

Human Resources

As SembCorp Industries continues to sharpen its focus on innovation and growth, the skills and performance potential of our employees are becoming more important than ever before.

We are adapting our human resources policies and practices to meet the evolving needs of our markets, and preparing our employees for cutting edge technologies and greater international cooperation.

People Development

Talent management is part of our people development programme. The goal of our talent management programme is two-pronged: to optimise the deployment of our staff and to nurture our employees' abilities for the benefit of the enterprise as a whole.

Through regular reviews of our human capital requirements in both Singapore and in operations throughout the world, we ensure that our businesses are equipped with a competent workforce to pursue their set objectives. To this end, we actively source, recruit, develop and deploy talents both in Singapore and globally.

We also seek to provide staff with opportunities to expand their operational expertise and hone their inter-cultural skills, thereby enriching their work experience.

As such, we have continued to facilitate inter-business placements of executives within the Group, and encouraged greater interaction between our staff. For example, in 2004 SembCorp Engineers and Constructors, initiated an attachment program to allow Singapore-based staff to work in the UK to develop their expertise and experience in process architecture and in specialised engineering for the pharmaceutical and biotechnology industries – the first employee completed this program during the year. Similarly, SembCorp Utilities runs an exchange program, under which two Singapore-based staff were attached to its Teesside, UK, operations in 2004. In turn, two staff from SembCorp Utilities UK will be attached to SembCorp Utilities' Singapore offices in 2005.

While we strive to nurture the skills and potential of our staff, we are also actively preparing them to meet the evolving needs of markets, as well as the demands of new technology. One area of focus is in leadership development. Our staff are given opportunities to attend training programmes such as the *Leaders! Programme* and the *ST China Management Programme*, which are organised by Temasek Management Services in conjunction with leading academic institutions such as INSEAD and Beijing's Tsinghua University. Our staff are also offered prospects to travel overseas to learn and network with top business leaders, enabling them to gain valuable insights into the challenges and issues facing international businesses.

To further grow our leadership pipeline, we sponsored four new scholarships in 2004 for undergraduate studies. The Group also sponsors existing staff for post-graduate studies. During the year, two staff returned to their operation units after completing their post-graduate studies.

In addition, we strive to enable non-executive staff to benefit from training programs. One example is SembCorp Environmental Management's training program for frontline workers, which implements experiential and activity-based programmes to prepare staff with lower qualifications to embark on higher levels of work.

In recognition of our continuous commitment to develop our human capital, SembCorp Industries and all our core business units have been bestowed the *People Developer* award. This award is Singapore's quality standard for human resource development that is given to organisations deemed to bring out the best in people for better business results.

Providing a conducive work environment

We believe in continually improving the working environment for our employees. In 2004, we supported the Government's call to introduce Childcare Leave, to help foster a more pro-family environment at work. At SembCorp Industries, our staff also benefitted from

company-sponsored annual health screenings and vaccinations. In conjunction with the national-wide Family Week 2004, SembCorp Industries organised a Family-Work-Life talk – where, our staff were apprised about different personality types, and how they can better manage their relationships within the families.

Meanwhile, our business units have also put in place a host of initiatives aimed at fostering employee well-being and staff togetherness. Examples include Family Day activities such as a carnival organised by SembCorp Environmental Management and a visit to the Escape Theme Park initiated by SembCorp Utilities, as well as vacations such as a weekend trip to Kuala Lumpur arranged by SembCorp Engineers and Constructors for its staff and their families and friends.

Employee Share Options

We continue to reward employees who have contributed to the growth of SembCorp Industries by giving them an opportunity to have a personal equity interest in the company. Share options are granted to all eligible staff, excluding employees of subsidiaries with share option plans of their own. We believe that through this scheme, a sense of ownership and identification with the company can be fostered.

In 2004, share options were offered in two tranches.

Share options offered in May 2004

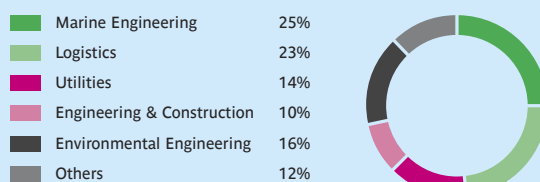
Category	Headcount
Senior Management	73
Non-Executive Directors	10
Employees	2,469
Total	2,552

Share options offered in November 2004

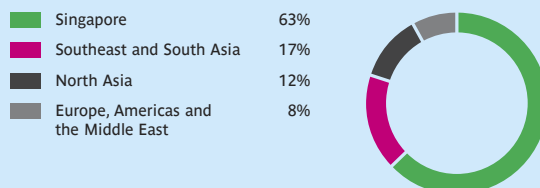
Category	Headcount
Senior Management	75
Non-Executive Directors	10
Employees	2,362
Total	2,447

As of December 31, 2004, we employed 11,619 permanent staff and another 5,515 contract staff, who were based in 11 countries around the world.

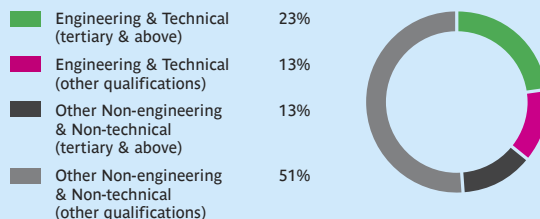
Staff Distribution by Core Businesses based on Total Permanent Headcount



Staff Distribution by Countries based on Total Permanent Headcount



Educational Qualification based on Total Permanent Headcount



Gender Distribution

