

BUILDING A SUSTAINABLE FUTURE

Sustainability Report 2020

AS ONE INTEGRATED BUSINESS

We will harness the strengths and expertise of the Group to provide solutions for sustainable urbanisation that are good for the planet, for people and for Keppel.

VISION

A trusted global company building a sustainable future.

MISSION

We deliver solutions for sustainable urbanisation safely, responsibly and profitably.

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BUILDING A SUSTAINABLE FUTURE

As part of Vision 2030, Keppel has put sustainability at the core of our strategy, and we are committed to supporting the UN Sustainable Development Goals.

DEAR STAKEHOLDERS,

COVID-19 caused significant human suffering and disruption. It also highlighted the interconnectedness of the global eco-system and our vulnerability to trans-border risks, whether from pandemics, environmental degradation or climate change, and the importance of sustainable development and building resilience.

In May 2020, Keppel unveiled Vision 2030, our long-term roadmap to grow and transform the Company from a conglomerate of diverse parts into an integrated business providing solutions for sustainable urbanisation, with sustainability at the core of our strategy.

Beyond articulating the Company's strategy, it also reflected our determination to focus on long-term growth and sustainability, even as we worked hard to combat the pandemic.

We are committed to sustainable development, and leverage collaboration and partnership to support the achievement of the United Nations Sustainable Development Goals (SDGs). We have incorporated 10 of the SDGs as a supporting framework to guide our sustainability strategy.

CLIMATE ACTION

At the United Nations Climate Ambition Summit in December 2020, 75 global leaders presented ambitious new commitments to confront the climate crisis, demonstrating the impact of the Paris Agreement in accelerating climate action and ambition.

Earlier on, in March 2020, the Singapore government had submitted its enhanced Nationally Determined Contribution and Long-Term Low-Emissions Development Strategy, with an absolute emissions target to peak emissions at 65 million tonnes of carbon dioxide equivalent (MtCO₂e) around 2030, halve emissions from its peak to 33MtCO₂e by 2050, with a view to achieving net zero emissions as soon as viable in the second half of the century.

GROUP OVERVIEW

LETTER TO STAKEHOLDERS

GRI 102-14



LOH CHIN HUA Chief Executive Officer

Given the progress we have achieved in reducing carbon emissions intensity, we are looking into setting an absolute emissions reduction target aligned with climate science and Singapore's national targets.

More recently, the Singapore government has launched the Singapore Green Plan 2030 in March 2021, a whole-of-nation movement to advance Singapore's national agenda on sustainable development.

Keppel is committed to do its part to support the international agenda on climate action and also contribute towards Singapore's Green Plan 2030.

Our stance on environmental sustainability is articulated in our Environmental Sustainability Policy, which is available on Keppel's website. We are committed to improving our environmental performance, and have integrated environmental sustainability considerations into our major business and investment decisions, as well as the performance appraisal of senior management across the Group.

In 2014, we set ourselves a target to reduce carbon emissions intensity by 16% from 2020 business-as-usual levels. In 2018, we set a longer-term target to achieve a

28.8% reduction in carbon emissions intensity from 2010 levels by 2030. Both targets are aligned with national goals set by the Singapore government over the years.

I am pleased to announce that as at end-2020, we have achieved and surpassed our 2020 target, with a 29.4% average reduction in carbon emissions intensity from our 2010 baseline. Given the progress we have achieved, we are looking into how Keppel can further enhance its carbon emissions reduction target, including setting an absolute emissions reduction target aligned with climate science and Singapore's national targets.

Reflecting our commitment to reduce our carbon footprint, Keppel's corporate headquarters in Singapore has been powered by renewable energy since end-2018. This year, we have also acquired carbon credits to offset emissions from business travel and employee commuting, allowing our corporate office to achieve carbon neutrality for the whole of 2020.

Beyond running our business in a sustainable manner, we are making sustainability our business through the solutions we provide.

The Group is estimated to have saved 1,040,420 GJ of energy from its energy efficiency initiatives in 2020 and through cumulative green initiatives implemented at Keppel Land's Green Mark-certified developments. The total energy saving is equivalent to about 54% of the Group's total energy consumption in 2020, and translates to estimated cost savings of \$68 million and avoidance of around 120,000 tCO_{2e}.

MAKING SUSTAINABILITY OUR BUSINESS

Beyond running our business in an environmentally responsible manner, we see sustainability as a business and envisage Keppel playing a significant role in helping businesses and communities around the world become more sustainable through the solutions that we provide.

In line with Vision 2030, we have been progressively refocusing the Group's portfolio on more sustainable solutions that contribute to a cleaner and greener world.

Keppel Offshore & Marine (Keppel O&M), traditionally known for being a global leader in building offshore drilling rigs, has been pivoting towards renewables and cleaner fossil fuels such as liquefied natural gas, which together made up more than 80% of its \$3.3 billion orderbook as at end-2020. Earlier this year, we announced that Keppel O&M will exit the offshore rig building business, after completing the existing rigs under construction, and will transit to being a developer and integrator of offshore energy and infrastructure assets, that is well-placed to support the global energy transition.

In April 2020, Keppel Infrastructure, through a Keppel-led consortium, secured a contract worth about \$1.5 billion to develop a waste-to-energy facility and a materials recovery facility for Singapore's Tuas Nexus Integrated Waste Management Facility. This will be Singapore's first integrated facility to treat multiple waste streams, and will contribute significantly towards the country's long-term waste management plans.

In June 2020, Keppel Infrastructure also commenced commercial operations for the Keppel Marina East Desalination Plant in Singapore. The plant can produce up to 137,000m³ of fresh drinking water

daily from either seawater or water from the Marina Reservoir, depending on the prevailing weather conditions. The ability to switch from treating rainwater to treating seawater during drier seasons strengthens Singapore's water supply resilience in the face of increasing rainfall uncertainty caused by climate change.

In the urban development space, Keppel Land is actively contributing towards greening the built environment. In December 2020, Keppel Bay Tower, where Keppel Corporation is headquartered, was certified by the Building and Construction Authority as Singapore's first Green Mark Platinum (Zero Energy) commercial building. We see this not just as one isolated example, but a demonstration of how we can help existing commercial buildings in Singapore and overseas become greener, or even zero energy buildings, in the years to come.

Keppel Data Centres is exploring floating data centre technologies as well as other innovative solutions including a cold energy harnessing facility and a hydrogen powered tri-generation plant to reduce the carbon footprint of data centres. It is also partnering industry leaders to explore the first end-to-end decarbonisation process in Singapore that can help reduce carbon intensity across key sectors such as energy, chemicals and construction.

Last December, the newly established Keppel Renewable Energy also announced its first solar farm project in Australia, taking the Group a step closer towards our target of growing our renewable energy portfolio to 7GW by 2030.

These are just a few examples of the many exciting opportunities in sustainable solutions that we are seizing across the Group.

With the risks and impact of climate change becoming more evident, we are applying the lens of sustainability to the Group's major investment decisions. In 2020, we started introducing a shadow carbon price in the evaluation of all major investments, to help us better understand the carbon footprint of our business activities, the possible impact of future increases in carbon taxes, and also avoid potential stranded assets.

STRONG GOVERNANCE

Keppel is committed to upholding high standards of corporate governance. We have a strong and independent board, with six independent directors out of a total of eight directors. We recognise that diversity in the composition of the Board provides a range of perspectives and insights which support good decision-making, and have in place a Board Diversity Policy that sets out the framework and approach for the Board on this matter.

In 2019, Keppel O&M became one of the first companies in Singapore to achieve global certification for the ISO 37001 Anti-Bribery Management System. Reflecting Keppel's zero tolerance for corruption, we have continued to enhance our compliance measures, including progressively rolling out the ISO 37001 Anti-Bribery Management System across business units. Apart from Keppel O&M, the Singapore entities of both Keppel Land and Keppel Data Centres also achieved ISO 37001 certification in 2020.

Our commitment to sustainability is one practised at all levels of the company. We respect and uphold fair employment practices and human rights principles, and are committed to the well-being of our workforce. In 2020, against the backdrop of the pandemic, the Company took additional efforts to rigorously implement safe management measures to ensure the health and safety of our employees, partners and other stakeholders, both in Singapore and overseas.

I am glad to report that despite the very challenging operating environment, our employees have remained highly engaged. In the 2020 Employee Engagement Survey, we achieved an overall employee engagement score of 87%, significantly higher than Mercer's global average of 80%, with 91% of respondents indicating that they would go beyond the norm to contribute to Keppel's success. We also continued to be recognised in Forbes' list of the World's Best Employers 2020.

Safety is one of Keppel's core values, and we continue to enhance the Group's safety performance, including through harnessing technology such as using wearables, data analytics and artificial intelligence to improve our health and safety systems and processes. At the Singapore Workplace Safety & Health Awards 2020, Keppel won 21 awards, the highest number by a single organisation for the year. In 2020, our total recordable injury rate improved. Regrettably, despite our best efforts, the Group recorded one fatality at a yard in Singapore. We are deeply saddened by the loss of our colleague. We have thoroughly

investigated the incident and put in place enhanced training and other measures to prevent recurrence.

We are also committed to sustainable procurement and supply chain management. Suppliers of the Keppel Group of companies are expected to abide by the Keppel Supplier Code of Conduct, which covers business conduct, labour and environmental aspects. In 2020, all new suppliers were screened in accordance with environmental, social and governance (ESG) criteria, and 100% of qualified suppliers endorsed the code or have their own codes which met Keppel's requirements. In line with our efforts to enhance the well-being of migrant workers, Keppel O&M also wrote to its contractors and employment agents earlier this year to require that they abide by the Dhaka Principles for Migration with Dignity going forward.

CARING FOR THE COMMUNITY

Keppel is committed to doing good and giving back to the community wherever we operate. As a result of COVID-19, a lot of our community outreach efforts in 2020 were focused on building resilience against the pandemic.

Since the start of the COVID-19 pandemic, Keppel has committed over \$5 million to

provide support to communities affected by the pandemic in Singapore and overseas. This included a \$4.2 million package to support lower income households in 1 and 2-room HDB flats through rebates given by M1, Keppel Electric and City Gas. Assistance was also provided to frontline staff, migrant workers and others affected by COVID-19. The package was funded by voluntary contributions from the Keppel Group's directors, senior management and staff, with matching contributions from Keppel Corporation. We also contributed to the Courage Fund and supported the relief efforts of the Singapore Red Cross and the Shanghai Charity Foundation, among others.

Keppel also supported environmental initiatives such as NParks' OneMillionTrees movement, with a \$3 million commitment that will go towards the planting of 10,000 trees over the next five years in parks and nature reserves in Singapore. Keppel Land also worked with the Sustainable Singapore Gallery, which is managed by PUB, to launch a public outreach programme to raise awareness on rising sea levels and the urgent need for climate action.

In addition, Keppel made a \$2 million donation towards a new National Kidney Foundation (NKF) dialysis centre at Yishun

Community Hospital, which is the first in Singapore to be integrated within a hospital compound, and also the first of NKF's centres to offer fully integrated and seamless dialysis care for both haemodialysis and peritoneal dialysis patients.

Despite the restrictions imposed by COVID-19, Keppelites contributed more than 10,000 hours of volunteer community service globally, including both physical events held in compliance with safe management measures, as well as creative virtual engagement programmes to provide relief for beneficiaries, including seniors who have been isolated as a result of the pandemic.

SUPPORTING A GLOBAL COMPACT

Since 2018, Keppel has been a signatory of the United Nations Global Compact, the world's largest corporate sustainability initiative promoting sustainable business practices. We affirm our support of the Global Compact's 10 principles on human rights, labour, environment and anti-corruption, and this report serves as our Communication on Progress. We also support the Taskforce on Climate-related Financial Disclosures and are working towards incorporating its recommendations on voluntary climate-related disclosures in our reporting framework.



In February 2021, Prime Minister Lee Hsien Loong (third from left) together with Minister for Sustainability and the Environment, Ms Grace Fu (fourth from right) officiated at the opening of the iconic Keppel Marina East Desalination Plant.

LETTER TO STAKEHOLDERS



Keppel Volunteers distributed festive care packs to beneficiaries as part of the Group's support for vulnerable communities affected by COVID-19.

Keppel is committed to doing good and giving back to the community wherever we operate.

We are encouraged by the international recognition of our sustainability efforts. Keppel Corporation retained the highest triple-A rating in the MSCI ESG ratings, and has also been included in S&P Global's Sustainability Yearbook 2021 for the first time, achieving the Industry Mover Award for the Industrial Conglomerates category. Keppel also improved its ranking in the Singapore Governance and Transparency Index, and continued to be included in the iEdge SG ESG Leaders Index and Transparency Index by SGX, FTSE4Good Index Series and Euronext Vigeo Eiris – World 120 Index.

ACKNOWLEDGEMENTS

I would like to thank our many partners, customers and stakeholders for their trust and support for Keppel as we navigate the current challenging environment.

On 23 April this year, Dr Lee Boon Yang retired as Chairman and non-executive Director from the Board of Keppel Corporation,

and has been succeeded by Mr Danny Teoh, a longstanding director of the Company. On behalf of the Board and management, I would like to express my deep appreciation to Boon Yang for his strong support and wise counsel over the past 12 years, which helped Keppel to remain resilient and grow from strength to strength.

Guided by Keppel's Vision 2030, we will continue to work closely with all stakeholders to build a sustainable future.

Yours sincerely,

LOH CHIN HUA
Chief Executive Officer
10 May 2021

VISION 2030

WITH SUSTAINABILITY AT THE CORE OF OUR STRATEGY

Keppel aims to be a powerhouse of end-to-end solutions for sustainable urbanisation, an ESG leader advancing climate action, as well as a valuable company with a strong growth trajectory, delivering 15% ROE, steady recurring income and good dividends. As one integrated business, Keppel will contribute to building a sustainable future for all stakeholders.

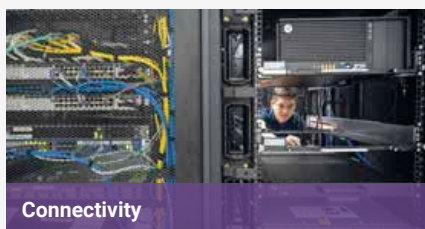
FOUR FOCUS AREAS



Energy & Environment



Urban Development



Connectivity



Asset Management

KEY MACROTRENDS THAT VISION 2030 SEEKS TO ADDRESS



Energy Transition,
Climate Change



Rapid Urbanisation,
Ageing Populations



Digitalisation



Super
Liquidity

HIGHLIGHTS

SUSTAINABILITY BENCHMARKS

**AAA**

Rating achieved in the MSCI ESG ratings. Ranked top 8% of all industrial conglomerates in the MSCI All Country World Index, based on ESG criteria.

ECONOMIC VALUE

**\$7.1b**

Of economic value generated for our stakeholders.

EMISSIONS REDUCTION

**29.4%**

Average reduction in carbon emissions intensity from our 2010 baseline achieved by operations in Singapore and overseas.

ENERGY SAVINGS

**\$68m**

In estimated cost savings from energy efficiency initiatives implemented in 2020 and from Keppel Land's Green Mark-certified developments.

GOVERNANCE

**6th**

On the Singapore Governance and Transparency Index 2020, which recognises companies for strong corporate governance disclosures and practices.

WORKPLACE SAFETY & HEALTH AWARDS

**21 Awards**

The highest number of awards won by a single organisation in 2020.

EMPLOYEE ENGAGEMENT

**87%**

Overall engagement score, higher than Mercer's global average of 80%.

TRAINING & DEVELOPMENT

**19.0hrs**

Of training per employee globally.

SOCIAL INVESTMENTS

**\$9.6m**

Invested in support of worthy social and environmental causes, including COVID-19 relief efforts, caring for the underprivileged, supporting education, and protecting the environment.

SUPPLIERS

**100%**

Of new qualified suppliers were screened in accordance with environmental, social and governance criteria.

GREENING THE ENVIRONMENT

**10,000 trees**

To be planted by Keppel in parks and nature reserves in Singapore over the next five years, in support of NParks' OneMillionTrees movement.

VOLUNTEERISM

**>10,000hrs**

Of community service achieved by Keppel Volunteers, including engaging beneficiaries virtually.

AWARDS AND RECOGNITION

MSCI World ESG Leaders Index

Keppel Corporation has retained the highest triple-A rating in the MSCI environmental, social and governance (ESG) ratings¹. The company has held the triple-A rating since February 2020. Keppel Corporation is ranked as a leader, and among the top 8% of global industrial conglomerates, based on ESG criteria, in the MSCI All Country World Index (ACWI), MSCI's flagship global equity index, which covers more than 2,800 constituents. Keppel Corporation is a constituent on the MSCI ACWI and World ESG Leaders Indexes, and has been included on the MSCI ESG Leaders Indexes since 2014.



iEdge SG ESG Indices

Keppel Corporation continued to be listed among the top 10 constituents of the iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index in 2020. The iEdge SG ESG Indices are composed of SGX-listed companies that meet minimum sustainability reporting requirements and are considered ESG leaders with established and leading ESG practices.



FTSE4Good Index Series

Keppel Corporation continued to be included as an index constituent of the FTSE4Good Index Series. The FTSE4Good Index Series identifies companies demonstrating strong ESG policies and practices. To be included in this index, companies are independently assessed on more than 300 indicators, which are applied according to each company's unique ESG risk exposure. Keppel has been included in the FTSE4Good Index since 2019.



FTSE4Good

Euronext Vigeo World 120

Keppel Corporation was listed as an index component of the Euronext Vigeo Eiris – World 120 Index for the eighth consecutive year. Developed by Euronext, the primary exchange in the Eurozone, and Vigeo, the leading European agency in corporate social responsibility ratings, the Euronext Vigeo Eiris – World 120 Index is composed of 120 of the highest-ranking listed companies globally in terms of performance in corporate responsibility.



S&P Global Sustainability Yearbook

Keppel Corporation was included in S&P Global's Sustainability Yearbook 2021, achieving the Industry Mover Award for the Industrial Conglomerates category. The Yearbook showcases the best performing companies in terms of financially-material ESG metrics. In 2020, S&P Global assessed 7,032 companies in 61 industries, with 630 sustainability leaders selected for the Yearbook. Keppel scored among the top 15% in the industry.

Sustainability Award Industry Mover 2021

S&P Global

CDP

Keppel Corporation achieved a score of A- for CDP's Climate Change Assessment, and was recognised by CDP as one of the Most Improved Companies for the year 2020, in the Hong Kong, Macau and Southeast Asia region. CDP is a non-profit that runs a global disclosure system that helps companies and cities manage their environmental impacts.



Forbes World's Best Employers

Keppel was recognised in Forbes' list of the World's Best Employers 2020 for the second year running, and was the only Singapore company ranked in the engineering/manufacturing industries. Companies were chosen based on global independent surveys of over 160,000 workers on their opinion on the attractiveness of employer brands.



Workplace Safety and Health Awards

The Keppel Group was conferred 21 awards at the Workplace Safety and Health (WSH) Awards 2020 organised by Singapore's Ministry of Manpower and the WSH Council. The Group received accolades in the following categories: Safety and Health Award Recognition for Projects Awards, WSH Performance Awards, WSH Innovation Awards and WSH Awards for Supervisors. Since 2014, Keppel has consistently been awarded the highest number of accolades at the WSH Awards.



Community Chest Awards

Keppel Corporation was conferred the Community Spirit Platinum Award by the Community Chest in recognition of Keppel's CSR efforts and donation to The Courage Fund in 2020 in support of those affected by the COVID-19 pandemic.



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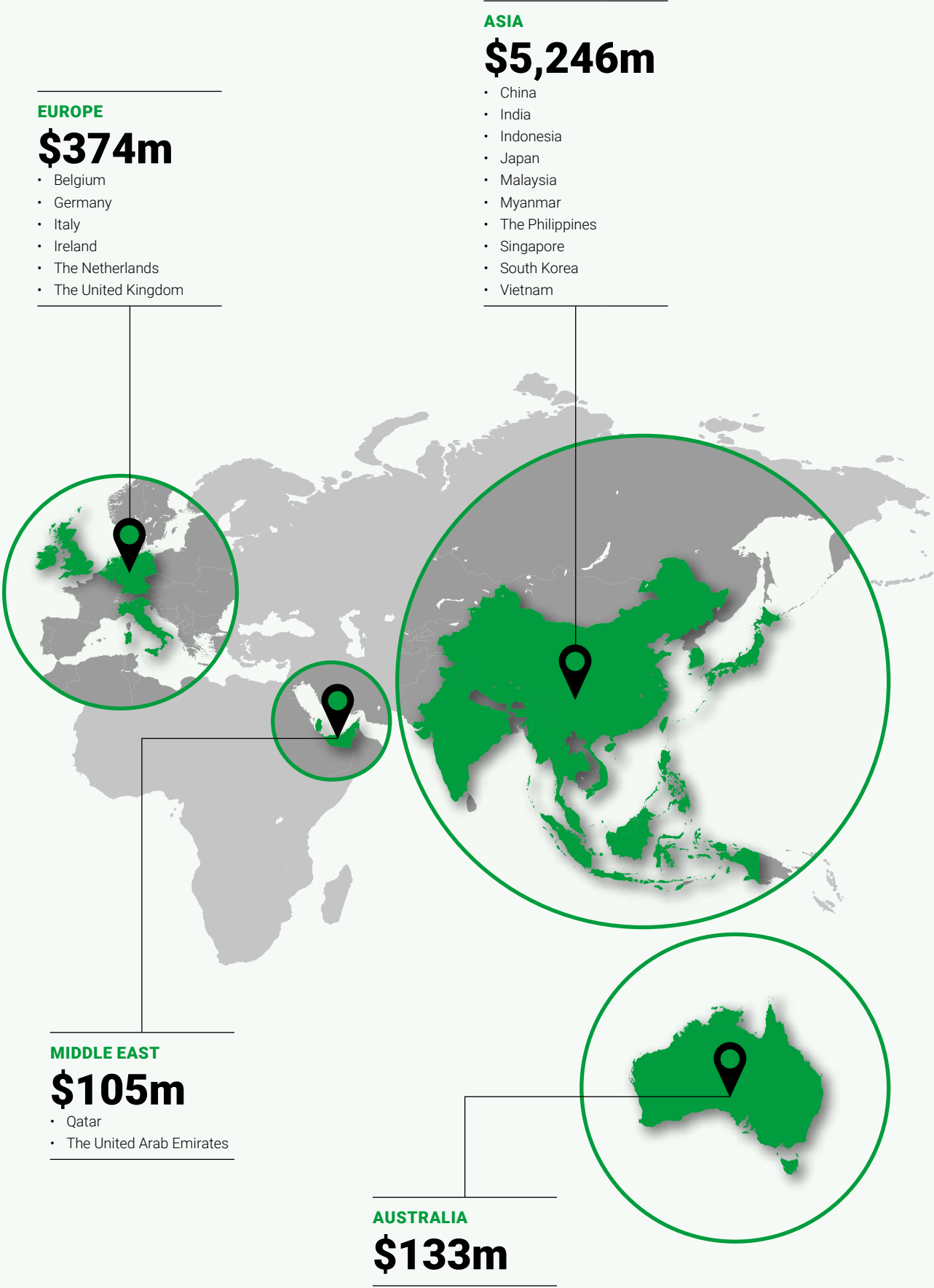
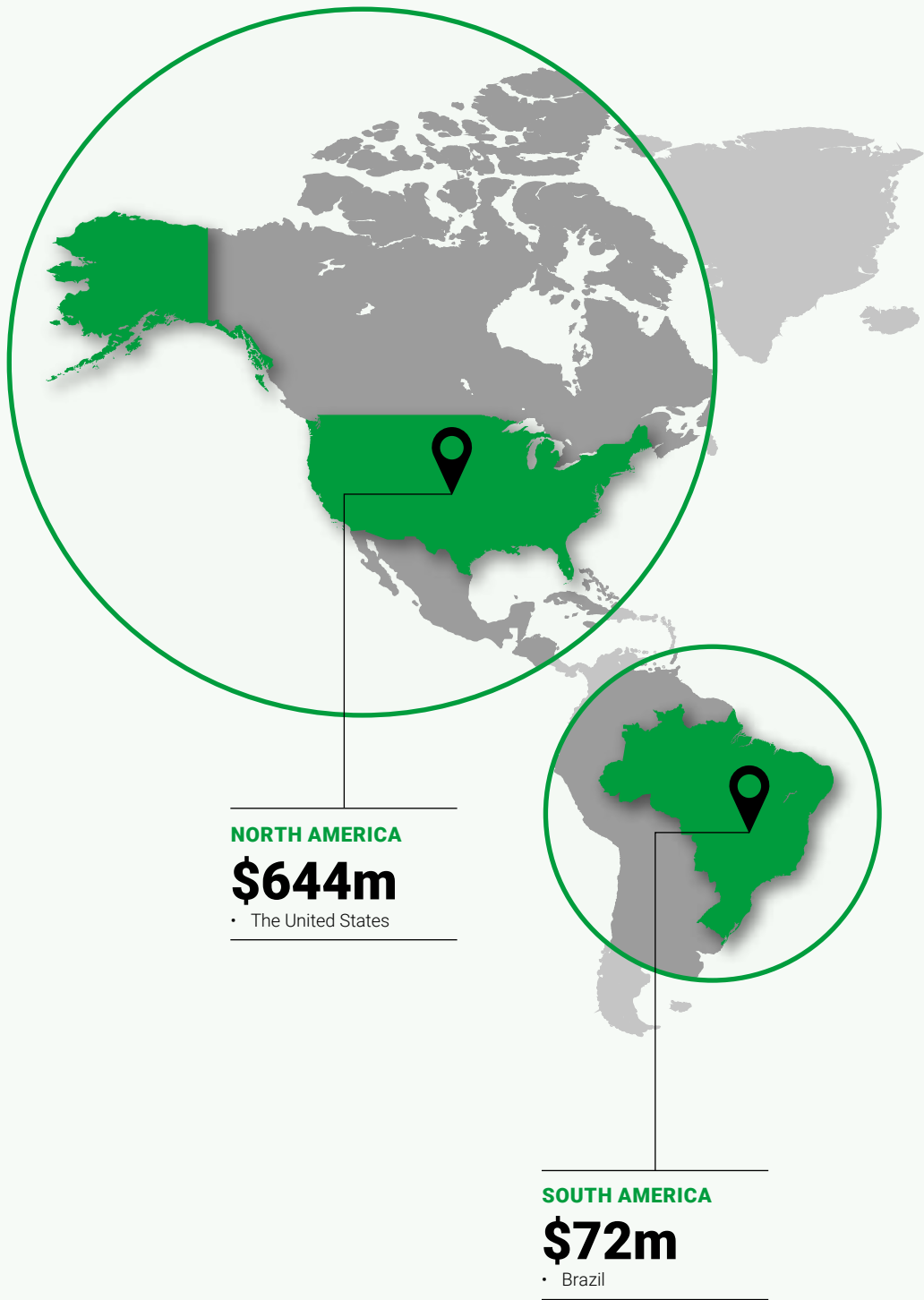
GLOBAL PRESENCE

GRI 102-4 | 102-6 | 102-7

TOTAL FY 2020 REVENUE

\$6.6b

Markets outside of Singapore contributed about 41% of the Group's revenue for FY 2020.



GROUP OVERVIEW

GROUP STRUCTURE

GRI 102-2 | 102-5 | 102-7 | 102-45

KEPPEL CORPORATION LIMITED			
ENERGY & ENVIRONMENT	URBAN DEVELOPMENT	CONNECTIVITY	ASSET MANAGEMENT
- Offshore & Marine - Energy Infrastructure - Environmental Infrastructure - Renewable Energy	- Property Development & Investment - End-to-End Master Development	- Data Centres - Telecommunications - Logistics	- Asset Management - REITs & Trust - Private Funds
KEPPEL OFFSHORE & MARINE LTD 100%	KEPPEL LAND LIMITED 100%	KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD 100%	KEPPEL CAPITAL HOLDINGS PTE LTD 100%
Keppel FELS Limited 100% Keppel Shipyard Limited 100% Keppel Singmarine Pte Ltd 100% Keppel LeTourneau 100% Keppel Nantong Shipyard Company Limited China 100% Offshore Technology Development Pte Ltd 100% Keppel Marine & Deepwater Technology Pte Ltd 100% Keppel AmFELS LLC United States 100% Keppel FELS Brasil SA Brasil 100% Keppel Philippines Marine Inc The Philippines 98% Keppel Subic Shipyard Inc The Philippines 86% Floatel International Ltd Bermuda 50%	Keppel Land – various holding companies Southeast Asia and India 100% Keppel Land China China 100% Keppel Bay Pte Ltd 100% KEPPEL URBAN SOLUTIONS PTE LTD 100% SINO-SINGAPORE TIANJIN ECO-CITY INVESTMENT AND DEVELOPMENT CO., LTD¹ China 50%	Keppel Data Centres Holding Pte Ltd ⁶ 100% Keppel Logistics Pte Ltd 100% UrbanFox Pte Ltd 100% M1 LIMITED² 100%	Keppel REIT Management Limited 100% Alpha Investment Partners Ltd 100% Keppel Infrastructure Fund Management Pte Ltd 100% Keppel DC REIT Management Pte Ltd ⁵ 100% Keppel Capital Alternative Asset Pte Ltd 100% Keppel Pacific Oak US REIT Management Pte Ltd 50% Keppel REIT^{3,4} 49% Keppel DC REIT^{4,7} 21% KEPPEL PACIFIC OAK US REIT⁴ 7%
KEPPEL INFRASTRUCTURE HOLDINGS PTE LTD 100%	GROUP CORPORATE SERVICES		
Keppel Gas Pte Ltd 100% Keppel Electric Pte Ltd 100% Keppel DHCS Pte Ltd 100% Keppel Seghers Pte Ltd 100% Keppel Infrastructure Services Pte Ltd 100% Keppel Merlimau Cogen Pte Ltd 49%	Control & Accounts Information Technology Strategy & Development Corporate Communications Internal Audit Tax Cyber Security Legal Treasury Health, Safety & Environment Mergers & Acquisitions Human Resources Risk & Compliance		
KEPPEL RENEWABLE ENERGY PTE LTD 100%			
KRISENERGY LTD⁴ Cayman Islands 40%			

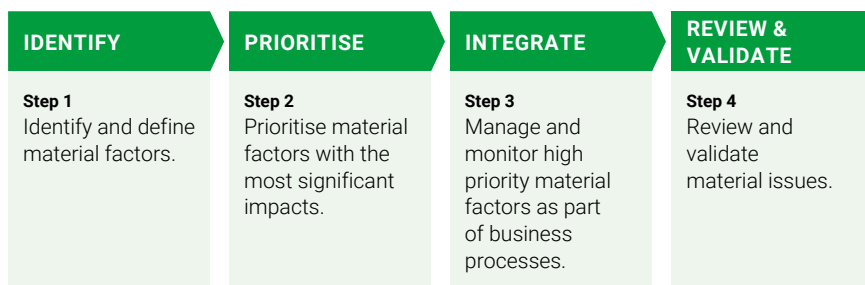
Notes:

¹ Owned by a Singapore Consortium, which is in turn 90%-owned by the Keppel Group.² Owned by Keppel Telecommunications & Transportation Ltd (19%), a wholly-owned subsidiary of Keppel Corporation, and Konnectivity (81%), a company jointly owned by Keppel Corporation and Singapore Press Holdings.³ Owned by Keppel Land Limited (43%) and Keppel Capital Holdings Pte Ltd (6%).⁴ Public listed company.⁵ Owned by Keppel Capital Holdings Pte Ltd (50%) and Keppel Telecommunications & Transportation Ltd (50%).⁶ Owned by Keppel Telecommunications & Transportation Ltd (70%) and Keppel Land Limited (30%).⁷ Owned by Keppel Telecommunications & Transportation Ltd (20.6%) and Keppel DC REIT Management Pte Ltd (0.4%).Updated as at 10 March 2021. The complete list of subsidiaries and significant associated companies is available at <https://www.keppcorp.com/annualreport2020>.

MATERIALITY

GRI 102-21 | 102-46

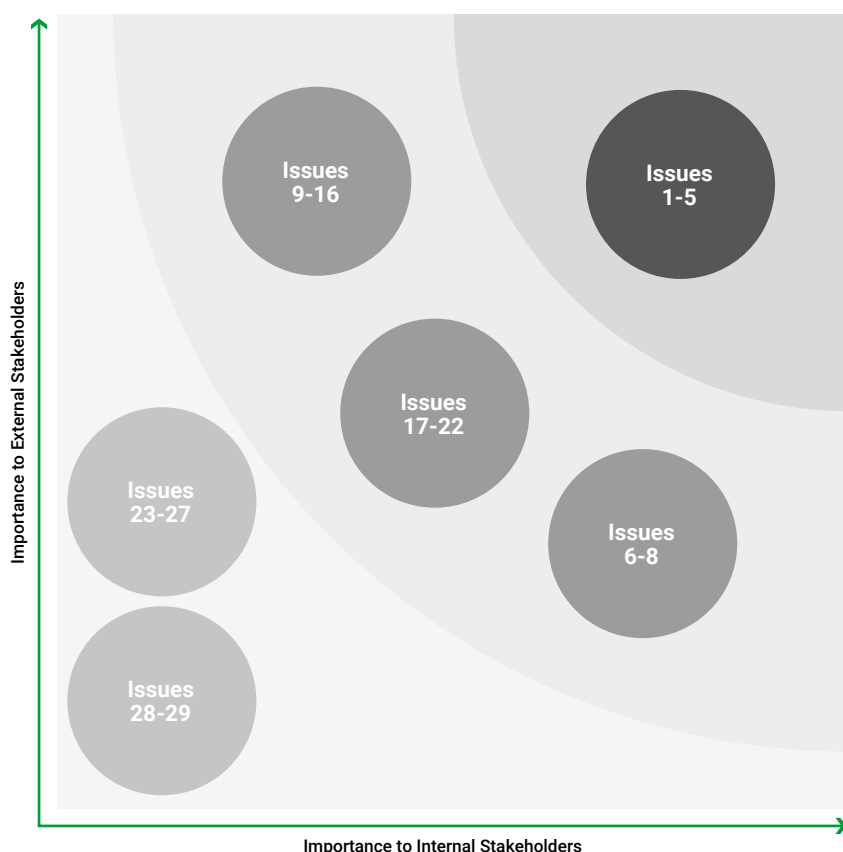
OUR MATERIALITY PROCESS FOCUSES ON THE MOST IMPORTANT SUSTAINABILITY-RELATED ISSUES, OPPORTUNITIES AND RISKS FROM THE PERSPECTIVE OF OUR STAKEHOLDERS.



Keppel Corporation's sustainability reporting framework and material environmental, social and governance (ESG) factors were reviewed in 2020 by the Group Sustainability Steering and Working Committees and were deemed to remain relevant.

The Company last conducted a comprehensive materiality assessment in 2019 which was supported by an independent consultant. This involved surveys, workshops and interviews with around 170 internal and external stakeholders, an assessment of long-term global trends, and an internal review of our businesses. The ESG factors defined were prioritised in a matrix. The outcome of the process was a revised sustainability reporting framework and an updated set of material ESG factors which were presented to and approved by Keppel Corporation's Board of Directors.

MATERIALITY MATRIX



The outcome of the materiality review was a matrix illustrating the degree of importance that internal and external stakeholders accord to the company's material issues.

Legends

- Business Practices
 ● Environment
 ● Labour
 ● Communities

Ranking of material issues in terms of relative importance to stakeholders

1. Business Ethics & Integrity
2. Corporate Governance
3. Product Safety & Quality
4. Cyber Security & Data Protection
5. Occupational Health & Safety
6. Economic Performance
7. Training & Development
8. Talent Attraction & Retention
9. Economic Contribution to Society
10. Customer Service Engagement
11. Waste Management
12. Water Management
13. Emissions
14. Energy Management
15. Sustainable Design
16. Climate Action
17. Research & Development
18. Sustainable Supply Chain Management
19. Capital Allocation & Asset Management
20. Labour & Human Rights
21. Diversity & Inclusion
22. Community Development
23. Fair Treatment of Suppliers
24. Biodiversity
25. Land Degradation & Contamination
26. Employee Wellness
27. Rights of Local Communities
28. Noise Pollution
29. Collective Bargaining

SUSTAINABILITY FRAMEWORK

GRI 102-47

We regard sustainability both as a corporate responsibility and a source of business opportunities.

STRATEGIC PILLAR: ENVIRONMENTAL STEWARDSHIP

As part of Keppel's Vision 2030, we are progressively guiding and refocusing our portfolio towards sustainable urbanisation solutions, through evaluating their fit with Keppel's Vision, Mission and ESG goals, as well as through shadow carbon pricing and climate risk assessments. We have set high-impact sustainability goals and publicly committed to long-term targets to reduce our carbon, waste and water intensity. We are tapping our engineering nous to explore greener solutions, and will continue to explore opportunities in renewable energy assets.

Material ESG issues:

- Climate Action
- Environmental Management

STRATEGIC PILLAR: 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. We are driving innovation to seize opportunities, and through our integrated business model, we seek to improve both the magnitude and quality of our earnings with more recurring income, while enhancing returns through active capital recycling. We work closely with stakeholders in our value chain to enhance their sustainability performance.

Material ESG issues:

- Economic Sustainability
- Corporate Governance and Risk Management
- Supply Chain and Responsible Procurement
- Product Quality and Safety

STRATEGIC PILLAR: PEOPLE AND COMMUNITY

People are the cornerstone of our businesses. We are committed to providing a safe and healthy workplace, as well as investing in training and developing our people to help them reach their full potential. We strive to build vibrant and inclusive communities, through supporting initiatives that protect the environment, promote education and care for the underprivileged, with the goal of building a sustainable future together.

