

Sustainability Framework

We are committed to environmental stewardship, responsible business practices, and investing in people and communities wherever we operate.

OUR STRATEGY

Keppel has a two-pronged sustainability strategy of running our business sustainably, and making sustainability our business by providing solutions that contribute to global sustainable development and decarbonisation efforts.

Our approach to sustainability is underpinned by the three pillars of (i) Environmental Stewardship, (ii) Responsible Business, and (iii) People and Community, which address the environmental, social and governance (ESG) aspects of sustainability.

How we create value for our stakeholders

ENVIRONMENTAL STEWARDSHIP

We are committed to combatting climate change, improving resource efficiency and reducing our environmental impact. We are refocusing Keppel’s portfolio on solutions for a sustainable future, such as renewables, clean energy and decarbonisation solutions.

We have set quantitative targets to reduce our Scope 1 and 2 carbon emissions, water and waste as well as to increase renewable energy utilisation, and grow our portfolio of renewable energy assets. We are monitoring the latest developments in climate change and taking steps to manage climate-related risks and seize opportunities by providing solutions that contribute to climate action.

RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective board, good corporate governance and prudent risk management, including the evaluation of ESG risks.

We are driving innovation across the Company. We are leveraging technology and our asset-light model to invest in and create solutions that contribute to a sustainable future, while generating value for all our stakeholders.

We are also working closely with stakeholders in our value chain to enhance their sustainability performance.

PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to diversity, employee well-being, workplace health and safety, and investing in the training and development of our employees to help them reach their full potential.

We strive to create value and uplift communities wherever we operate. We support initiatives that contribute to protecting the environment, promoting education and caring for the underprivileged, with the goal of building a sustainable future together.

We have committed to contribute up to 1% of Keppel’s recurring income to worthy causes.

Recognition

 Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small>	 MSCI ESG RATINGS <small>AAA</small>		 FTSE4Good	 EURONEXT INDICES WORLD 120
Dow Jones Sustainability World Index Dow Jones Sustainability Asia Pacific Index	MSCI ACWI ESG Leaders Index and MSCI World ESG Leaders Index	iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index	FTSE4Good Index	Euronext Vigeo World 120 Index

 **For more information, view our Sustainability Report on our website at www.keppel.com**

We publish sustainability reports annually, and the next report will be published in May 2024. Our sustainability reports draw on international standards of reporting, including the Global Reporting Initiative Standards, and are externally assured. The reports are also aligned with sustainability reporting requirements by the Singapore Exchange.

SUSTAINABILITY GOVERNANCE

The Board and management of Keppel are committed to sustainability, which is at the core of the Company's strategy.

The Board and management consider sustainability issues in the Company's business and strategy, determine the material ESG factors and oversee the management and monitoring of the material ESG factors.

Sustainability-related topics, including environmental and climate change issues, as well as social and governance aspects, are regularly discussed by the Board, which meets six times a year, and as warranted by circumstances. Since July 2022, sustainability has been included in the agenda of each Board meeting.

The Board Sustainability and Safety Committee (BSSC) was established in 2022 to provide even greater focus on sustainability matters, with the role of the former Board Safety Committee subsumed under the BSSC. The BSSC is chaired by non-independent and non-executive director Mr Teo Siong Seng, and its members comprise Chairman of Keppel Ltd. Mr Danny Teoh, CEO and Executive Director Mr Loh Chin Hua, as well as Independent Director Mr Olivier Blum, who has extensive experience in sustainability.

The BSSC meets at least four times a year. Its roles include monitoring international sustainability-related

trends and developments, reviewing the Company's sustainability strategy, ensuring that Keppel has in place an effective sustainability governance structure, overseeing the adoption of and progress towards the Company's sustainability goals, reviewing the processes for identifying, assessing and managing climate-related risks and opportunities, and overseeing the Company's health, safety, and environmental performance, among others. The BSSC also makes regular visits to Keppel's projects and work sites, including interacting with our contractors and suppliers, to monitor and better understand Keppel's sustainability and safety performance.

Each quarter, the Chairman of the BSSC provides an update to the Board on key issues deliberated by the BSSC. The BSSC also considers management's proposals on sustainability-related policies and practices and makes recommendations to the Board where relevant.

