

# SEMBCORP AT A GLANCE

## WHO WE ARE

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of around 11,000 megawatts of gross power capacity and close to nine million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in offshore and marine engineering, as well as an established brand name in urban development.

### Group FY2016 Snapshot

<b>TURNOVER</b>	<b>EBITDA</b>	<b>PROFIT FROM OPERATIONS (PFO)</b>
S\$ <b>7.9</b> billion US\$5.5 billion	S\$ <b>1.3</b> billion US\$919 million	S\$ <b>909</b> million US\$635 million
<b>NET PROFIT</b>	<b>TOTAL ASSETS</b>	<b>RETURN ON EQUITY</b>
S\$ <b>395</b> million US\$276 million	S\$ <b>22.3</b> billion US\$15.6 billion	<b>6.2%</b>
<b>TOTAL DIVIDEND</b>	<b>EMPLOYEES</b>	<b>GLOBAL PRESENCE</b>
<b>8.0</b> cents per ordinary share	<b>8,000</b>	<b>15</b> countries

bn: billion; m: million; EBITDA: earnings before interest, taxes, depreciation and amortisation

## FY2016 Key Figures

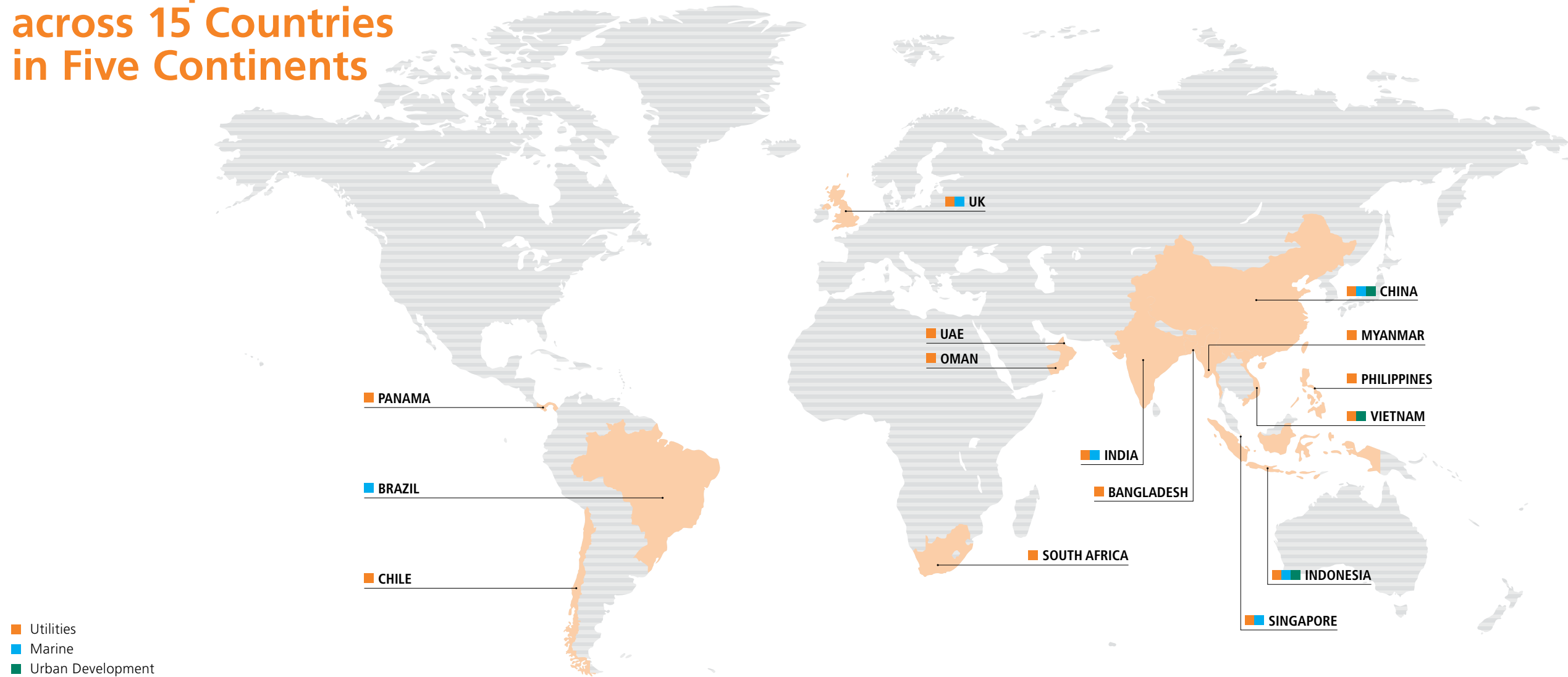
<b>SEMBCORP UTILITIES</b> 100%	<b>UTILITIES</b>
<ul style="list-style-type: none"> <li>A leading developer, owner and operator of energy and water assets with strong operational, management and technical capabilities</li> <li>Operations in 14 countries with an established presence in Asia and a strong presence in growth markets</li> <li>Strong track record in generating and supplying power, steam and natural gas, and providing total water and wastewater treatment solutions for industries and water-stressed regions</li> <li>Global leader in the provision of energy, water and on-site logistics to multiple industrial site customers</li> </ul>	<b>TURNOVER</b> S\$4.1bn US\$2.9bn
	<b>PFO</b> S\$737m US\$515m
	<b>NET PROFIT</b> S\$348m US\$243m
<b>SEMBCORP MARINE</b> 60.9%*	<b>MARINE**</b>
<ul style="list-style-type: none"> <li>A global leader in integrated offshore and marine engineering solutions with more than 50 years' proven track record</li> <li>Focused on four key capabilities:               <ul style="list-style-type: none"> <li>Rigs &amp; Floaters</li> <li>Repairs &amp; Upgrades</li> <li>Offshore Platforms</li> <li>Specialised Shipbuilding</li> </ul> </li> <li>Global network with yard facilities strategically located in Singapore, Indonesia, India, the UK and Brazil</li> </ul>	<b>TURNOVER</b> S\$3.5bn US\$2.5bn
	<b>PFO</b> S\$171m US\$119m
	<b>NET PROFIT</b> S\$79m US\$55m
<b>SEMBCORP DEVELOPMENT</b> 100%	<b>URBAN DEVELOPMENT</b>
<ul style="list-style-type: none"> <li>Over 20 years' track record in undertaking master planning, land preparation and infrastructure development to transform raw land into urban developments</li> <li>Significant land bank of integrated urban developments comprising industrial parks as well as business, commercial and residential space in Vietnam, China and Indonesia</li> <li>A valued partner to governments, with the ability to deliver the economic engine to support industrialisation and urbanisation by attracting local and international investments</li> </ul>	<b>TURNOVER</b> S\$7.0m US\$4.9m
	<b>PFO</b> S\$38m US\$27m
	<b>NET PROFIT</b> S\$33m US\$23m