Material ESG issues:

- Occupational Safety and Health
- Labour Practices, Talent Management and Human Rights
- Community Development



SUSTAINABILITY MANAGEMENT

GRI 102-18 | 102-19 | 102-20 | 102-22 | 102-26 | 102-29 | 102-31 | 102-32

GUIDED BY VISION 2030, WE WILL GROW KEPPEL AS AN INTEGRATED BUSINESS, PROVIDING SOLUTIONS FOR SUSTAINABLE URBANISATION, WITH SUSTAINABILITY AT THE CORE OF OUR STRATEGY.



Keppel Data Centres is exploring floating data centre technologies as well as other innovative solutions to reduce the carbon footprint of data centres.

OUR STRATEGY

In May 2020, we unveiled Vision 2030, our long-term roadmap to grow and transform Keppel into an integrated business providing solutions for sustainable urbanisation. We will focus on four key areas, namely Energy & Environment, Urban Development, Connectivity and Asset Management, all part of a connected value chain, while putting sustainability at the core of our strategy.

We are applying the lens of sustainability to the Group's major investment decisions. With the risks and impact of climate change becoming more evident, we have introduced

a shadow carbon price in the evaluation of all major investments. This would help us better understand the carbon footprint of our business activities and the possible impact of future carbon taxes, and also avoid potential stranded assets. Over and above running our business in a sustainable and environmentally responsible manner, we see Keppel playing a significant role in helping businesses and communities become more sustainable through the solutions that we provide. Beyond the solutions that Keppel is already well-known for, such as waste-to-energy (WTE) and water solutions, district cooling plants, green buildings and townships, we are

pushing boundaries to explore and develop new solutions that can contribute to combatting climate change, while also opening up new profit pools for the Group.

The Board and management of Keppel Corporation regularly review as well as oversee the management and monitoring of the material environmental, social and governance (ESG) factors of the Company, and take them into consideration in the determination of the Company's strategic direction and policies.

The Group Sustainability Steering Committee provides oversight and guidance on strategic and operational issues. The committee is chaired by Mr Loh Chin Hua, Keppel Corporation's Chief Executive Officer (CEO) and Executive Director, and comprises CEOs of key business units across the Group.

Supporting the Steering Committee is the Group Sustainability Working Committee, co-chaired by Mr François van Raemdonck, Director of Group Strategy & Development and Managing Director of Keppel Technology & Innovation, and Mr Ho Tong Yen, Director of Group Corporate Communications, Keppel Corporation.

The working committee, comprising discipline-specific working groups with representatives from across our different businesses, executes and reports on the Group's efforts across the material ESG aspects.

BOARD STATEMENT ON SUSTAINABILITY

"The key material environmental, social and governance factors for Keppel Corporation have been identified and are regularly reviewed by Keppel Corporation's Board of Directors and management. The Board oversees the management and monitoring of these factors and takes them into consideration in the determination of the Company's strategic direction and policies."

Keppel Corporation Board of Directors

SUSTAINABILITY MANAGEMENT

STAKEHOLDER ENGAGEMENT

GRI 102-21 | 102-42 | 102-43

Regular engagement with our stakeholders helps us refine our material areas of focus. We define our stakeholders as groups that our business has a significant impact on, and those with a vested interest in our operations.

We have applied the reporting principles from the GRI Standards on defining report content, which include stakeholder inclusiveness, whereby stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by Keppel, or whose actions can reasonably be expected to affect the ability of Keppel to implement the Company's strategy or achieve its objectives.

Keppel conducted a stakeholder consultation exercise from December 2018 to April 2019. All stakeholder groups were represented in the consultation exercise, and their inputs informed our comprehensive review of the

Company's material ESG factors. Arising from the review, a revised sustainability reporting framework and an updated set of material ESG factors were presented to and approved by Keppel Corporation's Board of Directors. Please refer to pages 13 and 14 for more details.

MEMBERSHIPS IN ASSOCIATIONS

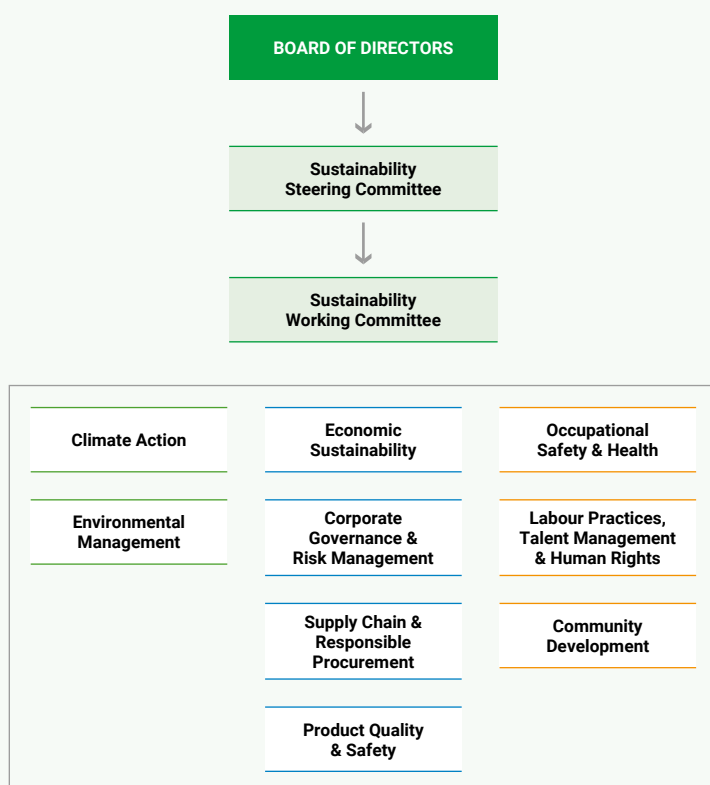
GRI 102-12 | 102-13

In addition to engaging our stakeholders, we participate as members of various organisations, including:

- United Nations (UN) Global Compact as a Signatory, and Global Compact Network Singapore as a member. We are committed to the 10 principles of the Global Compact and support the UN Sustainable Development Goals;
- Singapore Institute of Directors to promote the professional development of directors and corporate leaders and uphold the highest standards of corporate governance and ethical conduct;

- Securities Investors Association (Singapore) to engage the investment community and promote good corporate governance;
- Singapore National Employers Federation to promote excellence in employment practices;
- Workplace Safety & Health Council to build industry capabilities to better manage WSH and promote safety and health at work;
- The Institute of Policy Studies to support the analysis and discussion of public policy in Singapore;
- Singapore Institute of International Affairs to deepen understanding and forge stronger partnerships between countries in the region; and
- GRI Singapore as a member of the Founding Consortium to support companies in ASEAN with relevant services and training to manage and report their most material ESG impacts.

KEPPEL GROUP'S SUSTAINABILITY MANAGEMENT STRUCTURE



KEPPEL'S CORE VALUES*

GRI 102-16



* Refreshed on 1 March 2020

OUR STAKEHOLDERS

GRI 102-21 | 102-40 | 102-42 | 102-43 | 102-44

 EMPLOYEES Significance People are our most valuable asset. We are committed to the well-being of our people and investing in their development. We adopt merit-based recruitment practices and emphasise diversity and inclusiveness. Key Topics & Concerns Vision, strategy and direction; innovation; productivity; collaboration; talent management; people development. Approach Annual employee engagement surveys; regular townhalls and other engagement programmes; training; mentorship programmes. Our Response Read more about how we manage our global workforce on pages 71 to 79.	 CUSTOMERS Significance Customer satisfaction is crucial to the success of our businesses. We are committed to continually improving our range of products to better meet customers' needs, including through harnessing insights from customer engagement. Key Topics & Concerns Product quality & safety; Health, Safety and Environment (HSE) excellence. Approach Regular meetings; ongoing communication via different channels; regular customer satisfaction surveys. Our Response Read more about how we engage customers on pages 60 to 63.	 GOVERNMENTS Significance Governments shape the business environments in which we operate. Political factors, policies and regulations can affect how businesses are run and also create new opportunities for companies. We track topics of concern to governments and regulatory bodies wherever we operate, and seek to not only comply with but also support the policies of national and regional governments. Key Topics & Concerns Opportunities for business collaboration and investment; sharing of industry best practices; setting industry benchmarks. Approach Periodic visits and meetings; industry forums; support for national and regional initiatives. Our Response Read more about how we collaborate with governments to raise industry standards on pages 68 and 76.
 SHAREHOLDERS & INVESTORS Significance Shareholders play an important role in the financing and governance aspects of our business. Our Investor Relations Policy sets out the principles that the Company abides by to ensure a level playing field and help shareholders and prospective investors make well-informed decisions. Key Topics & Concerns Business strategy and direction; economic performance. Approach Regular conference calls; shareholder meetings; briefings to retail shareholders; facility visits; results webcasts; ongoing email and phone communications. Our Response Read more about how we engage the investment community on pages 38 and 39 of the Company's Annual Report 2020.	 SUPPLIERS Significance Strong, effective relationships with our suppliers give our businesses strategic and operational advantages. By effecting stringent procurement processes and a supplier code of conduct, we aim to encourage our suppliers to adopt more sustainable practices. Key Topics & Concerns Compliance; HSE excellence; fair treatment; responsible procurement practices. Approach Regular meetings by project managers and HSE teams with key subcontractors and suppliers; regular site visits by management. Our Response Read more about how we work with suppliers to influence their sustainability performance on pages 56 to 59.	 LOCAL COMMUNITIES Significance As active members of our communities, we aim to contribute towards their continued well-being. We engage community leaders to develop impactful programmes that drive community development. Key Topics & Concerns Community investments; donations to charitable and environmental causes; volunteer programmes. Approach Regular meetings and community outreach initiatives. Our Response Read more about how we collaborate with community partners to support social and environmental causes on pages 80 to 89.

Due to COVID-19 related restrictions in 2020, many physical meetings and visits were replaced by virtual engagements.

SUSTAINABLE DEVELOPMENT GOALS

GRI 102-12

WE ARE COMMITTED TO THE INTERNATIONAL SUSTAINABLE DEVELOPMENT AGENDA, AND LEVERAGE COLLABORATION AND PARTNERSHIP TO SUPPORT THE ACHIEVEMENT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs). WE HAVE INCORPORATED 10 OF THE SDGs AS A SUPPORTING FRAMEWORK TO GUIDE OUR SUSTAINABILITY STRATEGY.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
Environmental Stewardship	Climate Action		We seek to grow our business and seize opportunities created by macrotrends such as climate change, energy transition and urbanisation.	The iconic Keppel Marina East Desalination Plant, Singapore's first large-scale, dual-mode desalination plant, capable of treating either seawater or rainwater from the Marina Reservoir, commenced operations in June 2020. It is capable of producing about 30 million gallons of fresh drinking water per day. In addition, the ability to switch from treating rainwater to treating seawater during drier seasons strengthens Singapore's water supply resilience in the face of increasing rainfall uncertainty caused by climate change.
			We are refocusing our portfolio on sustainable urban solutions, including through the use of shadow carbon pricing and climate risk assessments.	
			Amidst the global energy transition, and reflecting Keppel's commitment to support climate action, Keppel Offshore & Marine (Keppel O&M) has been pivoting towards renewables and cleaner fossil fuels such as liquefied natural gas.	Keppel O&M secured a contract to build the first offshore wind turbine installation vessel in the US, which is also one of the largest vessels of its kind in the world.
			Keppel O&M will also exit the offshore rig building business, after completing the existing rigs under construction.	Keppel Renewable Energy entered into an agreement to undertake its first solar farm project in Australia.
Environmental Management			Keppel has adopted an evolutionary shadow carbon pricing policy to mitigate climate-related risks in the mid to long term, prepare for tougher climate legislation and higher carbon prices, and also avoid stranded assets. It starts at US\$20 per tonne of carbon dioxide equivalent (tCO ₂ e) in 2020 and will progressively increase to US\$50/tCO ₂ e over time.	
			In addition, Keppel supported environmental initiatives such as the National Parks Board's OneMillionTrees movement, with a \$3 million commitment that will go towards the planting of 10,000 trees over the next five years in parks and nature reserves in Singapore.	
			In line with Keppel's focus on sustainability and to advance the study of environmental sciences, Keppel partnered with the Nanyang Technological University, Singapore (NTU Singapore) to establish the Keppel Environmental Studies Gold Medals. The Medals will be awarded to the top graduating students of NTU's Bachelor of Science in Environmental Earth Systems Science.	
Environmental Management			We are committed to minimising our environmental impact, and are focused on sustainable management and efficient use of natural resources.	We have set high-impact sustainability goals and publicly committed to long-term targets in terms of reducing our carbon intensity, as well as waste and water use.
			We aim to reduce waste generation through resource efficiency, recycling and reuse of natural resources.	Keppel Bay Tower, where Keppel Corporation is headquartered, was certified by the Building and Construction Authority (BCA) as Singapore's first Green Mark Platinum (Zero Energy) commercial building.
			Since the end of 2018, Keppel's corporate headquarters in Singapore has been powered by renewable energy. We are also acquiring carbon credits to offset Scope 3 emissions from business travel and employee commuting, thus allowing our corporate office to achieve carbon neutrality for the whole of 2020.	
				Keppel achieved an A- in CDP's benchmark assessment on climate change, and a B- in the assessment on water security.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
Responsible Business	Economic Sustainability		COVID-19 has accelerated many macrotrends, such as increasing digitalisation, e-commerce and the energy transition, which we had identified as part of Vision 2030.	Keppel's business operations generate employment, opportunities for suppliers and tax revenues for governments.
			We believe sustainability can be a good business, and will seize opportunities in areas such as green developments, environmental solutions, renewables, new energy and circular economy solutions.	We have set targets to invest in sustainability-linked innovation, and are tapping our engineering nous to explore greener solutions such as floating data centres, which are more energy efficient than traditional land-based ones. We are collaborating with partners to study hydrogen infrastructure for power generation and cooling, as well as the development of carbon capture, utilisation and sequestration systems.
			As part of risk management, Keppel has robust business continuity plans in place to safeguard against the disruption of business operations.	Keppel's business continuity plans were activated following the COVID-19 outbreak, allowing us to continue operating effectively despite the implementation of various measures to curb the spread of the pandemic around the world, including working from home.
			We are committed to being an effective, accountable and transparent institution, and will conduct ourselves according to the highest ethical standards and comply with all applicable laws and regulations wherever we operate. Our tone on regulatory compliance is clear and consistently reiterated from the top of the organisation. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.	Keppel's businesses provide many essential services – such as power generation, water and waste treatment, telecommunications, data centres and logistics – and we continued to operate during the pandemic, including the Circuit Breaker period in Singapore.
				Keppel O&M has complied with and successfully concluded the Deferred Prosecution Agreement which it had entered into with the US Department of Justice three years ago.
				Reflecting Keppel's zero tolerance for corruption, we have continued to enhance our compliance measures, including rolling out the ISO 37001 Anti-Bribery Management System across business units. Beyond Keppel O&M, which had achieved global certification in 2019, the Singapore entities of both Keppel Land and Keppel Data Centres also achieved ISO 37001 certification in 2020.
				In recognition of Keppel's strong corporate governance disclosures and practices, the Company was ranked sixth on the Singapore Governance and Transparency Index 2020.
Supply Chain & Responsible Procurement			The Group recognises the importance of supply chain risk management and sustainable procurement in building operational resilience.	The Group did not experience any major supply chain disruptions during the pandemic, in part due to the supplier diversification programmes in place.
			We are committed to building a resilient and diversified supply chain, and we work closely with our suppliers to make a positive impact on their sustainability performance.	All our suppliers are qualified in accordance with our requisition and purchasing policies, screened based on ESG criteria, and are expected to sign and abide by the Keppel Supplier Code of Conduct.
Product Quality & Safety			We exercise due care and diligence in the design, construction and operation of our products and services to ensure that they do not pose hazards to customers.	We consider proper design, handling, storage and disposal of materials starting from the planning stage of our projects. At the project execution stage, we carry out project reviews and quality assurance programmes.
				We will continue to engage our customers for continuous service improvements.

SUSTAINABLE DEVELOPMENT GOALS

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
People and Community	Occupational Safety & Health		Providing a safe and healthy working environment for all stakeholders is fundamental to our commitment to conducting business responsibly.	Keppel's first priority in our response to the COVID-19 pandemic was to safeguard the health and safety of our employees, customers and stakeholders.
			We are also strong advocates for safety and health in the broader community, and champion national and industry initiatives to raise standards and drive innovation in these aspects.	Following the start of the pandemic, the Group rolled out a series of measures, including more frequent cleaning of office facilities and temperature screening, as well as implementing split teams, alternative work sites, safe distancing and working from home where practical.
				In addition, across the Group's business units, pandemic representatives have been identified and trained in the protocols and procedures to handle confirmed and suspected cases of COVID-19.
				From April to June 2020, four COVID-19 clusters were announced by Singapore's Ministry of Health (MOH) at Keppel Shipyard and at the two dormitories operated by Keppel Housing. We worked closely with the authorities to minimise the spread of the coronavirus, including assisting with contact tracing, as well as thoroughly deep cleaning and disinfecting both workplaces and dormitories. As no more new cases were linked to these clusters, the clusters were progressively closed. All four clusters were closed by MOH by August 2020. The two dormitories which were gazetted as isolation areas in April 2020 were also de-gazetted by August 2020 as the situation improved.
				The workforce at Keppel O&M's yards in Singapore was reduced from 24,000 in early-March 2020 to around 1,200 for much of the second quarter of 2020 to minimise transmission risk at the workplace. The workforce progressively increased over time, and reached about 19,500 by end-2020, with safe management measures in place.
				As work resumed at Keppel O&M's yards, we continued to implement robust safe management measures to ensure the health and safety of our workforce, including migrant workers. Such measures include dividing the yards into separate zones to further increase segregation and reduce the risk of transmissions. Shift work arrangements were also put in place to reduce the worker density at the yard. We are also working closely with the Singapore authorities to conduct rostered swabbing of the workers.
				Beyond Keppel O&M, various safe management measures are also being implemented at our different worksites, plants and projects around the world, in compliance with the relevant regulations, to prevent the spread of the virus.
				Keppel clinched 21 awards at the Workplace Safety and Health Awards 2020, which is the highest number of awards won by a single organisation for the year.



Senior management and union representatives of Keppel Offshore & Marine distributed care packs to frontline staff and migrant workers.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
People and Community	Labour Practices, Talent Management & Human Rights		Our businesses spark economic growth, productivity and jobs. Our hiring policies ensure equal employment opportunities for all, and we are committed to investing in nurturing our human capital.	Keppel is committed to nurturing and developing our employees. As part of the Group's succession planning and talent development, we announced leadership renewal in a few key business units, effective on 15 February 2021.
			We uphold and respect the fundamental principles set out in the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our stance on human rights is articulated in the Keppel Group Human Rights Policy while our stance on diversity and inclusion is articulated in our corporate statement on diversity and inclusion. Both statements are publicly available online.	We continue to actively engage staff, despite COVID-19 and work-from-home arrangements. We achieved an Employee Engagement Score of 87% in 2020, which is higher than Mercer's global average of 80%.
				IT collaborative tools and platforms are used to facilitate telecommuting, and virtual townhalls and other staff engagement initiatives were launched to facilitate communication and ensure that employees' needs were addressed despite COVID-19. These included team building activities, mental wellness talks and virtual fitness classes, as well as medical teleconsultation services.
				An employee assistance programme was also rolled out to provide mental health support for employees and their dependents whereby employees can tap on the services of licensed counsellors from the Singapore Counselling Centre for counselling sessions, if such services are needed.
Community Development			Through collaboration with our stakeholders, we mobilise and share knowledge, expertise and technology, as well as financial and human resources to support the achievement of the SDGs.	Since the start of the COVID-19 pandemic, Keppel has committed over \$5 million to provide support to communities affected by the pandemic in Singapore and overseas. This includes a \$4.2 million package to support vulnerable communities, including lower income households in 1- and 2-room HDB flats who were given rebates through M1, Keppel Electric and City Gas. Assistance was also provided to frontline staff and other communities affected by COVID-19. Recognising the challenging environment faced by many Small and Medium Enterprises (SMEs) in Singapore, Keppel also improved payment terms to SMEs to help improve their cashflow over a six-month period.
			We encourage and promote effective public, public-private and civil society partnerships through the sponsorship and support of thought leadership and dialogue platforms.	Beyond supporting those affected by COVID-19, Keppel also made a \$2 million donation towards a new National Kidney Foundation dialysis centre at Yishun Community Hospital, which commenced operations in November 2020.
				Despite the restrictions imposed by COVID-19, Keppel Volunteers achieved over 10,000 hours of community work in 2020.
				In 2020, the Group invested \$9.6 million ¹ in social investment spending.
				Keppel Care Foundation, the Group's philanthropic arm, has disbursed over \$47 million since its launch in 2012.

¹ Includes voluntary contributions from the Keppel Group's directors, senior management and staff, to support COVID-19 relief efforts, with matching contributions from Keppel Corporation.

UNITED NATIONS GLOBAL COMPACT

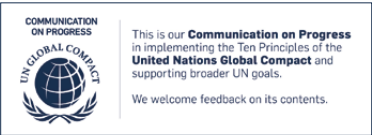
GRI 102-12

WE ARE A SIGNATORY OF THE UNITED NATIONS (UN) GLOBAL COMPACT AND ARE COMMITTED TO UPHOLDING ITS 10 PRINCIPLES ON HUMAN RIGHTS, LABOUR, ENVIRONMENT AND ANTI-CORRUPTION.

The following index describes the progress we have made in 2020.

PERFORMANCE DATA

Principle	Approach	Measures
HUMAN RIGHTS Principle 1 Support of human rights	Keppel upholds and respects the fundamental principles set out in the UN Universal Declaration of Human Rights and the International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work.	We took steps to refine Keppel’s existing Corporate Statement on Human Rights to include our commitment to human rights in our supply chain as well as provisions in our Whistle-Blower Policy. The statement has been renamed Keppel’s Human Rights Policy and is made publicly available online.
Principle 2 Exclusion of human rights abuses	Our approach to human rights is informed and guided by general concepts from the UN Guiding Principles on Business and Human Rights. We respect the values and cultures of the people and the communities in which we operate, and aim to serve as a positive influence. Our suppliers are expected to abide by the Keppel Supplier Code of Conduct, which sets our expectations for suppliers to respect and uphold fundamental human rights in their operations. In the broader community, we contribute towards providing educational opportunities to the disadvantaged through scholarships and bursaries, as well as offer skills development and job training opportunities at our workplaces.	Keppel Offshore & Marine (Keppel O&M) conducts regular audits of resident subcontractors to ensure their adherence to the ILO’s Declaration on Fundamental Principles and Rights at Work and Singapore’s Ministry of Manpower Marine Sponsorship Scheme requirements for the employment of local and foreign employees. The scope of these audits includes fair remuneration, living standards, workplace safety and abuse and harassment. Where applicable, our business units conduct outreach programmes and briefings to subcontractor workers to inform them of their employment rights, and the available channels to report any violation of their rights. ➤ Read more about how we screen and qualify our suppliers on pages 57 and 58. ➤ Read more about how we support education for the disadvantaged on pages 84 and 89.
LABOUR Principle 3 Assurance of freedom of association	We adhere to national labour laws and regulations wherever we operate. In Singapore, both local and foreign workers receive protection under the Penal Code and employment legislation such as the Employment Act and Workplace Safety and Health Act. In addition, foreign workers, especially the lower-skilled and lower-income workers, are accorded additional protection under the Employment of Foreign Manpower Act and the Employment Agencies Act.	The Keppel Supplier Code of Conduct sets out the standards of conduct which our suppliers are expected to adhere to in relation to child labour, forced labour, freedom of association, equal opportunity and fair compensation.
Principle 4 Elimination of all forms of forced and compulsory labour		Migrant workers are an important part of Keppel O&M’s workforce. In early 2021, Keppel O&M wrote to its contractors and employment agents to require that they abide by the Dhaka Principles for Migration with Dignity on a going forward basis.
Principle 5 Abolition of child labour	We have zero tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of our operations. Keppel also supports the elimination of exploitative labour.	Unions are our partners and we place great emphasis on maintaining a harmonious relationship. Approximately 23.5% of our global workforce are bargainable employees covered by collective agreements.
Principle 6 Elimination of discrimination	Our hiring policies ensure equal employment opportunities for all. New hires are considered based on individual competencies as well as organisational and job fit. Our employment statistics are reviewed regularly and illustrate the diversity of our workforce. In Singapore, Keppel adheres to the tripartite guidelines on fair employment practices and endorses the employers’ pledge of fair employment practices. A key principle espoused in the guidelines is that the recruitment of employees should be on the basis of merit and regardless of race or other characteristics, such as age and gender. Keppel is also a signatory to the Singapore Business Federation’s Sustainable Employment Pledge to uplift employees and partners.	The Keppel Group Code of Conduct sets the tone in relation to the Group’s stance against discrimination on any basis. Our stance on diversity and inclusion is formalised in our corporate statement on diversity and inclusion, which is publicly available on our website. We adhere to provisions of national laws and regulations concerning discrimination wherever we operate. Our company policies and procedures make qualifications, skills and experience the basis for the recruitment, placement, training and advancement of staff at all levels. If any discrimination is identified, guidelines are in place for the appropriate handling of any grievance cases to address complaints, handle appeals and provide recourse for employees. There were no reported incidences of discrimination raised by our employees in 2020. ➤ Read more about our employment statistics and gender pay ratios on pages 72 to 76.



PERFORMANCE DATA

Principle	Approach	Measures
ENVIRONMENT Principle 7 Precautionary approach to environmental challenges	We are refocusing our portfolio on sustainable urban solutions, including through the use of shadow carbon pricing and climate risk assessments.	Amidst the global energy transition, and reflecting Keppel’s commitment to support climate action, Keppel Offshore & Marine (Keppel O&M) has been pivoting towards renewables and cleaner fossil fuels such as liquefied natural gas.
Principle 8 Initiatives to promote greater environmental responsibility	The Group’s risk-based strategies are used to assess, avoid, reduce and mitigate environmental risks and impacts. Climate-related risks, including physical and transition risks, are incorporated in our Enterprise Risk Management framework.	It was also announced in 2021 that Keppel O&M would exit the offshore rig building business, after completing the existing rigs under construction.
Principle 9 Development and diffusion of environmentally friendly technologies	Our approach to environmental management covers the following aspects: • fulfilling compliance obligations; • protecting the environment by preventing or mitigating adverse environmental impacts; • enhancing environmental performance; • achieving financial and operational benefits that can result from implementing environmentally sound alternatives that strengthen Keppel’s market position; and • communicating environmental information to relevant interested parties.	We are applying the lens of sustainability to the Group’s major investment decisions. With the risks and impact of climate change becoming more evident, we have introduced a shadow carbon price in the evaluation of all major investments. This would help us better understand the carbon footprint of our business activities and the possible impact of future carbon taxes, and also avoid potential stranded assets. All our key business units are certified to the ISO 14001 Environmental Management System, which guides how we identify, manage, monitor and control environmental issues. We support the Taskforce on Climate-related Financial Disclosures (TCFD), and are working towards incorporating its recommendations in our reporting framework. ➤ Read more about our initiatives to promote greater environmental responsibility on pages 24 to 35.
ANTI-CORRUPTION Principle 10 Measures against corruption	Guided by our core values and the Keppel Group Code of Conduct, we are fully committed to ensuring that compliance is a central pillar of our management and an integral part of our corporate culture and business processes. We will do business the right way and comply with all applicable laws and regulations wherever we operate. Our tone for regulatory compliance is clear and consistently reiterated from the top and throughout all levels of the Group. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations. Our regulatory compliance governance structure is designed to strengthen our corporate governance. The Board Risk Committee supports the Board in its oversight of regulatory compliance and is responsible for driving the Group’s implementation of effective compliance and governance systems. We continue to improve our risk-based due diligence process for all third-party associates who represent the Keppel Group in business dealings, including our joint venture partners, to assess the compliance risk of the business partner. In addition to background checks, the due diligence process incorporates requirements for third-party associates to acknowledge understanding and compliance with our code of conduct. Keppel’s Whistle-Blower Policy encourages the reporting of suspected bribery, violations or misconduct through a clearly-defined process and reporting channel, by which reports can be made in confidence and without fear of reprisal. The whistle-blower reporting mechanism, found on page 104 of our Company’s Annual Report 2020, is widely communicated and made accessible.	We have a strict code of conduct that applies to all employees, who are required to acknowledge and comply with the code. The code covers areas from conduct in the workplace to business conduct, including clear provisions on prohibitions against bribery and corruption, and conflicts of interests, amongst others. We ensure that our compliance policies and procedures are communicated effectively to all employees and directors. These include policies on anti-bribery, gifts and hospitality, agent fees, donations and sponsorships, solicitation and extortion, conflict of interest, and insider trading, amongst others. The procedures and rules defined in the Keppel Group Global Anti-Bribery Policy encapsulate key points of the Group’s zero-tolerance approach towards bribery. An e-training and assessment exercise covering all key policies, including the Keppel Group Code of Conduct, is carried out an annual basis, and targeted training focused on line manager responsibilities and employee obligations were conducted in 2020. 17,051 directors and employees completed the e-training and toolbox training in 2020. Enhancements were made to the Group’s compliance programme in 2020, including the introduction of a Group-wide Sanctions Compliance Policy and the digitalisation of due diligence processes through a Group-wide internet sharepoint. In 2019, Keppel O&M completed the ISO 37001 Anti-Bribery Management System certification for its global operations in the US, Brazil, Middle East, China, the Philippines, India and Bulgaria, thus completing the attainment of ISO 37001 certification at all Keppel O&M operating entities globally. In 2020, Keppel Land and Keppel Data Centres also obtained ISO 37001 Anti-Bribery Management System certification of its operating entities in Singapore. ➤ Read more about our regulatory compliance framework, as well as policies and procedures to reinforce a strong compliance culture on pages 40 to 50.

CLIMATE ACTION



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Achieve a 16% improvement in carbon emissions intensity from 2020 business-as-usual levels.

2020 PERFORMANCE

Achieved a 29.4% average reduction in carbon emissions intensity from our 2010 baseline, exceeding our 2020 target set in 2014.

Implemented shadow carbon pricing in the evaluation of all major investment decisions.

Initiated physical climate risk assessments of key assets.

Keppel Bay Tower, where Keppel Corporation is headquartered, became the first commercial building in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the Building and Construction Authority (BCA).

2021 TARGETS

Continue to improve carbon emissions intensity from our 2010 baseline.

Explore enhancing the Group's carbon emissions reduction target in line with climate science.

Conclude climate risk assessment of key assets.

Progressively expand monitoring and reporting of Scope 3 emissions where possible.

Continue to implement and refine shadow carbon pricing with regard to major investments.

LONGER TERM TARGETS

Achieve a 28.8% reduction in carbon emissions intensity from 2010 levels by 2030 for our global operations.

Achieve a 10% reduction in waste intensity by 2030 from 2019 levels.

Achieve a 20% reduction in water consumption intensity by 2030 from 2019 levels.

Grow portfolio of renewable energy assets to 7 GW by 2030.

TOPICS

Management systems

Sustainable design

Energy efficiency

Carbon emissions

Renewable energy

Water, waste and effluent management

Compliance

SDGs



WE ARE COMMITTED TO CLIMATE ACTION, IMPROVING RESOURCE EFFICIENCY AND REDUCING OUR ENVIRONMENTAL FOOTPRINT.

OVERVIEW

GRI 103-1

There is growing international recognition of the risks posed by climate change and the need for decisive international action.

In March 2020, Singapore submitted its enhanced nationally determined contribution under the Paris Agreement, with the aim to peak its emissions around 2030, halve the emissions from its 2030 peak by 2050, and achieve net zero emissions as soon as viable in the second half of the century. In working towards this target, the Singapore government introduced a carbon tax, under the Carbon Pricing Act, which came into force in 2019. The tax is applied on the total direct emissions of facilities that emit 25,000 tonnes of carbon dioxide equivalent (tCO₂e) or more of emissions annually. In February 2021, the government further announced it will review the trajectory and level of the carbon tax, post 2023.

Keppel is committed to support efforts by the international community and the Singapore government to address climate change.

Climate action has been included as a material ESG factor for the Group since 2019. As part of Keppel's Vision 2030, we are progressively guiding and refocusing our portfolio towards sustainable urbanisation solutions, through evaluating their fit with Keppel's Vision, Mission and ESG goals, as well as through shadow carbon pricing and climate risk assessments. We have set high-impact sustainability goals and publicly committed to long-term targets to reduce our carbon, waste and water intensity.

Keppel is placing sustainability at the core of our strategy. Beyond reducing carbon emissions or the environmental impact of our operations, we believe in making sustainability our business, by developing solutions that contribute to combatting climate change and building a cleaner and greener world.

REPORT BOUNDARY

GRI 102-48 | 103-1 | 305-1 | 305-2 | 305-3

The boundaries for the material topics of climate action and environmental performance report include the Group's major subsidiaries in Singapore and overseas operations in which the Group

has operational control. This includes Keppel Offshore & Marine (Keppel O&M), Keppel Land, Keppel Infrastructure, Keppel Telecommunications & Transportation, Keppel Capital and M1.

Over the past two years, we reviewed and adjusted our approach, reporting boundaries and calculation methodology in accounting for greenhouse gas (GHG) emissions for closer alignment with the requirements of an operational control approach under the GHG Protocol. We now account for 100% of Scopes 1 and 2 emissions from operations over which we have operational control. For assets that are considered as investments¹, we report our equity share of emissions under Scope 3. We started tracking emissions from business travel² since 2019, and emissions from fuel- and energy-related activities (not included in Scope 1 or Scope 2), as well as waste generated in operations in 2020. These emissions are accounted for under Scope 3. Our three-year environmental performance data is disclosed on page 30.

MANAGEMENT APPROACH

GRI 103-2 | 103-3

We are committed to do our part to combat climate change. As we grow our businesses and portfolios, our investment decisions will carefully consider environmental sustainability.

In order to mitigate climate-related risks in the medium to long term, as well as prepare for tougher climate legislation and higher carbon prices, we further strengthened our commitment to sustainability by introducing a shadow carbon price (SCP) in the evaluation of all major investment decisions. This involves assigning a hypothetical price on carbon internally to reflect current industry practices and align with the mid- and long-term carbon prices forecast by the International Energy Agency and Carbon Price Leadership Coalition. The carbon price we have set starts at US\$20/tCO₂e in 2020 and will progressively increase to US\$50/tCO₂e over time. The SCP will allow Keppel's businesses to factor in the carbon footprint of our investments, encourage the adoption of mitigation measures and technologies, and channel investments towards initiatives and innovations that benefit the environment. The SCP was implemented in September 2020 and will continue to be reviewed and refined over time.

We have defined the kinds of pollutive sectors we will not go into, such as coal-fired plants, the businesses we will maintain, and those which we will focus more on, such as renewables. We have established a new business unit, Keppel Renewable Energy, to pursue opportunities for Keppel as a developer, owner and operator of renewable energy infrastructure. We will also look into re-purposing our existing technology to seize opportunities in renewables.

As a signatory to the UN Global Compact, we are committed to upholding its principles, including taking a precautionary approach to environmental challenges, promoting greater environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies.

KEPPEL CORPORATION'S CLIMATE ACTION PLEDGE

As a solutions provider for sustainable urbanisation, Keppel Corporation pledges our commitment to support efforts by the international community and the Singapore government in tackling climate change.

OUR CLIMATE ACTION PLEDGE



To factor in environmental considerations in our businesses.



To optimise our operations and processes to enhance energy efficiency.



To invest in green technology and increase usage of renewable sources of energy.



To include more eco-friendly features in our products.



To promote eco-consciousness among our stakeholders.

¹ According to the GHG Protocol's definition of Investment, which includes equity investments (including investments in subsidiaries, associate companies and joint ventures), debt investments, project finance, managed investments and client services.

² The Group's travel agency provides a centralised data source for business travel. Emissions from business travel are calculated using International Civil Aviation Organisation (ICAO)'s online carbon emissions calculator.

CLIMATE ACTION

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

GRI 102-11 | 102-12 | 102-15 | 103-2

We support the Taskforce on Climate-related Financial Disclosures (TCFD) and have started incorporating its recommendations in our reporting framework. In this report, we voluntarily disclose our approach in four key areas as recommended by the TCFD.