While the BSSC maintains broad oversight over sustainability issues, other Board Committees, namely the Audit, Nominating, Remuneration and Board Risk Committees, also address specific aspects of sustainability relevant to their respective committees. At the management level, the Management Executive Committee (MExCo), which meets every month, oversees Keppel's strategy and

performance, including sustainability issues. MExCo also determines Keppel's key sustainability policies and targets, before they are presented to the BSSC. MExCo is chaired by Keppel's CEO and its members include the Chief Financial Officer, the CEOs of Keppel's platforms and divisions, the Chief Sustainability Officer (CSO) and selected members of senior management.

The CSO, who reports to the CEO as well as the BSSC, coordinates and drives Keppel's sustainability efforts. The CSO chairs the Sustainability Working Committee, comprising heads of corporate functions and representatives from Keppel's platforms and divisions, which monitors and executes the Company's sustainability efforts. The CSO also heads Keppel's Sustainability department, which manages different aspects of the Company's sustainability efforts, including preparing Keppel's sustainability report.

To embed sustainability throughout the Company and ensure accountability, sustainability targets have been included in the performance appraisal of senior management across the Company, including both annual remuneration and long-term incentives. Environmental sustainability targets, including carbon emissions reduction, account for 7.5% of the Company's performance scorecard.



President's Award for the Environment 2023



Singapore Corporate Awards 2023 Best Managed Board Award – Gold (Market capitalisation of \$1 billion and above)



Singapore Apex Corporate Sustainability Awards 2023 Winner in Sustainable Solutions category



Securities Investors Association (Singapore) Investors' Choice Awards 2023 Singapore Corporate Sustainability Award (Big Cap)



World's Best Companies 2023 by TIME

Sustainability Framework

CONTRIBUTING TO SUSTAINABLE DEVELOPMENT

The Board and management of Keppel review annually and determine the environmental, social and governance (ESG) factors material to Keppel's business, considering its business strategy, stakeholder concerns and how its interactions with the environment and society give rise to sustainability-related risks and opportunities. The materiality review helps Keppel to focus its sustainability strategy, management practices and reporting on the most significant impacts and factors to create sustainable value over the long term.

In 2023, Keppel conducted an internal review of the material ESG factors, taking reference from the SGX guidelines

on Sustainability Reporting as well as guidance from the GRI¹. We are also studying the new standards issued by ISSB² and considering how they can be incorporated, where relevant, in Keppel's sustainability disclosures. Recognising the overlaps and similarities in themes between the topics of Economic Contribution to Society and Community Development, the two topics were merged into a single material ESG factor, Contribution to Society. Keppel's revised set of six material ESG factors were grouped under the three sustainability pillars of Environmental Stewardship, Responsible Business as well as People and Community, which correspond with the environmental, governance and social aspects of sustainability

respectively. Further details will be provided in Keppel's Sustainability Report to be published in May 2024.

As a company committed to sustainability, Keppel contributes, both directly and indirectly, towards the United Nations Sustainable Development Goals (SDGs). We have identified 10 SDGs which represent Keppel's most significant impacts on the sustainable development agenda. They include areas where Keppel is making the most positive impacts on the SDGs, as well as areas where we have a responsibility to prevent and mitigate potential negative impacts. The table below outlines how Keppel is contributing to the SDGs, organised based on our material ESG factors.