\* As at December 31, 2016. Shareholding figures are calculated based on the number of issued ordinary shares excluding treasury shares

\*\* Figures taken at Sembcorp Marine level

Well-Positioned in Key Growth Markets

## Global Operations across 15 Countries in Five Continents



## SEMBCORP AT A GLANCE | WHO WE ARE

## Vision

To be a global company, a leader in our industry sectors by responsibly operating and excelling in sustainable businesses that support development, improve the quality of life and deliver long-term value and growth.

## Mission

*Vital Partners. Essential Solutions.*

As a vital partner to our customers, we leverage our group strength and sector expertise to deliver essential solutions that enable them to do their business better or improve the quality of life. In partnership with our stakeholders, we build sustainable businesses that deliver long-term growth and create value for all – our customers, employees, shareholders, partners and communities in which we operate.

## Our Strategic Focus

## PEOPLE &amp; CAPABILITIES

- Deep pool of talent and global employees
- A global mindset and shared values
- Deep and strong capabilities, as well as world-class procedures and systems



## SOLUTIONS &amp; INNOVATION

- A leader in our industry sectors
- Strong business models providing distinctive solutions to customers
- A clear competitive edge through technology and innovation



## GOVERNANCE &amp; DISCIPLINE

- A firm commitment to best practice governance and corporate responsibility
- Disciplined execution and an accountable approach



## Our Values

At the core of how Sembcorp operates are our three values: **Insight**, **Integrity**, and **Integral**. Our values are translated into day-to-day action and practical behaviour through our group-wide policies and frameworks, creating within Sembcorp a common culture founded on these values.