Recommended Disclosure	Our Approach	Page Reference
GOVERNANCE Governance around climate-related risks and opportunities.	The key material environmental, social and governance factors for Keppel Corporation, which include climate action and environmental management, have been identified and are regularly reviewed by Keppel Corporation's Board of Directors and management. The Board oversees the management and monitoring of these factors and takes them into consideration in the determination of the Company's strategic direction and policies. The Group Sustainability Steering Committee, chaired by Keppel Corporation's Chief Executive Officer Mr Loh Chin Hua and comprising senior management from across the Group, provides oversight and guidance on the Group's sustainability strategy while the Group Sustainability Working Committee, comprising discipline-specific working groups, executes, monitors and reports on the Group's efforts. Environmental sustainability has been woven into the performance appraisal of senior management across the Group.	15 to 16
STRATEGY Actual and potential impacts of climate-related risks and opportunities.	Keppel's mission is to deliver solutions for sustainable urbanisation safely, responsibly and profitably. Our suite of solutions for energy and environment, urban development, connectivity and asset management help cities urbanise in a sustainable manner. The Group considers environmental factors during the planning and design of our projects and assets, such as urban and infrastructure developments, as well as during their operational phases. We have also introduced a shadow carbon price in the evaluation of all major investment decisions. Over and above running our business in a sustainable and environmentally responsible manner, we see Keppel playing a significant role in helping businesses and communities become more sustainable through the solutions that we provide. Keppel Renewable Energy pursues opportunities as a developer, owner and operator of renewable energy infrastructure. We have also been re-purposing our technology, such as in the offshore and marine business, to seize opportunities in renewables. We are also tapping our engineering nous to explore greener solutions such as floating data centres, which are more energy efficient than land-based ones. To work towards decarbonising data centre operations, we are collaborating with partners to study hydrogen infrastructure for power generation and cooling, as well as the development of carbon capture, utilisation and sequestration systems.	24 to 28
RISK MANAGEMENT Processes used to identify, assess, and manage climate-related risks.	Risks and opportunities relating to climate change have been recognised as being fundamental to the Group. These relate to physical and transitional risks stemming from climate change and environmental management, which present both risks and opportunities for the Group. A Sustainability Risk Framework, aligned to the Group's Enterprise Risk Management (ERM) Framework, guides the Group on the specific processes and methods applied in identifying, assessing and managing sustainability-related risks and opportunities. The Group initiated a high-level physical risk assessment which is evaluating the potential impact of seven climate-related hazards – sea level rise, heatwave, water stress, flood, wildfire, coldwave and hurricane – on 50 key assets globally. Scenarios used are based on Representative Concentration Pathway (RCP) 2.6, RCP 4.5 and RCP 8.5, with projections for 2030 and 2050. These assets include commercial buildings, residential projects and townships, data centres as well as water and waste management plants. Based on the findings of the assessment, the respective business units will consider and prioritise possible mitigation/adaptation actions to be taken, where necessary. Beyond managing climate-related risks and opportunities under the ERM framework, all our key business units are certified to the ISO 14001 Environmental Management System, which guides how we identify, manage, monitor and control environmental issues. The Group is also actively pursuing opportunities to harness its capabilities to provide solutions for sustainable urbanisation, which can help to reduce climate-related risks.	51 to 54
METRICS AND TARGETS Metrics and targets used to assess and manage climate-related risks and opportunities which are material to our business.	To support the climate change agenda, we have targets to reduce our carbon emissions intensity, and are looking into setting an absolute emissions reduction target. We have been tracking our Scopes 1 and 2 emissions since 2010, and have started tracking Scope 3 emissions since 2019. We will progressively expand monitoring and reporting of Scope 3 emissions where possible. In measuring and reporting our greenhouse gas emissions, we reference global standards including the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard, and use the operational control approach in accounting for our emissions. We have also set targets in 2019 to reduce waste generation and water consumption, as well as invest in renewable energy generation.	24



Set against the city skyline, the Keppel Marina East Desalination Plant's treatment facilities are situated underground, allowing for an open green rooftop space for community activity and recreation.

SUSTAINABLE DESIGN

In line with our mission of providing solutions for sustainable urbanisation, the Group considers environmental factors during the planning and design of our projects and assets such as urban and infrastructure developments, as well as during their operational phases.

A leading green developer, Keppel Land has to date garnered a total of 87 BCA Green Mark Awards across its properties in Singapore, China, Vietnam, Indonesia, India, Myanmar and the Philippines, including one Platinum (Zero Energy) and 17 Platinum Awards. The total estimated reduction in energy consumption from all of Keppel Land's 87 BCA Green Mark-awarded projects, when they are fully completed, will be over 270 million kilowatt hours (kWh) per annum, which is the equivalent amount of energy required to power about 55,000 homes in Singapore for one year. This translates to cost savings of about \$65 million, a carbon emissions reduction of about 112,000 tonnes annually, and an estimated annual water savings of about 2.7 million cubic metres (m³).

In 2020, Keppel Land was conferred the prestigious BCA Quality Excellence Award – Quality Champion (Platinum) for the second consecutive year, for its commitment and consistent achievement in developing high-quality buildings through workmanship excellence and quality assurance programmes.

In 2020, Keppel Bay Tower became the first commercial building in Singapore to be certified a Green Mark Platinum (Zero Energy) building by the BCA, featuring new and

innovative energy efficient technologies including an intelligent building control system, a smart lighting system, high efficiency air distribution system, cooling tower water management system, and an integrated sensor system to optimise fresh air intake.

In Singapore, Keppel Land received the BCA Construction Excellence Award (Merit) for the Highline Residences, the BCA Universal Design Mark Gold (Design) Award for The Garden Residences, as well as the BCA Green Mark Gold^{Plus} Awards for its upcoming residential developments, The Reef at King's Dock and 19 Nassim, for energy efficient features and extensive greenery with fully automated irrigation systems.

In the same year, Marina Bay Financial Centre Towers 1 and 2, as well as Marina Bay Link Mall, were re-certified with the BCA Green Mark Platinum Award. Marina Bay Financial Centre is fitted with a myriad of sustainable features, including an outdoor weather station that measures external temperatures to regulate indoor air conditioning, LED lighting fixtures, as well as green building monitors that publish energy and water consumption.

Keppel Land also won the BCA SGBuilds Awards in the Developer category for its projects in China, Vietnam and Indonesia. The awards recognise progressive Singapore firms in the built environment sector for their successful collaboration in expanding and strengthening Singapore's foothold in overseas markets, with an aim to foster stronger partnership and regional networks across the entire built environment value chain.

In June 2020, Singapore's fourth desalination plant, the Keppel Marina East Desalination Plant (KMEDP), commenced commercial operations. Developed by Keppel Infrastructure under the Design, Build, Own and Operate (DBOO) arrangement with PUB, Singapore's National Water Agency, KMEDP is Singapore's first large-scale, dual-mode desalination plant, with the ability to treat either rainwater or seawater, depending on prevailing weather conditions. In dry weather, KMEDP will draw water from the sea to produce desalinated water. During rainy weather, the plant will utilise rainwater collected in the reservoir to produce potable water, which requires less energy and fewer steps in the treatment process compared to desalination. The plant is capable of producing 137,000m³ of fresh drinking water per day, and will strengthen Singapore's water supply resilience in the face of increasingly dry weather conditions caused by climate change.

Seamlessly integrated with the surrounding greenery, KMEDP features nearly 20,000 square metres of open green rooftop space for community activity and recreation. The plant's treatment facilities are situated underground. For its outstanding design features and exceptional Active, Beautiful, Clean (ABC) standards, KMEDP became the first industrial plant in Singapore to be awarded the ABC Waters Certification (Gold) by PUB in October 2019. Prime Minister Lee Hsien Loong officially opened the plant in February 2021.

In 2020, Keppel O&M commissioned a study conducted by environmental consultancy Environmental Resources Management, to assess its conversion of a Liquefied Natural Gas Carrier (LNGC) into a Floating Liquefaction Vessel (FLNG) using a design and execution model jointly engineered by Keppel O&M and Golar LNG Limited (Golar). The study concluded that such conversion projects reduce approximately 33% of greenhouse gas (GHG) emissions compared to an FLNG new build. For more information on the FLNG conversion project study, please refer to page 35 of this report.

RENEWABLE ENERGY

The Group has a target to grow our portfolio of renewable energy assets to 7 GW by 2030 and has continued to promote the generation and usage of renewable energy.

KEPPEL RENEWABLE ENERGY

Established in 2019 to pursue opportunities for the Group as a developer, owner and operator of renewable energy infrastructure, Keppel Renewable Energy (KRE) in 2020 announced it had signed an agreement to develop a large-scale, greenfield solar farm in Queensland, Australia. This is KRE's

CLIMATE ACTION



The vessel being developed for Dominion Energy Inc, named Charybdis, will be the first offshore wind turbine installation vessel in the United States and one of the largest vessels of its kind in the world.

first solar farm project. The project is in line with Keppel's Vision 2030, which puts sustainability at the core of the Group's strategy, and envisages the Group growing its renewable energy portfolio as it contributes to the accelerating energy transition.

The project will be located on a more than 2,000-hectare site, and KRE will take the lead role in the development and management of the construction and operation of the solar farm.

To maximise energy yield, KRE intends to employ modern solar module technology which will enable the panels to follow the path of the sun. With a projected capacity of at least 500 MW, the solar farm will generate enough energy to power more than 142,000 average Australian homes, achieving an estimated annual reduction of 800 kilotonnes of carbon emissions compared to the power generated for the current Queensland energy grid.

Construction of the solar farm is projected to commence in 2022 and complete in 2023. When operationally ready, the solar farm will be connected to the national energy market for public consumption and will provide renewable energy for businesses seeking sustainable energy solutions, including Keppel-related companies in Australia.

OFFSHORE RENEWABLES

In 2020, Keppel O&M secured a contract worth around \$600 million for the engineering, procurement and construction of a Wind Turbine Installation Vessel (WTIV) for a United States energy company, Dominion Energy Inc.

Scheduled for delivery in 2023, it will be available for charter hire to offshore wind developers, in support of several US wind projects. The vessel is expected to be fully utilised on US East Coast projects exceeding 5 gigawatts of US offshore wind construction through to 2027.

Keppel O&M provides design and construction solutions across the value chain of offshore wind farms, such as wind turbine foundations, substation platforms, as well as installation and support vessels. It is currently building converter stations and substations to support the offshore wind energy industry in the German sector of the North Sea and Taiwan. It delivered and has a stake in Blue Tern, one of the world's largest and most advanced multipurpose offshore wind turbine installers for the United Kingdom North Sea.

GREEN FINANCING

Reflecting the Group's commitment to sustainability, Keppel business units, namely Keppel REIT, Keppel Infrastructure Trust and Keppel Energy, secured a total

of \$1,010 million in green loan facilities in 2020. This brings the cumulative green loan facilities secured by the Group to \$1,835 million as at end-2020.

In 2020, Keppel REIT secured \$310 million in green loans partially used to finance the acquisition of Pinnacle Office Park, a freehold Grade A commercial development in Sydney, adding to the \$825 million in green loan facilities obtained in 2019 by Keppel Land and Keppel REIT to finance green projects and grow their green building portfolios.

Keppel Infrastructure Trust (KIT) and Keppel Energy obtained a seven-year \$700 million sustainability-linked loan for their gas-fired co-generation plant, Keppel Merlimau Cogen (KMC) Plant. The loan is tied to carbon emissions targets, including benchmarking KMC's carbon emissions intensity against national indices, and demonstrating continuous improvement in the plant's carbon emissions intensity. The interest rate on the loan will be reduced on a tiered basis subject to the meeting of these pre-determined targets. The loan will strengthen KIT's sustainability efforts across its portfolio, where many of its assets have already incorporated best-in-class technologies to support sustainable urban infrastructure.

WE PROACTIVELY MANAGE OUR ENVIRONMENTAL IMPACT TO IMPROVE RESOURCE EFFICIENCY AND SUPPORT THE GLOBAL CLIMATE AGENDA.

MANAGEMENT APPROACH

GRI 103-1 | 103-2 | 103-3

The proactive management of our environmental impact enables us to improve resource efficiency, reduce costs and support the global climate change agenda.

The Group's risk-based strategies are used to assess, avoid, reduce and mitigate environmental risks and impacts. Our focus areas are enhancing energy efficiency, reducing waste generation and water consumption, reducing our carbon emissions and improving our environmental management systems.

The implementation of our Group-wide carbon management strategy is led by the Energy Efficiency Committee. The committee recommends targets for the Group, evaluates the effectiveness of our carbon management efforts, and monitors and reports on performance. The committee comprises representatives

from business units, many of whom are certified energy managers.

All our key business units are certified to the ISO 14001 Environmental Management System, which guides how we identify, manage, monitor and control environmental issues. In addition, the rigs and ships we build comply with all six technical annexes¹ of the international convention for the prevention of pollution from ships (MARPOL 73/78) which is the main international convention covering prevention of pollution of the marine environment by ships, while the data centres that we operate in Singapore are certified under the SS 564 Singapore Standard for Green Data Centres and the ISO 50001 Energy Management System.

Across our key businesses, we adopt a systems approach and apply the International Standards Framework and plan-do-check-act model to achieve continual improvement in environmental management.

ENERGY

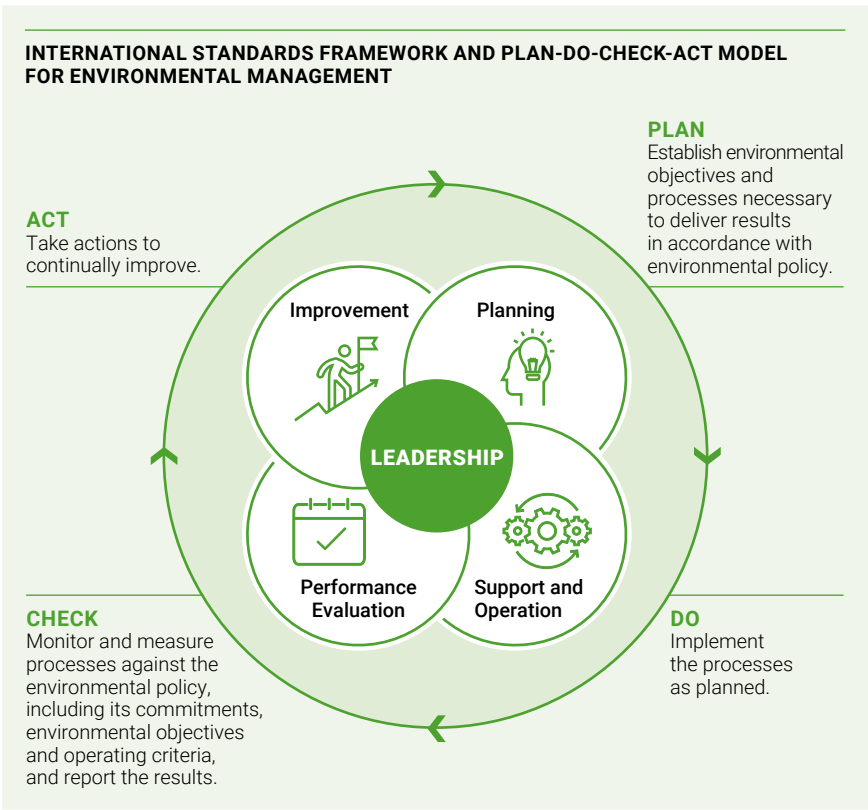
GRI 302-1 | 302-4

The Group's energy demand comprises a mix of direct and indirect sources of energy. Direct energy refers to primary sources of energy consumed on site by our operations, whereas indirect energy is electricity purchased from external suppliers.

The Group's primary energy sources are diesel, piped natural gas, petrol and liquefied petroleum gas.

In 2020, the Group consumed 311,985 gigajoules (GJ) of direct energy and

¹ The six technical annexes are: Annex I – Regulations for the Prevention of Pollution by Oil; Annex II – Regulations for the Control of Pollution by Noxious Liquid Substances in Bulk; Annex III – Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form; Annex IV – Prevention of Pollution by Sewage from Ships; Annex V – Prevention of Pollution by Garbage from Ships; and Annex VI – Prevention of Air Pollution from Ships.



ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL DATA

GRI 302-1 | 303-1 | 303-3 | 305-1 | 305-2 | 305-3 | 306-2

	2018	2019	2020
Global Operations			
Direct Energy Consumption (GJ)	248,861	291,539	311,985
Indirect Energy Consumption (GJ) – Non Renewable	1,254,223	1,642,415	1,555,816
Indirect Energy Consumption (GJ) – Renewable	NA	24,349	45,218
Direct (Scope 1) Emissions (tCO ₂)	26,299	29,577	41,973
Indirect (Scope 2) Emissions (tCO ₂)	155,503	200,759	181,928
Other Indirect (Scope 3) Emissions (tCO ₂)			
– From Investments	198,632	1,742,672	1,793,867
– From Business travel	NA	2,360	552
– Waste generated in operations ¹	NA	NA	7,978
– Fuel- and Energy-related activities not included in Scope 1 or Scope 2 ¹	NA	NA	106,912
Total water withdrawal from Third-party water			
– Potable water (m ³)	1,981,807	2,277,792	1,850,042
– NEWater (m ³)	1,568,159	2,151,839	1,387,183
Total water withdrawal from Surface water			
– River water ² (m ³)	61,030	27,715	7,140,257
Total water withdrawal from Seawater ² (m ³)	NA	14,012,189	15,571,125
Total water withdrawal from all areas with water stress ³ (m ³)	NA	NA	24,860,293
Recycled water Used (m ³)	68	74	40
Total weight of non-hazardous waste diverted from disposal			
– Recycled (t)	119,349	41,904	64,688
Total weight of non-hazardous waste directed to disposal			
– Incinerated (t)	17,934	25,957	12,753
– Landfilled (t)	1,067	6,286	8,053
Total weight of hazardous waste directed to disposal ¹			
– Third-party disposal (t)	NA	NA	5,456
Singapore Operations			
Direct Energy Consumption (GJ)	141,282	184,513	133,890
Indirect Energy Consumption (GJ)	949,404	1,215,727	1,082,615
Direct (Scope 1) Emissions (tCO ₂)	14,490	18,774	25,068
Indirect (Scope 2) Emissions (tCO ₂)	111,924	141,430	121,412
Total water withdrawal from Third-party water			
– Potable water (m ³)	620,388	856,061	601,467
– NEWater (m ³)	1,568,159	2,151,835	1,387,183
Total water withdrawal from Surface water			
– River water ² (m ³)	0	0	7,140,257
Total water withdrawal from Seawater ² (m ³)	NA	14,012,189	15,571,125
Total weight of non-hazardous waste diverted from disposal			
– Recycled (t)	19,082	32,072	55,912
Total weight of non-hazardous waste directed to disposal			
– Incinerated (t)	17,932	23,216	12,753
– Landfilled (t)	0	0	329
Total weight of hazardous waste directed to disposal ¹			
– Third-party disposal (t)	NA	NA	4,861

¹ In 2020, we started to track emissions from waste generated in operations, fuel- and energy-related activities not included in Scope 1 or Scope 2 and hazardous waste directed to disposal.

² Includes river water and seawater withdrawn for treatment at Keppel Marina East Desalination Plant.

³ Areas of water stress across the Group's areas of operations were measured based on the World Resources Institute's (WRI) Aqueduct tool.



The Tuas Nexus Integrated Waste Management Facility (pictured: Artist's impression), to be developed by a Keppel-led consortium, will contribute to Singapore's long-term waste management needs.

ENERGY EFFICIENCY

1,040,420 GJ

Of projected energy savings through energy efficiency initiatives in 2020 and through cumulative green initiatives implemented at Keppel Land's Green Mark-certified developments, translating to estimated cost savings of about \$68 million.

EMISSIONS REDUCTION

29.4%

Average reduction in carbon emissions intensity from our 2010 baseline achieved by operations in Singapore and overseas.

1,555,816 GJ of indirect energy or electricity, compared to 291,539 GJ of direct energy and 1,642,415 GJ of indirect energy in 2019.

Our Singapore operations consumed 133,890 GJ of direct energy and 1,082,615 GJ of indirect energy in 2020, compared to 184,513 GJ of direct energy and 1,215,727 GJ of indirect energy in 2019. The data includes direct energy used in activities carried out by both employees and contractors at our worksites.

IMPROVING ENERGY EFFICIENCY

The Group is estimated to have saved 1,040,420 GJ¹ of energy from its energy efficiency initiatives in 2020 and through cumulative green initiatives implemented at Keppel Land's Green Mark-certified developments. The total energy savings is equivalent to about 54% of the Group's total energy consumption in 2020, and translates to estimated cost savings of about \$68 million² and an avoidance

of approximately 120,000 tCO₂e in emissions³.

These savings were achieved through the optimisation of operations and processes; technological improvements, including the adoption of more sustainable building designs and materials; and the use of energy-efficient equipment and devices. Examples of initiatives undertaken in 2020 include:

- Optimisation of chilled water system at Keppel DHCS' plants at Mediapolis, Changi Business Park and Woodlands Wafer Fab Park, which achieved energy savings of 240,000 kWh;
- Implementation of smart building energy management system (BEMS) at Keppel Bay Tower that has yielded total energy savings of 1,700,000 kWh as at end-2020; and
- Upgrading to LED lightings and high bay lamps at our warehouses which produced total annual energy savings of 11,000 kWh.

¹ The 1,040,420GJ in savings comprise savings from the reduced usage of fossil fuels, such as diesel, and a reduction in electricity consumed. The amount of savings in absolute terms is the difference in consumption before and after the implementation of an energy efficiency project. The savings are converted to energy equivalent in GJ based on the corresponding energy conversion factors for fossil fuels and electricity published in the United Kingdom's Department for Environment, Food and Rural Affairs 2020 (DEFRA 2020) Government GHG Conversion Factors for Company Reporting. A significant proportion of the savings are achieved through cumulative green initiatives implemented at Keppel Land's Green Mark certified developments, upon completion of these initiatives.

² Estimated monetary savings are calculated based on the average electricity tariff rates in 2019 as published by SP Group, whereby 1 kWh = \$0.2362.

³ The electricity savings in carbon dioxide equivalent was estimated by multiplying the energy savings in kWh with the Electricity Grid Emission Factors for 2019 from Singapore's Energy Market Authority (EMA), whereby 1 kWh = 0.4085 kg CO₂.

ENVIRONMENTAL MANAGEMENT

WATER & EFFLUENTS

GRI 303-1 | 303-3

Water is a precious resource, and an effective and reliable supply of water is vital in the operation of our assets including commercial buildings, data centres, warehouses, shipyards and district cooling assets.

Upstream processes such as construction require water for manufacturing of raw materials, cooling of processes and commissioning of projects. Downstream, water is used for drinking, cleaning, and general purposes.

The World Resources Institute's (WRI) Aqueduct tool is used to measure the levels of water stress across the Group's areas of operations. To mitigate water stress, the Group continues to strengthen its water conservation efforts through initiatives such as promoting water-saving practices, adopting water-efficient technologies and equipment, as well as implementing process improvements and investing in water infrastructure, such as the Keppel Marina East Desalination Plant, to improve water security. Keppel has also set a Group-wide water intensity reduction target of 20% to reduce water stress and water related-impacts. For FY 2020, the Group achieved a weighted reduction of 5.2% in water intensity.

Water withdrawn by the Group includes potable water (water from local catchment

and imported water), NEWater (treated wastewater from sewage), recycled water and water drawn from rivers. The Group withdrew 25,948,607 cubic metres (m³) of water in 2020, compared to 18,469,535 m³ in 2019. The increase is due to the inclusion of reservoir water and seawater withdrawn for treatment by the Keppel Marina East Desalination Plant, which commenced commercial operations in June 2020.

Recycling of cooling tower blowdown water at our district cooling plants have helped to save 55,000 m³ of water annually. Water consumption reduction efforts include a cooling tower management system at Keppel Bay Tower that is estimated to save 700 m³ per annum.

All trade effluent from our operations are treated and discharged into water courses or sewer systems in accordance with the environmental discharge limits and effluent standards in the countries of operation.

WASTE

GRI 306-2

The Group strives to minimise waste generation, increase opportunities for reusing and recycling, as well as treat and dispose waste responsibly where other options are not practicable. To strengthen our commitment towards waste management, the Group had set a waste intensity reduction target of 10% by 2030. For FY 2020,

we have achieved a weighted average reduction of 35.0% in waste intensity compared to the 2019 baseline.

Waste is segregated at our offices, plants and yards to promote reuse and recycling. Used papers from our offices as well as scrap metals and damaged equipment recovered from our shipyards are sent for recycling. Hazardous waste generated is handled, stored and disposed in a manner that adheres to best practices and meets local regulatory requirements.

Waste recycled included ferrous scrap, grits, plastic stretch wrap, paper and other office consumables. In 2020, the Group recycled 64,688 tonnes (t) of refuse, an increase from 41,904 t of waste recycled in 2019.

In land-scarce Singapore, refuse is incinerated at WTE plants to reduce the volume of waste and to remove harmful substances before disposal at the landfill. Heat from the incineration of waste is recovered to produce electricity. Incineration is also preferable to land filling in Singapore and many other countries, as the direct burial of waste produces significant amounts of methane, a GHG. As a Group, a total of 12,753 t of waste was sent for incineration in 2020, which is an approximately 51% decrease compared to 25,957 t in 2019.

ZERO ENERGY BUILDING

In December 2020, Keppel Bay Tower became the first commercial building in Singapore to be certified by the BCA as a Green Mark Platinum (Zero Energy) building. BCA's recognition was an affirmation of efforts by Keppel Land to leverage technological innovations to enhance the environmental performance of its buildings. Beyond this one example, this is a demonstration of how Keppel can help existing commercial buildings in Singapore and overseas become greener, or even zero energy buildings.

In 2018, Keppel Land was awarded a grant of up to \$1.28 million under the programme, to implement new and emerging energy-efficient technologies at Keppel Bay Tower. Energy-efficient technologies including a high-efficiency air distribution system, an innovative cooling tower water management system, integrated sensor technology to optimise

fresh air intake, smart LED lighting solutions, and an intelligent building control system were piloted at Keppel Bay Tower.

By February 2020, Keppel Land has achieved a reduction of 22.3% in annualised energy consumption of the building, exceeding its initial target of 20%. Following the successful pilot, some of these technologies, such as the high-efficiency air distribution system, are currently being replicated to the rest of the building. In addition, the installation of an assembly of photovoltaic (PV) panels spanning over 400m² on the roof of the 18-storey Keppel Bay Tower, as well as its six-storey podium block was completed in March 2021, and will generate an energy yield of about 100,000 kWh per annum.

Upon completion of these initiatives, Keppel Bay Tower's annual energy

consumption will be less than 115 kWh/m² per year, a reduction of over 30% from its 2017 Green Mark Platinum level and almost 50% less compared to typical office buildings in Singapore. This translates to energy savings of over 2.2 million kWh a year and cost savings of approximately \$400,000 annually.

Since 2019, Keppel Land has achieved 100% participation from all its office tenants at Keppel Bay Tower in signing green leases, which is a demonstration of the company's commitment to work with its tenants to provide energy-efficient, resource-efficient and healthier interior spaces for building occupants. The green leases have incorporated the requirements of the BCA-HPB Green Mark (for Healthier Workplaces) Certified standard, which focuses on the health and well-being of building occupants in green offices.



The Keppel Group has continued to garner multiple awards from the Building and Construction Authority (BCA) for its commitment to sustainability and excellence in the built environment. The Garden Residences (pictured: Artist's impression) was recognised as a high-quality, sustainable development.

As incineration of refuse is prohibited or unavailable in some countries where we operate, a total of 8,053 t of municipal waste was disposed at landfill sites in 2020, an increase over 6,286 t in 2019. Incineration is banned in the Philippines, while waste disposal regulations in the state of Texas in the US require plant waste to be landfilled.

In line with our efforts to proactively manage the environmental impact of our operations, the Group started tracking data in 2020 on hazardous waste generated. A total of 5,456 t of hazardous waste was generated in 2020, all of which was disposed by licensed toxic waste collectors.

EMISSIONS

GRI 305-1 | 305-2 | 305-3 | 305-4 | 305-5

EMISSIONS INTENSITY TARGETS

In 2014, Keppel set a target to achieve a 16% improvement in carbon emissions

intensity from 2020 business-as-usual levels. This is based on the national targets which the Singapore government had disclosed in 2009.

In support of the Paris Agreement, Singapore announced its intended nationally determined contribution of reducing GHG emissions intensity by 36% from 2005 levels by 2030. In line with the government's commitment, we have set a long-term target of a 28.8% reduction in carbon emissions intensity from 2010 levels by 2030 for our global operations¹. Our target was derived by adjusting the national target to a shorter timeframe, as data prior to 2010 is unavailable.

As at end-2020, our operations in Singapore and overseas have achieved a 29.4% average reduction in carbon emissions intensity from our 2010 baseline, thus achieving and exceeding the 2020 target of a 16% improvement in carbon emissions

¹ In calculating emissions intensity reductions, each business division first computes its base year (i.e. 2010) emissions intensity using a normalising factor relevant to its business activity. The total emissions intensity reduction is the difference in the Group's average emissions intensity between the base year and the current year in which the data is reported. The normalisation factors for our business divisions are based on their key activities and industry best practices. They are as follows: gross floor area in square metres for office and retail premises, million man-hours for Keppel O&M and Keppel Logistics, refrigeration tonnes hour for our district heating and cooling plants; kilowatt hour of IT power for data centres, as well as revenue generated for M1. The baseline year used in the intensity calculations of newly acquired assets is as per the earliest year that such data is available.

ENVIRONMENTAL MANAGEMENT

intensity. Given the progress achieved with our existing commitments, we are looking into how Keppel can further enhance its carbon emissions reduction target, including setting an absolute emissions reduction target aligned with climate science and Singapore's national targets.

The Singapore government implemented a carbon tax in 2019. The carbon tax is set at a rate of \$5 per tCO₂e from 2019 to 2023. Singapore will review the carbon tax rate by 2023, with plans to increase it to between \$10 and \$15 per tCO₂e by 2030. The tax is applied upstream, for example, on power stations and other large direct emitters. The carbon tax would have an impact on business cost. To mitigate the impact of the carbon tax, and in line with the Group's commitment to sustainability, we have continued to improve our energy efficiency and reduce our carbon footprint, particularly for businesses that are energy intensive.

CARBON EMISSIONS¹

In 2020, total direct (Scope 1) emissions from the use of fuels across the Group was 41,973 tCO₂e, registering a 41.9% increase from 29,577 tCO₂e in 2019. The increase was mainly due to refrigerant leakage at a warehouse under Keppel Logistics, which required frequent top-ups before the problem was resolved, as well as an increase in activities at overseas yards. Indirect (Scope 2) emissions from electricity use was 181,928 tCO₂, which is a 9.4% decrease from 200,759 tCO₂ in 2019. Total Scope 1 and Scope 2 emissions fell 2.8% year-on-year.

The Group's total other indirect (Scope 3) emissions was 1,909,158 tCO₂e in 2020, with 1,793,867 tCO₂e from investments²; 106,912 tCO₂e from fuel- and energy-related activities not included in Scope 1 or Scope 2; 552 tCO₂e from business travel and 7,978 tCO₂e from waste generated in operations.

Since end-2018, Keppel Corporation's corporate office has been fully powered by renewable energy. In addition, the Group also acquired carbon credits to offset its Scope 3 emissions from business travel and employee commuting totalling 47 tCO₂e, thus allowing our corporate office to achieve carbon neutrality for the year.



Installation of the photovoltaic panels at Keppel Bay Tower was completed in March 2021, generating an energy yield of about 100,000 kWh per annum.

The purchased carbon credits supports a biodiversity reserve project in Indonesia, which aims to prevent deforestation and peatland drainage, and contributes toward the Sustainable Development Goals.

COMPLIANCE

GRI 306-3 | 307-1

There were no records of spillages, no sanctions pertaining to spillages and non-monetary sanctions for non-compliance with environmental laws and regulations that were administered by Singapore or overseas authorities on the Group in 2020.

In 2020, the main contractor appointed by Keppel Land for a residential project in Singapore was fined \$70,000 and \$55,000 by the National Environment Agency for a mosquito breeding incident and for exceeding permissible noise levels respectively. Mitigating actions have since been taken to prevent recurrence.

¹ The GHG conversion factors for direct (Scope 1) emissions, as well as Global Warming Potential values used are based on DEFRA 2020 Government GHG Conversion Factors for Company Reporting. The GHG conversion factors for indirect (Scope 2) emissions are based on the Electricity Grid Emission Factors for 2019 from EMA. For other overseas regions, grid emission factors from the International Energy Agency 2020 data set were used. The GHG emission Scopes 1, 2 and 3 are as defined by the GHG Protocol, whereby Scope 1 refers to emissions from company owned and operated facilities, machines, vehicles, etc. The primary sources of energy consumed on site by our operations are diesel, liquefied petroleum gas, naphtha, piped natural gas, from the generation of purchased electricity consumed by the company; Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company, including investments and business travel.

² The data does not include Keppel's stakes in separately listed associates Floatel, KrisEnergy, MET Group and Dyna-Mac.

PROMOTING A CIRCULAR ECONOMY

Keppel is committed to create solutions that advance climate action and the circular economy.

With the energy transition and push towards cleaner fuels, companies in the offshore and marine industry are exploring more sustainable solutions that can quantifiably reduce their carbon footprint.

With its deep expertise and extensive track record in vessel conversions, Keppel Offshore & Marine (Keppel O&M) is well-positioned to help its customers reduce their environmental footprint through circular economy solutions.

In 2020, Keppel O&M commissioned a study by Environmental Resources Management (ERM), to assess converted and new build Floating Liquefaction Vessels (FLNGs) across three stages of the project life cycle, namely the end of life of the LNG tanker, repurposing or shipbuilding of the FLNG, and maintenance of the FLNG.

According to the study, Keppel O&M's conversion of a Liquefied Natural Gas Carrier (LNGC) into an FLNG using a design and execution model jointly engineered by Keppel O&M and Golar LNG Limited (Golar), was estimated to have reduced approximately 33% of greenhouse gas (GHG) emissions compared to an FLNG new build.

The study, which assessed the converted FLNG Hilli Episeyo and a new build FLNG of a comparable design and specification, concluded that the converted FLNG saved a total of 63,343 tonnes of GHG emissions – equivalent to taking around 13,500 cars off the road for a year.

Repurposing LNGCs into FLNGs contributes to the circular economy, extending vessel life by decades and recapturing value that would have been lost through disposal, as well as reducing the consumption of materials that would have been needed for a new build. For example, 39% less virgin steel was used for the converted FLNG Hilli Episeyo, reducing GHG emissions

significantly. From a commercial perspective, a converted FLNG is also more cost-effective and faster-to-market.

Hilli Episeyo – the world's first converted FLNG – has performed consistently, providing proof of concept and attesting to the innovative and reliable solution put forth by Keppel O&M and Golar. The FLNG has maintained 100% commercial uptime since its delivery in 2017, and surpassed its 52nd cargo dispatch in Q1 2021.

Keppel O&M is currently undertaking its second FLNG conversion, Gimi, for Golar which is being repurposed for the 20-year BP Greater Tortue Ahmeyim contract offshore West Africa.

EMISSIONS REDUCTION

33%

Less GHG emissions compared to an FLNG new build.

REDUCTION IN MATERIALS USED

39%

Less virgin steel used than an FLNG new build.



Keppel's solutions for the circular economy – such as the world's first converted FLNG, Hilli Episeyo – contribute to building a sustainable future and advancing climate action.

ECONOMIC SUSTAINABILITY



MAJOR DEVELOPMENTS ACROSS BUSINESS SEGMENTS IN 2020

GRI 103-2 | 103-3

ENERGY & ENVIRONMENT

Conducted strategic review of O&M business, and announced plans to transform Keppel Offshore & Marine (Keppel O&M) and position it higher up the value chain as a developer and integrator of offshore energy and infrastructure assets.

Keppel O&M secured new order wins of about \$1 billion, with offshore renewables and LNG solutions making up 65% of new orders.

Keppel Infrastructure secured \$2.1 billion worth of WTE and district cooling contracts across Singapore, India and Thailand.

Keppel Renewable Energy (KRE) announced its first solar farm project, which is located in Australia.

URBAN DEVELOPMENT

Keppel Land sold about 3,340 homes in Asia, mainly in Singapore, China and Vietnam.

Keppel Land announced asset divestments totalling about \$1.3 billion for the whole of 2020, spanning Singapore, China, Vietnam and the UK.

Keppel Land announced the acquisition of a stake in a co-living solutions provider, as well as new residential projects in China and India.

Master developer of the Sino-Singapore Tianjin Eco-City sold two residential land plots and two industrial land plots in the Eco-City.

CONNECTIVITY

Embarked on a new data centre development in Singapore with SPH, as well as a greenfield data centre in Huizhou, China.

M1 secured one of Singapore's 5G standalone licences jointly with StarHub, and unveiled its new brand identity and digital connectivity platform in early 2021.

Conducted strategic review of logistics business, in line with sharpened focus under Vision 2030. In 1Q 2021, further announced plans to divest the logistics business to a third party.

ASSET MANAGEMENT

Keppel Capital grew its assets under management from \$33 billion as at end-2019 to \$37 billion as at end-2020, and raised total equity of about \$4.5 billion 2020.

Keppel's listed REITs and Trust continued to grow through strategic acquisitions to deliver sustainable returns to Unitholders.

An active year for private funds with the launch of new funds and strategic investments, as well as proactive asset management and value creation initiatives.

URBANISATION TRENDS PRESENT MANY EXCITING AND INTERCONNECTED OPPORTUNITIES FOR KEPPEL, AS WE PROVIDE SOLUTIONS FOR SUSTAINABLE URBANISATION.

OVERVIEW

GRI 103-1

In May 2020, Keppel unveiled Vision 2030, our long-term strategy to guide the Group's growth and development. While the macro trends that Vision 2030 seeks to address, such as rapid urbanisation, the energy transition, climate change, digitalisation and super liquidity, were identified pre-COVID-19, they remain highly relevant today. If anything, some of these trends have been further accelerated by the pandemic.

At the same time, international concerns about climate change continue to grow, accelerating the energy transition and spurring the need for different solutions that contribute to a more sustainable future. Together, these trends are expected to further drive the demand for solutions for sustainable urbanisation, and create new opportunities for the Group.

As one integrated business, Keppel will harness the strengths of the Group to meet the world's growing needs for sustainable urbanisation solutions. Keppel is deepening intra-company collaboration and adopting a *OneKeppel* approach to leverage the

synergies of the Group and capture profit pools that might not be available to individual business entities.

REPORT BOUNDARY

GRI 103-1

The reporting boundary for financial data in this section is the same as that of Keppel Corporation's Annual Report 2020.

MANAGEMENT APPROACH

GRI 103-1 | 103-2 | 103-3

As part of Vision 2030, Keppel is progressively guiding and refocusing its portfolio towards sustainable urbanisation solutions, through evaluating its fit with Keppel's Vision, Mission and environmental, social and governance (ESG) goals, as well as adopting shadow carbon pricing and implementing climate risk assessments.

