well as smart and digital products, in line with the growing demand for cleaner, greener and renewable energy solutions.

"With this kind of challenges on the horizon, it is therefore very important for our industry to have the engineering capabilities to pivot to new areas Sembcorp Marine (has) continued to invest in and build up capabilities for the long term, and ... groom their engineering talent to make sure that they are ready for future projects."

Mr Chan Chun Sing, Minister for Trade and Industry

"(Firms) are also moving into new business areas and understand the importance of sustainability. The new 3Ds are decarbonisation, dealing with disruption and digitalisation."

Mrs Josephine Teo, Minister for Manpower



Briefing Mr Chan Chun Sing (third from left), Minister for Trade and Industry, and Mrs Josephine Teo, Minister for Manpower, on the Group's integrated solutions and capabilities



Exchanging insights during the dialogue session

Augmenting our Technology Bench Strength and Capabilities

Sembcorp Marine's strategic initiatives to expand its capabilities for sustainable growth include:

Gas Innovation and Solutions Centre

- Focusing on design and engineering capabilities for LNG-battery hybrid tugs, LNG bunkering vessels and Gravifloat-based LNG refuelling terminals

Post-graduate Programme

- Supporting employees' development in emerging areas such as hydrogen liquefaction process and transport, electrification and autonomous systems

Professional Conversion Programme

- Reskilling and upskilling employees with new expertise and know-how

PROACTIVE SUPPLY CHAIN MANAGEMENT FOR BUSINESS CONTINUITY



The global disruptions caused by the COVID-19 pandemic in 2020 highlighted the importance of a sustainable and resilient supply chain that is enabled by robust digital procurement platforms and solutions.

Supply chain disruptions arising from pandemic control measures and restrictions by governments impacted business activities, receipt of goods and services, and global transportation routes. This had affected the ability of suppliers to manufacture, distribute and deliver materials, equipment packages, consumables and services from and to pandemic-affected areas. Limitations to manufacturing capabilities also caused uncertainties in production, price and market availability.

In this volatile supply chain environment, Sembcorp Marine responded proactively to address the impacts and implemented risk mitigations where needed.

Building on robust sustainability processes in our supply chain management framework, we implement strategies to mitigate disruptions, ensure business continuity and maintain competitiveness. Digital platforms and technologies are also deployed for procurement process continuity and interface with partners and stakeholders.

SUPPLY CHAIN

Safeguarding against supply chain disruption risks

We proactively monitor the supply and pricing of key materials, equipment and consumables as well as sourcing restrictions imposed by government authorities to identify potential risks in our supply chain.

As part of our strategy to buffer against supply chain disruptions, we deploy strategic frame agreements with key suppliers to secure essential supplies for our operations.

Our global supply network enables access to diversified procurement channels and sources in different geographies, enabling us to meet shipping and trade restrictions. We also partner local suppliers to leverage their local inventory and supply sources.

We work closely with authorities to ensure uninterrupted supply of essential services — such as waste treatment, freight forwarding, shipping-related logistics and maintenance services for our operations.



Enabling and deploying strategic sourcing arrangements with key suppliers from diverse sources to mitigate disruptions

Upholding high levels of compliance standards

We continue our due diligence and actively monitor suppliers' financial health and their ability to deliver to specifications and comply with our sustainability requirements and codes of conduct. This is especially important when alternative suppliers or geographical sources are used.

Quality assurance on suppliers' production and factory acceptance tests (FAT) are conducted via remote video surveillance solutions to ensure continued compliance to technical requirements and industry standards.

These solutions enable us to uphold consistent standards of compliance and to meet emergent regulatory restrictions imposed by different countries' authorities in challenging operating conditions.



Supplier surveillance and audit via remote inspections arrangements

MANAGEMENT FRAMEWORK

Engaging and collaborating with stakeholders

Managing a sustainable and resilient supply chain requires close engagement and collaboration with our stakeholders, especially during periods of disruptions.

We engage our suppliers to closely monitor the availability of key materials, equipment and consumables to identify possible disruption points in the supply chain.

Recovery plans are developed to mitigate areas of supply and delivery disruptions to our project and production processes.

We also support our suppliers to help them address their operational challenges, share pandemic response best practices and manage sourcing restrictions in compliance with authorities.



Vendors sharing new technologies and product innovations via virtual technical meetings

Integrating digital procurement processes

To ensure business continuity and operational resilience, we leverage digital procurement platforms for supplier interfacing, sourcing and management. These platforms allow for effective control as well as secure procurement processes and transactions to be carried out away from physical workspaces.

In line with COVID-19 safety measures, we utilise remote inspection solutions and video conferencing for supplier engagement, audits and business meetings. We also conduct supplier performance surveillance and monitoring through our digital platforms.



Leveraging established procurement digital platforms for interfacing with supply chain partners

Ensuring optimal inventory levels

We closely track our inventory flows, delivery and deployment of materials, equipment and consumables for ongoing projects in our yards.

We actively monitor and replenish our inventory levels with adequate buffer as well as standby contingency supply sources to ensure continuity of our operations.

Optimisation of inventory is especially important to address evolving and dynamic project and production supply requirements. Where necessary, we establish advance delivery plans with strategic vendors to ensure timely and reliable supplies to meet critical project requirements.



Monitoring of inventory flows for tight inventory supply and replenishment management