## INSIGHT

We excel as solution providers, pioneering and innovating in all our businesses.

We solve problems with real understanding, applying our expertise for best results.



## INTEGRITY

We maintain the highest levels of integrity at personal and corporate levels. This underpins everything we do.

We can be trusted to deliver quality and reliability.



## INTEGRAL

We are an integrated business, a unified brand that always delivers on what we promise.

We seamlessly provide essential solutions that enhance the quality of life and help our customers to carry out their businesses better. This makes us integral to the success of our customers.

## Code of Business Conduct and Policies

We are guided by well-defined policies, frameworks and a code of business conduct, which express the high standards of behaviour and integrity that the company requires from our employees worldwide. These cover all facets of business and personal conduct across the Group, from governance, risk and compliance matters to ethics and employee conduct.

## Sembcorp Core Competency Framework

Sembcorp's core competency framework is based on our values of **Insight**, **Integrity** and **Integral** and spells out the competencies and behaviours expected of a Sembcorp employee. The framework is deployed through recruitment, assessment, development and career progression, promoting transparency in what is expected of every Sembcorp employee.

## SEMBCORP AT A GLANCE

### OUR MATERIAL ISSUES

At Sembcorp, we believe in building sustainable businesses that support development, improve the quality of life and deliver long-term value and growth. Through engagement with our stakeholders and our materiality identification and review process, the following issues have been identified to be material to us.

Mitigating the risks and pursuing the opportunities presented by these issues are part and parcel of how we drive success for the Group.

*Further details of our materiality process and material issues may be found in our Environmental, Social and Governance Review as well as in other sections of this annual report.*

## ECONOMIC



**To deliver long-term value and growth**

### CAPITAL AND PORTFOLIO MANAGEMENT

To apply a holistic, proactive and disciplined approach to the management of our portfolio and capital

### RELIABILITY

To ensure asset and service reliability by adopting best practices for the management and maintenance of assets, creating an efficient and cost-effective supply chain and applying sound business continuity management

### INNOVATION

To apply new and improved proven technologies and methodologies which increase efficiency, reduce costs and drive revenue growth

### SUSTAINABLE GROWTH

To achieve growth and create value by enhancing existing and developing new income sources

## ENVIRONMENTAL



**To responsibly manage and reduce our impact on the environment as well as to effectively manage environmental risks to our operations**

### CLIMATE CHANGE

To have a business portfolio that balances the economic expectations of our stakeholders and our businesses' impact on the climate

### LOCAL ENVIRONMENTAL PROTECTION

To fulfil our duty to protect the environment and conserve resources, while providing competitive and reliable solutions for our stakeholders

### ENERGY AND WATER EFFICIENCY

To improve energy and water efficiency through good and economically viable environmental practices

## SOCIAL



**To be a responsible business that ensures the health and safety of our people, and makes a positive impact on our people and communities**

### HEALTH AND SAFETY

To make health and safety management an integral part of everyday business and culture

### OUR PEOPLE

To offer a compelling employment experience for our people to develop and excel

### COMMUNITY

To be a responsible business that makes a positive impact on our communities

## GOVERNANCE



**To maintain high standards of behaviour and integrity and be best in class for governance practices**

### CORPORATE GOVERNANCE

To have an effective governance and decision-making structure

### RISK MANAGEMENT

To ensure effective identification and management of all material risks

### COMPLIANCE

To comply with all legal and regulatory requirements

### ETHICAL BUSINESS PRACTICES

To ensure we conduct our businesses legally, fairly, honestly and with integrity

SEMBCORP AT A GLANCE

HOW WE CREATE VALUE

Our Value Creation Process

INPUTS

Financial Capital

e.g. cash flow from operations, internal funds and external short-term and long-term financing

