

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

ENABLING SUSTAINABILITY THROUGH OUR VALUE CHAIN

Developing Sustainable Designs & Solutions

- Development of sustainable and environmentally-friendly solutions that reduce carbon footprint and minimise impact on the marine environment and biodiversity
- Energy and resource-efficient designs and engineering solutions that minimise use of natural and hazardous materials
- Support customers in developing Inventory of Hazardous Materials documentation

Ethical Sourcing & Responsible Procurement

- Sustainable and ethical sourcing in compliance with Sembcorp Marine codes of conduct and government regulations
- Procure and utilise materials that are environmentally friendly and from non-conflict sources
- Responsible service and manpower contracting

Solutions for Asset Repurposing, Product Revitalisation, Life Extension & End-of-Life Treatment

- Maximise value and extend service life of customers' existing assets through repairs, upgrades and conversions
- Prepare customers' marine and offshore assets for safe end-of-life treatment and recycling



Ensuring Sustainable Operations & Providing End-of-life Support

- Provide training and documentation for safe and sustainable product operation
- Provide after-sales support following delivery
- Offer technical support for end-of-life treatment and recycling

Integrating Quality, Health, Safety & Environment (QHSE)

- Integrate quality, health, safety and environmental standards into our value chain processes
- Ensure solutions fulfill regulatory requirements and classification standards

Operational Sustainability & Responsible Labour Practices

- Implement environmentally friendly operational processes that are enabled by Industry 4.0 technologies to enhance sustainability, reduce carbon footprint and minimise wastage
- Adopt fair and sustainable labour practices
- Create a diversified and inclusive work environment

Scan for more information on our value chain management



Reducing Carbon Footprint of Towing Operations

- Low-carbon towing operations for environmental sustainability

At Sembcorp Marine, we carefully and proactively manage each stage of the life-cycle of our products and solutions — from design and engineering to production and delivery — to mitigate our environmental, social and governance impacts. We use resources more efficiently by transforming a traditionally linear business process into a circular value chain through continuous innovation.

Sustainable products and solutions are conceptualised at the innovation and solutions development phase of our value chain. We incorporate sustainability and material circularity objectives into our product designs by adopting more efficient solutions and proactively managing hazardous materials. Similarly, during procurement, our teams source for sustainable materials and socially responsible service providers and contractors.

After final production, construction and commissioning, we transport and deliver the completed products with our low-carbon fleet and provide training and documentation support for customers to operate their assets in a safer and more resource-efficient manner. Through repair, upgrade and conversion projects, we give our customers' existing assets a second lease of life, thus contributing to their sustainability objectives. We also help our customers prepare their end-of-life assets for safe and efficient recycling and scrapping.

At each stage of our value chain, we uphold high standards of quality, health, safety and environmental compliance in all aspects of our operations.

OUR PROVEN CIRCULAR VALUE CHAIN SOLUTIONS

Repurposing Assets Through Conversion

We enable the repurposing of our customers' assets to maximise their life-cycle value.



Conversion of Floating Storage Regasification Units from LNG tankers



Conversion of Floating Storage Units from LNG carriers



Repair, life extension and conversion of Very Large Crude Carriers to Floating Production Storage and Offloading vessels

Asset Revitalisation, Life Extension & End-of-Life Treatment

We extend the life-cycle of a wide range of marine, offshore vessels and platforms. We also support our customers in their end-of-life asset management by preparing their marine and offshore assets for safer recycling and scrapping.



Overhaul, revitalisation and renewal of cruise ships



Longevity works to extend the service life of LNG carriers



Demucking works to treat vessels for safe recycling and scrapping