

Human Resources

HARNESSING THE POWER OF PEOPLE

Nurturing a Winning Spirit

In an age of globalisation and rapid change, companies need to remain innovative and adaptable to maintain their competitiveness.

Given that people are its most valued resource, ST Engineering's intent is for its employees to internalise the winning spirit so that the Group can conquer new challenges and continue to succeed in a business landscape marked by uncertainty and global competition.

Achieving this requires a clear focus and direction on the part of management, supported by a cohesive, passionate and motivated workforce. ST Engineering's five core values form the compass that guides the organisation and breathes life and meaning to it. They are the software that drives ST Engineering's thinking process, which is further expressed through the Group's strategic objectives and thrusts.

A critical component of a winning spirit is a "can-do" attitude among staff. This involves nurturing a mindset which perseveres against the odds, ventures to take calculated risks and views setbacks as learning experiences, not failures.

Grooming Leaders through Holistic Development

Developing people and helping them gain the required skill sets and competencies to succeed in these competitive times are key areas of focus. In any organisation, leaders play critical roles. In ST Engineering, the development of leaders and optimising their potential at all levels receive the utmost attention.

Over the past few years, eight leadership competencies have been identified, following consultation with and feedback from key staff. These leadership competencies are aligned with the Group's core values and business strategies, and they underpin the process of identifying and grooming potential leaders for growth and succession in critical roles.

The competencies are mapped out in a formal framework which forms the basis for leadership development within ST Engineering. Behavioural indicators for each of the competencies are tailored to leaders at different levels so as to guide their growth and development.

The Group continues to cultivate a corporate culture which empowers and engages its employees. A key initiative is its interactive online system, the Leadership Enhancement Portal (LEAP), which enables staff to take ownership of their own learning by assessing themselves against the leadership competencies, discovering their learning styles, selecting the options for development and formulating a personal development action plan.

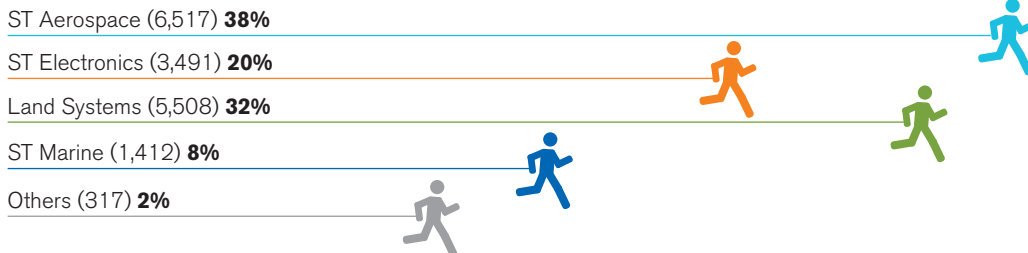
ST Engineering adopts an open approach to staff development, to cater to the varied learning styles and needs of employees. Apart from structured learning programmes, other avenues for staff development include on-the-job learning, participation in special projects, overseas postings and job rotation. Staff are also encouraged to seek like-minded learning partners for mutual motivation and encouragement.

At the same time, ST Engineering strives to develop a culture of mentorship and coaching. This is done through its mentoring scheme which has been introduced to leverage on the wealth of experience within the organisation, and to provide a channel for the effective transfer of knowledge, skills and experiences among staff.