In September 2020, Keppel announced a \$3-5 billion asset monetisation programme over three years, to free up the Group's balance sheet to pursue new growth opportunities. Between October and December 2020, the Group announced divestments worth over \$1.2 billion, well on its way to meeting the three-year target, as well as various

new initiatives to take Keppel forward on its growth trajectory.

Keppel also announced bold plans to transform Keppel O&M to be more relevant and competitive amidst the global energy transition. Keppel O&M will exit the offshore rig building business, after completing its existing uncompleted rigs, and will progressively exit low value-adding repairs and other activities with low bottom-line contribution. Keppel O&M will instead transition to being a developer and integrator of offshore energy and infrastructure assets, focusing on work with higher value capture. As Keppel executes the transformation of Keppel O&M, it will also continue to explore inorganic options, though there is no assurance that any transaction will materialise.

Keppel has also decided to divest its logistics business in line with the more focused and disciplined approach towards capital allocation which it has committed to as part of Vision 2030, and is currently engaging potential buyers. The Company has also announced new initiatives in the development of onshore and offshore renewable energy assets, urban development and asset management among others.

Keppel sees sustainability as being core to its strategy, not just in terms of how it deals with ESG issues, but as a source of business opportunities, as it channels the Group's capabilities and resources to meet the needs of sustainable development and address the challenges posed by climate change.

FINANCIAL PERFORMANCE IN 2020

GRI 201-1

The Group reported a net loss of \$506 million for 2020, compared to a net profit of \$707 million a year ago, after impairments of \$952 million, mainly due to the offshore & marine business. Excluding impairments in both years, the Group would have registered a net profit of \$446 million for 2020, as compared to the net profit of \$828 million for 2019. Apart from Keppel O&M, all key business units of the Group remained profitable in 2020.

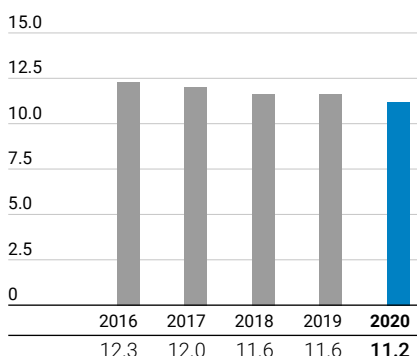
Total cash dividend for 2020 is 10.0 cents per share. This comprises a final cash dividend of 7.0 cents per share as well as an interim cash dividend of 3.0 cents per share paid in the third quarter of 2020.



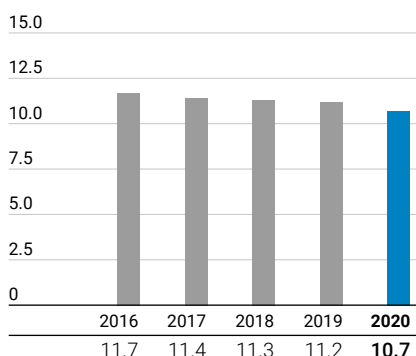
In line with our disciplined approach to capital allocation and proactively unlocking capital that can be recycled into growth opportunities, we announced the monetisation of over \$1.2 billion of assets from October to December 2020, including Keppel Bay Tower (pictured) in Singapore.

ECONOMIC SUSTAINABILITY

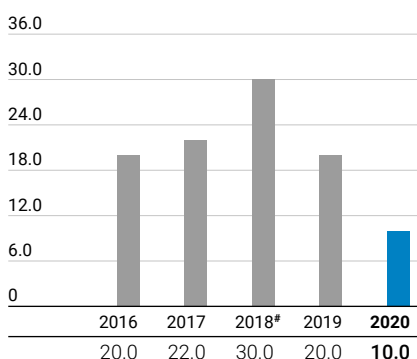
TOTAL EQUITY (\$b)



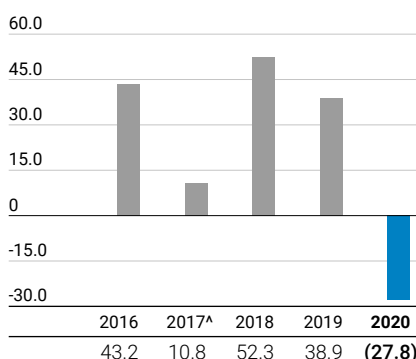
SHAREHOLDERS' FUNDS (\$b)



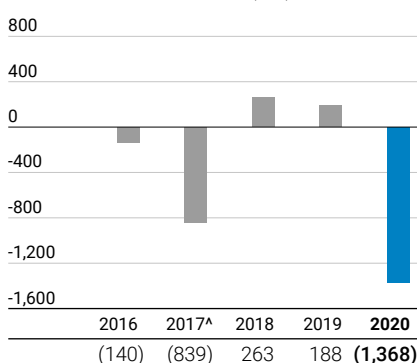
TOTAL DISTRIBUTION PER SHARE (cts)



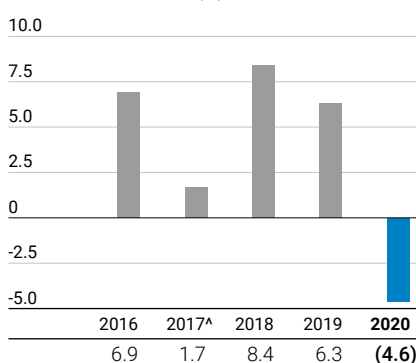
EARNINGS PER SHARE (cts)



ECONOMIC VALUE ADDED (\$m)



RETURN ON EQUITY (%)



Includes the special dividend paid of 5.0 cents per share.

^ Includes the one-off financial penalty and related costs of \$619 million.

GOVERNMENT ASSISTANCE & TAXES PAID

GRI 201-4

In 2020, the Group received a total of \$155 million in financial assistance from governments. Approximately 96% of financial assistance received was from the government of Singapore, comprising mainly Jobs Support Scheme¹ credits, property tax and levy rebates. The Group also received the Singapore government's research and development grants, training grants as well as cash grants under its wage credit and employment credit schemes. The remaining 4% was from the governments of China and Australia.

The Group has exposure to income taxes in many jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet in Keppel Corporation's Annual Report 2020.

The Group operates in more than 20 countries. In 2020, the Group contributed \$177 million in taxes to the various countries and tax jurisdictions in which it operates.

EMPLOYEE COMPENSATION

In 2020, staff costs amounted to \$1,120 million in the form of wages and salaries, employer's contribution to Singapore's Central Provident Fund, share options and share plans, as well as other staff benefits. The Group's average number of employees in 2020 was 18,452².

¹ The Jobs Support Scheme provides temporary wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. Payouts through the scheme are intended to offset local employees' wages and help protect their jobs.

² The figures in this section do not take into account the headcount and staff costs of associated companies, whereby an associated company is an entity over which the Keppel Group has significant influence but not control.

Economic Value Generated by Keppel	Economic Value Distributed to Others	Economic Value Retained by Keppel
\$7,097m This includes revenue, interest and investment income, and disposal gains.	OPERATING COSTS \$4,724m This includes purchases from suppliers and contractor costs, and other operating expenses.	\$386m The majority of this is invested in capital expenditure and acquisitions.
	EMPLOYEE WAGES & BENEFITS¹ \$1,118m Employee costs include salaries and benefits.	
	CAPITAL PROVIDERS \$682m This includes dividends and interest paid.	
	GOVERNMENTS \$177m This includes income taxes paid, net of refunds received.	
	COMMUNITIES² \$9.6m This includes voluntary donations and sponsorships disbursed that are not business or marketing related.	

¹ Excludes capitalised staff costs in stocks and work-in-progress and capital expenditure.

² Includes voluntary contributions from the Keppel Group's directors, senior management and staff, to support COVID-19 relief efforts, with matching contributions from Keppel Corporation.

ECONOMIC VALUE DELIVERED TO SOCIETY

GRI 201-1

Keppel's business operations generate employment, opportunities for suppliers and tax revenues for governments. We are committed to positively impact the communities in which we operate, and contribute to worthy social causes through donations and sponsorships.

In 2020, Keppel generated \$7,097 million of economic value for our stakeholders, which was distributed through our business operations to suppliers, contractors, subcontractors, employees, investors, governments and community organisations, among others. The majority of the economic value retained by Keppel after this distribution is invested in capital expenditure and acquisitions, as we seek to sharpen our competitive edge and stand ready to seize growth opportunities.



Keppel's solutions for sustainable urbanisation, such as our water treatment plants (pictured), contribute to meeting the increased demand for resources brought about by urbanisation.

CORPORATE GOVERNANCE AND RISK MANAGEMENT



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Continue to harmonise and enhance risk and compliance policies and processes, and strengthen their integration into corporate governance and business processes to improve the Group's risk and compliance culture.

Cascade compliance best practices through targeted training, communications, and monitoring.

Strengthen feedback loop from business units and supporting departments in the practice of managing risks.

2020 PERFORMANCE

Implemented the Group Sustainability Risk Management framework to operationalise sustainability strategy.

Completed Group roll-out of training and implementation of Vulnerability Self-Assessment across business units as part of the Technology & Data Risk management programme.

Conducted e-training for over 17,000 employees and directors covering key topics ranging from Code of Conduct, Conflict of Interest, Anti-Bribery, Cyber Security and Data Protection.

93% employees surveyed agreed they receive adequate training on risk management, controls and information security in helping them understand how it applies to their job.

94% of employees surveyed agreed that company policies are clear and effective in guiding behaviour at work.

2021 TARGETS

Continue to harmonise and enhance risk and compliance policies and processes, aligning with industry best practice, and strengthening their integration into corporate governance and business processes to improve the Group's risk and compliance culture.

Leverage technology and data analytics to support compliance processes across the Group and assist in review and monitoring.

Strengthen Business Continuity Management programme and practices with an increased focus on cybersecurity responses and emerging threats impacting business continuity.

TOPICS

Governance

Anti-corruption

Risk Management

Regulatory Compliance

SDGs



CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

THE LONG-TERM SUSTAINABILITY OF THE GROUP'S BUSINESSES IS UNDERPINNED BY OUR CORE VALUES, AND DRIVEN AT THE HIGHEST LEVEL OF THE ORGANISATION THROUGH STRONG CORPORATE GOVERNANCE AND PROACTIVE ENGAGEMENT WITH STAKEHOLDERS.

OVERVIEW

GRI 103-1

The Board and management of Keppel Corporation Limited ("KCL", "Keppel" or the "Company") firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the Company's businesses and performance, and are pleased to confirm that the Company has adhered to the principles of the Code of Corporate Governance 2018 ("2018 CG Code"), with references to the accompanying Practice Guidance.

BOARD'S CONDUCT OF AFFAIRS

GRI 102-18 | 102-22 | 102-23 | 102-26 | 102-33 | 103-1 | 103-2 | 103-3

Mr Danny Teoh is the non-executive and independent Chairman of the Company, succeeding Dr Lee Boon Yang with effect from 23 April 2021. Mr Loh Chin Hua is the CEO of the Company.

The Chairman, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly having regard to the flow of the Company's operations. He sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information are provided in a timely manner to the Board for the Board to make good decisions. He also encourages constructive relations between the Board and management, and between the executive and non-executive directors. At board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting. At annual general meetings and other shareholders' meetings, the Chairman ensures constructive dialogue between shareholders, the Board and management. The Chairman sets the right ethical and behavioural tone and takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretaries and management.

To assist the Board in the discharge of its oversight function, various board committees, namely the Audit, Board Risk, Nominating, Remuneration, and Board Safety Committees,

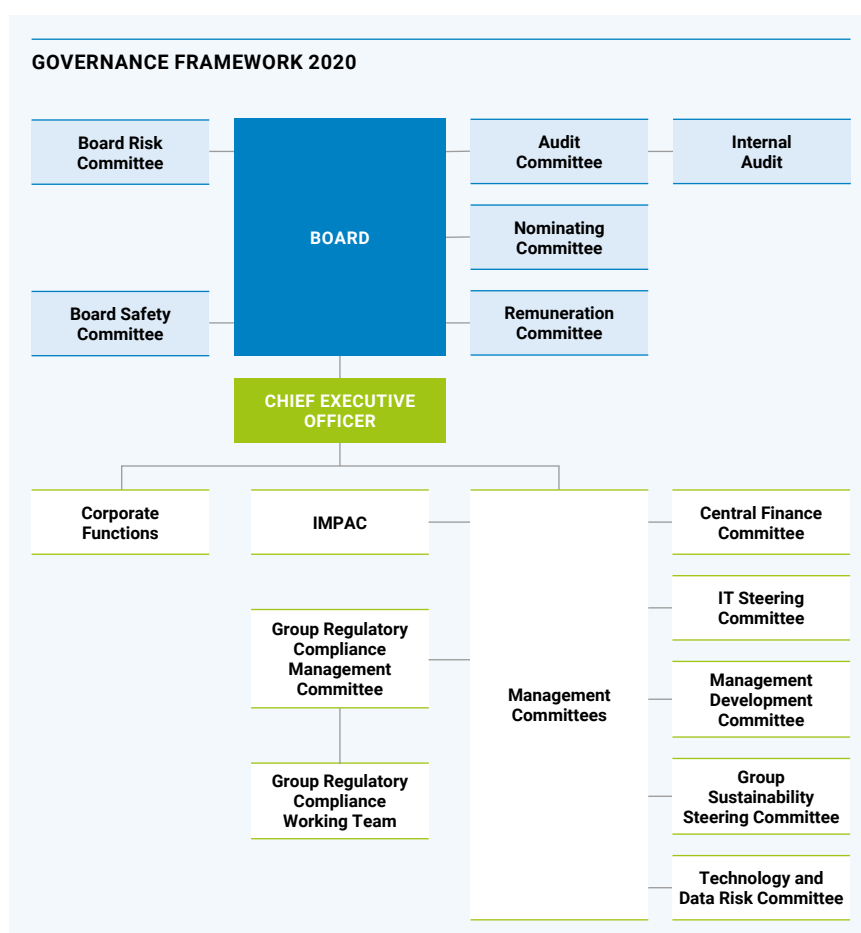
have been constituted with clear written terms of reference. All the board committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group, and the Board is kept updated on discussions of the committees via circulation of minutes and regular updates by the respective chairmen of the committees at board meetings. The terms of reference are reviewed on an annual basis, along with the Board committees' structures and membership, to ensure their continued relevance and effectiveness. The terms of reference of the respective Board committees setting out their responsibilities and authority,

are in Appendix 1 on pages 99 to 101 of our Annual Report 2020.

The CEO, assisted by the management team, makes strategic proposals to the Board and after robust and constructive board discussion, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions. He is supported by management committees that direct and guide management on operational policies and activities, which include:

1. *Investments & Major Projects Action Committee ("IMPAC")*, which guides the Group to exercise the spirit of enterprise as well as prudence to earn optimal risk adjusted returns on invested capital for its chosen lines of business, taking into consideration the relevant risks, in a controlled manner;
2. *Management Development Committee ("MDC")*, which nominates candidates as nominee directors to the boards of each unlisted company or entity that the Company is invested in ("Investee Company") so as to safeguard the

Governance Framework: KCL's governance structure is set out below.



CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

Company's investment. In respect of Investee Companies that are (a) listed on a stock exchange, (b) managers or trustee managers of any collective investment schemes, business trusts or any other trusts which are listed on a stock exchange, or (c) parent companies of the Company's core businesses, the Committee recommends the candidates for the approval of the Nominating Committee (NC). The MDC also provides inputs, guidance and direction on operational policies and human resources/organisational matters;

3. *Central Finance Committee*, which reviews, guides and monitors financial policies and activities of Group companies;
4. *Group Regulatory Compliance Management Committee ("Group RCMC")*, which articulates the Group's commitment to regulatory compliance, directs and supports the development of over-arching compliance policies and guidelines, and facilitates the implementation and sharing of policies and procedures across the Group;
5. *Group Regulatory Compliance Working Team ("Group RCWT")*, which supports the Group RCMC and oversees the development and review of over-arching compliance policies and guidelines for the Group, as well as review training and communication programmes;
6. *Keppel IT Steering Committee*, which provides strategic information technology (IT) leadership and ensures IT strategy alignment in achieving business strategies;
7. *Group Sustainability Steering Committee*, which sets sustainability strategy and leads performance in key focus areas; and
8. *Technology and Data Risk Committee*, which operationalises the Technology and Data Risk Management operating standards programme that enhances the Group's safeguards, resilience and responses to cyberthreats.

BOARD STRATEGIC REVIEW

The Board periodically reviews and approves the Group's strategic plans.

A two-day off-site board strategy meeting is organised annually for in-depth discussion on strategic issues and the direction of the Group, to give the non-executive directors (NEDs) a better understanding of the Group and its business, and to provide an opportunity for the NEDs to familiarise themselves with the management team so as to facilitate the Board's review of the Group's succession planning and leadership development programme.

In FY 2020, the focus of the strategy meeting was on Vision 2030, a long-term roadmap to guide the Group's strategy and transformation, which was announced via SGXNet in May 2020. From a conglomerate of diverse parts, the Company will refocus its portfolio to be an integrated business, providing end-to-end solutions for sustainable urbanisation, with sustainability placed at the core of its strategy. Building on the Group's strengths in engineering, developing and operating specialised assets, as well as capital and asset management, the Company will focus on four key business areas, namely Energy & Environment, Urban Development, Connectivity and Asset Management – all part of a connected value chain. As part of the Group's sharpened business focus and asset-light model, the Company is also taking a disciplined approach to capital allocation, to deploy more capital to its growth platforms and unlock value from more integration and synergies within the Group, while continuing to recycle capital to enhance the Group's overall return.

In September 2020, the Group embarked on further steps in the Vision 2030 roadmap, including the strategic review of the offshore & marine business, and a \$3-5 billion asset monetisation programme over three years to free up the Group's balance sheet to pursue new growth opportunities. To this end, a Transformation Office was established to drive the implementation of Vision 2030 and create sustainable value for all stakeholders. The Transformation Office provides regular updates to the Board.

AN EFFECTIVE BOARD

GRI 102-25 | 102-27 | 102-28

The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals.

INDEPENDENCE OF DIRECTORS

The NC determines on an annual basis whether or not a director is independent. In January 2021, the NC carried out the review on the independence of each director based on the respective directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and board committees, taking into account the listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 CG Code as to the circumstances in which a director should not be deemed independent. The assessments of the independence of the directors are set out on page 83 of our Annual Report 2020.

All board committees comprise majority non-executive and independent directors (including the Chairman).

INDEPENDENT JUDGMENT

All directors are expected to exercise independent judgment in the best interests of the Company. This is one of the performance criteria for the peer assessment of the individual directors. Based on the result of the peer assessment carried out by the directors for FY 2020, all directors have discharged this duty well.

CONFLICTS OF INTEREST

Each director must promptly disclose conflicts of interest, whether direct or indirect, in relation to any transaction or proposed transaction. In this connection, the Company has in place a "Keppel Group – Directors' Conflict of Interest Policy" to guide directors in identifying, disclosing and managing situations of actual or potential conflicts, as well as situations which may be perceived to be conflicts of interest. Every director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge, and recuse himself/herself when the conflict-related matter is discussed unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. On an annual basis, each director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions.

BOARD COMPETENCY & DIVERSITY

The Company recognises that diversity in relation to composition of the Board provides a range of perspectives and insights needed to support good decision-making for the benefit of the Group, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that the Company has the opportunity to benefit from all available talent. In identifying suitable candidates for new appointments to the Board, the NC would ensure that female candidates were included for consideration. The final decision on the appointment of directors would be based on and driven by merits against the objective criteria set by the Board from time to time on the recommendation of the NC after having regards to the benefits of diversity and the needs of the Board.

The Company has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives. The annual assessment is led by the NC as part of the process for appointment of new directors and Board succession planning. To help the NC identify gaps (if any) in skills, knowledge, experience and other aspects of diversity in the board composition in any given year of assessment, each member of the Board is required to complete a Board Diversity Matrix to indicate which of the list

of skills, knowledge, experience and other aspects of diversity (identified by the NC, and set out in the Board Diversity Matrix, as being able to contribute to the Company's strategy and business) the board member possesses. The returns from the Board members are then consolidated into a single Board Diversity Matrix to highlight the Board's current mix of skills, knowledge, experience and other aspects of diversity and gaps therein if any. The Board will, taking into consideration the recommendations of the NC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board.

OBJECTIVES IDENTIFIED UNDER BOARD DIVERSITY POLICY

The objectives identified in FY 2019 to be fulfilled by the end of FY 2021, and the progress towards achieving such objectives, are set out below:

OBJECTIVES FOR FY 2020

Objectives	Progress
Appoint at least two additional independent directors with some of the core competencies already present on the Board, by end-FY 2020 for succession planning purposes.	Mr Tham Sai Choy was appointed as a non-executive and independent director with effect from 1 November 2019. Mr Tham was Managing Partner of KPMG Singapore and then Chairman of KPMG Asia Pacific before he retired in 2017. He was a member of KPMG's global board, and had served on its executive committee and risk committee, and chaired its compensation and nominations committee. As a member of the executive committee, Mr Tham was responsible for KPMG's global strategies and planning, including developing the firm's capabilities in cyber security, data analytics and digital transformation. Mr Tham also worked with many of Singapore's listed companies in their audits and other consultancy work over his 36 years of practice. He was appointed as a board member with a view of being the successor to Mr Danny Teoh in the roles of Audit Committee Chairman and Board Risk Committee member. Mrs Penny Goh was appointed as a non-executive and independent director with effect from 2 January 2020. Mrs Goh was Co-Chairman and Senior Partner of Allen & Gledhill LLP, where she had, for many years, headed the firm's corporate real estate practice. She advises listed corporations, private equity property funds, sovereign wealth funds and real estate investment trusts, and has extensive experience in a broad range of corporate real estate transactions for commercial, industrial and logistics projects in Singapore and the Asia Pacific, involving investment, joint development and profit participation structures. Mrs Goh was appointed with a view to succeeding Mr Alvin Yeo as a board member with legal expertise and to enhance the gender diversity of the Board.
Broaden the skill set of directors on the Board by appointing at least one director with the relevant expertise and experience that would complement those already on the Board and which would help drive the Group's strategy.	Mr Teo Siong Seng was appointed as a non-executive and independent director with effect from 1 November 2019 (and subsequently re-designated as non-executive and non-independent director with effect from 3 February 2021). His strong background, knowledge and experience in the China market, experience in growing businesses in frontier countries such as East and West Africa, and his knowledge and experience from serving as Chairman of the Singapore Business Federation, Honorary President of the Singapore Chinese Chamber of Commerce & Industry and as director of Business China, would enhance the balance and breadth of skills of the Board, and help drive the Group's strategy.
Improve gender diversity over a 3-year period by ensuring that at least 20% of the Board will comprise female directors by the end of FY 2021.	The female representation on the Board is currently 25%.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

The NC conducted an assessment in January 2021 and is satisfied that the Board and the board committees comprise directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity. The NC is also satisfied that the directors, as a group, possess core competencies required for the Board and the board committees to be effective, taking into account the Company's strategy and business.

BOARD DIVERSITY MATRIX (AS OF 30 APRIL 2021)

Directors' Skills, Knowledge and Experience

- Accounting/finance
- Business or management experience
- Human resource
- Risk management
- Policy/economics
- Mergers and acquisitions
- Legal
- International perspective
- Industry knowledge
- Strategic planning experience
- Customer-based experience or knowledge
- China experience

Nevertheless, the NC noted the need for new appointment of directors for succession planning purposes, given the retirement of three non-executive and independent directors at the recent annual general meeting. There is currently one independent director who has served for more than nine years on the Board, and two more who would have served more than nine years in 2024. Taking into account feedback from the recent board assessment exercise, the NC was of the view that the Board could benefit from directors with strong knowledge, experience and expertise in (i) digital economy/technology, (ii) renewable energy, (iii) regional market experience, (iv) sustainability, (v) mergers and acquisitions and (vi) corporate finance.

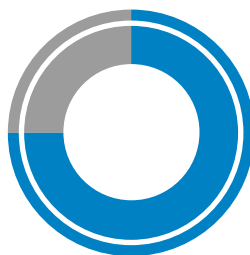
The Board, at the recommendation of the NC, had therefore set a new objective under the Board Diversity Policy, which was to appoint at least three to four additional independent directors by end-FY 2023, with relevant expertise and experience that would complement those already on the Board and which would help drive the Group's Vision 2030 strategy, and for succession planning.

BOARD INFORMATION

To effectively engage the management, the Board must be kept well informed of the Company's businesses and affairs, and be knowledgeable about the industry in which the businesses operate. The Company has therefore adopted initiatives to put in place

Other Aspects of Diversity

GENDER (%)



■ Male	75.0
■ Female	25.0
Total	100.0

RACE OR ETHNICITY (%)



■ Chinese	75.0
■ Caucasian	25.0
Total	100.0

AGE (%)



■ 55-60	37.5
■ 61-65	25.0
■ 66-70	37.5
Total	100.0

LENGTH OF SERVICE (%)



■ 1-4 years	50.0
■ 5-8 years	37.5
■ 9 years and above	12.5
Total	100.0

COUNTRY OF ORIGIN, NATIONALITY OR CULTURAL BACKGROUND (%)



■ Singaporean	75.0
■ German	12.5
■ Canadian	12.5
Total	100.0

processes to ensure that the NEDs are well supported by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively. Subject to the approval of the Chairman, the directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

As a general rule, board papers are required to be distributed to the directors at least seven days before the board meeting so that the members may better understand the matters prior to the board meeting and discussion may be focused on questions that the directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself and discussed. Managers who can provide additional insights into the matters at hand would be present at the relevant time during the board meeting. The directors are also provided with the names and contact details of the Company's senior management and the Company Secretaries to facilitate direct access.

Regular informal meetings are held for management to brief the directors on prospective deals and potential developments at an early stage before formal board approval is sought, and relevant information on business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company or the industries in which it operates is circulated to the directors from time to time. Management is also expected to provide the Board with accurate information in a timely manner concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company.

The Board also reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. Management also provides the Board members with management accounts on a monthly basis and as the Board may require from time to time, to keep the Board informed, on a balanced and understandable basis, of the Group's performance, financial position and prospects.

TRAINING

Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance,

changes in financial reporting standards, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as Board or board committee members.

A training programme is also in place for directors in areas such as accounting, finance, corporate social responsibility, risk governance and management, the roles and responsibilities of a director of a listed company and industry specific matters. In FY 2020, some KCL directors attended talks on topics relating to the digital economy, macroeconomic trends, sustainable urbanisation, energy transition, innovation investments, and corporate governance. E-training was also conducted on the Group's policies on anti-corruption, personal data protection, competition law and cyber security. Site visits are also conducted periodically to familiarise directors with the operations of the various business units so as to enhance their performance as board or board committee members. All induction, training and development costs are at the Company's expense.

BOARD EVALUATION

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole, each of its board committees, the contribution by the Chairman and peer and self-assessment of the individual directors to the effectiveness of the Board.

To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the board members. Mr Michael Lim, former Chairman of PricewaterhouseCoopers and Land Transport Authority, and currently Chairman of Nomura Singapore Limited, was appointed for this role. Mr Michael Lim does not have business relationships or any other connections with the Company or its directors which may affect his independent judgment.

BOARD COMPOSITION & SUCCESSION PLANNING

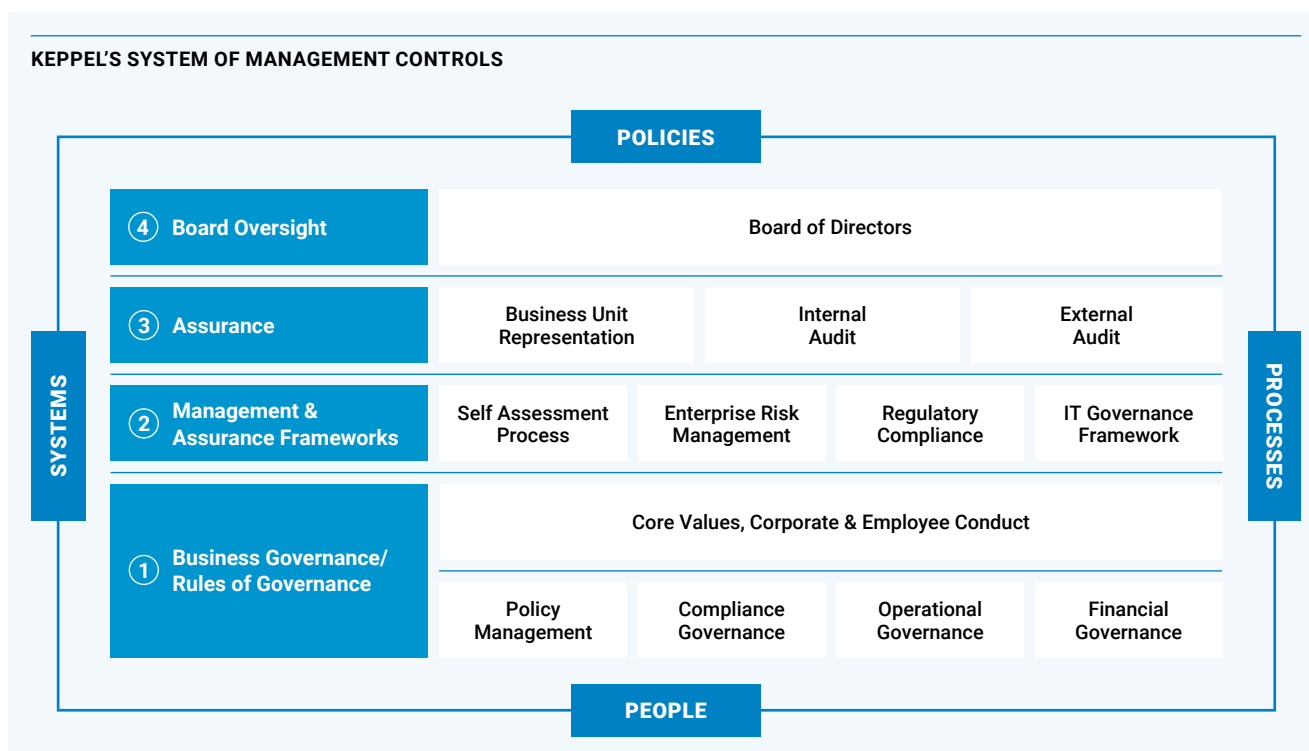
GRI 102-24

The Board believes that orderly succession and renewal are achieved as a result of careful planning, where the appropriate composition of the Board is continually

Process for appointment of new directors	Process for re-nomination of retiring directors
a. The NC reviews annually the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, and the size of the Board which would facilitate decision-making. In this review, the NC would also take into account the needs of the Group, the collective skills and competencies of the Board and service tenure spread of the directors.	a. Pursuant to the Constitution, one-third of the directors shall retire from office at the Company's annual general meeting every year, and a director appointed after the last annual general meeting shall only hold office until the next annual general meeting. If eligible, these directors may submit themselves for re-election.
b. In the light of such review and in consultation with management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.	b. The NC reviews each director's eligibility, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual director by his/her peers and his/her tenure.
c. The NC will, in all cases, take into consideration the following objective criteria identified as necessary for the Board and board committees to be effective: - Integrity - Independent mindedness - Ability to commit time and effort to carry out duties and responsibilities effectively - Track record of making good decisions - Experience in high-performing companies - Financial literacy	c. NC makes recommendations to the Board for approval.
d. External help (for example, Singapore Institute of Directors and search consultants) may be used to source for potential candidates if need be. Directors and management may also make recommendations.	
e. The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.	
f. The NC makes recommendations to the Board for approval.	

CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE



under review. In this regard, the Board has put in place a formal process for the renewal of the Board and the selection of new directors so that the experience of longer serving directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation. The NC leads the process and makes recommendation to the Board on the appointment of new director and re-nomination of directors.

REMUNERATION FRAMEWORK

GRI 102-35 | 102-36

The Remuneration Committee (RC) is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholder value. The remuneration framework is set out from pages 86 to 91 of our Annual Report 2020.

The RC has access to expert advice from external remuneration consultants where required. In FY 2020, the RC sought views from external remuneration consultants, Aon Hewitt, on market practice and trends, and benchmarks against comparable organisations. The RC undertook a review of the independence and objectivity of the external remuneration consultants through

discussions with the external remuneration consultants, and has confirmed that the external remuneration consultants had no relationships with the Company which would affect their independence and objectivity.

RISK MANAGEMENT & INTERNAL CONTROLS

GRI 102-17 | 102-33 | 205-2

The Board, supported by the Audit Committee ("AC") and Board Risk Committee ("BRC"), oversees the Group's system of internal controls and risk management.

The AC's primary role is to assist the Board with ensuring the integrity of financial reporting and the adequacy and effectiveness of the system of internal controls and risk management. The AC has explicit authority to investigate any matter within its responsibilities, full access to and co-operation by management, full discretion to invite any director or executive officer to attend its meetings, and reasonable resources (including access to external consultants) to enable it to properly discharge its responsibilities.

The BRC considers the nature and extent of the significant risks which the Company may take in achieving its strategic objectives and value creation; and reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard shareholders' interests, the Group's assets and ensure corporate sustainability.

KEPPEL'S SYSTEM OF MANAGEMENT CONTROLS FRAMEWORK

The Group also has in place Keppel's System of Management Controls Framework (the "Framework") outlining the Group's internal control and risk management processes and procedures. The Framework comprises the Three-Lines Model towards ensuring the adequacy and effectiveness of the Group's system of internal controls and risk management.

Under the First Line, management is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Such policies and procedures govern financial, operational (including IT) and regulatory compliance matters and are reviewed and updated periodically. Compliance governance is governed by the respective regulatory compliance management committees and working teams. Employees are also guided by the Group's core values and expected to comply strictly with the Keppel Group Code of Conduct.

Under the Second Line, significant business units and entities scoped in for control self assessment ("CSA entities") are required to conduct a self-assessment exercise on an annual basis ("CSA"). This exercise requires such business units and CSA entities to assess the status of their respective risk management processes and internal controls via self-assessment. Where required, action

plans are developed to remedy identified control gaps. The CSA programme was enhanced in FY 2020 through the refresh of group baseline controls, optimisation of controls automation, continuous monitoring and digitisation of CSA. As described under the Group's ERM Framework, relevant and material risk areas of the Group are also identified and assessed, with systems, policies and processes put in place to manage and mitigate identified risk areas should they exceed internal thresholds of appetite. It includes the reporting and oversight structure involving both boards and management of the Group and business divisions and seeks to embed sound risk management practice in business decisions and operations across Group entities. Regulatory Compliance supports and works alongside business management to ensure relevant policies, processes and controls are effectively designed, managed and implemented to ensure compliance risks and controls are effectively managed. The IT Governance Framework aims to strengthen IT controls and manage IT risks by providing the necessary security and resilience towards effective business continuity. The framework was further strengthened in January 2021 through the formalisation of a Keppel Cybersecurity governance structure and the establishment of a Keppel Cybersecurity Service Centre.

Under the Third Line, to assist the Group to ascertain the adequacy and effectiveness of the Group's internal controls, business units' CEOs and Chief Financial Officers are required to provide the Group with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. Such assurances are also sought from the Group's internal and external auditors based on their independent assessments.

ENHANCEMENT TO COMPLIANCE PROGRAMME IN FY 2020

As our Code of Conduct states, "we care how results are achieved, not just that they are attained." Implementing this through enhancing our regulatory compliance process and by reminding every Keppelite of that value is a focus of attention for us, our boards, and officers and line managers

across the globe. Read more about the Group's enhanced compliance programme on pages 94 to 96 of our Annual Report 2020.

COMMUNICATION & TRAINING

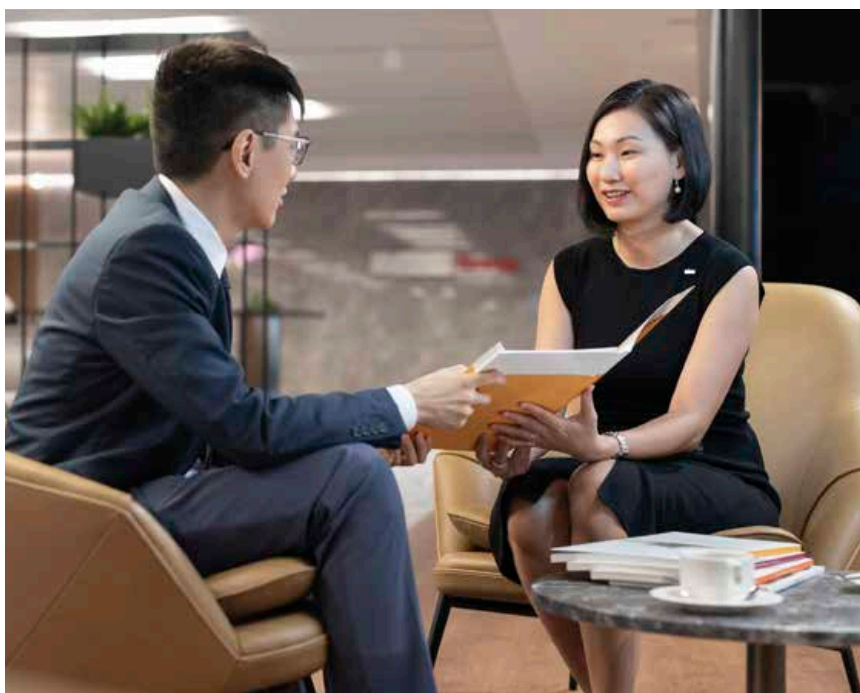
The Group continuously ensures that its compliance policies and procedures are communicated effectively to all employees and directors. In 2020, an e-training and assessment exercise covering all key policies, including the Keppel Group Code of Conduct, Conflict of Interest, Whistle-Blowing, Anti-Bribery, was carried out. 17,051 directors and employees have completed the e-training and toolbox training. Targeted training focused on line managers' responsibilities and employees' obligations, under the K'ompass programme, was also conducted in FY 2020. The K'ompass training aims to educate and entrench correct mindsets, behaviours, and culture towards fostering risk awareness, ethical behaviour at work, importance of controls

and focus on safety. Conflict of Interest training targeted at those with procurement, commercial, business development functions, were also conducted to heighten awareness of conflict situations and to train on declaration requirements.