Human Capital

e.g. people with deep knowledge and strong capabilities, and employees who embody the Sembcorp culture

Social and Relationship Capital

e.g. relationships with stakeholders, and Sembcorp's brand and values

Manufactured Capital

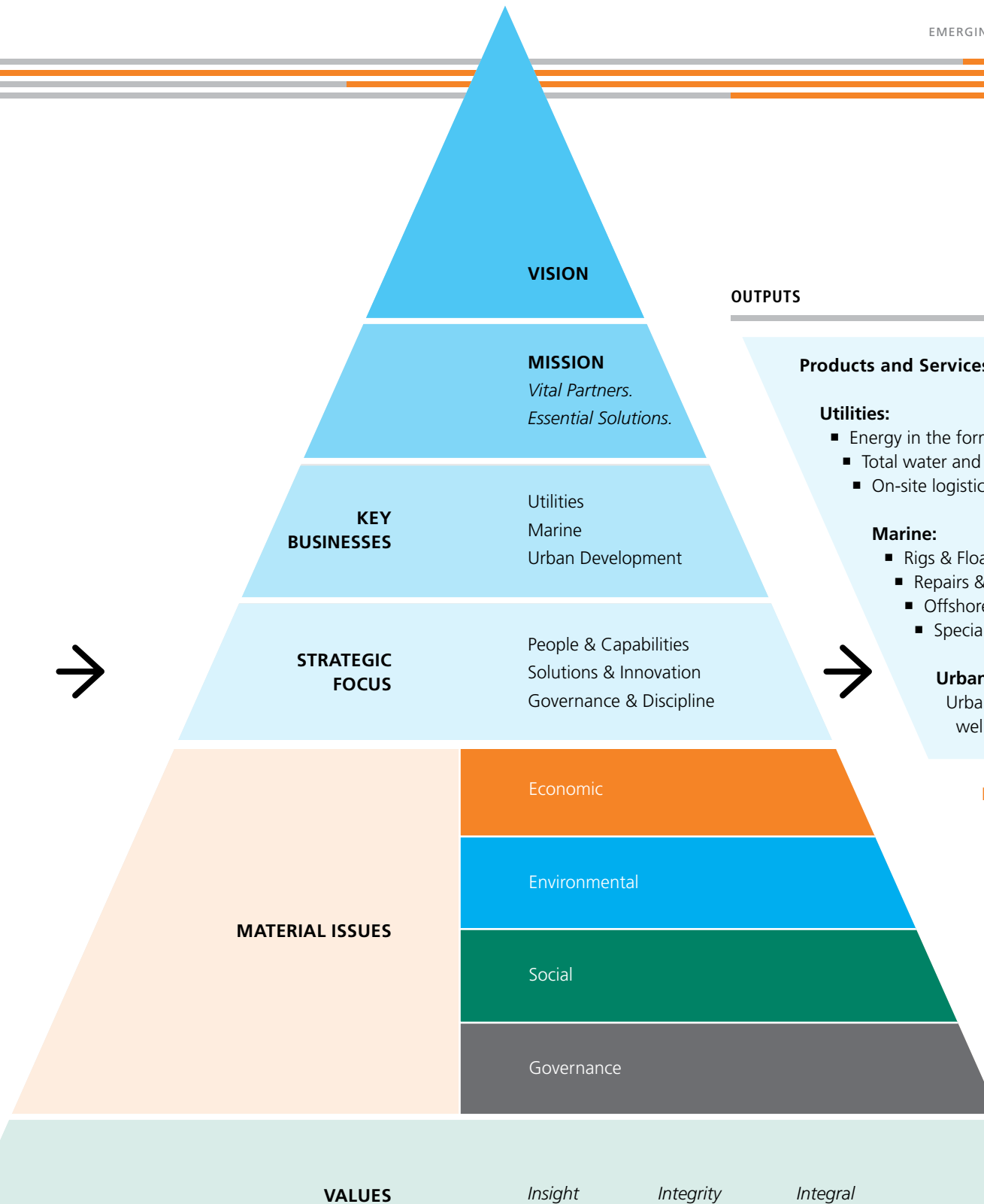
e.g. energy, water and other utilities facilities, and shipyards

