

ST Engineering Sustainability

People Excellence

Commitment

We are committed to investing in people development and building a steady pipeline of STEM talent to help us achieve our aspiration of becoming a global technology, defence and engineering powerhouse.

Approach

We Attract Future Talent

Our talent attraction efforts focus on engaging, assessing and hiring diverse and qualified candidates based on the specific skills, knowledge, and experience they can bring to the job.

We widen our talent search via social media posts or through the various networking groups instead of relying only on job postings, outreach and referrals. Our detailed job descriptions and specifications define goals, accountability, and success measures of the role. This targeted strategy has made ST Engineering one of the most attractive employers in the market.

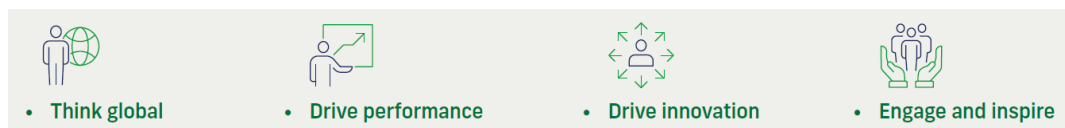
We also focus our efforts on nurturing future generations in the communities we operate in. This ensures that we grow our local talent pipeline and workforce.

We Build an Agile Workforce

We strive to improve performance, upskill and build a motivated workforce that drives the organisation's success.

Nurturing Leaders

Leaders are paramount in promoting organisational growth and success. Our Leadership Competency Framework is anchored on the following leadership dimensions:



We plan our leadership succession by identifying key roles critical to the business as well as potential talents. We provide targeted development programmes and flexible career tracks where employees can move between management or technical roles to gain exposure.

People Development

Growing and developing a qualified and experienced workforce is essential to achieving the Group's strategic objectives. We aim to build the capabilities of our employees for future readiness in an evolving global environment, and to empower them for success through comprehensive learning and development initiatives.

Lifelong Learning

We comply with applicable local laws, regulations and guidelines for retirement and re-employment. We may offer extended employment or re-employment to employees who have reached the statutory retirement age. For example, in Singapore, an employee who retires upon reaching the statutory retirement age, may be re-employed on an offer and acceptance basis for special skills and/or project work. In keeping with our lifelong learning culture, relevant training will be provided to upgrade the skills of employees who are re-employed in different positions after their retirement age.

We Reward Performance

We adopt a performance-based approach with direct linkage between performance and rewards. In the short, medium and long-term, sustained contributions are rewarded through a pay-for-performance principle where the Group's KPI, business area goals, individual performance, internal equity and industry practices are considered.

Performance Management

Annual performance appraisal sessions serve as a platform for employees to discuss their work progress and career aspirations with their supervisors. Our annual performance management process involves goal setting, continuous performance reviews and full-year assessments against targets.

During their annual performance review, all employees with direct reports are evaluated on their people management skills and outcomes. These include line managers in each business, those leading horizontal functions, as well as those with supervisory responsibilities in ad hoc teams.

Compensation and Benefits

Our Group Compensation and Benefits Framework includes short, medium and long-term financial and nonfinancial performance targets to motivate and reward employees for creating sustainable stakeholder value.

Compensation and benefits programmes are reviewed regularly and benchmarked against their respective markets using global market surveys and consultancy firms.

This ensures that we are internally equitable, market competitive and in compliance with nationally or locally mandated requirements.

Share plans are available to incentivise eligible employees. We also reward creative solutions and contributions by employees through various business and employee recognition awards to celebrate role models and our employees' innovative spirit.

ST Engineering has established a strong link between employee remuneration and our ESG performance. ESG goals and targets have been incorporated into the Group's KPI scorecard, which all employees, including ST Engineering's senior management, are assessed against. The Group's KPIs determine the variable bonus pool for employees.

The Group's employee benefits are provided in accordance with local regulations and aligned to local employment practices. These may include but are not limited to annual leave, marriage leave, family care leave, parental leave, compassionate leave and medical leave. They also include insurance for medical, life, personal accident, work injury compensation and business travel. Our retirement provisions are in accordance with local legislations.

Our Flexible Work Arrangement policy provides flexibility in work hours and work arrangements, such as part-time working options and work-from-home arrangements.

We Celebrate Diversity, Equity and Inclusion

Our Commitment Statement:

"We embrace diverse perspectives, backgrounds and experiences of our employees. We create an inclusive environment that provides equitable opportunities for our employees, enabling them to contribute to the best of their abilities."