REPORTING & INVESTIGATION

Keppel's Whistle-Blower Policy took effect on 1 September 2004 and was enhanced on 15 February 2017 and 1 May 2019 to encourage reporting in good faith of suspected reportable conduct by establishing clearly defined and centralised processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Read more about our Risk Management & Internal Controls framework on pages 92 to 96 of our Annual Report 2020.



The Group continuously ensures that its compliance policies and procedures are communicated effectively to all employees and directors.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

REGULATORY COMPLIANCE

THE TONE FOR REGULATORY COMPLIANCE IS DRIVEN FROM THE TOP AND RESONATES WITH OUR EMPLOYEES AT EVERY LEVEL. WE REMAIN VIGILANT AND DETERMINED TO BUILD A DISCIPLINED AND SUSTAINABLE COMPANY.

OVERVIEW

GRI 102-15

We are guided by our core values and code of conduct. We will do business the right way and comply with all applicable laws and regulations wherever we operate. We strive to deliver outstanding performance, whilst maintaining the highest ethical standards.

We are clear with our tone for regulatory compliance, which is consistently emphasised from the top and throughout all levels of the Group. We do not tolerate fraud, bribery, corruption or any violation of laws and regulations.

STRATEGIC OBJECTIVES

We have made significant progress in embedding a robust compliance framework and process throughout the Group. In addition to Keppel Offshore & Marine obtaining ISO 37001 Anti-Bribery Management Systems certification for all units globally in 2019, Keppel Land and Keppel Data Centres entities in Singapore have also attained ISO 37001 certification in 2020, attesting to our commitment in implementing the same standard throughout the Group. This will ensure consistency in application and operational effectiveness of the compliance programme.

Our compliance framework is commensurate with the size, role and activity of each business unit (BU), with appropriate compliance control systems to effectively detect and remedy potential gaps. We are committed to forging a sustainable compliance framework that supports the Group's growth and vision.

GOVERNANCE STRUCTURE

Our Regulatory Compliance Governance Structure is designed to strengthen corporate governance. The Board Risk Committee (BRC) supports the Board in its oversight of regulatory compliance and is responsible for driving the Group's implementation of compliance and

governance systems. Group Risk & Compliance serves as a secretariat to the BRC, assessing and reporting on compliance risks, controls and mitigation.

The Group Regulatory Compliance Management Committee (Group RCMC) is chaired by Keppel Corporation's Chief Executive Officer and its members include all BU heads. The role of the Group RCMC is to articulate the Group's commitment to regulatory compliance, as well as direct and support the development and implementation of over-arching compliance policies and guidelines.

The Group RCMC is supported by the Group Regulatory Compliance Working Team (Group RCWT), which is chaired by the Head of Group Risk & Compliance. The Group RCWT oversees the development and review of pertinent regulatory compliance matters, over-arching compliance policies and guidelines for the Group, as well as reviews training and communication programmes.

Each BU has a dedicated Compliance Lead. He/she is supported by the respective risk and compliance teams and is responsible for driving and administering the compliance programme and agenda for the BU. This includes providing support to BU management with subject matter expertise, process excellence and regular reporting to ensure that compliance risks are effectively assessed, managed and mitigated. We continue to strengthen the Group's Compliance teams with additional professional and experienced officers.

Under the direction of Group RCMC and Group RCWT, BUs are responsible for implementing the Keppel Group Code of Conduct and regulatory compliance policies and procedures. They are also responsible for ensuring that risk assessments of material regulatory compliance risks are conducted, and that control measures are practical, adequate and effective.

REGULATORY COMPLIANCE FRAMEWORK

Our regulatory compliance framework focuses on critical pillars covering the areas of culture; policies and procedures; training and communication; key compliance processes; compliance risk assessment, reviews and monitoring, and compliance resources.

A key aspect of the framework is the structure of the compliance organisation. The Head of Group Risk & Compliance reports directly to the Chairman of the BRC. Similarly, the Compliance Leads of the BUs have direct reporting lines to the respective BU Audit and Risk Committees. Furthermore, BU Compliance Leads report directly to the Head of Group Risk & Compliance. This reporting structure reinforces independence of the function and enables management and the Board to provide continuous, clear and explicit support, and credence to the Group's compliance programme.

CULTURE

Culture and mindset are critical in ensuring effectiveness and durability of our compliance programme. Management has a key role in setting the right tone and walking the talk. This helps to embed a strong and robust regulatory compliance programme and culture that permeates all levels.

Posters on anti-bribery, anti-corruption and reporting mechanisms are displayed in our offices globally and we issue Group-wide bulletins on relevant topical issues to apprise, inform and reinforce compliance principles and messages. Key tone from the top messages are also delivered periodically by BU heads to employees. Compliance moments were introduced as part of the agenda at meetings, where pertinent compliance topics and learnings are shared. We continue to work on initiatives to foster a positive compliance-centric culture.

POLICIES & PROCEDURES

GRI 102-16 | 102-17

EMPLOYEE CODE OF CONDUCT

We have a strict Code of Conduct (Code) that applies to all employees, who are required to acknowledge and comply with the Code.

The Code sets out important principles to guide employees in executing their

duties and responsibilities to the highest standards of business integrity. It covers areas from conduct in the workplace to business conduct, including clear provisions on prohibitions against bribery and corruption, and conflicts of interest amongst others. In the interest of clarity and transparency, the Code is publicly available on the Group's and BUs' websites. We continue to review and enhance the Code to ensure that it stays updated and properly instructive. Appropriate disciplinary action, including suspension/termination of employment, is taken if an employee is found to have violated the Code.

We have procedures to ensure that disciplinary actions are carried out consistently and fairly across all levels of employees. All third parties who represent Keppel in business dealings, including joint venture (JV) partners, are also required to comply with and follow the requirements of the Code.

SUPPLIER CODE OF CONDUCT

The acknowledgement to abide by the Keppel Supplier Code of Conduct is mandatory for all key suppliers across the Group.

The areas covered within the supplier code of conduct include proper business conduct, human rights, fair labour practices, stringent safety and health standards and responsible environmental management.

WHISTLE-BLOWER POLICY

Keppel's Whistle-Blower Policy encourages the reporting of suspected bribery, violations or misconduct through a clearly-defined process and reporting channel, by which reports can be made in confidence and without fear of reprisal. The whistle-blower reporting channels are widely communicated and made accessible to all.

PERSONAL DATA PRIVACY ACT (PDPA)

Guidance is provided to employees on the Personal Data Protection Commission's advisory guidelines to ensure that the Group complies with the requirements of the PDPA. Further to the amendments announced in November 2020, the Group's guidelines will be updated accordingly.

COMPLIANCE POLICIES

We maintain a comprehensive list of policies covering compliance-related matters including anti-bribery, gifts and hospitality,



CORPORATE GOVERNANCE AND RISK MANAGEMENT

REGULATORY COMPLIANCE

agent fees, donations and sponsorships, solicitation and extortion, conflict of interest and insider trading, amongst others.

These policies are reviewed periodically to ensure that they are commensurate with the activities and business plans in the jurisdictions in which the Group operates. Group policies are applicable to all BUs and unless the jurisdictional regulatory requirements are more stringent, these policies represent the minimum standards for the Group. Concerted efforts are taken to ensure all compliance policies, including translated versions, are made available and accessible to employees.

In 2020, we developed a Group Sanctions Compliance policy and BU-specific sanctions programme, building on our current Regulatory Compliance programme and controls. We are now even better able to monitor updates on sanctions requirements and guide respective BUs in navigating through increasingly complex sanctions and export control laws.

TRAINING & COMMUNICATIONS

Training is an essential component of Keppel's regulatory compliance framework. Our programmes are tailored to specific audiences and we leverage Group-wide forums to reiterate key messages.

We have a comprehensive annual e-learning training programme which is mandatory for directors, officers and employees. The content of the training covers the Keppel Group Code of Conduct and key principles underlying our compliance policies. Directors, officers and employees are required to undergo assessments to successfully complete the training. In addition, directors, officers and employees are also required to formally acknowledge their understanding of policies and declare any potential or actual conflicts of interest. Training on anti-bribery and the Keppel Group Code of Conduct was also carried out in multiple languages for industrial/general workers. In 2020, e-training outlining the principles underpinning the Group's policies and key areas to note when representing or acting on Keppel's behalf were

rolled out for high-risk third-party associates (TPA).

We continue to refine our compliance training programmes and curriculum. We are also focused on developing and tailoring training content to varying target groups and training needs. Such training conducted in 2020 included conflict of interest and sanction compliance webinars.

In addition to policy-related training programmes, we conduct training focused on the line managers' responsibilities in developing the desired culture and mindsets regarding compliance. These responsibilities include the need to establish and maintain effective internal controls to ensure that processes are robust, and that potential gaps are identified and mitigated in a timely manner.

Our training aims to engender positive compliance mindsets and culture, and we see this guiding our employees in critical facets of their work. Training focused on building risk and compliance competencies are also organised to ensure that we are apprised on changes in approaches, best practices and tools.

We also leverage opportunities at various management conferences and employee meetings to emphasise the importance of compliance.

To drive greater compliance awareness and knowledge throughout the Group, we issued a quarterly news bulletin on compliance, risk and control matters. We also introduced a quiz element which garnered positive feedback and responses across BUs, in part demonstrating a heightened awareness and understanding of ethics and compliance considerations amongst employees.

KEY PROCESSES

DUE DILIGENCE

We continue to improve our risk-based due diligence process for all TPAs who represent the Group in business dealings, including our JV partners,

to assess the compliance risk of the business partner. In addition to background checks, the due diligence process incorporates requirements for TPAs to acknowledge understanding and compliance with the Keppel Group Code of Conduct.

OTHER PROCESSES

As part of our ongoing review of policies and procedures, we ensure compliance oversight is embedded in key processes including areas such as gifts and hospitality, agent fees, donations and sponsorships, as well as conflicts of interest. We also actively seek opportunities for digitisation and explore the use of data analytics to enhance value and ensure efficiency of our compliance processes.

RISK ASSESSMENT, REVIEW & MONITORING

We continually develop our compliance resources and framework. This will enable the Compliance team to conduct independent risk assessments to identify and mitigate key compliance risks. Regular discussions are held with all BUs, focusing on risk assessments including specific compliance risks identified for each BU. Separately, independent reviews of compliance risks are executed within the scope of internal audits, including thematic reviews of the effectiveness of key aspects of our compliance programmes. These reviews provide valuable insights and opportunities for us to improve our processes and programmes.

ISO 37001 processes also assist in risk assessment exercises, providing even more systematic coverage and evaluations.

RESOURCES

We recognise the need for an experienced compliance team to effectively support compliance advisory, as well as to ensure that compliance programmes and controls are effectively implemented. The Board and management are committed to ensuring that we sustain a strong compliance function.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

WE UNDERTAKE ONLY APPROPRIATE AND WELL-CONSIDERED RISKS, CONSIDERING THEIR IMPACT TO OUR BUSINESS, STAKEHOLDERS, AND LONG-TERM CORPORATE SUSTAINABILITY.

RISK MANAGEMENT

GRI 102-11 | 102-15 | 103-1 | 103-2 | 103-3

Keppel adopts a balanced approach to risk management to optimise business returns while considering their holistic impact on corporate sustainability. Managing risk is integral to how we develop and execute our business strategies. It is grounded in our operating principles and belief that a balanced and holistic risk-reward methodology is key to our commitment to environmental, social and governance (ESG) issues, and to delivering long-term value for our stakeholders.

Our risk-centric culture and Enterprise Risk Management (ERM) Framework enable the Group to respond to the dynamic business environment and shifting business demands, and to seize new value-added opportunities.

RISK-CENTRIC CULTURE

Mindsets and attitudes are key to effective risk management. The Group fosters a risk-centric culture through several aspects.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

GRI 102-15 | 102-29 | 102-30 | 102-31 | 102-32

Relevant and material risk issues are surfaced for discussion with the Board Risk Committee (BRC) and the Board to keep them apprised in a timely manner.

Through the BRC, the Board advises management in formulating and implementing the risk management framework, policies and guidelines.

The terms of reference for the BRC are disclosed on pages 99 and 100 of our Annual Report. The Board has defined three risk tolerance guiding principles for the Group which determine the nature and extent of the significant risks which the Board is willing to take to achieve business goals.

These principles are:

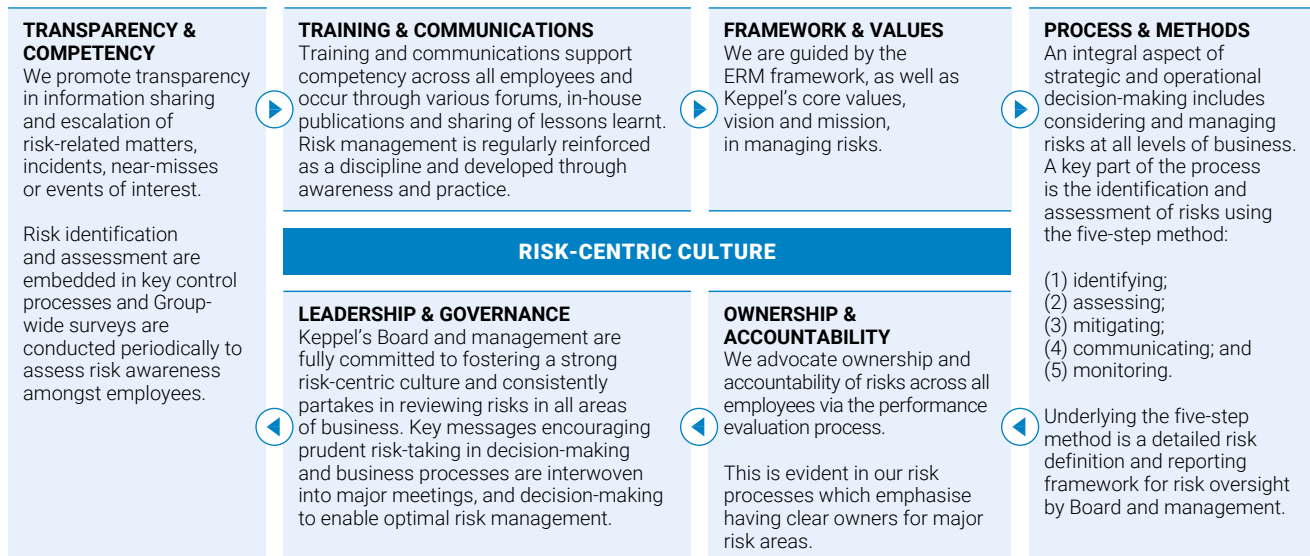
1. Risk taken should be carefully evaluated, commensurate with rewards and be in line with the Group's core strengths and strategic objectives;

2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the entire Group; and
3. The Group does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Keppel's risk governance framework, set out on pages 92 to 96 of our Annual Report under Principle 9 (Risk Management and Internal Controls), allows management and the Board to determine the adequacy and effectiveness of the Group's risk management system.

As a group, we are cognisant of the dynamic environment in which we operate. We constantly enhance the framework and systems where necessary, to ensure risk management remains an integral part of decision-making and operations.

Keppel's ERM framework, a component of Keppel's System of Management Controls, provides the Group with a systematic approach to identify and manage risks. It outlines the requirement for each business unit (BU) to recognise key risk areas affecting its operations and to classify the impact and likelihood of these risks in a register for prioritisation and management. The ERM framework also provides the reporting structure, monitoring mechanisms, processes and tools used, as well as any policies, standards or limits to be applied in managing some of the Group's key risk areas.



CORPORATE GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

Figure 1



Our ERM framework is also constantly refined to ensure it remains relevant in our operating environment and where required, is tailored to the requirements of each BU. The framework takes reference from the Singapore Code of Corporate Governance, the COSO Enterprise Risk Management – Integrated Framework, ISO 22301:2012, ISO 31000 and the Guidebook for Board Risk Committees.

Both management and risk leads across BUs drive and coordinate Group-wide activities and initiatives. These are facilitated by regular meetings to ensure that pertinent risks are identified, assessed and mitigated in a timely manner. Beyond operational activities, we continually improve on our

risk practices taking reference from the latest industry developments and best practices.

2020 was a transformative year for Keppel. This was not only due to the impact of COVID-19, but also the launch of Vision 2030, which defines our roadmap into the next decade.

The key risks identified for FY 2020 on pages 53 to 55 of this report, encapsulate mainly our existing businesses and the transformation we have chosen to undertake. We remain committed to addressing each issue as they arise, in line with our philosophy of undertaking only appropriate and well-considered risks to optimise returns in a balanced and holistic manner, to deliver long-term value for all our stakeholders.

PROACTIVE MANAGEMENT OF RISKS & OPPORTUNITIES

Effective risk management is a dynamic approach and encompasses the evaluation of both risks and opportunities. Managing risk is an inherent part of seizing opportunities. Hence, we do not fear risks but recognise the need to proactively manage them as part and parcel of business operations. The marrying of risks and opportunities allows us to take a business-centric approach to risk management, aligning business activities with risk considerations, and discussing issues in an open and transparent manner, enabling us to pursue optimal risk-return initiatives.

We continually evolve our framework and processes to ensure effectiveness and relevance. Much of these depend on our ability to remain connected and vigilant to emerging risks or opportunities. Across the Group, we identify and review these in various meetings throughout the year. Where applicable, these are further developed and discussed at various governance committees to determine action or response. We recognise that our systems and processes provide reasonable but not absolute assurance, and hence continually improve them to ensure that our ability to manage and respond to risks and opportunities remains relevant and effective.

Material Risks	Issues	Mitigating Actions
STRATEGIC RISKS		
Market & Competition	A large part of the Group's strategic risks include market-driven forces, evolving competitive landscapes, changing customer demands and disruptive innovation. The Group remains vulnerable to other external factors including volatility in the global economy, implications of geopolitical developments, intense competition in core markets and disruptive technology. The COVID-19 pandemic, for example, impacted the Group's operations in nearly all our key markets.	Despite the many COVID-19 challenges faced by our businesses, including difficult economic and market conditions, mandated office closures and travel restrictions, the Group continued to operate resiliently, and remained focused on reviewing our business strategies, as well as formulating responses and taking pre-emptive actions against emerging risks. During the year, we launched Vision 2030 and established the Transformation Office to drive and coordinate Vision 2030-related activities. As the Group transforms, risk management policies and principles will be continually refined to support our business objectives.
Strategic Ventures, Investments & Divestments	We have an established process for evaluating investment and divestment decisions including strategic ventures. We ensure that these endeavours are well monitored and aligned with the Group's strategic intent, investment objectives and desired returns. Where required, we may recalibrate some strategies in response to the changing business environment.	Together with the Board, the Investment and Major Project Action Committee guides the Group to ensure that risks taken are considered and controlled in a manner that exercises the spirit of enterprise and prudence to earn the best risk-adjusted returns on invested capital across our businesses. The evaluation of risks for strategic ventures involves rigorous due diligence, feasibility studies and sensitivity analyses of key assumptions and variables. Critical factors considered include alignment with the Group's strategy, financial viability, country-specific political and regulatory developments, contractual risk implications, as well as previous lessons learnt. The Group's investment portfolios are constantly monitored to ensure that performance is on track to meet our strategic intent and returns. In 2020, we also introduced shadow carbon pricing in the evaluation of major investment decisions.
Sustainability and Climate Change	Sustainability covers a broad range of issues, many of which have been identified and managed according to the Group's ERM framework. In particular, risks and opportunities relating to sustainability, climate change and the environment are fundamental to the Group. These relate to both physical and transitional risks.	We support the Taskforce on Climate-related Financial Disclosures and have started incorporating its recommendations in our reporting framework. As part of Vision 2030, we place sustainability at the core of our strategy. The Group's Sustainability Risk Management Framework is integrated with our ERM framework (Figure 1) and guides Group companies on the specific processes and methods applied in identifying, assessing and managing sustainability-related risks and opportunities. This includes third-party risks from vendors and suppliers. As part of Sustainability Risk Management, we assess opportunities for the Group in its sustainability strategy and are committed to strengthening our organisational capabilities in responding to climate-related risks and opportunities. We are also conducting an assessment of the vulnerability of the Group's key assets to physical climate-related risks.
Customer & Stakeholder Experience	The Group operates in many geographies and has multiple customer touchpoints, including retail consumers in the telecommunications, electricity, e-commerce and gas businesses. Beyond customers, other stakeholders include regulators, partners, investors, employees and the local communities in which we operate. We place utmost importance on Customer and Stakeholder Experience as such matters have direct bearing on trust and brand reputation.	We consistently monitor our products and services for safety, quality and reliability. We respect customer/stakeholder feedback and post-sales support; and are committed to uphold personal data privacy, product safety and related matters including our responsiveness to inputs from stakeholders across various engagement channels.
Human Resources	We continue to maintain a strong emphasis on attracting and developing a wide pool of talent. To ensure we have the necessary skillsets to enable Keppel's transition into its next phase of growth, we have considered both internal and external development programmes. This includes nurturing employees, maintaining good industrial relations and fostering a conducive work environment. We are committed to strengthening succession planning and bench strength, as well as building or acquiring new organisational capabilities to drive business growth, whilst maintaining our status as an employer of choice.	In our talent development programmes, we emphasise the importance of having a risk-centric mindset to inculcate the ability to identify and assess risks, develop and implement mitigating actions, and monitor residual risks. The Keppel Leadership Institute helps to inculcate this mindset by embedding risk management in its key leadership courses.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

Material Risks	Issues	Mitigating Actions
OPERATIONAL RISKS		
Project Management	From project initiation through to completion, risk management processes are an integral part of project management activities to facilitate early risk detection and proactive management. The Group adopts a systematic assessment and monitoring process to help manage key risks in projects. Attention is given to technically challenging and high-value projects, including greenfield developments and the deployment of new technology and/or operations in new geographies. Safety is incorporated into the design stage of projects to enhance worker safety. Projects are managed in accordance with the respective country's environmental laws and labour practices.	During project execution, we conduct project reviews and quality assurance programmes to address issues involving cost, schedule and quality. Project Key Risk Indicators are used as early warning signals to determine if remedial actions are required. A Project Operational Set-up Guide detailing the key risk areas is available for BUs looking to implement large projects. We also conduct knowledge-sharing workshops to share best practices and lessons learnt across the Group. These processes help to keep project delivery on time and within budget, without compromising on safety, quality, regulatory and contractual obligations.
Health, Safety & Environment	We uphold high standards of safety, and this translates into constant vigilance to foster a strong HSE-centric culture across the Group, particularly at the ground level where the risks are greatest.	With the outbreak of COVID-19, the Group has placed high emphasis on staff health by ensuring that measures are taken and government regulations properly followed, so as to protect employees from potential exposure. Efforts have been made across BUs to manage staff movement and ensure relevant precautions, such as the use of personal protective equipment and temperature screening. Key HSE initiatives include our Zero Fatality Strategy with a roadmap focused on aligning High Impact Risk Activities standards across our global operations, enhancing competency of employees performing safety-critical tasks, strengthening operational controls, deploying Root Cause Analysis investigation standards across the Group, as well as developing more proactive and leading risk indicators/matrices to monitor HSE performance standards. Environmental management is also a major area of focus and key operating sites are closely monitored for compliance with environmental standards. In 2020, the Group clinched 21 awards at the Workplace Safety and Health (WSH) Awards for exemplary safety performance, implementation of strong WSH management systems and efforts to create solutions that improve workplace safety.
Business & Operational Processes	The Group is connected by common shared services and platforms which enable us to better manage our processes and costs while enhancing efficiency, productivity, compliance and controls.	We have adopted ISO standards and certifications in major business areas to standardise processes and keep up with industry best practices. In addition, procedures relating to defect management, operations, project control and supply chain management continue to be refined to improve the quality of deliverables. We continue to embark on digitalisation and automation to optimise our processes while taking a risk-based approach. We also continually evaluate procedures, policies and authority limits to ensure that they remain relevant in meeting business needs.
Business Continuity	We are committed to maintaining operational resilience with Business Continuity Management (BCM) standards that equip us with the capability to respond effectively to business disruptions. We are cognisant of major risks of natural disasters, fire, pandemics, terrorism and cyber-attacks as well as the failure of critical equipment/systems and industrial accidents. On major incidents, the Group Incident Reporting and Crisis Management operating standard guides us in management and response, while our Business Continuity Plans address post-event mitigation. These are coordinated by management and the Group BCM Steering Committee, which provide sponsorship, direction and guidance to ensure a constant readiness-to-respond state. We continually extend and strengthen our capabilities in responding to major incidents/crises with the aim of safeguarding our people, assets, stakeholders' interests and the Company's reputation.	In 2020, the COVID-19 pandemic resulted in the activation of Group-wide business continuity plans to protect employees and other stakeholders, whilst maintaining key operations. A COVID-19 Taskforce, comprising key senior management across the Group, was formed to coordinate centralised and timely responses, as well as review scenarios to ensure stability of the Group's operations and supply chains. The Group is focused on the well-being of staff and stakeholders, ensuring that safe management measures are in place across facilities. We also recognise cyber threat as an emerging area of potential business disruption and maintain a Group Cyber Incident Response plan, which references local and international standards, and details our response and recovery protocols. Table-top exercises are also planned to validate the effectiveness of these protocols. We continue to monitor key disruptive threats to our business operations and adapt our plans to ensure operational resilience.

Material Risks	Issues	Mitigating Actions
OPERATIONAL RISKS		
Cyber Security & Data Protection GRI 418-1	As technology increasingly dominates business activities, we recognise the importance of cyber threats globally. Technology and data security risks, including outsourced services, are an integral part of the Group's business risk.	We have established a technology governance structure and risk framework to address both general technology and data security controls, covering key areas such as cyber security, business disruption, theft/loss of confidential data and data integrity. The Group continued to implement the Technology and Data Risk Management Programme in 2020. This involves the identification, assessment and management of critical technology and data assets according to leading industry guidelines such as those by the Cyber Security Agency of Singapore (CSA) and the US National Institute of Standards and Technology. The programme not only seeks to improve technology and data security standards but also to inculcate a culture of cyber awareness amongst employees. In 2020, the Group also embarked on various initiatives to continually strengthen our technology security, governance and controls through the refinement and alignment of our policies, processes and systems, as well as the consolidation of servers and storage. We worked closely with industry professionals to define a cyber security governance structure and enhance our information technology policies and practices to ensure alignment with industry standards. Extensive training and assessment exercises were conducted during the year to heighten overall awareness of technology and data threats. These include the safeguarding of critical corporate data assets against the loss of availability of critical systems to disruptions. In terms of use of technology, technical teams and experts from across the Group enable us to keep abreast of evolving technology. The response is either calibrated at each BU or managed strategically at the Group with the assistance of Keppel Technology & Innovation, which drives Group-wide adoption of new technology and innovation. The Keppel Technology Advisory Panel, comprising leading academics, researchers and advisors from a wide range of related industries, also regularly advises the Group in areas of technological innovation.
COMPLIANCE RISKS		
Laws, Regulations & Compliance GRI 205-1	Given the geographical diversity of our businesses, we closely monitor developments in relevant laws and regulations of countries where the Group operates to ensure compliance. We regularly keep updated on changes to laws and regulations, ensuring that we can assess our exposure and risks effectively, recognising that non-compliance with laws and regulations may have a detrimental effect on both the financial performance and reputation of Keppel.	Significant risk areas, such as those relating to potential corruption, are surfaced by management and where applicable, assessed by the Board. We are committed to enhancing our regulatory compliance policies and procedures to ensure that the Group maintains a high level of compliance and ethical standards in the way we conduct our business. Our emphasis is clear and consistently emphasised. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations. In 2020, we continued to make improvements to our regulatory compliance programme, refining our processes, broadening employee understanding, and ensuring that compliance awareness and principles are entrenched in all activities. We also recognise the importance of sanctions risks owing to the escalation of trade and other sanctions in many countries. More details can be found on pages 48 to 50 of this report.
FINANCIAL RISKS		
Fraud, Misstatement of Financial Statements & Disclosures	We maintain a strong emphasis on ensuring that financial statements are accurate and presented fairly in accordance with applicable financial reporting standards and frameworks.	Regular external and internal audits are conducted to provide assurance on the accuracy of financial statements and adequacy of the internal control framework supporting the statements. Where required, we leverage the expertise of the auditors we have engaged in the interpretation of financial reporting standards and changes. We also conduct regular training and education programmes to enhance the capabilities of the Group's finance managers. In 2020, we enhanced our internal control framework to support a more data-driven approach to control assessments. Deployment of the eCSA tool allowed all covered BUs to better review and report key control assessments and assurance activities, improving accuracy and transparency in the annual assurance process. Keppel's System of Management Controls framework outlines our internal control and risk management processes and procedures. For more details, please refer to pages 46 and 47 of this report.
Financial Management	Financial risk management relates to our ability to meet financial obligations and mitigate credit, liquidity, currency and interest rate risks. Details can be found on page 69 of the Company's Annual Report 2020. In this area, policies and financial authority limits are reviewed regularly to incorporate changes in the operating and control environment. We are focused on financial discipline and seek to deploy our capital to optimise risk-adjusted returns for shareholders, while maintaining a strong balance sheet to seize new opportunities.	In 2020, as global economies faced stresses from the economic impact of COVID-19, the Group maintained a proactive approach to liquidity management and averted short-term funding stresses that were affecting many organisations across markets. Our procedures include the evaluation of counterparties and other related risks against pre-established internal guidelines. We conduct impact assessments and stress tests to gauge the Group's potential financial exposure to changing market situations, to enable informed decision-making and the implementation of prompt mitigating actions. We also regularly monitor our asset concentration exposure in countries where we operate, to ensure that our portfolio of assets, investments and businesses are diversified against the systemic risks of operating in a specific geography.

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Screen 100% of all new suppliers in accordance with environmental, social and governance (ESG) criteria.

Refine the implementation of the ESG scorecard as part of the supplier screening process across the Group.

To have 100% of all qualified suppliers endorse the Keppel Supplier Code of Conduct.

2020 PERFORMANCE

Screened 100% of all new qualified suppliers in accordance with ESG criteria.

Rolled out ESG scorecard to majority of our suppliers as part of the screening process.

100% of qualified suppliers endorsed the Keppel Supplier Code of Conduct or had their own codes of conduct which met Keppel's requirements.

2021 TARGETS

Screen 100% of all new suppliers in accordance with ESG criteria.

To have 100% of all qualified suppliers endorse the Keppel Supplier Code of Conduct.

LONGER TERM TARGETS

Progressively expand tracking to include emissions from purchased goods and services as part of Keppel's Scope 3 emissions inventory.

Expand tracking to include significant water and waste impacts in the supply chain.

TOPICS

Screening suppliers

Supplier code of conduct

Due diligence

SDGs



WE WORK CLOSELY WITH STAKEHOLDERS IN OUR SUPPLY CHAIN TO POSITIVELY INFLUENCE THEIR SUSTAINABILITY PERFORMANCE.

OVERVIEW

GRI 103-1

The Group contracts local and foreign suppliers for our different businesses. We recognise the importance of supply chain risk management and sustainable procurement in building operational resilience, and we work closely with our suppliers to make a positive impact on their sustainability performance.

REPORT BOUNDARY

GRI 103-1

The data reported in this section covers global operations and all subsidiaries over which the Group has management control.

MANAGEMENT APPROACH

GRI 103-2 | 103-3 | 308-1 | 403-7 | 414-1

We adhere to local content requirements and are committed towards strengthening our base of local suppliers in countries where we operate. In doing so, we support domestic economic growth, generate employment opportunities and improve the capacities of the workforce in our host countries.

As part of Business Continuity Management, the Group has supplier diversification programmes in place and did not experience any major supply chain disruption arising from the COVID-19 pandemic and measures to contain its spread.

We are also progressively enhancing our identification and monitoring of the Scope 3 emissions generated by our supply chain.

SCREENING NEW SUPPLIERS

All suppliers are qualified in accordance with our requisition and purchasing policies, and screened based on ESG criteria. We review potential suppliers' industry reputation, track record, financial performance, security practices and certifications, with a preference for suppliers with certifications for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and OHSAS 18001 Occupational Health and Safety assessment series or

OUR SUPPLY CHAIN

GRI 102-9 | 102-10

Division	Description
Energy & Environment	Keppel Offshore & Marine (Keppel O&M) works closely with subcontractors to construct, convert and repair offshore energy and infrastructure assets and marine vessels in our yards. Equipment manufacturers supply large-scale equipment such as thrusters, engines, winches, switchgear and variable control systems, as well as specialised purpose-specific equipment such as cryogenic systems and offshore drilling equipment, for installation on the offshore and marine vessels Keppel O&M constructs for clients. We also procure shipyard-specific equipment such as cranes, forklifts, transporters and panel line systems. Bulk material suppliers supply us with steel plates, steel profiles, cables, piping and paint; and consumables such as fuel, grits and gases. Keppel Infrastructure engages consultants, system integrators, equipment manufacturers and suppliers, and subcontractors for the construction of plants and facilities and for the provision of environmental technology solutions. We also purchase raw materials, such as feedstock, to power the co-generation plant for our Energy Infrastructure business. In addition, we procure goods and services for the operations and maintenance of the plants and facilities.
Urban Development	Keppel Land engages consultants, contractors, and interior design firms to provide architectural and engineering design, construction and interior design services for our real estate developments. As a manager of real estate properties, we also employ facility management companies to service our commercial buildings.
Connectivity	Keppel Data Centres engages external contractors for the construction of new data centre facilities, and employs facility technician companies for regular equipment maintenance. Keppel Logistics engages contractors for transportation services, warehouse operations and facility maintenance. UrbanFox, our e-commerce logistics arm, engages crowdsourced drivers for last-mile delivery services through its online platform. M1 engages suppliers to support its supply of telecom equipment and services, terminals and devices, ICT solutions, software and computer hardware products, as well as cable installation. 88% of these suppliers are based in Singapore, in line with M1's primary market.
Asset Management	Keppel's asset managers engage subcontractors to ensure smooth operations and maintenance of the assets owned by the REITs and Trust. The supply chain for this business also includes mechanical and electrical equipment suppliers for some of our data centres, as well as property and facility management companies that provide building management, physical security, technical maintenance and routine cleaning services.

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

SUPPLIER SELECTION AND PERFORMANCE MANAGEMENT PROCESS



ISO 45001 Occupational Health and Safety Management System or the equivalent.

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 expected to sign and abide by the Keppel Supplier Code of Conduct, which covers areas pertaining to business conduct, labour practices, safety and health, and environmental management. All Group companies are required to include the code, which is available in multiple languages, as part of their supplier selection procedure. The supplier code of conduct is available on Keppel Corporation's website. In 2020, 100% of qualified suppliers endorsed the code or have their own codes which met Keppel's requirements.

Third-party associates of the Group that provide services on behalf of a Group company or engage in business activities on behalf of a Group company are required to abide by Keppel's rules of business conduct. The rules specify the Group's policy regarding ethical conduct and compliance with laws, anti-corruption, gifts and hospitality, and donations and contributions.

The Group completed the implementation of its enterprise resource system enhancement initiative in 2020. The enhanced system provides procurement managers across the Group with visibility on suppliers that have been qualified by other business units.

In 2019, the Group established an ESG scorecard to consolidate key ESG data

of our suppliers, which allowed us to assess and monitor their sustainability performance. In 2020, the Group began efforts to digitalise the data collection process to enhance efficiency. Keppel O&M, including its overseas entities, has included the ESG scorecard as part of its supplier qualification process. We are working to progressively implement the ESG scorecard across the rest of our business units with a goal to complete the implementation by the end of 2021.

Keppel recognises the challenging environment faced by many small and medium enterprises (SMEs) as a result of COVID-19. We work with a network of about 3,000 SMEs in Singapore. Over a period of six months in 2020, we supported these SMEs financially by expediting payments regardless of the previously-agreed terms, waiving some requirements relating to unfulfillment of contractual liquidated damages, and providing a series of measures to support tenants in our commercial properties to help improve their cashflow. We also worked closely with our subcontractors to ensure compliance with the evolving Ministry of Manpower and Ministry of Health guidelines on the living conditions, health, safety and welfare of workers.

DUE DILIGENCE

Keppel is committed to managing the inherent risks arising from our supply chains. The assessment of supplier risks and due diligence measures undertaken by the Group is an ongoing process which takes place throughout the lifecycle of a supplier relationship.

For example, Keppel O&M conducts regular audits of resident subcontractors to ensure their adherence to the International Labour Organisation's declaration on fundamental principles and rights at work and Singapore's Ministry of Manpower Marine Sponsorship Scheme requirements for the employment of local and foreign employees.

The scope of these audits includes fair remuneration, living standards, workplace safety and abuse and harassment. Keppel O&M ensures that monthly interviews are done directly with subcontract workers on a rotational basis to determine their levels of satisfaction pertaining to the above topics. The respective management of the subcontractor companies are then required to address any areas of concern, under a structured mechanism of monitoring and close out.

Migrant workers are an important part of Keppel O&M's workforce. In line with our efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agents earlier this year to require that they abide by the Dhaka Principles for Migration with Dignity on a going forward basis. The Dhaka Principles are a set of human rights-based principles to enhance respect for the rights of migrant workers from the moment of recruitment, during overseas employment, and through to safe return to home countries. The principles include no charging of recruitment or placement fees to migrant workers, the provision of clear and transparent worker contracts and safe and decent living conditions, among others.