Intellectual Capital

e.g. intellectual property, technologies and proprietary solutions, group-wide policies and frameworks, and standardised systems and processes

Natural Capital

e.g. thermal energy resources (such as coal and natural gas), renewable resources (such as wind, solar and biomass) and land



OUTPUTS

Products and Services:

Utilities:

- Energy in the form of power and steam, and natural gas
- Total water and wastewater treatment solutions
- On-site logistics and solid waste management

Marine:

- Rigs & Floaters
- Repairs & Upgrades
- Offshore Platforms
- Specialised Shipbuilding

Urban Development:

Urban developments comprising industrial parks as well as business, commercial and residential space

Economic:

To deliver long-term value and growth

Environmental:

To responsibly manage and reduce our impact on the environment as well as to effectively manage environmental risks to our operations

**Social:** To be a responsible business that ensures the health and safety of our people, and makes a positive impact on our people and communities

Governance:

To maintain high standards of behaviour and integrity and be best in class for governance practices

VALUES

Insight

Integrity

Integral

## SEMBCORP AT A GLANCE | HOW WE CREATE VALUE

## Our Strategy



## UTILITIES

- Expand our global presence in growth markets and build new capabilities to enhance competitiveness
- Grow our energy business with a balanced portfolio of high-efficiency thermal and renewable energy assets, including gas, coal, wind, solar and biomass, as well as energy-from-waste assets
- Deliver specialised total water management solutions, including the upgrading of existing wastewater treatment plants and the provision of pre-treatment and other services
- Leverage our leadership in utilities supply for multiple customers on industrial sites



## MARINE

- Offer diversified solutions for the offshore and marine industry, and expand into new businesses to capture existing and growth markets
- Enhance competitiveness through technology and innovation, including strategic investments in new solutions and the development and ownership of proprietary designs
- Leverage strong track record and integrated yard facilities for quality and on-time delivery to strengthen our position as a leading player in the global market



## URBAN DEVELOPMENT

- Leverage our core competency in transforming raw land into self-sufficient urban developments and delivering the economic engine to support industrialisation and urbanisation
- Build on strong brand name to attract high-quality local and international investments
- Enhance value of our land bank, such as through the development of commercial and residential real estate at choice sites

## Harnessing Innovation

We recognise that technology and innovation are important in maintaining and enhancing our relevance, profitability and competitive advantage. This includes applied research and development and improvements that optimise our operations and enhance our efficiency, as well as new technologies and methodologies that offer wider sustainability benefits.

Sembcorp's Technology Advisory Panel, which includes our Chairman, Group President & CEO and other invited experts, provides strategic direction for our technology and innovation programmes. The panel oversees the development and application of significant emerging technologies in the energy and water sectors and provides guidance to Sembcorp's leadership on technological trends and

opportunities. It is supported by an in-house Group Technology department.

Headed by our Chief Technology Officer, our Group Technology department oversees our technology and innovation efforts which seek to apply new and improved proven technologies to increase efficiency, reduce costs and drive growth. Our ongoing engagement with venture capitalists, technology companies and tertiary research institutes helps us keep abreast of rapid technology advancements, enabling us to adopt early innovations to strengthen our competitive edge.



## Delivering Sustainable Value and Growth

Sembcorp is committed to delivering long-term value and growth. We aim to create value and achieve growth by enhancing our existing income sources and deepening our investment in assets which add the most value, while pursuing new business opportunities with agility.

We understand that making the right decisions about our portfolio is key to value creation. We actively manage our portfolio of assets, and take a disciplined approach, applying a stringent evaluation process to all our projects and investments.

To deliver sustainable growth, we are focused on developing a strong project pipeline, including both greenfield and brownfield investments, that will expand our income base and provide visibility on future growth. We also actively invest in sustainable and green business lines, which give us an edge in an increasingly resource-scarce world.

Above all, we recognise that sustainable value and growth can only be achieved by having talented people, strong capabilities, the right solutions and innovation, as well as robust governance and discipline across all our businesses.