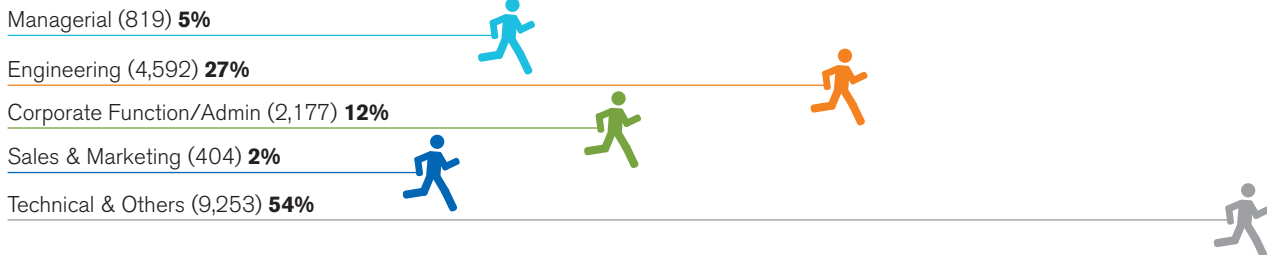
Human Resources

WORKFORCE ANALYSIS (as at 31 December 2006) Total: 17,245

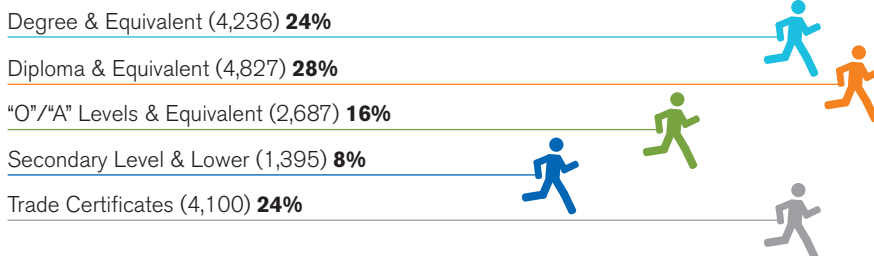
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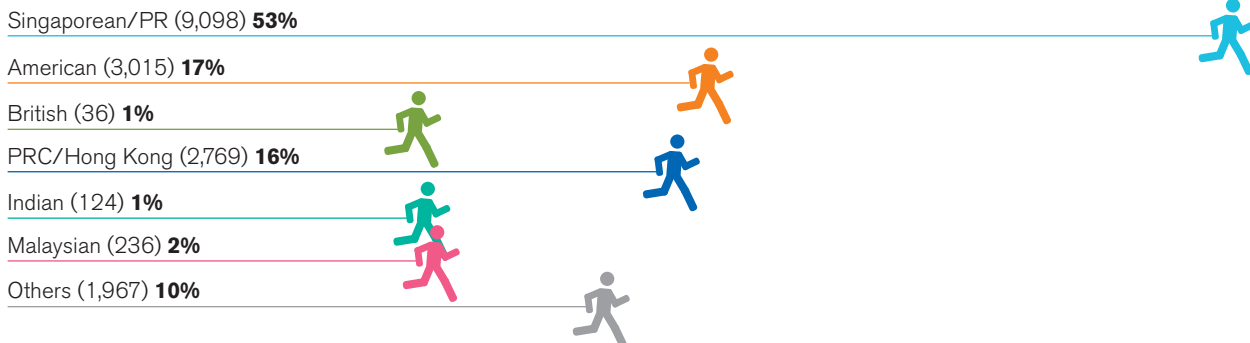
JOB GROUP



EDUCATIONAL QUALIFICATION



NATIONALITY



Human Resources

Motivating Through Rewards & Recognition

ST Engineering's reward and compensation system is performance based. Every year, Key Performance Indicators (KPIs) are established for each business area, and staff are measured and rewarded according to the KPIs, Economic Value Added achieved and individual performance.

A variety of other reward and recognition schemes is also used. These include short and long term monetary incentives, such as salary increments, promotions, special bonuses, cash awards and share options. This remuneration model lays the ground for fair, objective and competitive compensation.

Acknowledging that motivation at work cannot be purely attributed to monetary incentives, ST Engineering recognises performance with a holistic range of non monetary incentives. Awards are conferred for exemplary performance, such as the model employee, long service, safety, housekeeping and Kaizen

awards. Staff are also recognised and rewarded for innovative excellence and for patents secured. Special acknowledgement letters are presented to employees for outstanding contributions or compliments received from the public.

Having a motivated workforce is a pivotal part of nurturing a winning spirit within the organisation. By developing effective policies and practices which cultivate a "can-do" attitude, grooming people to their fullest potential and rewarding them, ST Engineering aims to spur its employees to optimise their contribution to the organisation.