Keppel Land has in place a five-step supply chain management process that covers the whole lifecycle of its project from its initiation and design development stages to subsequent construction and operation stages.

For all project sites covered under the scope of Keppel Land's environmental management system, contractors are required to conduct impact assessment based on activities at the project site prior to construction. The assessment covers potential negative environmental impacts, including depletion of resources, biodiversity disturbance as well as air, water and noise pollution. Contractors are required to establish and implement appropriate measures to mitigate and/or prevent significant environmental impacts.

Keppel Land also conducts regular site visits and internal audits as part of its supplier due diligence process. All site audits, which focused mainly on environmental and safety compliance, were conducted in accordance with the prevailing COVID-19 safe management measures in the respective countries. When lapses are identified, the company's project team works closely with contractors to implement corrective action plans and preventive measures.

Identifying and auditing high ESG-risk critical suppliers enable us to allocate our resources to suppliers whom we can have the greatest impact on and support in improving their sustainability practices and performance.

In 2019, we developed an audit framework to manage sustainability risks among our critical suppliers. Critical suppliers are determined by the following factors: cumulative order value, single order value and order volume, and other business criteria such as component criticality and non-substitutable products or services. ESG risks are assessed based on a country risk perspective in areas such as human rights, corruption, and the country's environmental regulatory framework. Sustainability audits will be conducted for high ESG risk critical suppliers, and corrective action plans will be implemented where necessary.

BUILDING CAPABILITIES

GRI 403-7

We work closely with our suppliers and contractors to maintain high standards of conduct throughout our business engagements. All our employees, including procurement and subcontracting staff, are required to abide by the Keppel Group Code of Conduct and undertake refresher training on the code on an annual basis. The e-training comprises all the elements within the code of conduct, including anti-corruption and gifts and hospitality policies.

Forums and dialogue sessions with suppliers and contractors are held regularly to ensure alignment between the Keppel Supplier Code of Conduct and the respective codes of conduct of our suppliers and contractors, share experiences, and communicate our expectations regarding performance. Our business units have incentive programmes that reward and recognise contractors with exemplary HSE performance.

Keppel O&M conducts outreach programmes and briefings to subcontractor workers to inform them of their employment rights, and the available channels to report any violation of their rights. The Company also collaborates with Singapore's Ministry of Manpower to raise awareness among subcontractors on the common breaches in the industry in relation to the requirements under the Marine Sponsorship Scheme.

In addition to face-to-face briefings at work sites, we use multiple communication channels, such as virtual meetings and regular email broadcasts, to effectively reach out to our suppliers and contractors.

To help prevent the spread of the pandemic, we enhanced efforts to communicate with our contractors and subcontractors on COVID-19 regulations and safe management measures implemented at each work site. Many of our contractors and subcontractors chose to house their workers within dormitories operated by Keppel Housing, which deployed resources to ensure the highest levels of cleanliness and hygiene within the dormitories. For more details, please refer to pages 78 and 79 of this report.

PRODUCT QUALITY AND SAFETY



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Invest at least 20% of R&D expenditure on sustainability-linked innovation.

Continue to drive innovation and seize new opportunities through synergistic partnerships.

Certify products and services to sustainability-related standards and protocols.

2020 PERFORMANCE

Invested over 30% of R&D expenditure on sustainability-linked innovation in 2020.

Achieved high levels of customer satisfaction across our business units.

Majority of our key business units are certified to meet the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management System.

2021 TARGETS

Invest at least 20% of R&D expenditure on sustainability-linked innovation.

Continue to drive innovation and seize new opportunities through synergistic partnerships.

Certify products and services to sustainability-related standards and protocols.

LONGER TERM TARGETS

Invest 50% of R&D expenditure on sustainability-linked innovation by 2030.

TOPICS

Innovation

Product quality

Product safety

Customer satisfaction

SDGs



WE DRIVE INNOVATION AND EXERCISE DUE CARE AND DILIGENCE IN THE DESIGN, CONSTRUCTION AND OPERATION OF OUR PRODUCTS AND SERVICES.

OVERVIEW

GRI 103-1

As a provider of solutions for sustainable urbanisation, Keppel is committed to delivering the best value proposition to its customers through execution excellence and technology innovation, whilst prioritising customer safety.

We continue to drive innovation and tap on our businesses' knowledge and expertise in various fields such as engineering and technology development to seize new opportunities. These include meeting the growing demand for cleaner energy and renewables as the world transitions to a lower-carbon economy.

The health and safety of our customers in relation to the use of our products and services are of utmost importance to us. We exercise due care and diligence in the design, construction and operation of our

products and services to ensure that they are safe for our customers.

REPORT BOUNDARY

GRI 103-1

The boundary for the material topic of product quality and safety includes the Group's major subsidiaries in Singapore and overseas operations in which the Group has management control.

MANAGEMENT APPROACH

GRI 103-2 | 103-3 | 416-1

PRODUCT QUALITY

The ISO 9001 management system is based on quality management principles including strong customer focus, a process approach and continuous improvement.

Exemplifying a commitment to execution excellence, 100% of Keppel Land's projects under development in Singapore, China

CUSTOMER FEEDBACK 2020 (NON-EXHAUSTIVE)

GRI 102-43

Division	Feedback Process	2020 Outcomes
Energy & Environment	Keppel Shipyard conducted customer service satisfaction surveys for 208 completed projects in Singapore.	Achieved an average customer satisfaction score of 5.7 out of 6.
	For Keppel FELS, customer surveys were conducted once every four months to track customer satisfaction at each project phase.	Achieved an average customer satisfaction score of 5.1 out of 6.
	Keppel Logistics conducts annual customer surveys.	Maintained a customer engagement score of 100% in Singapore.
	Keppel Data Centres conducts an annual customer survey for its customers in Singapore and Frankfurt, Germany.	Achieved an average customer satisfaction score of 83.4%.
	Keppel DHCS conducts customer satisfaction surveys.	Achieved an average customer satisfaction score of 93.9%.
	Keppel Electric's residential customers are surveyed by the Energy Market Authority to understand customers' satisfaction with their electricity retailer.	Achieved an average customer satisfaction rating of 3.5 out of 5 among residential customers who switched to or renewed their contracts with Keppel Electric.
Urban Development	Keppel Land conducted service quality surveys for nine completed projects in China and Indonesia.	94.6% of respondents indicated that they were satisfied with the services rendered in the management and operation of the developments.
Connectivity	M1 consolidates customer feedback through its 24-hour hotlines, retail outlets, letters to media and social media. It also measures customer experience using a Net Promoter Score (NPS).	Achieved a 23% improvement in NPS in December 2020 compared to January 2020.
Asset Management	Keppel REIT conducted tenant satisfaction surveys for its properties in Singapore and Australia.	Achieved an average tenant satisfaction score of 86.5%.

PRODUCT QUALITY AND SAFETY

GREEN MARK AWARDS

87

Building & Construction Authority (BCA) Green Mark Awards achieved by Keppel Land to date.

SUSTAINABILITY INNOVATION

>30%

Of R&D expenditure invested in sustainability-linked innovation.

and Vietnam, and about 70% of Keppel Infrastructure's global operations have been certified to meet the ISO 9001 management system. As of 2020, Keppel Logistics' operations in Singapore as well as Keppel Data Centres' Keppel DC Frankfurt 1 facility in Germany are also ISO 9001 certified.

Keppel Shipyard is also certified to the ISO 9001 management system. It regularly monitors and reviews its operational processes to improve efficiencies and increase productivity, and conducts periodic surveys to understand customer needs and enhance its products and services accordingly. In addition, Keppel Shipyard is certified to the Singapore Quality Class STAR with People-Business Excellence standard, for its excellent management practices, commitment towards continuous improvement and sustainable business performance.

Ongoing efforts such as regular reporting, annual capacity tests and audits help to further ensure the quality and reliability of the company's products and services. Regular surveys and reviews are conducted to understand customers' needs and enhance products and services accordingly. Our B2C businesses, such as M1 and Keppel Electric also regularly conduct training for staff to continuously enhance customer service.

CUSTOMER HEALTH & SAFETY

Customer health and safety impacts are assessed for improvement in all our significant product and service categories, and throughout the products' life cycles.

We consider proper design, handling, storage and disposal of materials as early as the planning stage. At the project execution stage, we carry out project reviews and quality assurance programmes. In terms of product safety, we adhere to design for safety regulations for our construction projects. Our hazard identification and risk assessment methodologies are reviewed regularly to ensure effectiveness and relevance.

In our business units, functional divisions, including health, safety & environment (HSE), commercial, engineering, and operations, as well as project and plant managers, are responsible for the oversight of product and service safety.

All operational management and quality control systems at Keppel Offshore & Marine (Keppel O&M) are aligned based on the company's business excellence roadmap and framework. Clients are briefed on the management systems in place to address project-specific HSE risks. This includes the development of HSE and emergency plans which detail how risks will be managed at each phase of the project. Regular site audits are conducted

by the client and our project teams to ensure compliance to the client's HSE standards.

In response to COVID-19, Keppel's environmental infrastructure operations and maintenance teams effectively implemented the necessary business contingency plans and safe management measures to ensure continuity of the essential services it provides. These included split team arrangements and extra temporary living arrangements for its workers. Through the diligence and hard work of the local and overseas teams, Keppel Infrastructure delivered uninterrupted operations safely across its operations in 2020.

Keppel Land has adopted the guidelines on design for safety in buildings and structure for all its new projects in Singapore since 2008. The guidelines are in line with the Singapore Workplace Safety and Health Council's design for safety regulations, which have been implemented since 2016. The guidelines require safety and health risks to be incorporated into the early conceptual and planning phases of a project, enabling designers and consultants to reduce these risks through good design and effective project planning.

M1 is certified to the ISO 22301:2012 Business Continuity Management System. This standard is designed to help organisations prepare for, respond to and recover from unexpected and disruptive incidents. In 2020, M1 conducted an internal surveillance audit exercise for the IMDA Data Protection Trustmark certification. It also conducts e-learning training to ensure all staff are well-versed in the area of personal data protection.

FOSTERING INNOVATION

Established in 2004, the Keppel Technology Advisory Panel (KTAP) includes eminent business leaders and industry experts from across the world. KTAP members provide technology foresight for Keppel, advise on strategic projects and provide contacts to broaden Keppel's networks.

In 2020, KTAP focused on the Vision 2030 themes of Energy & Environment, Urban Development, Connectivity and Asset Management, with individual topics dedicated to the Vision 2030 growth engines. These topics included the energy transition and the resultant opportunities in renewable energy such as offshore wind and hydrogen; the increasing demand for PropTech across asset classes; the 5G eco-system, as well as the changes in consumer behaviour and lifestyle as a result of COVID-19, amongst others. This lays the foundation for Keppel's transformation plans to be one integrated business and a provider of end-to-end solutions for sustainable urbanisation.

Keppel Technology & Innovation (KTI) is the Group's platform to co-create and incubate ideas, and serves to sharpen the Group's focus on innovation. KTI aims to transform how Keppel harnesses technology and innovation to create value for our stakeholders, including innovation in business models and the way we work, as well as how we collaborate with third parties to accelerate change.

In 2020, KTI focused on supporting Keppel's Vision 2030 through technology and stepped up efforts to assist major business units with their digital transformation efforts, contributing expertise and guidance towards various strategic projects. KTI and the Group Health, Safety & Environment division partnered multiple business units, including Keppel O&M, Keppel Land, M1 and Keppel Logistics, to pilot an integrated digital safety management system to kickstart Keppel's Safety 4.0 journey with GOARC, an artificial intelligence safety platform provider. Following the success of the pilot, the system will be rolled out across the Group in 2021. KTI also collaborated with Keppel Capital to explore the automation of asset management reporting systems, and assisted Keppel Land to implement digital initiatives in China.

In 2020, over 30% of the Group's R&D expenditure was invested in sustainability-linked innovation, such as energy efficient technologies, and zero energy and smart buildings.

Keppel is collaborating with organisations in Singapore and around the world to explore and innovate solutions to build a sustainable future.

With the support of the National Research Foundation, Keppel Telecommunications & Transportation signed a memorandum of understanding (MOU) with other industry leaders, namely, Chevron, Pan-United and Surbana Jurong, to harness their combined resources and jointly develop the first end-to-end decarbonisation process in Singapore. The collaboration aims to accelerate the development of a highly integrated clean and energy efficient carbon capture, utilisation & sequestration system that can help advance a low-carbon economy and be applied to potential commercial developments in Singapore. In the same vein, Keppel is also exploring the development of floating data centre solutions as well as other innovative approaches including a cold energy harnessing facility and a hydrogen powered tri-generation plant to reduce the carbon footprint of data centres.

COMPLIANCE

GRI 416-2

Keppel subscribes to best practices and complies with all applicable legislations and requirements.

Keppel is not aware of any violation of laws, regulations and voluntary codes pertaining to the health and safety of its products and services in 2020.

Keppel's business units abide by the Singapore Code of Advertising Practice by the Advertising Standards Authority of Singapore, as well as similar codes overseas.

In May and December 2020, M1 experienced fibre service disruptions. In September 2020, the Infocomm Media Development Authority (IMDA) issued a financial penalty of \$400,000 on M1 for the service disruption in May. All affected users received a one-week rebate on their home broadband fees, and extra measures were taken to prevent recurrence of such incidents. The incidents in December are still pending investigations by IMDA as at end-April 2021. Separately, M1 reported one data breach incident to the Personal Data Protection Commission Singapore. Immediate steps were taken to contain and remedy the breach, and impacted customers were informed.



M1 partnered with the Infocomm Media Development Authority, the Maritime and Port Authority of Singapore and Airbus to conduct coastal 5G network trials for Urban Air Mobility operations. The partnership continues Singapore's efforts to build an open and inclusive 5G innovative ecosystem around the use cases of port operations, and incident management and response.

OCCUPATIONAL SAFETY AND HEALTH



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Execute our Zero Fatality Strategy and achieve zero workplace fatalities across our global operations.

Strengthen efforts to promote occupational health and prevent workplace diseases.

To complete global High Impact Risk Activities (HIRA) standards compliance audits for at least one site at each of Keppel's business units.

Roll out electronic safety management system across business units in Singapore.

2020 PERFORMANCE

Started including data on occupational health in annual reporting of safety statistics.

Global HIRA standards compliance audits have been planned to commence in 2021.

A new electronic global Health, Safety & Environment (HSE) system, with various technologies in proof of concept and user acceptance testing stages, is being evaluated for rollout.

Suffered one fatality in Singapore.

2021 TARGETS

Continue to execute our Zero Fatality Strategy and achieve zero workplace fatalities across our global operations.

Continue efforts to promote occupational health and well-being of workforce.

Commence roll-out of Safety 4.0 digital transformation programmes.

LONGER TERM TARGETS

Achieve zero workplace fatalities across our global operations.

Operate workplaces that are safe, productive and smart, harnessing Safety 4.0 technologies digital transformation programmes.

TOPICS

Management systems

HIRA and incident investigation

Occupational health services

Worker participation, consultation and communication

Worker training

Promotion of worker health

SDGs



SAFETY IS OUR CORE VALUE. WE ARE COMMITTED TO PROVIDING SAFE AND HEALTHY WORKPLACES FOR ALL OUR STAKEHOLDERS.

OVERVIEW

GRI 103-1

Safety is a core value at Keppel, an integral part of our business, and a key focus area for our board of directors and senior management. We are committed to providing safe and healthy workplaces for all our stakeholders.

Processes and systems are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our contractors and subcontractors to ensure that they understand our requirements and expectations.

REPORT BOUNDARY

GRI 103-1

The boundary for the material topic of occupational safety and health includes the Group's major subsidiaries in Singapore and overseas operations in which the Group has management control.

MANAGEMENT APPROACH

GRI 102-13 | 103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7

We focus on strengthening our frameworks and management systems as well as

promoting a culture of safety ownership across our operations.

BOARD & MANAGEMENT OVERSIGHT

Keppel Corporation was the first publicly listed company in Singapore to establish a Board Safety Committee (BSC) in 2006. In 2020, the BSC was chaired by Mr Tan Ek Kia, then a non-executive and independent director of Keppel Corporation, who retired from the Board in April 2021. The BSC is currently chaired by Mr Teo Siong Seng, a non-executive and non-independent director of Keppel Corporation. The BSC adopts a hands-on approach in setting the strategic direction and establishing a safety framework to ensure that consistently high safety standards are maintained across our business units. Major incidents are also shared and discussed at quarterly BSC meetings to prevent recurrence.

The BSC leads efforts to implement initiatives and improve performance with the support of the Keppel Group HSE Committee, which comprises representatives from all our business units.

WORKPLACE SAFETY & HEALTH AWARDS

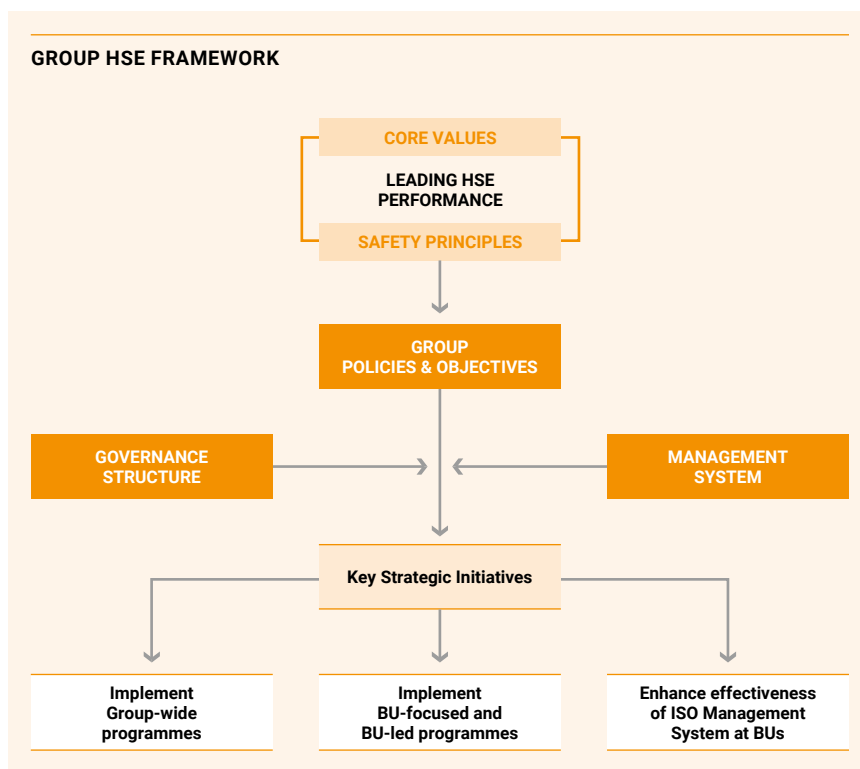
21

Conferred on Keppel by Singapore's Ministry of Manpower and WSH Council at the WSH Awards 2020, the highest number of awards won by a single organisation in the year.

INVESTMENT

\$22m

Invested to enhance safety-related infrastructure, upgrade systems and build knowledge across the Group.



OCCUPATIONAL SAFETY AND HEALTH

Our key business units have also established their own respective BSCs to oversee safety strategy and practices.

In 2020, Keppel Corporation's BSC and the BSCs of our business units conducted safety visits at four worksites in Singapore to engage staff. No overseas visits were conducted in view of travel restrictions due to the COVID-19 pandemic. Instead, the BSC was regularly updated by the Keppel Group HSE Committee on developments on the ground.

STRATEGY, POLICY & MANAGEMENT SYSTEMS

Our approach to safety management is guided by the Keppel Zero Fatality Strategy. Introduced in 2016, the strategy outlines actionable items to reduce workplace fatalities to zero through five strategic thrusts. The Group also introduced the Group HSE Framework in 2020, which articulates the Group's HSE vision and how it aligns with the Company's core values, safety principles, as well as policies and objectives, in order to drive the safety agenda across the Group and allow Keppel to achieve leading HSE performance across the industries we are in.

KEY SAFETY INITIATIVES

Every year, we aim to implement several key initiatives to strengthen our safety culture across the Group. In 2020, we:

- Embarked on a global transformation programme to digitalise and streamline our key HSE systems and processes;
- Launched a proof of concept to leverage technology such as data analytics and artificial intelligence to gather data and provide real-time insights of risk patterns;
- Sharpened our focus on occupational health and the well-being of our employees;
- Continued to execute the Zero Fatality Strategy; and
- Completed the migration of our health & safety management system to the new ISO 45001:2018 standard for major business units.

The effectiveness of our management approach is reviewed regularly. During the annual HSE Roundtable, senior management from across the Group share insights and best practices, and exchange ideas to improve safety performance. The action plan generated during the session is incorporated into the Group's safety roadmap and strategies.

All employees and contractors at the worksites of the Group's companies where Keppel has operational control are covered by our HSE management systems. All employees and

third-party suppliers and contractors are also expected to abide by the Keppel Corporation HSE Policy, which places the highest priority on the health and safety of people and the protection of assets and the environment.

Our safety management system is routinely audited by independent certification bodies/ companies and internal audit teams. For example, Keppel Offshore & Marine's (Keppel O&M) cross-business unit audits, and Keppel Infrastructure's inspection for Safety Compliance Assurance (iSCA), ensure that policies and management systems are adhered to and that safety standards across operations are aligned.

The Group strives to achieve safety certifications in line with global best practices. As part of the Group's continuous improvement efforts, we are working to meet the requirements under the new ISO 45001 Occupational Health and Safety Management System which provides a robust set of processes for improving safety in global supply chains. To date, Keppel O&M's yards in Singapore, Brazil, China and the Philippines; Keppel Housing; Keppel Infrastructure; Keppel Land's Singapore, China, and Vietnam divisions; as well as our five data centres in Singapore have achieved ISO 45001 certification.

In addition, Keppel Logistics is certified to meet the hazard analysis and critical control point management system. Our Keppel DC Singapore 1 and 2 data centres are also certified to meet the Singapore Standard for information and communications technology disaster recovery services.

HAZARD IDENTIFICATION & RISK MANAGEMENT

Across the Group, we establish and implement procedures to identify, assess and mitigate safety and health hazards related to our operations.

As part of hazard identification and risk management, our operational and safety teams conduct periodic workplace inspections and internal audits. Training is conducted to equip HSE personnel with the skills to effectively manage safety risks. Union workers and subcontractor representatives are invited to participate in meetings where the identification of hazards, assessment of risks and the application of control measures are discussed. For business units whose workers do not belong to unions, worker representatives are nominated by the various departments to participate in monthly safety committee meetings.

Keppel's operations are guided by five key safety principles:

1. Every incident is preventable;
2. HSE is an integral part of our business;
3. HSE is a line responsibility;
4. Everyone is empowered to stop any unsafe work; and
5. A strong safety culture is achieved through teamwork.

Findings from our risk assessments are considered in the determination of facility requirements, training programmes and operational controls. For example, Keppel Infrastructure's process safety management techniques incorporate

GROUP HSE STRUCTURE



the use of the Bow-tie model as well as hazard and operability studies to identify and assess likely events that can result in critical failures.

We are also leveraging technology to drive improvements in our hazard and risk management, which is a key pillar of our Zero Fatality Strategy. Group HSE is collaborating with Keppel Technology & Innovation to explore the use of various analytics and business intelligence tools to harness data from incidents, identify hazards, as well as conduct safety reporting, observations and inspections.

Keppel O&M and M1, together with other partners, are working on the software and hardware of a smart wearables initiative to improve workforce safety and productivity. Samsung smart watches equipped with features such as heart rate monitoring and fall detection have been distributed to workers. If a wearer is in distress, an SOS signal can be triggered via the smart watch to seek immediate assistance. The smart watch is able to provide the real-time position of the wearer for emergency response teams, should incidents occur, and is also equipped with features to facilitate COVID-19 Safe Management Measures. Geofencing, for instance, creates a virtual geographic boundary to ensure that workers operate in their assigned work zones to support safe distancing. Workers entering an unassigned work zone and risking possible cross-contamination will receive a notification on their smart watch to return to their designated zones.

To protect workers from potential health hazards, hearing conservation and respiratory protection programmes are implemented at certain sites with higher risk levels. To protect against noise-induced hearing loss, employees with exposure to noise are required to wear hearing protection gear and are screened at annual audiometric tests conducted by a mobile medical unit.

During the daily Take 5 toolbox meeting, workers are briefed on work-specific hazards including proper ergonomic practices in material handling. For example, at Keppel Shipyard, fit tests are conducted to ensure that respirators used are in good condition and correctly fit each user before usage.

PROMOTION OF WORKER HEALTH

Keppel employees have been receiving regular updates from Keppel's Group Business Continuity Management Committee and Group Risk & Compliance on the steps that the Group is taking to protect its staff and other stakeholders, as well as ensure business continuity during the COVID-19 pandemic.



We are leveraging technology and have embarked on a global transformation programme to digitalise our HSE systems and processes, as a key pillar of our Zero Fatality Strategy.

Following the start of the pandemic, the Group rolled out a series of measures, including more frequent cleaning of office facilities, temperature screening, split teams, alternative work sites, safe distancing and working from home where practical. In addition, across the Group's business units, pandemic representatives have been identified and trained in the protocols and procedures to handle confirmed and suspected cases of COVID-19. Training topics include isolation, evacuation and contract tracing. The Group also has a pool of crisis first responders that are trained to provide emotional and psychological support to affected staff. These measures are not new to Keppel as our various sites have been holding pandemic preparedness exercises over the years as part of business continuity plans to minimise disruptions.

In early 2020, Keppel Capital issued its entities with specific guidelines on handling infectious pandemic diseases to help them manage the emerging risk of rising COVID-19 cases. They also launched a series of COVID-19 safety messages online to keep staff morale up and remind frontline

workers to stay vigilant at work as businesses and assets in some entities under Keppel Capital continued to operate during the COVID-19 lockdown in Singapore as they were providing essential services.

In March 2021, Ocean Financial Centre, which is managed by Keppel Land, also became the first commercial development in Singapore to achieve the WELL Health-Safety Rating by the International WELL Building Institute. The award recognises building owners that take necessary steps to prioritise the health and safety of their staff, visitors and stakeholders during the COVID-19 crisis and in the long-term.

At our worksites, it is mandatory for all workers, including contract workers, to be covered by work injury compensation insurance prior to starting work. In-house medical centres are also located in all our shipyards. Across the Group, our contractors partner with clinics to provide contract workers with access to medical care.

Keppel also promotes the wellness of its workforce through programmes that

OCCUPATIONAL SAFETY AND HEALTH

address physical and mental health-related risks. Voluntary health promotion programmes and services across the Group include a smoking cessation hotline, healthy snacks in pantries and canteens, as well as fitness classes. Regular health talks on stress management and diabetes prevention, among others, are organised at various work sites.

Dormitories housing migrant workers are also equipped with gyms and sports facilities such as basketball, badminton and street soccer courts to promote healthy lifestyles. Keppel O&M conducts regular dormitory visits to engage workers on health and safety issues.

Keppel Shipyard offers holistic health and medical services and is equipped with a pharmacy, counselling rooms and designated rest areas. To provide workers with conducive environments to rest during breaks, Keppel Shipyard built three 4-storey rest areas, which can each accommodate up to 2,000 workers. The occupancy of the rest areas has been lowered during the pandemic, in line with prevailing safe management measures.

In addition, the Keppel Wellness Gallery at Keppel Shipyard features interactive health exhibits to educate employees on the importance of having proper nutrition, active lifestyles and good mental health.

ENHANCING SKILLSETS

We empower and train our stakeholders to ensure that all personnel are updated on safety measures and best practices, including migrant workers who are an important part of our workforce. In 2020, we invested approximately \$22 million in enhancing safety-related infrastructure, upgrading systems and building knowledge and skillsets across the Group.

All personnel entering any Keppel-operated site must attend a site-specific safety induction to gain familiarity on the basic safety requirements and potentially hazardous on-site activities or situations. In addition, all workers must undergo HIRA training which covers high-risk activities specific to each work site.

The Keppel Safety Training Centre at Keppel O&M in Singapore offers a complete range of training and certification courses in both trade-specific and broad-based skills for all levels of the workforce. The centre is equipped with classrooms, an e-learning zone, and a hall with multimedia and interactive training stations. It also features a life-size replica of the mid-section of a tanker with various technical training areas. The centre offers key training modules

such as core competency and leadership development programmes, and workforce skills qualification courses certified by the Singapore Workforce Development Agency, which are conducted by qualified, full-time instructors. This model has been replicated at our yards in Brazil, China, the Philippines and the United States.

In 2020, the Keppel Safety Training Centre developed four augmented reality and virtual reality modules, to be integrated into the safety training curriculum to enhance employees' learning experience. Training sessions simulate the safety decision making process that employees are likely to face onsite. Through various safety scenarios, trainees can virtually experience the impact of falling from height, flash fires, and being hit by moving objects if they do not follow safety guidelines.

Keppel Infrastructure was awarded the in-house Approved Training Organisation status by SkillsFuture Singapore in June 2020. In the same year, M1 developed HSE e-learning modules and assessments for all staff. As part of the Group's commitment to sharing safety knowledge and best practices, Keppel Capital also shared its experience with other business units in managing Safety Case Regimes for Major Hazard Installations (MHI) under Singapore's Ministry of Manpower regulations, as well as chemical storage and handling.

At Keppel Land, Safety Awareness Centres (SAC) are built to provide mandatory training for contractors' employees and foster a safety culture across Keppel Land's supply chain for the duration of the project's construction. Keppel Land's mobile centre in Wuxi, China, is deployed to Keppel's various offices and worksites in China to enhance safety awareness. We are currently also designing an SAC to be built to support the Saigon Sports City development in Ho Chi Minh City, Vietnam.

ENGAGING STAKEHOLDERS

We work closely with all stakeholders, including our contractors, subcontractors, customers, suppliers, regulators and industry associations, to maintain high safety standards throughout our workforce. Our subcontract workers undergo the same training as direct employees.

To collectively raise industry standards and stay abreast of industry best practices, members of Keppel's management and safety representatives are members of various councils and committees of the Workplace Safety and Health (WSH) Council, such as the WSH (Marine Industries) committee, WSH (Construction and Landscape) committee, National Work

at Height Taskforce, related industrial associations such as the Association of Singapore Marine Industries and Real Estate Developers' Association of Singapore; as well as Singapore Standards Council's General Engineering and Safety Standards.

As a bizSAFE partner, Keppel O&M actively encourages contractors to progress through the levels of the bizSAFE programme. Since 2018, Keppel O&M has imposed a bizSAFE Level 4 (second-highest) certification requirement for resident contractors before they are able to undertake work at our yards. Keppel Infrastructure's key subsidiaries, as bizSAFE partners, also imposed bizSAFE Level 3 for all local supplier of services and bizSAFE Level 2 for all local supplier of goods. Under the guidance by Keppel DHCS' O&M management team, some contractors have attained bizSAFE Star.

In accordance with the Company's HSE policy, business units are required to report and investigate all accidents, incidents and near misses, and ensure that lessons learnt are shared to prevent any recurrence. All Group companies where Keppel has operational control are required to report incidents, including those that involve third parties such as contractors, clients and visitors at our premises, as well as employees working at third-party sites or commuting for work-related purposes.

At worksites, safety time-outs are conducted immediately after an incident occurs to heighten awareness among the involved work groups. Reportable incidents and high potential near misses are also promptly reported to senior management.

PERFORMANCE

GRI 403-9 | 419-1

In 2020, the Group reported a total accident severity rate (ASR) of 76 man-days lost per million man-hours, up from 12 man-days in 2019; and a total accident frequency rate (AFR) of 0.27 accidents per million man-hours in 2020, up from 0.18 in 2019¹.

Despite our best efforts, the Group recorded one fatality for its global operations in 2020. The incident was associated with vessel propulsion works in one of Keppel O&M's shipyards in Singapore. We are deeply saddened by the loss of our colleague. An immediate stand-down was conducted for the work group involved. An investigation team was formed to thoroughly investigate the root causes, which were related to working in the line of fire and lifting operations. We determined the contributing factors and identified steps to prevent similar incidents in the future. Lessons learnt were shared across the Group.

PERFORMANCE

GRI 403-9

		Direct Workforce	Contract Workforce	Total
2020	AFR (reportable accidents per million man-hours)	0.32	0.24	0.27
	ASR (man-days lost per million man-hours)	167	8	76
	Occupational Disease Frequency Rate	0	0	0
	Total Recordable Incident Rate	1.11	1.55	1.36
	Lost Time Injury Frequency	0.45	0.63	0.55
	High-consequence incidents (excluding fatalities)	41	5	46
	Fatal Injury Rate (fatal injuries per 100,000 employed persons)	7.62	0	3.25
	Number of man-hours	37,812,161	50,840,374	88,652,535
2019	AFR (reportable accidents per million man-hours)	0.17	0.18	0.18
	ASR (man-days lost per million man-hours)	11.46	12.13	12
	Occupational Disease Frequency Rate	0	0	0
	Total Recordable Incident Rate	3.59	1.97	2.49
	Lost Time Injury Frequency	0.40	0.89	0.73
	High-consequence incidents (excluding fatalities)	0	3	3
	Fatal Injury Rate (fatal injuries per 100,000 employed persons)	0	0	0
	Number of man-hours	34,820,644	70,547,675	105,368,319
2018	AFR (reportable accidents per million man-hours)	0.27	0.23	0.25
	ASR (man-days lost per million man-hours)	6	101	63
	Fatal Injury Rate (fatal injuries per 100,000 employed persons)	0	4.4	2.7
	Number of man-hours	40,708,241	65,307,115	106,015,356
2017	AFR (reportable accidents per million man-hours)	0.12	0.09	0.10
	ASR (man-days lost per million man-hours)	233	80	140
	Fatal Injury Rate (fatal injuries per 100,000 employed persons)	11.1	3.6	6.5
	Number of man-hours	51,968,923	79,087,378	131,056,301
2016	AFR (reportable accidents per million man-hours)	0	0.14	0.15
	ASR (man-days lost per million man-hours)	295	230	254
	Fatal Injury Rate (fatal injuries per 100,000 employed persons)	13.7	10.9	12
	Number of man-hours	62,851,897	105,712,508	168,564,405

The Group reported a total of 23 safety incidents² in 2020, of which 11 incidents involved our direct workforce and 12 incidents involved our contractors. The top three incident types are:

- Caught in between objects;
- Struck by moving objects;
- Slips, trips and falls.

In 2020, 46 insurance pay-outs were made under Work Injury Compensation Schemes, due to high-consequence³ incidents that occurred either in or before 2020.

All work-related incidents are jointly investigated by the operational and safety

teams. Where appropriate, an independent team is set up to investigate fatal and high potential incidents. All incident investigations include an account of the events leading up to the incident, how it occurred and post-incident actions, as well as a root cause analysis (RCA), based on the Keppel RCA methodology that was developed in-house, and corrective action plans to prevent recurrence.

All of the Group's operational entities monitor occurrences of occupational disease at their individual sites based on their region's regulatory requirements. In 2020, no workers were diagnosed with Noise Induced Deafness, a major risk for the industries that Keppel is involved in.

¹ Accident Frequency Rate (AFR) = $\frac{\text{no. of workplace accidents reported}}{\text{no. of man-hours worked}} \times 1,000,000$

Accident Severity Rate (ASR) = $\frac{\text{no. of man-days lost to workplace accidents}}{\text{no. of man-hours worked}} \times 1,000,000$

² A workplace accident that results in the injury of an employee who is given more than three consecutive days of medical leave or hospitalised for at least 24 hours; or a workplace accident that results in the injury of a self-employed person or non-employee who receives treatment in hospital.

³ A high-consequence incident is one from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months (e.g. amputation of limb, fracture with complications). This definition is adopted across Keppel's global operations.

OCCUPATIONAL SAFETY AND HEALTH

During the year, the Group paid two significant¹ fines amounting to a total of \$260,000 in relation to two fatal accidents involving contractors at one of Keppel O&M's shipyards in Singapore in March and May 2014. The Group also paid two fines amounting to \$55,000 in relation to noisy activities at one of Keppel Land's construction sites in Singapore in February 2020. Immediate rectification actions and mitigation measures were taken to prevent recurrence.

RECOGNITION

The Group was conferred 21 WSH Awards in 2020 by Singapore's Ministry of Manpower and the WSH Council. This is the highest number of awards won by a single organisation in the year.

Of the 21 awards, Keppel O&M bagged 17 awards under the Safety and Health Award Recognition for Projects (SHARP) category for exemplary project safety and health management systems. Keppel O&M (New Builds Division) also clinched the WSH Performance (Silver) Award for outstanding safety performance and implementation of strong WSH management systems. In addition, Keppel O&M and Keppel DHCS garnered WSH Innovation Awards, which recognise companies for creating solutions which help to improve safety and enhance operations at the workplace.

At the individual level, Mr Sappanimuthu Govindaraju, Hull Superintendent at Keppel O&M, clinched the WSH Award for Supervisors for his strong commitment to the safety of workers under his charge, while Mr Reza Mohammad Shamin

from Alpine Engineering, a subsidiary of Keppel O&M, won the WSH Award for Supervisors for his strong leadership by example and ability to connect with and inspire workers under his charge.

ENHANCING COMMUNICATION

Keppel's five key safety principles are regularly highlighted to ingrain safety consciousness among all stakeholders. Group HSE Alerts are disseminated to share lessons learnt globally and ensure that preventive measures are taken promptly across all worksites.

Over 1,100 Keppelites, union members, contractors, partners and business associates came together for the 14th Keppel Group Safety Convention on 27 October 2020 to reaffirm their commitment to safety. This year's convention was held virtually for the first time, allowing many more guests to participate compared to previous physical events, including Keppel employees overseas. 21 Keppelites were recognised for their outstanding contributions to workplace safety and health in the Keppel Group Safety Awards.

