
Create and sustain a high performance culture with the goal of delivering more value.



In 2007, SPC continued to build on its human capital strategy to enhance business excellence and competitive advantage, and to deliver more through its people assets. This strategy incorporated four key elements:

- **Corporate Cohesion and Alignment**
- **Talent Building and Development**
- **Leadership Development and Succession Planning**
- **Performance and Rewards Alignment**

These were pivotal to the Group's capacity to go beyond and deliver even more value to all stakeholders.

CORPORATE COHESION AND ALIGNMENT

The Company introduced initiatives to strengthen the integration and alignment of its HR strategies to its business needs. Orientation and induction programmes for new employees, town hall meetings, business units' offsite brainstorming sessions and CEO lunch dialogue sessions provided employees with varied avenues to be updated and opportunities to contribute to the Company's strategy. These initiatives enabled employees to better align their individual performance to the Group's vision, strategic goals and business objectives.

In 2007, SPC commenced work on the development of an online employee interactive system. When completed, this system will enable employees to access and update personal particulars, as well as facilitate performance planning, development and assessment reviews.

TALENT BUILDING AND DEVELOPMENT

SPC places emphasis on developing employees through a combination of in-house and external learning programmes.

In 2007, the Company's technical experts from its E&P and RST business units conducted in-house lectures for staff. The lectures provided greater insight into the different business areas, and increased understanding of technical knowledge.

The Company also partnered external training providers to facilitate in-house development programmes for its employees. These programmes focused on equipping employees with best practice skill sets on personal mastery, team-building, business acumen and strategic thinking competencies.

Selected employees were offered overseas development opportunities at the Japan Cooperation Centre for Petroleum. The programmes facilitated experience,

knowledge and cultural exchanges, and allowed participants to build a network of peers from different countries.

SPC is committed to nurturing and deepening the local oil and gas industry talent pool. In 2007, the Company offered two scholarships to the Mechanical Engineering Department of the National University of Singapore to participate in student exchange programmes in Texas A&M University and University of Texas. On completion, these scholars will be offered internships with the E&P business unit. This was the second consecutive year that SPC offered these sponsorships. There are plans to continue working with the local tertiary institutions to build a pool of young petroleum and reservoir engineers.

LEADERSHIP DEVELOPMENT AND SUCCESSION PLANNING

The Company recognises that nurturing its leaders and future leaders is paramount to sustaining its businesses and competitive excellence.

In 2007, as part of leadership development, a group of leaders enhanced their skills in business modelling, resource management, corporate planning and value creation processes through simulated management of virtual companies. This provided participants with an understanding of



the key fundamentals in leading and managing successful businesses.

The Company's development of its potential future leaders was also effected through the rotation of several senior managers to manage different portfolios. These rotations exposed employees to different business complexities and challenges, thus deepening the leadership and bench strength of the management echelon.

The Leadership Forum, launched in 2006, continued to gain momentum in 2007. Participants were focused on creating and defining the framework and core drivers to foster a highly engaged workforce in SPC.

The Company also reviewed its succession plan with the Nominating and Remuneration Committee. High potential staff were identified for further leadership development.

PERFORMANCE AND REWARDS ALIGNMENT

The Company's performance recognition philosophy and pay-for-performance incentive programmes continued to

motivate employees to strive for higher performance.

The Company's performance management system was enhanced to enable more efficient and effective review discussions between employees and their managers. This system will be further enhanced as the Company embarks on the online platform.

EMPLOYEE WELLNESS

SPC emphasises the importance of employee engagement. The Company believes that work-life balance programmes enable employees to better manage work goals and family needs.

In 2007, the Company organised events such as the Dinner & Dance, Family Day at the Zoo, a weekend getaway to Phuket, movie treats for employees and family members, salsa dancing and wine appreciation classes to foster greater interaction and camaraderie in the SPC family.

SPC encouraged corporate social responsibility among employees through partnerships with charitable organisations. The Company collaborated

with the Singapore Cancer Society and held cancer awareness talks for staff. Employees donated generously to provide financial assistance to needy cancer families and cancer survivors. Employees also sponsored and organised a successful and fun-filled weekend outing for 60 cancer patients to Sentosa. SPC also shared Christmas cheer through the Salvation Army donation programme.

SPC initiated and enhanced its HR strategies during the year to build, motivate and retain its people. The Group will continue to create and sustain a high performance culture to take SPC to the next level and deliver more value.

1. SPC's Magical Dinner & Dance Nyte.