Environmental Stewardship	
Material Factor	Impact on SDGs
<p>Climate Action & Environmental Management Keppel is committed to both running our business sustainably, and making sustainability our business through investing in and creating solutions that contribute to a greener world. This involves focusing our portfolio on sustainability-related solutions and innovations, building resilience against climate change risks, and seizing climate-related opportunities for growth.</p> <p>Keppel has committed to halve our Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. We have been tracking Scope 3 emissions since 2019 and have expanded our coverage to all categories relevant to Keppel. Since 2020, Keppel has adopted a shadow carbon pricing policy to evaluate major investment decisions in order to contribute to climate action, mitigate climate-related risks, prepare for tougher climate legislation and higher carbon prices, and avoid stranded assets. We are also committed to minimising our environmental impact.</p> <p>Keppel has set a target to grow our renewable energy portfolio to 7 GW by 2030, and has announced renewables projects with a total capacity of 4 GW as at end-2023, including projects under development.</p> <p>Within our operations, Keppel has set a target for 50% of our electricity use to be from renewable energy sources by 2025, with a view to reaching 100% by 2030.</p> <p>In 2023, we actively expanded our business in climate and environment-related areas, such as the import of renewable energy into Singapore, the development of Singapore's first hydrogen-ready and most advanced power plant, sustainable urban renewal and the development of greener data centres. Further details on Keppel's business initiatives can be found on pages 40 to 59.</p>	     
<p>Responsible Business</p> <p>Corporate Governance & Risk Management Keppel recognises that good corporate governance is essential to the sustainability of the Company's business, and that non-compliance with laws and regulations may pose financial and reputational risks. We are committed to ensuring strong corporate governance and regulatory compliance, robust risk management, including of sustainability-related risks, as well as high standards of ethical business conduct, including zero tolerance for fraud, bribery, and corruption.</p> <p>Keppel continued to adopt an effective and balanced approach to risk management to optimise returns, while taking into consideration business risks and corporate sustainability. We focused on managing the global macro risks and mitigating the impact on business where possible.</p> <p>Cybersecurity risk continues to be one of our significant risks and we continuously enhance our technology controls to prevent and detect cyber-attacks. We also focused on climate-related risks to monitor and assess the impact of climate change on business operations and assets, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Further details on Keppel's approach towards corporate governance and risk management can be found on pages 72 to 120.</p>	  
<p>Supply Chain Management Keppel believes in building a resilient, responsible, and diversified supply chain. We are committed to integrating sustainability criteria in the selection, monitoring and evaluation of suppliers and engaging with suppliers to adopt sustainable and responsible business practices, to minimise social and environmental impacts as well as manage risks across our supply chains.</p> <p>All our suppliers are selected in accordance with our requisition and purchasing policies and screened based on ESG criteria. Qualified suppliers are expected to sign and abide by Keppel's Supplier Code of Conduct, which is publicly available online³.</p> <p>As part of our efforts to enhance sustainability performance within our supply chain, Keppel also collaborated with UN Global Compact Network Singapore to provide carbon management training for our suppliers from Small and Medium Enterprises.</p>	  

People and Community

Material Factor

Impact on SDGs

Human Capital Management

People are fundamental to the Company's performance. We seek to build a highly trained workforce led by people-centric leaders. We are committed to providing meaningful and purposeful work, building positive employee well-being, upholding fair employment practices, and empowering a diverse and engaged workforce.

We continued to conduct our annual Employee Engagement Survey, and received an engagement score of 86% in 2023, 2 percentage points higher year on year and 6 percentage points higher than Mercer's global norm. 89% of our staff indicated that they are proud to work for Keppel.

In recognition of how we develop and look after our people, Keppel was listed in 2023 as one of the World's Best Employers by Forbes, by The Straits Times as one of Singapore's Best Employers, and by the Great Place to Work Institute as one of Vietnam's Best Workplaces. Keppel was also named by TIME magazine in its inaugural list of the World's Best Companies. In 2024, Keppel was re-certified as a Top Employer in Singapore and China by the Top Employers Institute.



Health & Safety

Keppel is committed to providing a safe and healthy working environment. We believe in a proactive safety culture and advocate for continuous improvements in health and safety standards, both in our operations and in the broader community. The Company's leadership sets the tone and leads by example in strengthening our safety culture. We also engage and empower the workforce to speak up when they encounter any unsafe act or practice.

We ensure high safety standards for our products and services to safeguard customer health and safety.

In 2023, Keppel achieved our zero-fatality target across our global operations. We will continue to strive to further improve our safety performance through regular audits, feedback mechanisms and engagement with stakeholders.



Contribution to Society

Keppel creates value for all stakeholders through running a successful and resilient business, which provides good dividends for shareholders, jobs for communities, and tax revenue for governments. In 2023, Keppel achieved a net profit of \$4.1 billion. Total cash dividend for FY 2023 was 34 cents per share. Including the distributions *in specie* of then Sembcorp Marine shares and Keppel REIT units, total dividends amount to about \$2.70 per Keppel share for FY 2023.

By growing our business as a provider of sustainability-related solutions, Keppel contributes to the economic advancement of society, while also advancing environmental sustainability.

Keppel is committed to ensuring that its approach towards tax management is executed responsibly and with integrity. Keppel's Tax department monitors and maintains oversight of Keppel's tax matters by working closely with the relevant business and finance teams as well as other internal stakeholders on various tax planning initiatives and tax compliance matters.

Keppel aims to uplift and give back to communities wherever we operate, building lasting positive relationships and effective partnerships, including through staff volunteerism. We invest in worthy causes, focusing on supporting education, caring for the underprivileged, and protecting the environment.