The fourth annual Global Safety Time-Out was held on 2 August 2020 to reiterate Keppel's commitment to safety. During the time-out, frontline managers shared safety messages and best practices with Keppelites as well as our subcontractors.

¹ A significant fine refers to a monetary sanction equal to or above \$50,000 that was paid during the financial year.



In 2020, augmented reality and virtual reality modules were integrated into the training curriculum at the Keppel Safety Training Centre allowing employees to experience simulations of various safety scenarios like falling from height.

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Conduct engagement surveys to track and enhance employee engagement.

Continue to promote diversity and equal opportunity in the workplace.

Maintain an average of at least 20 hours of training per employee globally.

2020 PERFORMANCE

Achieved an overall engagement score of 87% in the 2020 Global Employee Engagement Survey, higher than Mercer's global average of 80%.

91% of respondents indicated that they would go beyond the norm to contribute to Keppel's success.

Close to 62% of staff and 36% of Heads of Departments in Keppel Corporation's Corporate Office are females. Females also represent close to 30% of our senior management and managerial positions in the Group.

Recorded an average of 19.0 hours of training per employee.

Digital learning through virtual platforms were promoted to drive self-directed learning and social learning amidst the COVID-19 work-from-home situation.

2021 TARGETS

Conduct engagement surveys to track and enhance employee engagement.

Continue to promote diversity and equal opportunity in the workplace.

Achieve an average of at least 20 hours of learning per employee globally.

LONGER TERM TARGETS

Build an agile and collaborative workforce, with experience across divisions and geographies, to propel the Company towards its Vision 2030 goals.

Strengthen people capabilities through driving a proactive learning culture and growing digital readiness.

TOPICS

Fair employment

Diversity and equal opportunity

Non-discrimination

Talent management

Training and education

SDGs



LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

WE ARE COMMITTED TO FAIR EMPLOYMENT PRACTICES, UPHOLDING HUMAN RIGHTS PRINCIPLES AND INVESTING IN PEOPLE DEVELOPMENT.

OVERVIEW

People are our most valuable asset. We respect and uphold human rights principles, adhere to fair employment practices, and invest in developing and training our workforce. In doing so, we enhance our ability to attract and retain the best talent and grow the capabilities of our people.

REPORT BOUNDARY

GRI 102-8 | 103-1

The data reported in this section takes into account significant subsidiaries and associated companies in which the Group has a stake equivalent of 51% or more. Our total workforce across more than

20 countries was 17,568 as at end-2020. The figure comprises full and part-time permanent employees and excludes our contractor workforce.

MANAGEMENT APPROACH

GRI 102-41 | 103-2 | 103-3 | 401-2 | 401-3 | 404-3 | 405-2 | 406-1

FAIR EMPLOYMENT

The ability to attract and retain talent is key to our business. We adopt fair employment practices and comply with local labour regulations across our global operations, as well as minimum wage laws, where such laws exist. We endorse Singapore's Tripartite Guidelines on Fair Employment

Practices and the Employers' Pledge of Fair Employment Practices. Keppel Corporation is also a signatory of the Singapore Business Federation's Sustainable Employment Pledge.

Globally, 2,022 people were hired in 2020. Overall voluntary turnover rate was 10.9%, comparable to 2019.

We believe that hiring from local communities enhances our ability to understand local needs, and strengthens our capabilities on the ground. We also develop talents locally to assume management positions. Across our business units, 80.6% of senior management and 71.1% of our employees

OUR GLOBAL WORKFORCE

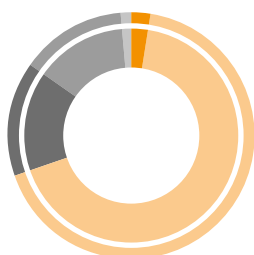
GRI 102-8 | 202-2

DISTRIBUTION BY REGION



	No. of Employees	%	Employees (%)		Senior Management ² (%)	
			Local Hires ¹	Foreigners	Local Hires ¹	Foreigners
■ Singapore	9,991	56.9	50.1	49.9	96.9	3.1
■ Asia (excluding Singapore) & Australia	4,891	27.8	99.4	0.6	59.6	40.4
■ Americas	2,339	13.3	99.4	0.6	68.8	31.2
■ Middle East	230	1.3	83.0	17.0	0.0	100.0
■ Europe	117	0.7	93.2	6.8	77.8	22.2
Total	17,568	100.0	71.1	28.9	80.6	19.4

DISTRIBUTION BY SEGMENT



	No. of Employees	%	Employment Type (%)	
			Permanent	Contract
■ Corporate Office ³	482	2.7	93.8	6.2
■ Energy & Environment	11,771	67.0	89.1	10.9
■ Urban Development	2,679	15.2	92.3	7.7
■ Connectivity	2,408	13.7	82.4	17.6
■ Asset Management	228	1.3	90.8	9.2
Total	17,568	100.0	89.6	10.4

¹ Locals are defined as citizens or permanent residents of the country in which they work.

² Senior management is defined as the top three individuals within each operating business unit with the highest levels of executive management.

³ Corporate Office is defined as Keppel Corporation Ltd and its corporate subsidiaries which comprises, Keppel Business Solutions, Keppel Technology & Innovation, Keppel Corporation Beijing Representative Office and Keppel Philippines Holdings.

are citizens or permanent residents of the countries in which they work.

Keppel supports re-employability beyond the statutory retirement age. Eligible employees are offered post-retirement employment opportunities in Keppel, in line with the Singapore Tripartite Guidelines on the Re-employment of Older Employees. As at 31 December 2020, there were 140 re-employed staff in the Group, of whom 60 were re-employed in 2020.

COMPENSATION & BENEFITS

Keppel subscribes to a pay-for-performance philosophy.

Opportunities for advancement, promotion, recognition, compensation, training, and other conditions of employment are provided based on merit. Performance reviews are conducted for permanent employees. The process, undertaken jointly by the employee and supervisor, entails target setting and review on an annual basis.

Our employees in Singapore and overseas are provided with a comprehensive range of benefits that may include paid vacation leave, medical benefits and group insurance plans. In Singapore, part-time employees are entitled to similar benefits on a pro-rata basis.

Migrant workers are an important part of our workforce in Singapore, especially in Keppel Offshore & Marine (Keppel O&M). Many of these workers have been with the company for many years and have risen to supervisory positions. Besides competitive wages and bonuses for eligible employees, migrant workers under direct employment in Singapore also enjoy other benefits such as subsidised housing and medical care.

In Singapore, in accordance with the Ministry of Manpower's current legislation, eligible female employees are entitled to eight weeks of paid maternity leave and up to an additional eight weeks. Eligible male employees are entitled to two weeks of paid paternity leave. In Singapore, we had a 98.2% return to work rate for the 114 female employees who went on maternity leave, and 100% return to work rate for the 123 male employees who went on paternity leave. Of the employees in Singapore who went on parental leave, 212 remained in employment as at end-2020.

Globally³, we had a 96.1% return to work rate for the 152 female employees who went on maternity leave, and 100% return to work rate for the 203 male employees who went on paternity leave. Of the employees

NEW HIRES

GRI 401-1

	No. of Employees	%
Total	2,022	100.0
Singapore	781	38.6
Asia (excluding Singapore) & Australia	759	37.5
Americas	456	22.6
Middle East	6	0.3
Europe	20	1.0

	Gender (%)		Age Group (%)			
	Male	Female	<30 years old	30 to 39 years old	40 to 49 years old	50 years old & above
Overall	75.2	24.8	42.5	32.7	17.0	7.8
Corporate Office	45.3	54.7	26.7	38.7	29.3	5.3
Energy & Environment	90.5	9.5	40.5	30.8	17.8	10.9
Urban Development	45.7	54.3	39.0	39.4	16.3	5.3
Connectivity	61.1	38.9	52.7	32.0	13.3	2.0
Asset Management	51.3	48.7	30.8	43.6	17.9	7.7

TURNOVER¹

GRI 401-1

	2020	2019	2018
No. of Employees	1,923	2,300	2,381
Turnover Rate ² (%)	10.9	10.9	12.7

	No. of Employees	Turnover Rate ² (%)
By Region		
Total	1,923	10.9
Singapore	942	9.5
Asia (excluding Singapore) & Australia	522	10.7
Americas	425	18.2
Middle East	26	11.3
Europe	8	6.8

	No. of Employees	Total Turnover (%)
By Gender		
Male	1,454	75.6
Female	469	24.4
By Age Group		
<30 years old	719	37.4
30 to 39 years old	735	38.2
40 to 49 years old	321	16.7
50 years old & above	148	7.7

¹ Turnover is defined as the total number of employees who leave the organisation voluntarily. It does not take into account employees who leave due to completion of contracts, dismissal, retirement or death in service.

² The turnover rate is defined as the percentage of employees who leave the organisation voluntarily. It does not take into account turnover due to completion of contracts, dismissal, retirement or death in service.

³ Parental leave data comprises the following countries where data is available: Brazil, China, the Philippines, Singapore, the United States and Vietnam.

STRATEGIC PILLAR: PEOPLE AND COMMUNITY

LABOUR PRACTICES, TALENT MANAGEMENT
AND HUMAN RIGHTS

TRAINING AND DEVELOPMENT

>330,000hrs

Invested in learning and development programmes by our employees.

EMPLOYEE
ENGAGEMENT SCORE

87%

Achieved in the 2020 Global Employee Engagement Survey, higher than Mercer's global average of 80%.

globally who went on parental leave, 324 remained in employment as at end-2020.

The Keppel Group adheres to the respective social security contribution or pension plan obligations of the countries in which we operate. For example, in Singapore, the Central Provident Fund (CPF) is a comprehensive social security savings plan that enables salaried Singapore citizens and permanent residents to set aside funds to work towards a secure retirement. Under the CPF scheme, Keppel and its employees make monthly contributions to the employees' CPF accounts in accordance with the prevailing regulations.

In China, Keppel's entities and employees make monthly contributions to the social security system which comprises five types of insurance, namely pension, medical, unemployment, maternity and injury, and a mandatory housing fund. Contribution rates and caps for each benefit vary according to local jurisdictions.

In Brazil, Keppel and its employees contribute monthly to the National Institute of Social Security which works as a social protection system to ensure the livelihood of the worker and/or his family in cases of illness, accidents, pregnancy, imprisonment, etc.

In the United States, the Social Security Administration is a government programme

funded through payroll taxes on all workers, employers and self-employed individuals.

The social security tax dollars go into a trust fund that provides income for retired workers or people with disabilities. It also pays survivor benefits to legal dependents of workers who have died. The social security tax is applied to income earned by employees and self-employed taxpayers. Employers usually withhold this tax from employees' pay cheques and contribute a matching portion to the government. The social security tax rate is assessed on all types of income earned by an employee, including salaries, wages, and bonuses. There is an income limit to which the tax rate is imposed.

In the Philippines, Keppel and its employees make monthly contributions to the Social Security System, a state-run, social insurance programme for workers in the private, professional and informal sectors. The programme provides death, funeral, maternity leave, permanent disability, retirement, sickness and unemployment benefits.

HUMAN RIGHTS

We uphold and respect the fundamental principles set out in the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our approach to human rights is informed and guided by general concepts from the UN Guiding Principles on



Women have long played a pivotal part in the Keppel story, running the business and driving growth in all business units, and at all levels of the Group. As part of International Women's Day in 2021, Keppel launched a series on Keppel Corporation's LinkedIn page to showcase ten of its women leaders and share their perspectives and experiences.

Business and Human Rights. Keppel Corporation is a signatory of the UN Global Compact and is committed to the Compact's 10 universal principles, which include principles on human rights and labour practices.

We have zero tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in all of our operations. Our suppliers are expected to abide by the Keppel Supplier Code of Conduct, which holds them accountable for responsible labour practices in their operations.

Our commitment to human rights is supported by the Keppel Group Code of Conduct, which sets the tone in relation to the Group's stance against discrimination on any basis. Our stance on human rights is articulated in the Keppel Group Human Rights Policy which is publicly available online.

COLLECTIVE BARGAINING

Unions are our partners and we place great emphasis on maintaining harmonious and collaborative relationships with them. Of our global workforce eligible for union representation, approximately 87.6% are union members who are covered by collective agreements. This is approximately 23.5% of our global workforce.

Guidelines are in place for the appropriate management of grievance cases. For unionised companies, employee grievances are resolved according to the grievance handling protocol spelt out in the respective agreements.

All registered grievances are investigated and tracked through to final closure. In the case of a grievance, our management and the union will undertake every reasonable effort to resolve the grievance promptly.

Across our businesses worldwide, there were 11 grievance cases¹ reported in 2020, all of which have been resolved.

DIVERSITY & INCLUSION

We value and respect all employees regardless of ethnicity, gender, religious beliefs, nationality, age or any physical disability. Our stance on diversity and inclusion is articulated in our corporate statement on diversity and inclusion, which was formalised in early 2019, and is publicly available online.

¹ In Singapore, a "workplace grievance" is as defined by the Ministry of Manpower, i.e. "discontent or the feeling of being victimised at work". Our overseas business units reference the following in defining a workplace grievance – the Keppel Group Code of Conduct, the employment laws and regulations of the country of operation, and the collective agreement between the company and the employee union, where applicable.

EMPLOYEE DEMOGRAPHICS

GRI 102-8

DISTRIBUTION BY GENDER (%)

	Male	Female
Overall	78.0	22.0
By Region		
Singapore	80.4	19.6
Asia (excluding Singapore) & Australia	66.1	33.9
Americas	90.9	9.1
Middle East	94.3	5.7
Europe	75.2	24.8
By Segment		
Corporate Office	39.6	60.4
Energy & Environment	89.8	10.2
Urban Development	52.3	47.7
Connectivity	59.8	40.2
Asset Management	43.0	57.0
By Employment Type		
Permanent	77.3	22.7
Contract	83.5	16.5

DISTRIBUTION BY AGE GROUP (%)

	<30 years old	30 to 39 years old	40 to 49 years old	50 years old & above
Overall	18.2	40.0	26.8	15.8
By Segment				
Corporate Office	13.8	36.6	31.2	18.4
Energy & Environment	17.4	40.0	26.3	17.1
Urban Development	20.6	40.4	27.3	11.7
Connectivity	20.7	37.2	27.9	14.2
Asset Management	14.9	50.5	26.3	8.3

DISTRIBUTION BY EDUCATIONAL QUALIFICATION (%)

	Post-graduate	Bachelor's Degree	Post Secondary/ Pre-U/ Vocational	Secondary	Primary & below
Overall	5.0	28.6	33.7	22.9	9.8
By Segment					
Corporate Office	15.7	55.2	25.2	0.8	3.1
Energy & Environment	3.6	21.3	35.4	29.2	10.5
Urban Development	7.5	38.3	31.1	8.2	14.9
Connectivity	5.4	43.4	32.4	16.9	1.9
Asset Management	17.5	61.0	13.2	0.4	7.9

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

Our hiring policies ensure equal employment opportunities for all. Our employment statistics, reviewed regularly, illustrate the diversity of our workforce. As at 31 December 2020, 22% of our employees are female, compared to 20.3% in 2019. We recognise that there are certain segments in our businesses, such as offshore and marine, which tend to attract larger proportions of male employees due to the nature of the jobs. At our corporate office and in certain parts of our businesses, such as Keppel Capital, female employees account for more than half of our workforce. Close to 62% of the staff in Keppel Corporation's Corporate Office, as well as 36% of our Heads of Departments are females. Females also represent close to 30% of our senior management¹ and managerial² positions in the Group.

In 2020, across our global operations, the average pay of female employees was 92.7% of the average pay of male employees for non-managerial positions. For senior management and managerial positions, the average pay of female employees was 91.1% of the average pay of male employees.

There were no reported incidences of discrimination raised by our employees in 2020.

TRAINING & TALENT DEVELOPMENT

GRI 404-1 | 404-2

We empower employees through learning and development programmes and encourage them to reach their full potential. In 2020, the overall global average number

of training hours³ per employee was approximately 19.0 hours, with an average of 21.9 hours for females and 18.2 hours for males. Digital learning was also stepped up during the year with more e-learning platforms adopted, which empowered employees to pursue learning opportunities online while working from home.

Keppel Corporation's Group Human Resources and Keppel People Services drive and coordinate efforts across the business units to ensure consistency in processes such as performance management and talent management.

In 2020, Keppel Capital ran a virtual learning initiative geared towards the digital economy. The initiative comprised virtual learning sessions for employees focused on topics such as agile fundamentals, data analytics, data visualisation and design innovation. Keppel Land also rolled out a digital upskilling series to encourage employees to embrace e-learning while working from home. To support continuous learning, Keppel O&M created bite-sized content and virtual classes to allow employees to learn at their own pace and schedules.

LEADERSHIP PROGRAMMES

Keppel Leadership Institute, headquartered in Singapore, offers a diverse range of leadership and development programmes, delivered in modular and blended approaches. These programmes are regularly refreshed to suit the Group's evolving needs. Over 200 employees have participated in the institute's leadership programmes since 2015.

About 165 employees are part of the Keppel Young Leaders programme, which is the Group's platform to nurture young talents. Members of the programme are given opportunities to lead high-impact projects with guidance from senior management across the Group.

Separately, the Keppel Associate Programme, a two-year management associate programme, offers high potential talents, who are fresh out of university, with varied opportunities for leadership development through a series of job rotations and structured learning.

INDUSTRY PROGRAMMES

The Group makes significant investments to equip employees with up-to-date operational skills and certifications. We support employees at all levels of the company in furthering their education. In 2020, the Group sponsored 12 employees in pursuing further studies.

GOVERNMENT WORKFORCE PROGRAMMES

In partnership with the Singapore government, the Group supports the Singapore-Industry Scholarship which sponsors Singapore citizens pursuing their undergraduate studies in areas related to Singapore's strategic sectors. In 2020, the Group supported five students in the programme.

In partnership with Ngee Ann Polytechnic, Keppel committed to provide 25 six-month work attachments to aspiring data analysts under the SGUnited Skills Programme for data analytics.

In 2020, Keppel took on 48 trainees as part of the Singapore government's SGUnited Traineeship and Mid-Career Pathways programmes, which aim to help fresh graduates and mid-careerists develop their skills professionally and widen their professional networks while preparing for more permanent jobs in the future.

TRANSITION ASSISTANCE PROGRAMMES

To support employees through career transitions, human resource teams consider re-deploying suitable employees to other roles within the Group where appropriate, offer re-employment to eligible older employees, and provide transition assistance programmes, which include career coaching and training programmes, and training funds for employees to upskill and reskill themselves.

For example, in 2020, as part of M1's strategic digital transformation plan, the company restructured to create new roles while some existing roles were outsourced, redesigned or made redundant. M1 worked closely with the Singapore Industrial and Services Employees' Union to ensure fair treatment and compensation

TRAINING & TALENT DEVELOPMENT

GRI 404-1 | 404-2

TRAINING HOURS PER EMPLOYEE (hrs)

	2020	2019	2018
Global	19.0	27.6	27.1
Singapore	18.2	34.8	29.4

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY (hrs)

Senior Management	44.4
Managerial	26.4
Executive	20.3
Non-Executive	15.2
Industrial/General	17.8

¹ The definition of senior management across our business units depends on the nature of the businesses. Business units that are smaller in scale define senior management to be the top three individuals with the highest level of executive management, while larger business units define senior management to be individuals holding positions that are above a specified job grade, usually Senior Management 1 and above.

² The definition of managerial across the Group refers to individuals holding positions that are above a specified job grade, usually Manager 1 and above.

³ Training hours reported in this section exclude on-the-job training.

packages, and collaborated with NTUC's e2i (Employment and Employability Institute) to provide outplacement support and training programmes for affected employees. Half of the affected workers were offered, and accepted, jobs with M1's outsourced vendor to provide continued support for M1's systems. The retrenchment exercise was carried out in accordance with guidelines by Singapore's Ministry of Manpower, and affected employees were notified according to the terms in their contracts of service.

EMPLOYEE ENGAGEMENT

EMPLOYEE ENGAGEMENT SURVEY

We conducted the Keppel Global Employee Engagement Survey in 2020. The survey, which has been conducted at the Group-level since 2009, achieved a strong response rate of 98% from a sample size of over 5,000 employees. The Group achieved an Employee Engagement Score of 87% in 2020, higher than Mercer's global average of 80%. In addition, 91% of employees surveyed indicated that they would "go beyond the norm" to contribute to Keppel's success.

EMPLOYEE ENGAGEMENT INITIATIVES

Employees are updated on company developments at regular staff dialogue sessions and through digital communication platforms. Staff engagement initiatives are also organised throughout the year to enhance interaction and communication between management and staff.

The sixth edition of the Global Keppelites Forum, a Group-wide town hall meeting, was held in February 2020. The forum was attended by about 400 Keppelites in person and simultaneously broadcasted to about 2,100 Keppelites across 60 satellite locations globally.

During the session, Chief Executive Officer of Keppel Corporation Mr Loh Chin Hua, provided an update on the Group's progress towards Vision 2020, and spurred Keppelites on towards setting their sights on the future as Vision 2030 was being finalised. Mr Loh highlighted the need for Keppel to grow as one integrated business with a clear growth trajectory, repeatable model and a portfolio focused on the Group's key strengths. He also emphasised Keppel's commitment to sustainability as the core of the company's strategy, and unveiled the company's sharpened vision and mission statements, as well as refreshed core values. Employees from across the Group also took the opportunity to pose questions to Mr Loh during a fireside chat segment.



At the Global Keppelites Forum 2020, Mr Loh Chin Hua, CEO of Keppel Corporation, spurred Keppelites on towards setting their sights on the future and grow as one integrated business.

BUILDING STRONG TEAMS

We believe that cohesive teams are integral to a productive workforce. Due to the COVID-19 pandemic, many activities, such as the annual Keppel Games, a series of sports competitions initiated by Keppelite Recreation Club, had to be put on hold. Businesses across the Group continued to build camaraderie and engage their employees through virtual platforms and events, as well as virtual and in-person volunteer activities organised by Keppel Volunteers.

WORKFORCE WELL-BEING

We are committed to the well-being of our entire workforce. This includes migrant workers who live and work away from their families. For more information on how we care for our migrant workers, refer to pages 78 and 79 of this report.

When the COVID-19 pandemic began in the first quarter of 2020, the Group adapted many processes and programmes, rolled out well-being initiatives such as online fitness classes and well-being workshops, and launched a series of e-bulletins to provide tips and resources to help employees work from home effectively and care for their health and mental well-being. An employee assistance programme was also rolled out by a few business units to provide mental health support for employees and their dependents, whereby employees can tap

on the services of licensed counsellors from the Singapore Counselling Centre.

To support employee well-being in the workplace, the Group launched Physical Well-being Month and Mental Well-being Month in June and October 2020 respectively. Virtual activities, such as exercise classes and informative webinars, were organised during both months to help employees to better care for their physical and mental health. The Group also organised Appreciation Month in August with a series of activities such as virtual song dedication events, to recognise Keppelites for their hard work and dedication.

SUPPORTING NATIONAL DEFENCE

As a company headquartered in Singapore, we believe in contributing towards Singapore's national security. National Service (NS) is a vital component of national defence and we support our employees' NS commitments. Keppel Corporation was awarded the NS Advocate Award for Large Companies at the Total Defence Awards organised by Singapore's Ministry of Defence in 2018. Keppel Offshore & Marine Ltd and Keppel Shipyard Limited received the same award in 2019 as well. The Award, valid for a period of three years, is the highest accolade acknowledging businesses for their exemplary support towards Total Defence and in particular, NS.

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

CARING FOR OUR MIGRANT WORKERS

Migrant workers are an important part of Keppel's workforce. We are committed to caring for the health, safety and well-being of our migrant workers, including the approximately 4,000 migrant workers who work at Keppel Offshore & Marine (Keppel O&M) in Singapore.

QUALITY LIVING CONDITIONS

Keppel O&M provides high-quality, subsidised dormitories for migrant workers under its direct employment in Singapore. The dormitories are managed by Keppel Housing, a subsidiary of Keppel O&M.

The dormitories are built and operated based on specifications issued by the local authorities and are subject to the Codes of Practice and Standards of Performance regulated by Singapore's Foreign Employee Dormitories Act.

Residential units in the dormitories typically comprise two bedrooms, a common living room with a television set, a kitchen, as well as adjoining showers and toilets. The dormitories also offer a range of amenities such as canteens, supermarkets, barbers, free laundry services, study corners and computer rooms, as well as sports facilities such as basketball courts and gyms to cater to residents' needs.

Prior to the outbreak of the COVID-19 pandemic, activities such as sports, games and singing contests were organised at the dormitories to engage residents. However, many of these activities had to be suspended due to the pandemic. Full-time counsellors are also available at the dormitories to support our workers and ensure their mental and emotional well-being. Workers also have access to a 24-hour helpline where they may seek assistance in their native languages.

In 2020, during the periods when all migrant worker dormitories across Singapore were locked down to contain



Migrant workers are housed in dormitories such as the Acacia Lodge dormitory, which is managed by Keppel Housing, a wholly owned subsidiary of Keppel O&M.



Dormitories by Keppel Housing offer a range of amenities and sports facilities such as basketball courts and gyms.

the spread of the virus, residents were provided three meals a day at no cost to them, and free mobile SIM cards with 50GB of data per resident to help them access various forms of entertainment online and communicate regularly with their friends and family through their smart phones.

REMUNERATION, BENEFITS & PROGRESSION

Keppel believes in investing in our foreign employees for the long term as they are an essential part of our workforce and contribute to the sustainability and growth of the Company.

Migrant workers are paid competitive wages, and eligible employees can enjoy bonuses depending on individual and company performance. Our migrant workers also enjoy comprehensive benefits including annual, medical and home leave (for them to make return trips to their home countries), highly subsidised medical care from reputable healthcare service providers, with each medical consultation, including medication, costing up to \$2, as well as hospitalisation insurance which is paid for by the Company.

Keppel also provides opportunities for training, skills upgrading and career progression for our migrant workers, many of whom have been with the company for a long time and have risen to supervisory positions.

FAIR EMPLOYMENT PRACTICES

Keppel is committed to fair employment practices. In Singapore, Keppel O&M works only with employment agencies licensed by the Singapore Ministry of Manpower. These agencies are required to comply with Singapore's Employment Agencies Act.

In addition, as part of Keppel O&M's continuing efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agencies in early 2021 to require them to abide by the Dhaka Principles for Migration with Dignity going forward. These are a set of human rights-based principles to enhance respect for the rights of migrant workers, including the provision of clear and transparent worker contracts, safe and decent living conditions, no charging of recruitment fees, among others.



Residents were provided with free mobile SIM cards with 50GB of data to access entertainment and communicate with family and friends during the migrant worker dormitory lock down in 2020.



The Acacia Lodge dormitory includes many facilities and amenities including an on-site supermarket where migrant workers can purchase groceries and daily essentials.

COMMUNITY DEVELOPMENT



PERFORMANCE OVERVIEW

GRI 103-2 | 103-3

2020 TARGETS

Achieve over 10,000 hours of staff volunteerism worldwide.

Support programmes aligned with care for the underprivileged, education and environmental protection.

Drive collaboration with organisations that share our commitment to make a positive impact on communities.

2020 PERFORMANCE

Sponsored and participated in a wide range of community initiatives, investing \$9.6 million in social and environmental causes.

Achieved over 10,000 hours of community service, despite the challenges of the COVID-19 pandemic.

Committed \$2 million to the NKF Dialysis Centre supported by Keppel at Yishun Community Hospital in Singapore.

Committed \$3 million to the Garden City Fund to support the planting of 10,000 trees as part of Singapore's OneMillionTrees movement.

2021 TARGETS

Achieve over 10,000 hours of staff volunteerism worldwide.

Contribute towards improving the employability of persons with disabilities through targeted programmes and skills-based volunteerism.

Promote digital inclusion and help low-income seniors access digital tools to be more connected with their communities.

LONGER TERM TARGETS

Contribute to nature-based solutions to fight climate change with the planting of 10,000 trees over the next five years.

Support programmes aligned with care for the underprivileged, education and environmental protection.

Drive collaboration with organisations that share our commitment to have a positive impact on our communities.

TOPICS

Social investment

Volunteerism

Impact measurement

SDGs



WE AIM TO BE A COMMUNITY CHAMPION, COLLABORATING WITH PARTNERS TO SUPPORT THE COMMUNITY THROUGH PROGRAMMES THAT MAKE A POSITIVE IMPACT.

OVERVIEW

GRI 103-1

Keppel aims to deliver lasting social, economic and environmental benefits to the communities where we operate. In engaging and nurturing communities, we contribute to building a sustainable future together.

We invest in worthy causes that resonate with the Company's values. These include caring for the underprivileged, empowering lives through education, protecting the environment, and nurturing creativity and an appreciation for the arts among children and youths.

As leaders in our industries, we also support thought leadership platforms which inform policy-making, promote sustainable business practices and foster collaboration among different sectors.

In 2020, Keppel Corporation was conferred the Community Spirit Platinum

Award by the Community Chest and the title of Champion of Good by the National Volunteer & Philanthropy Centre in recognition of Keppel's support of those affected by the COVID-19 pandemic.

REPORT BOUNDARY

GRI 103-1

The boundary for the material topic of Community Development includes the Group's major subsidiaries in Singapore, and overseas operations in which the Group has management control.

MANAGEMENT APPROACH

GRI 103-2 | 103-3 | 203-2 | 415-1

We commit up to 1% of the Group's net profit to worthy causes. These contributions are coordinated and disbursed by Keppel Care Foundation, the Group's philanthropic arm in Singapore, which is governed by its own board of directors. The Foundation has disbursed over \$47 million to worthy causes to date since its launch in 2012.

SOCIAL INVESTMENT SPENDING BY PROJECT TYPE IN 2020¹ (%)



Care for the Underprivileged/Healthcare	63.7
Arts/Sports/Community Development Projects	15.6
Education	11.5
Environment	6.9
Industry Advancement ²	2.3
Total	\$9.6 million
	100.0

¹ The \$9.6 million includes voluntary contributions from the Keppel Group's directors, senior management and staff, to support COVID-19 relief efforts, with matching contributions from Keppel Corporation.

² The category of industry advancement includes events and thought leadership platforms that foster collaboration and the exchange of ideas, with the aim of promoting sustainable business practices. Keppel supports such platforms that align with our mission to provide solutions for sustainable urbanisation. In 2020, such platforms included Singapore International Water Week, the R.I.S.E. to the Challenge outreach programme and the SID Directors Conference.



In 2020, Keppel Volunteers around the world achieved over 10,000 hours of community service, despite challenges posed by the COVID-19 pandemic.

COMMUNITY DEVELOPMENT

In 2020, the Group spent \$9.6 million¹ on social investments.

Beyond philanthropic giving, Keppel encourages employees to be responsible citizens. Keppel Volunteers, the Company's volunteer movement, works closely with the foundation to drive volunteerism. To encourage volunteerism, Keppel grants employees two days of volunteer leave annually. In 2020, Keppel Volunteers around the world achieved over 10,000 hours² of community service, despite challenges posed by the COVID-19 pandemic.

Keppel Volunteers organise roadshows and talks for employees across the Group to recruit volunteers and raise awareness on volunteering opportunities. The Group has also designated August as its Community Month to further promote volunteerism. Volunteers are recognised for their contributions at an annual appreciation event held in conjunction with International Volunteer Day, which is attended by senior management.

In 2019, Keppel conducted a survey to better understand the causes which its employees most identify with. The survey results validated that our focus areas of care for the underprivileged, education and environmental protection are closely aligned with employees' aspirations.

We maximise our corporate giving outcomes by partnering businesses and the community. For example, charity sales, donation drives and environmental campaigns are held at the lobbies of our commercial buildings to engage tenants, employees and members of the public.

In Singapore, our business units have been strong partners of Community Chest's SHARE, a voluntary employee payroll donation programme. Employees of the Keppel Group have contributed over \$3.1 million through SHARE since 1988.

Under the Keppel Group Donations & Sponsorships Policy, no donations or sponsorships may be made to any political party or politicians for any campaign and/or related purposes.

In reporting on our social impact, Keppel applies the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship, as managers of the B4SI, has assured the data in this section. Our B4SI Framework Assurance Statement for 2020 can be found on page 99.

¹ The \$9.6 million includes voluntary contributions from the Keppel Group's directors, senior management and staff, to support COVID-19 relief efforts, with matching contributions from Keppel Corporation.

² Includes hours contributed both during and outside office hours.

SUPPORTING THE COMMUNITY AMIDST COVID-19



Keppel collaborated with our partners to provide support to communities affected by the COVID-19 pandemic.

Keppel has committed over \$5 million to provide support to communities affected by the pandemic in Singapore and overseas. This includes a \$4.2 million package to support vulnerable communities, which was funded by voluntary contributions from Keppel Group's directors, senior management and staff with matching contributions from Keppel Corporation. Beneficiaries included over 55,000 lower-income households in 1 and 2-room HDB flats who were given rebates through M1, Keppel Electric and City Gas, frontline staff within and beyond the Keppel Group, and other communities affected by COVID-19. Recognising the challenging environment faced by many Small and Medium Enterprises (SMEs) in Singapore, Keppel also improved payment terms to SMEs to help improve their cashflow over a six-month period in 2020.

Keppel contributed a total of \$600,000 to The Courage Fund to support relief schemes for communities in Singapore affected by COVID-19. At the start of the COVID-19 pandemic, the Group, through Keppel Land China, also made a RMB 3 million donation to the Shanghai Charity Foundation, one of the largest charity foundations in China, to support the deployment of medical teams from Shanghai and the provision of medical

and other supplies to Hubei Province and other affected regions in China.

Our volunteers in Singapore and overseas supported communities in fighting the COVID-19 pandemic in various ways. In Singapore, volunteers packed and delivered care packs containing hygiene items for vulnerable groups such as seniors and low-income families with young children living in rental blocks. In view of COVID-19 restrictions, Keppel also took to digital platforms to engage beneficiaries virtually, to provide support and prevent social isolation in the midst of the pandemic. Such activities ranged from interactive game sessions for persons with muscular dystrophy, to art and cooking classes for seniors.

Volunteers in Shanghai delivered masks to hospitals in Shanghai and the Shanghai Pudong New District's Centre for Disease Control and Prevention. Over in the Philippines, volunteers painted social distancing lines along public sidewalks and various other locations to strengthen safe management measures by the government, while volunteers in Brazil, Indonesia and Malaysia also donated and delivered food supplies to communities affected by the pandemic.

IMPACT AT A GLANCE

KEPPEL INVESTS IN WORTHY CAUSES THAT RESONATE WITH THE COMPANY'S VALUES. IN ENGAGING AND NURTURING COMMUNITIES, WE CONTRIBUTE TO BUILDING A SUSTAINABLE FUTURE TOGETHER.



>10,000hrs

Of community work achieved by Keppel Volunteers in 2020, despite the challenges of COVID-19.

>\$47m

Disbursed by Keppel Care Foundation since 2012.

>9,000 lives

Touched through our volunteerism efforts in 2020.

\$9.6m

Invested in social causes in 2020.

>180

Volunteer activities and initiatives carried out in 2020 in communities where we operate.

94%

Of employees affirmed in an engagement survey that Keppel is committed to corporate social responsibility.



COMMUNITY DEVELOPMENT

PROMOTING EDUCATION

Inclusive, quality education can lift communities out of poverty by enabling children and youth to create brighter futures for themselves and their families.

Since its inception in 2012, Keppel Care Foundation has disbursed over \$21 million to educational causes, which include scholarships and bursaries for students of local universities and institutes of higher learning.

SCHOLARSHIPS AND BURSARIES

In 2018, we made a \$10 million commitment to the ITE Education Fund to promote education for financially disadvantaged students from ITE. In 2020, the second tranche of Keppel Care Foundation Scholarships were awarded to three deserving ITE students, and the inaugural Keppel Merit Awards were presented to 39 students.

In total, 137 academic awards and bursaries funded by Keppel Care Foundation were disbursed to students across different institutions in 2020, bringing the tally to 683 till date.

In line with Keppel's focus on sustainability and to advance the study of environmental sciences, Keppel partnered with Nanyang Technological University, Singapore (NTU Singapore) to establish the Keppel Environmental Studies Gold Medals.

"The Keppel Care Foundation scholarship has made tremendous changes in my life and helped me cope with my struggles as a student. It has enabled me to focus more on my studies and look toward a future career. Before this, it was very hard to even have a proper meal as I had to work to support my single handicapped mother with her medical bills. I am working hard in my studies now and strive to be a better person. I hope to contribute back to the community to the best of my ability in future."

NANDINI CHANDRA, Keppel Care Foundation scholarship recipient who graduated from *Higher Nitec in Marine Engineering* in 2021 at ITE and has progressed to Singapore Polytechnic

Starting from 2021, the Medals will be awarded to the top graduating students of NTU's Bachelor of Science in Environmental Earth Systems Science.

In 2020, Keppel Land Vietnam launched a partnership with Tien Phong Newspaper, a government media outlet, in support of the *Nang Buoc Thu Khoa* scholarship programme. The inaugural batch of scholarships were awarded to 15 students who were valedictorians of the 2020 university entrance exams.

Our bursaries provide students from disadvantaged backgrounds with access to quality education.

MOBILE LIBRARY

In Vietnam, Keppel Land is also a sponsor of the Words on Wheels mobile library programme, which is organised by the Singapore International Foundation. The initiative promotes reading and learning by providing students with better access to educational materials including books, the internet and multimedia facilities via a mobile library which visits participating schools on a rotational basis. Although volunteer trips to the primary schools in Ho Chi Minh City were suspended in 2020 due to COVID-19, the mobile library reached over 5,000 students in 11 schools. Over the year, the mobile library van as well as libraries in seven schools in Ho Chi Minh City were also refurbished under the programme.

