

As the Group continues to expand globally, it is vital that each location is staffed with a strong team.

Employee profile

As of end December 2005, the SembCorp Group employed 12,338 permanent staff and another 5,387 contract staff in 12 countries.

People development

One of our manpower priorities in 2005 was to ensure the availability of quality human resources to support the Group's growth. As the Group continues to expand globally, it is vital that each location is staffed with a strong team.

In addition to actively recruiting talented people from all over the world, we also staff our international locations through overseas postings and job rotations. Through these placements, we aim to cultivate a global mindset among our staff and equip them with the necessary exposure to manage international operations.

A concurrent effort in talent building in SembCorp involves the continuous identification and grooming of talented people. Last year, under the SembCorp Scholarship Programme, we sponsored the tertiary studies of six promising students who had done well in both academic studies and co-curricular activities. Into its 16th year, the SembCorp Scholarship Programme is currently managing 57 scholars at various stages of career and studies, to be groomed as future leaders of SembCorp. Among these, two have also been sponsored for executive development to the MIT Sloan Fellows Programme in Innovation and Global Leadership in the USA.

As a People Developer organisation, SembCorp Industries continuously works towards aligning our people to the company's needs and systems. The People Developer Standard is Singapore's quality standard for human resource development that recognises organisations which bring

out the best in people for better business results. Last year, we devoted S\$4.4 million to train employees on a broad range of technical, supervisory and professional skills relevant to their area of work. Each employee received an average of 36 training hours, which was comparable to 2004.

Ethical conduct

At SembCorp, we are committed to conducting business with honesty, trustworthiness, dedication and responsibility. As articulated in our core values, we aim to be truthful and fair in all our dealings and to respect the laws of the countries we operate in and the confidentiality of information provided by our clients and employees.

To ensure integrity and professional conduct among employees, we have an Employee Code of Conduct that, among other things, expressly prohibits dishonest conduct, such as falsifying or giving false information. The Code of Conduct is posted on the enterprise-wide intranet.

In further pursuit of integrity in the workplace, in May 2005 we formalised a whistle-blowing policy that encourages employees to promptly report any potentially illegal, improper or unethical conduct that they become aware of at their workplace or in connection with their work. The whistle-blowing policy also affirms that retaliatory action against employees who have filed complaints alleging possible improprieties will not be condoned. We also have established guidelines and procedures for the handling of employee grievances to ensure that no employee is disadvantaged in any disagreement. We recognise that no organisation is perfect, and encourage employees to raise issues and problems for our attention. We address the issues and strive to work towards a favourable outcome for both the employee and the company.

Corporate headquarters reorganisation

2005 was a transition year for the Group headquarters. The corporate departments of SembCorp Utilities (SembUtilities) were integrated with the Group headquarters for greater synergy and efficiency of common resources and operations. The reorganisation saw 76 SembUtilities corporate employees being transferred to SembCorp Industries. At the same time, internal policies relating to Finance, Human Resources and IT were reviewed and standardised, and administrative efficiency was increased through the consolidation of systems onto a common web-based platform.

Share ownership

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 2005, share options were offered in two tranches:

Share options offered in July 2005

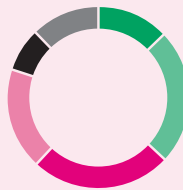
Category	Headcount
Senior Management	83
Non-Executive Directors	9
Employees	2,240
Total	2,332

Share options offered in November 2005

Category	Headcount
Senior Management	80
Non-Executive Directors	10
Employees	2,208
Total	2,298

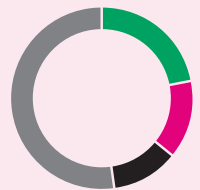
Staff distribution by core businesses*

Utilities	13%
Marine Engineering	24%
Logistics	25%
Environmental Engineering	18%
Engineering & Construction	8%
Others	12%



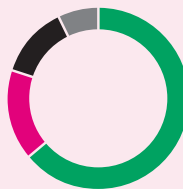
Educational qualifications*

Engineering & Technical (tertiary & above)	22%
Engineering & Technical (other qualifications)	14%
Other Non-engineering & Non-technical (tertiary & above)	12%
Other Non-engineering & Non-technical (other qualifications)	52%



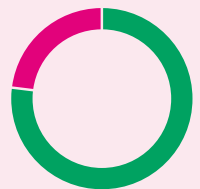
Staff distribution by countries*

Singapore	64%
Southeast and South Asia	16%
North Asia	13%
Europe, Americas and the Middle East	7%



Gender distribution

Male	77%
Female	23%



*These statistics are based on total permanent headcount as of end 2005