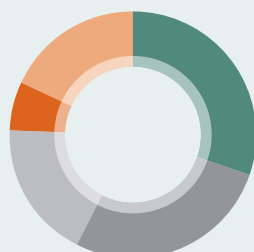
In 2023, Keppel invested around \$4.3 million in social investment spending and industry advancement, including more than \$3.3 million disbursed through Keppel Care Foundation, Keppel's philanthropic arm.

Key projects undertaken by Keppel in the past year include collaborating with the National University of Singapore to establish a new Keppel Professorship in Sustainability Solutions at the NUS College of Design and Engineering (CDE) and enhance the Keppel Bursary for Engineering for CDE undergraduates; supporting SPD's new senior care centre, as well as SPD's Sheltered Workshop which provides vocational training and supported employment to persons with disabilities; contributing to the Garden City Fund to support the planting of trees in Singapore; supporting the Singapore Environment Council's School Green Awards; donating to Willing Hearts to enhance the sustainability of its operations through the replacement and electrification of its trucks and installation of electric vehicle charging points at its premises; as well as the extension of the Living Well programme to provide vulnerable communities in India and Vietnam with access to clean water.

Beyond financial support, Keppel staff also volunteer their time and services to the community. In 2023, Keppel Volunteers contributed more than 11,000 hours of community work, higher than the target of 8,000 hours.



SOCIAL INVESTMENT SPENDING AND INDUSTRY ADVANCEMENT BY PROJECT TYPE IN 2023 (%)



● Healthcare/Care for the Underprivileged	30.4
● Environment	27.3
● The Arts/Sports/Community Development Projects	18.1
● Industry Advancement	6.4
● Education	17.8
Total	\$4.3 million
	100.0

¹ Global Reporting Initiative

² International Sustainability Standards Board

³ All new suppliers that provide Keppel with products and services valued at \$200,000 or more per contract or over cumulative purchase orders in the prior calendar year are required to sign and abide by Keppel's Supplier Code of Conduct.

Sustainability Framework

KEPPEL'S CLIMATE TRANSITION PLAN

Keppel is committed to supporting the global ambition to reach net zero CO₂ emissions by 2050. We have identified Climate Action and Environmental Management as a material ESG factor for the Company and put in place a governance structure to manage sustainability-related topics, including climate change. We have conducted climate scenario analyses and developed plans to address the risks and opportunities posed by climate change.

Our climate transition plan includes the three pillars of **business transformation, running our business sustainably,** and **making sustainability our business** through providing solutions that contribute to sustainable development.

Business Transformation

As part of Keppel's Vision 2030, we have been progressively transforming our business. In early 2021, we announced that the then Keppel Offshore & Marine (KOM) would exit the newbuild rig business after completing the existing rigs under construction. In 2022, we further announced the proposed divestment of KOM, which was completed in February 2023. Today, Keppel is a global asset manager and operator, focused on investing in and creating solutions for a sustainable future across our Infrastructure, Real Estate and Connectivity segments.

Running our Business Sustainably

We have set targets to reduce carbon emissions in line with the goal of limiting global warming to 1.5°C above pre-industrial levels. We are committed to halving Keppel's Scope 1 and 2 emissions by 2030, compared to our 2020 baseline, and achieve net zero Scope 1 and 2 emissions by 2050. By the end of 2022, Keppel has achieved a reduction of 17.6%, compared to 2020. Details on Keppel's carbon emissions reduction in 2023 will be disclosed in our upcoming Sustainability Report, to be published in May 2024.

We are tracking all 15 relevant categories of our Scope 3 emissions and working with our value chain and portfolio of investments to enhance energy efficiency and reduce their emissions where possible. The vast majority of Keppel's current Scope 3 emissions relate to the sale and use of natural gas, which forms around 95% of the fuel mix for power generation in Singapore. As Singapore's power grid decarbonises, we expect these Scope 3 emissions to reduce accordingly. In the meantime, Keppel is contributing to decarbonising the grid through initiatives such as renewable energy importation and the development of Singapore's first hydrogen-ready power plant.

Since 2020, we have implemented shadow carbon pricing in the evaluation of major investment decisions. We also consider climate-related risks and opportunities in our investment decisions to seize opportunities and reduce the risks of stranded assets in the low-carbon transition.

Making Sustainability our Business

Keppel is also contributing to the climate transition with the solutions we invest in and create, such as renewables, clean energy, decarbonisation solutions, environmental solutions, sustainable urban renewal, and greener data centres. We have set a target to grow Keppel's portfolio of renewable energy assets to 7 GW by 2030. As at end-2023, we have announced a renewable energy portfolio of about 4 GW, including projects under development.

