

PEOPLE STRATEGY - IN ACTION!



SPC encourages active participation in the Group's social and community activities

The Group's people strategy is to build on and refine best practices and standards in current employment and practices. This strategy is based on talent identification, development and rewards through continuous learning, upgrading, competency profiling and a performance driven incentive system.

Recruitment and development of human assets is recognised as an integral part of SPC's business strategy. The Human Resource and Administration (HR&A) Unit's critical role is hence to ensure that the Group is staffed with high calibre employees equipped with a wide spectrum of competencies and skills. The Unit keeps a clear focus on talent scouting, internally and externally and plays a lead role in identifying candidates who are able to grow beyond their current roles and capable of assuming crucial leadership

positions in the Group. This has proven to be a key competitive advantage for the Group in its endeavours in 2004.

The heightened level of activities which included the purchase of downstream assets in Singapore and investments in two upstream acreages in the region led to a significant increase in the Group's recruitment activities in 2004.

The HR&A Unit in partnership with the BUs successfully took on the challenge and fulfilled the BUs' manpower requirements. By end 2004, the Group had increased its staff strength by 20 per cent. The Unit also played a key role by continuously equipping staff with the right competencies and skills set relevant to the changing business environment.

Corporate training and development programmes in the Group are geared towards enhancing employees' capabilities and competencies and creating an appreciation of the diversity of job functions and the teamwork necessary for the enterprise to continue to be successful.

As an introduction to a career in the Group, each new employee undergoes an intensive three-day orientation programme. In 2004, the HR&A Unit organised two separate orientation programmes. The new employees were briefed on the Group's businesses, organisation processes, corporate ethics and integrity including employees' professional conduct. The new employees were also given a familiarisation visit to the Group's facilities and installations.

SPC is fully committed to investing in the growth and development of its people, in particular in the area of leadership training and nurturing. For example, in 2004, participants of the "Leadership Skills Development" programme participated in a follow-up re-dedication and reinforcement session to further hone their leadership skills. The unit also co-ordinated and provided numerous technical and specialised development courses and training for staff.

An important aspect of nurturing talent and capabilities is to have employees ready and able to assume leadership positions within the organisation on short notice. SPC has initiated a robust succession planning framework. This framework extends across the organisation and identifies and equips potential candidates with the necessary leadership and business skills set to assume key positions. Potential candidates are nurtured through appropriate development programmes.

With the current surge in economic activities and increased career opportunities, the Group's human resource efforts are also focused on ensuring that SPC remains the 'Employer of Choice'. To this end, SPC is committed to creating a compelling and sustainable business success story, provide a vibrant corporate culture of teamwork and enterprising spirit and adopting an attractive incentive programme to drive high performance.



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1. SPC employees participate in team building activities to foster a spirit of camaraderie
2. In 2004, SPC organised a host of social programmes to encourage staff interaction
3. The HR&A Unit coordinates and provides training and development programmes for all staff



Town hall meetings were held regularly in the year

In 2004, The Group launched two new share plans, the SPC Restricted Share Plan and the SPC Performance Share Plan, collectively the Share Plans. The Share Plans aim to foster an ownership culture within the Group which aligns the interest of Group employees, associated company employees and non-executive directors with the interests of shareholders. Under the new plans, fully paid SPC shares are granted as a form of reward. Such grants are predicated on employees achieving pre-determined performance targets.

Besides the new share plans, the Group had continued with the performance management and rewards system based on the balanced scorecard, competency framework and performance incentive matrix.

Internal Transparency

The Group encourages an open-door policy and open communication to build mutual understanding and transparency across all levels of the organisation.

Through formal and informal communication channels such as the town hall forums, corporate retreats, discussion groups, cross team projects, social events and community activities, SPC's employees are given myriad opportunities to interact with one another. These interactions have helped to build and nurture teamwork and a spirit of camaraderie throughout the organisation.