Our Value Creation Process

INPUTS



Financial Capital

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



□ 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. 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 natural gas and coal), renewable resources (such as wind and solar) and land

PURPOSE & STRATEGY

Sembcorp's purpose and passion is to do good and play our part in creating a sustainable future. We deliver energy and innovative solutions that support development and create value – for our stakeholders and communities.



Our Strategic Pillars

Performance

- Disciplined capital allocation
- Systematic capital recycling
- Active management and optimisation of assets
- Strong business models

Sustainability

- Aligned with and contributing to the United Nations' Sustainable Development Goals (SDGs)
- Participation in the low-carbon and circular economy
- Management of ESG risks and opportunities

Dynamic Organisation

- A scalable global operating model
- Capability development and process excellence
- · Technology and digitalisation
- Dynamic high performance culture with integrity at our core

OUR BUSINESSES & BUSINESS MODELS

Utilities

• Gas & Power

Marine

Rigs & Floaters

• Repairs & Upgrades

Offshore Platforms

Specialised Shipbuilding

- Renewables & Environment
- Merchant & Retail



• Reposition to be a global integrated energy player

• Offer diversified solutions for the offshore & marine

industry, and enhance competitiveness through

• Leverage strong track record and integrated yard

facilities for quality and on-time delivery to

strengthen position as a leading player in the

• Focus on growth along three business lines (Gas & Power, Renewables & Environment, Merchant & Retail) that will benefit from the global energy transition



Read more on pages 44 to 51

technology and innovation

Read more on pages 52 to 59

global market

The Value We Create

OUTPUTS & OUTCOMES

Our Sustainability Ambitions

Enabling a Low-carbon and Circular Economy

Empowering Our People and Communities

Embedding Responsible Business Practices

Climate change and resource scarcity are becoming more pressing issues. Sembcorp is committed to

of low-carbon energy assets, while innovating our business solutions to support a circular economy.

We value and seek to empower our people and communities. We believe in creating a values-based

business. Through engagement and partnerships, we aim to make a lasting positive impact on

and performance-led culture at Sembcorp, where health and safety is an integral part of our everyday

Sembcorp maintains an effective governance and decision-making structure that embeds responsible

conducting our businesses with integrity. We recognise the importance of the effective identification

of risks, and work hard to ensure we have an adequate and effective risk management and internal

business practices within the organisation. We are committed to fostering an ethical culture and

playing our part in enabling a low-carbon and circular economy. We aim to maintain the highest standards

of environmental management, reduce our greenhouse gas emissions intensity and grow our portfolio

Providing integrated energy solutions across the energy and **Gigawatts** utilities value chain

our communities.

in power capacity, supplying electricity to wind and solar businesses and homes power capacity in 9 countries

2.6 **Gigawatts**

in renewable

8.8m m³/day

in water & wastewater treatment capacity, serving the needs of industrial and municipal customers

Communities

OUR

STAKEHOLDERS

Customers

Employees

Financial

Institutions

Governments

Shareholders

Investment

Community

and the

and Regulators



Contractors, Suppliers, **Trade Unions** and Industry **Partners**

Offering innovative engineering solutions

across the offshore,

marine and energy

value chain

Years of proven track record in providing quality solutions to customers

>50

296 Vessels

repaired or upgraded in 2018

Countries with strategically

6

located shipyards and facilities

Urban Development

- Industrial Parks
- Integrated Townships
- Business Hubs & Smart Developments



- Leverage core competency in transforming raw land into self-sufficient urban developments and building on strong brand name to attract high-quality local and international investments
- Enhance value of land bank, such as through the development of commercial and residential real estate at choice sites
- Read more on pages 60 to 67

Delivering the economic engine to support industrialisation and urbanisation

14 **Projects**

in Vietnam, China, Indonesia and India

comprising multinational companies and leading local enterprises

1,084

Tenants

37bn US\$

in direct investments attracted

Sembcorp Industries Annual Report 2018

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