To highlight how Keppel's solutions such as waste-to-energy plants, district cooling and green buildings contribute to the climate transition, we have been disclosing the avoided/reduced emissions arising from our offerings.

In January 2024, Keppel launched our inaugural Sustainability-linked Financing Framework and also secured \$1 billion of sustainability-linked revolving credit facilities, with preferential interest margins tied to Keppel's achievement of specific sustainability performance targets.

Keppel is contributing to the climate transition with the solutions we invest in and create, such as renewables, clean energy, decarbonisation solutions, environmental solutions, sustainable urban renewal and greener data centres.

CONTRIBUTING TO THE CLIMATE TRANSITION

Fund Management and Investment Platforms

Keppel, through its Fund Management and Investment platforms, is a signatory to the United Nations-supported Principles for Responsible Investment and is committed to incorporating ESG issues into our investment analysis and decision-making processes. These include considering climate-related risks and opportunities and contributing to global decarbonisation efforts.

All the listed REITs and business trust that Keppel manages have set carbon emission reduction targets and are actively monitoring their progress towards them.

The private funds that Keppel manages are progressively tracking their Scope 1 and 2 carbon emissions in line with their respective mandates and sector-specific considerations, and aim to reduce their emissions where possible. In 2022, we launched the Keppel Sustainable Urban Renewal Fund, which contributes to sustainable urbanisation by investing in the retrofitting and rejuvenation of older buildings, to contribute to urban renewal and circularity, while also enhancing asset performance and value.

As we continue our Vision 2030 journey, we expect an increasing quantum of Keppel's Funds Under Management to be focused on assets related to sustainable development. Keppel is also monitoring evolving best practices among global asset managers, and will explore setting targets for new private funds which are aligned with the global ambition of net zero by 2050.

Operating Platform

Keppel's Operating Platform contributes in different ways to sustainable development.

Infrastructure	Real Estate	Connectivity
<p>Our Infrastructure Division, which operates essential services like power generation and waste treatment that are hard-to-abate sectors, has been proactively driving decarbonisation initiatives. In 2022, Keppel commenced the inaugural import of renewable energy into Singapore through the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP). This is intended to be a pathfinder towards realising the broader ASEAN Power Grid vision of multilateral electricity trading in the region. In 2023, Keppel further secured conditional approvals from Singapore's Energy Market Authority for renewable energy imports of 1 GW from Cambodia, and 300 MW from Indonesia.</p> <p>We are developing the Keppel Sakra Cogen Plant, Singapore's first hydrogen-ready and most advanced power plant which is targeted to be operational by 2026. The emissions intensity of Keppel's Singapore power portfolio in 2023 is approximately 0.37 tCO₂/MWh. Keppel aims to lower this intensity to a target of 0.27 tCO₂/MWh by 2035, as Keppel phases out emissions-intensive energy generation and expands its renewables and low carbon energy portfolio including carbon capture and alternative new energy like green hydrogen and ammonia.</p> <p>Keppel has also signed a Memorandum of Understanding with the Singapore National Environment Agency to study the feasibility of carbon capture at Singapore's waste-to-energy (WTE) plants, which would enable WTE plants to achieve net zero emissions, or potentially even net negative emissions, in their operations.</p>	<p>Our Real Estate Division has committed to reduce its absolute Scope 1 and 2 emissions by 100% by 2030, and to reduce its Scope 3 emissions from purchased goods and services by 20% per square metre by 2030. These targets were validated by the Science-Based Target Initiative (SBTi).</p> <p>In addition, we are pivoting from traditional property development to sustainable urban renewal with a mission to acquire, retrofit, future-proof and extend the lifespan of older commercial buildings, to reduce energy use and avoid embodied carbon emissions.</p>	<p>Our Data Centres and Networks Division has been exploring innovative proposals to reduce the carbon footprint of data centres, including floating data centres and green data centre parks. It aims to achieve net zero Scope 1 and 2 emissions for all.</p> <p>M1 has adopted the ICT sector guidance and committed to reduce its Scope 1 and 2 emissions by 46.2% and Scope 3 emissions from purchased goods and services, capital goods and upstream leased assets by 42% by 2030 from 2020 base year. These targets have also been validated by SBTi.</p>



KI@Changi, Singapore's first Green Mark Platinum Positive Energy building under the new Green Mark scheme.