We prohibit discrimination and harassment at our workplaces and strive to build an environment that fosters mutual respect and creates opportunities for exchange of ideas, innovation and personal growth. We facilitate this through four key areas:

- *Gender* - We focus on building a gender diverse workforce where individuals have equitable opportunities to advance and grow at work.
- *Generation* - We foster an environment that facilitates cross-generation mindset and work practices to increase cohesion and knowledge sharing.
- *Geography* - We encourage the exchange of ideas and perspectives across diverse work cultures that leads to creative and innovative solutions.

- *Persons with Disabilities (PwDs)* - We nurture an environment where PwDs have fair opportunities to be hired, grow and develop.

We are committed to fair employment practices and comply with all national and local labour laws and regulations where we operate. We offer merit-based equal opportunities to all, including recruitment, compensation and benefits, performance management, training and skills development.

We Do Not Condone Discrimination or Harassment

We do not condone personal bias or prejudice and advocate for fair recognition. We do not discriminate according to age, race, nationality, religion, gender or marital status. We uphold Principle 6 of UNGC on eliminating discrimination:

- We recruit and select employees based on merit, such as skills, experience or ability to perform the job regardless of age, race, gender, religion, marital status, family responsibilities or disability
- We treat our employees fairly and with respect and dignity
- We provide our employees with equal opportunities for training and development based on their strengths and needs
- We reward employees based on their ability, performance, contribution and experience

Our employees are guided by our Code of Business Conduct and Ethics. A vital tenet of our Code of Business Conduct and Ethics is to promote non-discrimination and anti-harassment at the workplace. Our employees develop an understanding of the different types of discrimination and how it can affect the workforce through our training session on our Code of Business Conduct and Ethics. In the event of a validated discriminatory or harassment case, corrective or disciplinary action will be taken.

Similarly, our suppliers are guided by our Supplier Code of Conduct that requires them to respect fundamental international principles regarding non-discrimination, anti-harassment and fair employment practices.

The Company adheres to the principles of fairness, impartiality and confidentiality in its handling of grievances. We provide a safe channel for employees to raise issues which are promptly looked into and addressed to build trust and maintain industrial harmony. No individual will suffer reprisals or retaliation for reporting genuine grievances, making complaints or participating in an investigation. Management at all levels, supported by their respective HR teams, is responsible for ensuring that we provide a work environment free from discrimination or harassment.

We report on the number of discrimination incidents in our annual sustainability report. Any grievances due to harassment, discrimination and other prohibited conduct are managed according to our grievance management process, which governs their reporting and handling. This ensures that all cases are promptly investigated and resolved.

We Strengthen Labour Relations

We respect our employees' fundamental rights to freedom of association, including the right to be members of trade unions, and encourage effective communication and consultation with our employees. We do the following:

- Take guidance from national or local industrial relations laws and regulations
- Maintain strong relationships with the unions through frequent activities and dialogues to discuss, clarify and resolve issues, and seek buy-in on new initiatives
- Ensure our unions, where applicable, are represented in key committees such as safety, welfare and training so that concerns can be promptly surfaced and addressed

STESU actively supports the Group's effort to introduce multi-skilling and re-skilling of our workforce to increase the productivity of the workforce for the benefit of the Group and its employees. The ST Engineering management continues to work closely with STESU on the initiatives to strengthen our engagement with employees and workers, and nurture union leaders for the future.

The Group may embark on organisational or operational changes in response to external and internal factors. In consultation with our unions, where applicable, such changes are communicated in a timely way to the affected employees. This will help them understand and prepare for the upcoming changes.

Governance & Framework

The Group Chief Human Resources Officer and the HR leadership team oversee the people policies and practices to create a positive workplace culture that aligns with the Company's corporate aspiration, mission and core values. The Group Chief Human Resources Officer reports directly to the Group President & CEO. He works closely with the Board, the Group EXCO and senior management to advise them on global best practices and the implementation of the Group's people policies.

Our Compensation and Benefits Framework is reported to the Board's Executive Resource and Compensation Committee. The Executive Resource and Compensation Committee has access to consultants to advise on market trends, and compensation and benefits matters. We also work closely with our employee unions on compensation and benefits issues.

Our Engineering Competency Management Framework identifies key competencies of various engineering domains, benchmarks existing technical capability and identifies areas for further development. This will facilitate stronger engineering career pathways in the Group.

Our Group Company Training Committee includes participation from ST Engineering Staff Union (STESU) and provides skills upgrading and retraining programmes for our employees.