"I would like to express my heartfelt thanks for being awarded the Keppel Bursary. My education at SUTD has allowed me to witness firsthand the positive impact that engineering and automation can bring to our daily lives. I have been inspired to carve a career in this field, and contribute towards developing new innovations to improve lives."

QUEK JIAN WEI, a Keppel Bursary recipient and recent Engineering Product Development graduate of Singapore University of Technology and Design

\$21m



Disbursed to fund bond-free scholarships, academic awards, bursaries and study grants for deserving students from low-income families.

683



Bond-free scholarships, bursaries, study grants and academic awards awarded to date.

KEY PARTNERS





At the signing ceremony for Keppel Corporation's new two-year programme in Yunnan, Keppel Volunteers engaged students from rural communities in Yunnan. Mr Ben Lee (left), President of Keppel Land China and COO of Keppel Land, engaged students in a cake decorating activity.

CARING FOR THE UNDERPRIVILEGED

We work closely with partners and social organisations to support the most vulnerable communities and improve their well-being.

SHELTERED WORKSHOP

In 2019, Keppel pledged \$500,000 over three years to support the Sheltered Workshop programme run by SPD, a local charity supporting persons with disabilities. The SPD Sheltered Workshop supported by Keppel aims to help persons with disabilities improve their employability through providing vocational training, therapy and employment support services. Apart from financial support, Keppel also brings the Group's capabilities in areas such as engineering, workplace safety, business development and marketing to enhance the Sheltered Workshop programme through skills-based volunteerism.

Over the course of 2020, Keppel Young Leaders supported SPD in conducting market research towards developing new commercially-appealing products for the Sheltered Workshop. SPD, assisted by Keppel, also selected a training consultant specialising in training persons with disabilities to implement a new apprenticeship programme that would equip trainees with the skills to craft the new leather products. The partnership has since trained 15 new artisans in leather crafting and aims to upskill more trainees by end-2021. On 3 December 2020, on the occasion of the United Nations' International Day of Persons with Disabilities, SPD launched a new online

store and a range of leather products crafted by artisans from SPD's Sheltered Workshop. The launches were supported by Keppel, who contributed towards enhanced marketing and branding efforts for the leather products. Sales of the workshop's products have increased by over 50% since the launch of the new online store.

The enhancements aim to support the Sheltered Workshop to stay relevant and economically viable in the long-term.

NKF DIALYSIS CENTRE SUPPORTED BY KEPPEL

Keppel contributed \$2 million to support the launch of a new NKF Dialysis Centre, the first in Singapore to be integrated within a hospital compound, being strategically co-located within Yishun Community Hospital and adjacent to Khoo Teck Puat Hospital, allowing for timely and seamless transfer of patients from one setting to another to facilitate ease of access to care and services.

It is also the first of NKF's centres to offer fully integrated and seamless dialysis care for both haemodialysis and peritoneal dialysis (PD) patients.

The centre, which commenced operations in November 2020, is equipped with 22 dialysis stations which can benefit up to 132 haemodialysis patients weekly, and has a designated space to provide PD services which can serve an average of up to 20 PD patients a month. For more information, please refer to page 88.

POVERTY ALLEVIATION IN CHINA

In 2018, Keppel committed RMB 5 million to the China Foundation for Poverty Alleviation (CFPA), to launch the Working Together for a Brighter Future programme that seeks to enhance the nutritional content of meals for students, as well as provide educational and facility upgrades for the schools. The collaboration began with a three-year programme focused on needy students from 10 schools in Mabian County, Sichuan Province.

Building on the success of the collaboration in Sichuan Province, Keppel launched a further two-year programme in December 2020 focused on needy students from 20 schools in Guangan and Luquan Counties in Yunnan Province. This new programme, which is part of the same partnership with CFPA, will also fund the upgrading of kitchen facilities in the selected schools and provide students with nutritious food items every school day. Beyond financial support, Keppel staff will also volunteer to encourage active learning by the students as part of the programme. For more information, please refer to page 89.

ENVIRONMENTAL PROTECTION

We work closely with partners to lead initiatives that conserve biodiversity and promote climate action.

KEPPEL DISCOVERY WETLANDS

Established with a \$2.08 million contribution from Keppel, the Keppel Discovery Wetlands at the Singapore Botanic Gardens includes

COMMUNITY DEVELOPMENT

a plant collection of over 200 species, allowing visitors to enjoy a restored freshwater forest wetland in the heart of the city.

About 1.3 million people have visited the Learning Forest, which the Keppel Discovery Wetlands is a part of, since its launch in March 2017, with over 200,000 visitors in 2020. Keppel's Green Ambassadors are

trained to promote conservation by regularly leading public tours at the Learning Forest. Our volunteers also facilitate craft workshops for children on wetland habitats. Many of such activities were put on hold in 2020 due to the pandemic.

Plants of conservation importance, such as *Alstonia spatulata* and the critically endangered *Radermachera quadripinnata*, have been

successfully conserved and propagated around the Keppel Discovery Wetlands. In addition, biodiversity surveys at the Learning Forest have recorded over 60 species of birds and 10 species of frogs and terrapins. Employees who participated in the training reported improved knowledge on flora and fauna in the wetlands as well as enhanced presentation skills.

TREE PLANTING

Keppel is committed to climate action and reducing our environmental impact. To this end, Keppel has pledged to donate \$3 million to National Parks Board's (NParks) Garden City Fund to support the planting of 10,000 trees in parks and nature reserves over the next five years, as part of NParks' OneMillionTrees movement. NParks announced in March 2020 that this was the single largest donation pledged for tree planting in Singapore at the time. Keppel's contribution will help improve Singapore's urban environment and enhance its national resilience towards climate change.

Separately, in 2020, Keppel Offshore & Marine also organised a tree planting initiative which saw 4,300 trees and shrubs planted across five of its yards in Singapore.

FOSTERING CREATIVITY & APPRECIATION OF THE ARTS

We believe that the arts inspire, contribute towards civic engagement and social cohesion, and build bridges between cultures. Through supporting the arts, we aim to stimulate the cross-fertilisation of ideas, and foster creativity and expression. This will in turn contribute to the vibrancy of our communities.

KEPPEL CENTRE FOR ART EDUCATION

Established with a \$12 million donation from Keppel, the Keppel Centre for Art Education at National Gallery Singapore is the first art education facility of its kind in the region. The Centre has hosted over 1.9 million visitors since its launch in 2015. Notwithstanding the COVID-19 pandemic, the Centre received over 120,000 visitors in 2020.

As part of the Singapore Ministry of Education's museum-based learning programme, students visit National Gallery Singapore to learn about Singapore art and artists. Due to safe management measures related to the COVID-19 pandemic, schools suspended outside-school activities for the most of 2020. However, the Gallery offered virtual tours and reached out to over 10,000 students to ensure continuity in museum-based learning.

The Art Playscape and Children's Museum at the Keppel Centre for Art Education were refreshed with new and exciting exhibits in 2020. 'My INK-credible Adventure'



Mr Desmond Lee (first from left), Minister for National Development and Minister-in-charge of Social Services Integration, joined Keppel Volunteers led by Dr Lee Boon Yang (second from right), Chairman of Keppel Care Foundation and Mr Danny Teoh (first from right), Chairman of Keppel Corporation, to plant 50 trees at Labrador Nature Reserve on 3 May 2021. The tree planting event marked the start of Keppel's pledge to plant 10,000 trees in support of Singapore's OneMillionTrees movement.



Guest-of-Honour Ms Grace Fu, Minister for Sustainability and the Environment (centre), Mr Loh Chin Hua, CEO of Keppel Corporation and Chairman of Keppel Land (first from right), Mr Tan Swee Yiow, Senior Managing Director of Urban Development at Keppel Corporation and then-CEO of Keppel Land (second from left) and Mr Louis Lim, CEO of Keppel Land (second from right), viewing the exhibition panels at the launch of the R.I.S.E. to the Challenge public outreach programme.



Inspired by movement and gestures in ink painting, the refreshed Art Playscape at the Keppel Centre for Art Education invites children to respond to kinetic sensors to form brushstrokes and ink splatters on interactive screens that create abstract artworks.

by artist Yeo Shih Yun introduces children to abstraction and experimental ink painting at the refreshed Art Playscape, where children respond to kinetic and sound sensors to create colourful brushstrokes that appear on the interactive screens to create a spectrum of ever-changing abstract compositions. Separately, children are encouraged to discover unusual painting tools such as tree branches, piping bags and remote-controlled cars, and observe robots that move and create abstract paintings at the refreshed Children's Museum.

Educators have shared that the immersive spaces at the Centre encourage creativity and self-led exploration in children, and help to improve students' visual inquiry skills. The programmes offered at the Centre also promote familial bonding.

KEPPEL NIGHTS

Keppel Corporation committed \$500,000, from 2018 to 2020, to Keppel Nights, a partnership with Esplanade – Theatres on the Bay to nurture a deeper appreciation of the arts among students in Singapore. Due to the COVID-19 pandemic, programmes for students at the Esplanade were suspended for the most part of 2020, but they will resume as the pandemic situation improves.

The partnership, which has been in place since 2013, has provided more than 28,000 students from more than 75 schools

in the heartlands with access to arts and cultural shows presented by the Esplanade.

ADVANCING CORPORATE SUSTAINABILITY

We collaborate with governments and industry partners to support knowledge-sharing platforms that promote responsible business practices and sustainable urbanisation.

R.I.S.E. TO THE CHALLENGE

Keppel Land, in collaboration with the Sustainable Singapore Gallery, which is managed by PUB, launched an outreach programme named R.I.S.E. to the Challenge, aimed at raising awareness on the pressing environmental issue of rising sea levels, as well as the urgent need for climate action.

SID DIRECTORS CONFERENCE

Keppel was a gold sponsor of the Directors Conference by the Singapore Institute of Directors (SID) to promote the professional development of directors and corporate leaders and support thought leadership and benchmarking on corporate governance and directorship.

SINGAPORE INTERNATIONAL WATER WEEK

Keppel participated in Singapore International Water Week 2020, a global platform to share best practices in the global water industry and showcase the latest solutions and technologies to address pressing water issues.

KEPPEL CENTRE FOR ART EDUCATION

>1.9m

Visitors since the opening of the centre in 2015.

KEPPEL DISCOVERY WETLANDS

1.3m

Estimated number of people who have visited the Learning Forest, which the Keppel Discovery Wetlands is a part of, since its launch in March 2017.

ENHANCING ACCESS TO HEALTHCARE

Keppel supported the new NKF Dialysis Centre at Yishun Community Hospital, the first in Singapore within a hospital compound, providing integrated and seamless treatment and care to dialysis patients.



Dr Lee Boon Yang, Chairman of Keppel Care Foundation and then-Chairman of Keppel Corporation (third from left); Mr Arthur Lang, Chairman of NKF (second from left); Mr Loh Chin Hua, CEO of Keppel Corporation (second from right); and Mr Tim Oei, CEO of NKF (right) visited the new centre and its patients the week of its launch in November 2020.

The National Kidney Foundation (NKF) opened a new dialysis centre on 23 November 2020 with a \$2 million donation from Keppel Corporation, provided through its philanthropic arm, Keppel Care Foundation. The dialysis centre is the first in Singapore to be integrated within a hospital compound, being strategically co-located within Yishun Community Hospital (YCH) and adjacent to Khoo Teck Puat Hospital (KTPH). It is also the first of NKF's centres to offer fully integrated and seamless dialysis care for both haemodialysis (HD) and peritoneal dialysis (PD) patients.

Equipped with 22 dialysis stations which can benefit up to 132 HD patients, this centre also has a designated space to provide PD services to serve a wider group of patients compared to other NKF centres. Offering both treatment services under one roof will enable NKF to meet the ever evolving and diverse care needs of patients.

Mr Tim Oei, CEO of NKF said, "This centre is made possible with a generous donation of \$2 million from Keppel Care Foundation. We are very grateful for the strong

support of the Keppel Group, without which this centre would not have been possible.

"There are many unique features about this centre. Firstly, this is our first centre co-located within both acute and community hospitals, namely KTPH and YCH. This strategic co-location and partnership enables the timely and seamless transfer of patients from one setting to another to facilitate ease of access to care and services. Patients do not need to travel to other centres for dialysis. Patients discharged from KTPH who require rehabilitation can have their dialysis at the centre in YCH, under the same roof. Patients will benefit from the seamless continuity of care through connected networks of healthcare teams, information flow and treatment care plans.

"Secondly, this is the first NKF centre offering both HD and PD services under one roof. Unlike the other centres of NKF which only cater for HD patients, this centre provides comprehensive services to support patients who choose PD as their preferred modality of treatment," said Mr Oei.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "Keppel is committed to uplift lives and care for the underprivileged. Our support of the NKF Dialysis Centre at Yishun Community Hospital will enhance the accessibility of integrated healthcare for dialysis patients and improve their quality of life. The COVID-19 pandemic has had an immense impact on society, especially vulnerable members of the community, including dialysis patients. Through this partnership, Keppel hopes to support NKF in ensuring that its patients are able to receive safe and convenient dialysis treatment."

Beyond Keppel's financial support, Keppel's staff volunteers have also been actively involved with NKF since 2017, with more than 160 volunteers engaging patients in befriending sessions and delivering 'joy bundles' containing food provisions, care items and necessities. Together, their efforts have touched the lives of close to 600 NKF patients to date.

A BRIGHTER FUTURE FOR CHILDREN

Inclusive, quality education can lift communities out of poverty, and Keppel is supporting rural communities in China to enable students to create brighter futures for themselves and their families.

Keppel committed RMB 5 million to the China Foundation for Poverty Alleviation (CFPA) in 2018 to launch the Working Together for a Brighter Future programme that seeks to enhance the nutritional content of meals for students, as well as provide educational and facility upgrades for the schools. The collaboration began with a three-year programme focused on needy students from 10 schools in Mabian County, Sichuan Province. In conceiving its community outreach programme in Mabian, Keppel had consulted the local education bureau to ensure that the aid provided would be suitable and impactful.

Through Keppel's contribution, over 2,100 students are provided with milk every school day. In 2020, kitchens in the remote village schools in Mabian County completed their upgrades, allowing more than 1,300 students aged three to 16 to enjoy well-balanced and nutritious hot school meals, made possible by industrial-grade kitchen equipment like electric stoves, rice steamers and water heaters. Over 2,400 students have also benefitted from digital library resources sponsored by Keppel.

Under the same partnership, Keppel launched a further two-year programme in

December 2020 focused on needy students from 20 schools in Guangnan and Luquan Counties in Yunnan Province. This further supports the Chinese government's plans to uplift rural communities and stimulate the development of remote regions. Similar to the programme in Mabian County, this new programme will also fund the upgrading of kitchen facilities in the schools. In addition, Keppel staff will also volunteer to encourage active learning by the students, as part of the programme.

Mr Eric Goh, Chief Representative (China) of Keppel Corporation, said, "Keppel seeks to do good, wherever we operate. We are pleased to partner the China Foundation for Poverty Alleviation to contribute to uplifting rural communities in Yunnan Province, where Keppel has been operating since the 1990s."

Mr Zheng Wenkai, Chairman of the CFPA, said, "Since 2018, we have been collaborating with the Keppel Group to support the education and nutrition of students in rural areas of Sichuan Province, and we are happy to kickstart this new programme in Yunnan Province. I believe that this launch will signify a new journey and starting point to consolidate and further the achievements in terms of poverty alleviation, and make greater contributions towards rural revitalisation."



Keppel and the China Foundation for Poverty Alleviation's partnership aims to enhance nutritional content of meals for students, as well as provide educational and facility upgrades for the schools.

ABOUT THIS REPORT

This report focuses on the sustainability strategy and practices of Keppel Corporation and its subsidiaries, namely the material environmental, social and governance (ESG) aspects of our business operations.

This report provides an overview of our management approach, priorities, targets and performance reviews in key areas.

The content was defined by identifying and prioritising the Company's material ESG factors through a comprehensive materiality assessment completed in 2019 and reviewed in 2020 (see page 13). We printed limited copies of this report to minimise environmental impact. A PDF version is available at www.keppcorp.com.

Our stakeholders are advised to read Keppel Corporation's Annual Report 2020, available at www.keppcorp.com/annualreport2020, for more information on the Group's business, strategy, performance and prospects.

Some photos featured in this report were taken prior to the COVID-19 pandemic, before mask-wearing requirements were put in place as part of safe management measures.

REPORTING PERIOD & STANDARDS

GRI 102-50 | 102-51 | 102-52 | 102-54

This report is published annually and covers the same period as the financial year of the Company (January to December 2020), unless otherwise stated. Our last sustainability report was published in May 2020. Where possible, we shared three-year historical information to provide a meaningful basis for comparison.

This report has been prepared in accordance with the GRI Standards: Core Option and Singapore Exchange-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide.

We support the Taskforce on Climate-related Financial Disclosures (TCFD), and are working towards incorporating its recommendations in our reporting framework. We are a signatory

to the United Nations (UN) Global Compact and are committed to its 10 principles. This report serves as our Communication on Progress.

The report was submitted for the GRI Materiality Disclosures Service, and GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

The GRI Materiality Disclosures Service organisational mark is located on page 91. We used standard units of measurement. Conversion factors may be found in the relevant sections. All dollar values expressed are Singapore dollars.

REPORT BOUNDARY

GRI 102-46 | 102-48 | 102-49

As a guide, this report covers global operations and all subsidiaries for which the Group has management control, unless otherwise indicated. The Group structure is provided on page 12. Significant subsidiaries include Keppel Offshore & Marine, Keppel Infrastructure, Keppel Land, Keppel Telecommunications & Transportation, M1 and Keppel Capital.

The reporting boundary for financial data is the same as that of the Company's Annual Report 2020. The reporting boundaries for our material topics may vary, due to differences in where the impacts occur most for each topic. The boundaries are specified in the respective sections on our material issues.

INDEPENDENT ASSURANCE

GRI 102-56

Keppel Corporation appointed an independent third party, DNV, to provide assurance on this report. The content was reviewed and the accuracy and reliability of the statements were validated in accordance with the International Standard on Assurance Engagements 3000 by the International Federation of Accountants and DNV's Verification Protocol for Sustainability Reporting, VeriSustain™. The Assurance Statement is published on pages 95 and 96.

FEEDBACK

GRI 102-53

This report demonstrates our commitment to keep our stakeholders abreast of Keppel's sustainability performance. We welcome feedback.

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GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS: CORE OPTION

GRI 102-54

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives
General Disclosures				
GRI 101: Foundation 2016				
		Organisational Profile		
GRI 102: General Disclosures 2016	102-1	Name of the organisation	Cover	UNGC Principles 1-10; SDG 3, 6, 7, 8, 9, 11, 12, 13, 16, 17
	102-2	Activities, brands, products, and services	12, AR 2020 (20-21)	
	102-3	Location of headquarters	Back Cover	
	102-4	Location of operations	10-11	
	102-5	Ownership and legal form	12, AR 2020 (208-216, 236)	
	102-6	Markets served	10-11	
	102-7	Scale of the organisation	10-11, 12	
	102-8	Information on employees and other workers	72, 75	
	102-9	Supply chain	57	
	102-10	Significant changes to the organisation and its supply chain	57	
	102-11	Precautionary Principle or approach	26, 51-55	
	102-12	External initiatives	16, 18-23, 26	
	102-13	Membership of associations	16, 65	
		Strategy		
	102-14	Statement from senior decision-maker	2-6	
	102-15	Key impacts, risks, and opportunities	26, 48, 51-55, AR 2020 (12-17)	
		Ethics & Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Inside Front Cover, 16, 49	UNGC Principles 1-10; SDG 16
	102-17	Mechanisms for advice and concerns about ethics	46-47, 49, AR 2020 (104-105)	
		Governance		
	102-18	Governance structure	15-16, 41-42	UNGC Principle 10; SDG 16
	102-19	Delegating authority	15-16	
	102-20	Executive-level responsibility for economic, environmental, and social topics	15-16	
	102-21	Consulting stakeholders on economic, environmental, and social topics	13, 16-17	
	102-22	Composition of the highest governance body and its committees	15, 41-42	
	102-23	Chair of the highest governance body	41-42	
	102-24	Nominating and selecting the highest governance body	45-46, AR 2020 (81-85)	
	102-25	Conflicts of interest	42	
	102-26	Role of highest governance body in setting purpose, values, and strategy	15, 41-42	
	102-27	Collective knowledge of highest governance body	42-44	
	102-28	Evaluating the highest governance body's performance	42-45, AR 2020 (102-104)	
	102-29	Identifying and managing economic, environmental and social impacts	15, 51-52	
	102-30	Effectiveness of risk management processes	51-52	
	102-31	Review of economic, environmental, and social topics	15, 51-52	
	102-32	Highest governance body's role in sustainability reporting	15-16, 51-52	
	102-33	Communicating critical concerns	41-42, 46-47, AR 2020 (104-105)	
	102-35	Remuneration policies	46, AR 2020 (86-91)	
	102-36	Process for determining remuneration	46, AR 2020 (86-91)	

* References to Keppel Corporation's Annual Report 2020 are expressed as 'AR 2020 (page number)'. Keppel Corporation's Annual Report 2020 is available at www.keppcorp.com/annualreport2020.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives	
General Disclosures					
		Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	17	UNGC Principle 3; SDG 8, 17	
	102-41	Collective bargaining agreements	72, 75		
	102-42	Identifying and selecting stakeholders	16-17		
	102-43	Approach to stakeholder engagement	16-17, 61		
	102-44	Key topics and concerns raised	17		
			Reporting Practice		
	102-45	Entities included in the consolidated financial statements	12		
	102-46	Defining report content and topic Boundaries	13-14, 90		
	102-47	List of material topics	14		
	102-48	Restatements of information	25, 90		
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		Climate Action			
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	103-2				
	103-3				
		Environmental Management			
GRI 103: Management Approach 2016	103-1	Management Approach	24-25, 29	UNGC Principles 7-9; SDG 3, 6, 7, 12, 13	
	103-2				
	103-3				
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	29-31		
	302-4	Reduction of energy consumption	29-31		
GRI 303: Water and Effluents 2018	303-1	Water withdrawal by source	30, 32		
	303-3	Water recycled and reused	30, 32		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	25, 30, 33-34		
	305-2	Energy indirect (Scope 2) GHG emissions	25, 30, 33-34		
	305-3	Other indirect (Scope 3) GHG emissions	25, 30, 33-34		
	305-4	GHG emissions intensity	33-34		
	305-5	Reduction of GHG emissions	33-34		
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	30, 32-33		
	306-3	Significant spills	34		
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	34		

* References to Keppel Corporation's Annual Report 2020 are expressed as 'AR 2020 (page number)'. Keppel Corporation's Annual Report 2020 is available at www.keppelcorp.com/annualreport2020.

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives
Topic-Specific Disclosures				
Economic Sustainability				
GRI 103: Management Approach 2016	103-1 103-2 103-3	Management Approach	36-37, AR 2020 (6-17)	SDG 8, 9, 11, 17
GRI 201: Economic Performance 2016	201-1 201-4	Direct economic value generated and distributed Financial assistance received from government	37-39 38	
Corporate Governance and Risk Management				
GRI 103: Management Approach 2016	103-1 103-2 103-3	Management Approach	40-42, 51	UNGC Principle 10; SDG 16, 17
GRI 205: Anti-Corruption 2016	205-1 205-2	Operations assessed for risks related to corruption Communication and training about anti-corruption policies and procedures	55 46-47	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	55	
Supply Chain and Responsible Procurement				
GRI 103: Management Approach 2016	103-1 103-2 103-3	Management Approach	56-58	UNGC Principles 1-10; SDG 8, 12, 16
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	57-58	
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	57, 59	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	57-58	
Product Quality and Safety				
GRI 103: Management Approach 2016	103-1 103-2 103-3	Management Approach	60-63	SDG 9, 11, 17
GRI 416: Customer Health and Safety 2016	416-1 416-2	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services	61-62 63	

* References to Keppel Corporation's Annual Report 2020 are expressed as 'AR 2020 (page number)'. Keppel Corporation's Annual Report 2020 is available at www.keppelcorp.com/annualreport2020.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks*	Connections to UN Initiatives
Topic-Specific Disclosures				
Occupational Safety and Health				
GRI 103: Management Approach 2016	103-1	Management Approach	64-66	UNGC Principles 1-2; SDG 3, 8, 17
	103-2			
	103-3			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	65-66	
	403-2	Hazard identification, risk assessment, and incident investigation	65-67	
	403-3	Occupational health services	65-68	
	403-4	Worker participation, consultation, and communication on occupational health and safety	65, 67-68, 70	
	403-5	Worker training on occupational health and safety	65, 68	
	403-6	Promotion of worker health	65, 67-68, 70	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65, 68	
	403-9	Work-related injuries	68-69	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	68-70	
Labour Practices, Talent Management and Human Rights				
GRI 103: Management Approach 2016	103-1	Management Approach	71-76	UNGC Principles 1-6, SDG 3, 4, 8, 17
	103-2			
	103-3			
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	72-73	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	72-74	
	401-3	Parental leave	72-74	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	76	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	76-77	
	404-3	Percentage of employees receiving regular performance and career development reviews	72-73	
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	72, 76	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	72, 76	
Community Development				
GRI 103: Management Approach 2016	103-1	Management Approach	80-82	SDGs 3, 4, 15, 17
	103-2			
	103-3			
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	81-89	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	81-89	
GRI 415: Public Policy 2016	415-1	Political contributions	81-82	

* References to Keppel Corporation's Annual Report 2020 are expressed as 'AR 2020 (page number)'. Keppel Corporation's Annual Report 2020 is available at www.keppelcorp.com/annualreport2020.

INDEPENDENT ASSURANCE STATEMENT



DNV Business Assurance Singapore Pte. Ltd. has been commissioned by the management of Keppel Corporation Ltd. ("Keppel", Company Registration Number: 196800351N) to carry out an independent assurance of the sustainability/non-financial disclosures in Keppel Corporation Sustainability Report 2020 (the "Report"), which is available on Keppel's website¹ and its printed format for the financial year ending 31 December 2020. The intended users of this Assurance Statement are the management of the Company.

CONCLUSION

On the basis of the limited assurance engagement undertaken, nothing has come to our attention to suggest that Keppel Corporation's 2020 Sustainability Report does not properly describe the non-financial/sustainability performance of identified material topics based on the GRI Standards Core option of reporting, for the reporting period.

STANDARD AND SCOPE OF ASSURANCE

STANDARD

The assurance is in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised² and Reporting Principles from the GRI Standards on Defining Report Content and Quality, and was performed using DNV's assurance methodology VeriSustain™³. The verification engagement was carried out from March to May 2021.

SCOPE OF ASSURANCE

We understand that the reported financial data and related information are based on statutory disclosures and audited financial statements⁴, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion related to assurance of non-financial sustainability disclosures in this Report. We are providing a 'limited level' of assurance based on ISAE 3000 and VeriSustain™.

The engagement excludes the sustainability management, performance, and reporting practices of Keppel Corporation's suppliers, contractors, and any third parties mentioned in the Report. The Company's position statements, the statements for the management approach, and case studies and examples are excluded from the scope of our work.

OUR OBSERVATIONS

Without affecting our assurance opinion, we also provide the following observations against the principles of VeriSustain™:

STAKEHOLDER INCLUSIVENESS

The Report brings out the Company's relationships with its key stakeholders who affect operations and influence performance ie. regulators, customers, employees, suppliers, local communities, shareholders and investors. The Report brings out the channels and initiatives that the Company has established to engage with identified stakeholders and Keppel's responses to these key concerns through various disclosures on strategies and other platforms and mechanisms.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

MATERIALITY

The Report brings out Keppel's process for identification and prioritisation of the Company's material matters. This is based on global environmental, social and governance (ESG) standards and considers ESG issues that could result in significant impacts on communities, business partners, workforce and the environment, and the relative influence on stakeholders' assessment and decision making. The material matters identified were further validated through stakeholder engagements conducted remotely during the year. The material topics identified were approved by Keppel Corporation's Board of Directors.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

RESPONSIVENESS

Responses to identified material topics and significant issues which have arisen during the reporting period are addressed through disclosures on strategies, management approach, long and short-term targets. Further, the Report also brings out its non-financial performance related to its material topics through selected GRI Topic-Specific Standards. The Report considers the risks, opportunities and outcomes associated with significant stakeholders and the external environment and brings out the implications and mitigation mechanisms deployed by the Company to maintain its ability to create value on the long term.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

RELIABILITY

The majority of the performance disclosures verified through offsite verification, i.e. Head Office and sampled sites, and through desk reviews, were found to be fairly accurate, reliable, identifiable and traceable to the source. Considering the limited sampling, we did not detect any major errors related to data collection or aggregation. Some of the data inaccuracies identified during the verification process were found to be attributable to interpretation and aggregation errors. These identified errors were communicated, and the responses and corrections made to the reported data and information were reviewed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

COMPLETENESS

The Report has disclosed its business model, sustainability strategies, management approach disclosures and sustainability performances against the material topics identified based on chosen GRI Standards. The boundary of the Report has been explained across sections in the Report and includes the sustainability performance from the global operations, subsidiaries and associated companies over which the Keppel Group has management control for the reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

NEUTRALITY

The Report presents disclosures related to the Company's performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders' assessments made based on the reported data and information.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

¹ www.keppcorp.com

² Assurance Engagements other than Audits or Reviews of Historical Financial Information.

³ The VeriSustain™ protocol is available on dnv.com.

⁴ Dated 26 February 2021.

INDEPENDENT ASSURANCE STATEMENT



BASIS OF OUR OPINION

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e. we concentrated our verification efforts on the issues of high material relevance to Keppel Corporation and its key stakeholders. A multi-disciplinary team of sustainability and assurance specialists reviewed non-financial disclosures related to the Head Office at Singapore, and selected sites of Keppel Corporation – Keppel Land and Keppel Capital in Singapore, based on DNV's sampling plan. Due to the outbreak of the COVID-19 pandemic, we carried out remote assessments as one-to-one discussions and onsite location assessments were not feasible. We undertook the following activities:

- Review of the non-financial/sustainability disclosures in this Report.
- Review of approach to materiality determination and stakeholder engagement and recent outputs although DNV did not have any direct engagement with external stakeholders.
- Review of information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the reporting framework adopted by Keppel.
- Interviews with selected members of leadership team, and senior managers responsible for management of sustainability issues and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the targets for medium- and long-term vision, mission and milestones.
- Performed desk review of selected sustainability parameters for sampled entities, and findings were discussed and resolved with the corporate sustainability team.
- Carried out remote assessments with teams at Keppel Land and Keppel Capital, to review the processes and systems for preparing site level sustainability data and the implementation of Keppel's sustainability strategy. We were free to choose the sites for remote assessment or verification.

- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritised based on our risk-based approach, i.e. relevance of identified material topics and sustainability context of the business.
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

LIMITATION

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, true, and free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Our verification engagement included limited level of verification of sustainability performance disclosures for the identified material topics of Keppel Corporation as identified under the reporting boundary brought out in the Report in the section "Materiality" i.e. covering entities over which Keppel Corporation has operational control or has seconded employees in operations. Our verification applies a $\pm 5\%$ uncertainty threshold towards errors and omissions for the performance data brought out in the Report.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable/high level assurance engagement. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

RESPONSIBILITIES OF THE MANAGEMENT OF KEPPEL AND OF THE ASSURANCE PROVIDER

Keppel has sole responsibility for the preparation of the Report and is responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting the information presented in the Report.

DNV is responsible for planning and performing the engagement to obtain a limited level of assurance based on ISAE 3000 and VeriSustain™, i.e. whether the reported disclosures are free from material misstatements and meet disclosure requirements of the GRI Standards 2016 and selected topic-specific disclosures related to identified material topics from the GRI Standards 2016 and selected GRI Standards (2018 and 2020), in accordance with the Core option of reporting.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct⁵ during the assurance engagement and maintain independence wherever required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward internal stakeholders interviewed during the assurance process. DNV did not provide any services to Keppel in 2020 that could compromise the independence or impartiality of our work.

⁵ The DNV Code of Conduct is available from the DNV website (www.dnv.com).

For DNV Business Assurance Singapore Pte. Ltd.

SOH MUI YAN

Lead Assessor

DNV Business Assurance
Singapore Pte. Ltd.

10 May 2021, Singapore

MAK HENG CHWIN

Regional Manager APAC IME

DNV Business Assurance
Singapore Pte. Ltd.

VADAKEPATTH NANDKUMAR

Assurance Reviewer

DNV Business Assurance
India Private Limited, India

INDEPENDENT VERIFICATION STATEMENT



DNV Business Assurance Singapore Pte. Ltd. ("DNV") has been commissioned by the management of Keppel Corporation Ltd. ("Keppel", Company Registration Number:196800351N) to carry out verification of Greenhouse Gases ("GHGs") emissions assertions as part of its sustainability reporting and as part of the Company's Carbon Disclosure Project ("CDP") response. The verification exercise was carried out for the Company's GHG assertions for the period from 1 January 2020 to 31 December 2020. This verification provides a moderate level of assurance as per DNV VeriSustain™¹ and applies a ±5% uncertainty threshold towards errors and omissions.

CONCLUSION

On the basis of our verification methodology, nothing has come to our attention that would cause us not to believe that the GHG assertions below are not a fair representation of Keppel's GHG Scope 1, Scope 2 and Scope 3 emission assertions. Some data inaccuracies identified for the sampled sites, during the verification process were found to be attributable to transcription, interpretation and aggregation errors, and the errors have been communicated for correction and corrected by Keppel.

SCOPE, BOUNDARY AND LIMITATIONS OF VERIFICATION

The scope of work agreed upon with Keppel includes the following:

- Verification of the GHG emissions (Scope 1, Scope 2 and Scope 3) in accordance with the requirements of CDP:
 - The Scope 1 emissions arising from:
 - a. diesel consumption in the diesel generating (DG) sets owned or operated by Keppel;
 - b. diesel fuel consumption in owned and leased vehicles of Keppel;
 - c. liquefied petroleum gas consumption;
 - d. naphtha consumption;
 - e. piped natural gas consumption;
 - f. compressed natural gas consumption;
 - g. acetylene consumption; and
 - h. refrigerant consumption – R123, R134A, R22, R407C, R410A
 - The Scope 2 emissions arising from use of purchased electricity;
 - The Scope 3 emissions arising from a consequence of the activities of the Company but occurring from sources not owned or controlled by the Company, such as business travel² and equity investment companies³. For carbon emissions calculation under Scope 3 emissions, Keppel Corporation accounts for the proportional emissions of

Scope 1 and 2 emissions of its investments as its Scope 3 emissions. Scope 3 emissions also included emissions from waste generated and fuel and energy-related activities investments as its Scope 3 emissions.

- Remote verification to the sampled Keppel facilities in Singapore and Australia;
- Verification of the Company's protocols, processes, management approach and controls related to the collection and collation of the GHG emission data.

The organisational boundary as set out by Keppel covers facilities in Singapore, Australia, Brazil, Germany, Hong Kong, United States and the Asia-Pacific region, where Keppel has operational control. During the process of verification, we did not come across any limitations to the agreed scope of work.

VERIFICATION METHODOLOGY

The verification was conducted by DNV in accordance with the requirements set out in DNV VeriSustain™, for a moderate level of verification. As part of the verification process, we obtained an understanding of the systems used to generate, aggregate and report GHG emission data, and the GHG data management system of Keppel. We also tested the Completeness, Accuracy and Reliability of the data.

Scope	Source	Tonnes of CO ₂ e Emission (tCO ₂ e) for 2020 – Global Operations ⁴	Tonnes of CO ₂ e Emission (tCO ₂ e) for 2020 – Singapore Operations ⁴
Scope 1	a. Diesel consumption in the generating sets owned or operated by Keppel; b. Fuel (diesel) consumption in owned and leased vehicles of Keppel; c. Liquefied petroleum gas; d. Naphtha; e. Piped natural gas; f. Compressed natural gas; g. Acetylene; and h. Refrigerant usage – R123, R134A, R22, R407C, R410A.	41,973	25,068
Scope 2	Purchased electricity	181,928	121,412
Scope 3 ⁵	Business travel and emissions from equity investment companies, fuel- and energy-related activities and waste generated.	1,909,309	–
Total (Scope 1, Scope 2 and Scope 3 emissions)		2,133,210	146,480

¹ The VeriSustain™ protocol is available on www.dnv.com

² Emissions from business travel.

³ Equity investment companies include Keppel Infrastructure Trust (Australia-Basslink, Australia-IXOM, City Gas, SingSpring, Keppel Merlimau Cogen, Senoko Waste-to-Energy plant, Keppel Seghers Tuas Waste-to-Energy Plant, Keppel Seghers Ulu Pandan NEWater Plant), Keppel REIT, Keppel DC REIT, Almere DC and PCCW.

⁴ For details please refer Keppel Corporations Sustainability report page 30. The data was verified from CR360 software, used by Keppel Corporation.

⁵ Scope 3 emissions for equity investment companies which generate incineration waste, estimated based on the fossil carbon arising from the incineration of non-organic waste content in the incineration plant which is dry plastics in Singapore's context. Including water treatment emissions, generation of industrial waste through recycling, waste generated for landfill.

Keppel has considered carbon emission factors to be: one tonne of waste incinerated equals to 0.3139 tCO₂ for Keppel Seghers Tuas WTE Plant, and 0.4283 tCO₂ for Senoko WTE Plant. ICAO Carbon Emissions Calculator or Carbon footprint carbon calculator used for business travel (Scope 3 emissions).

INDEPENDENT VERIFICATION STATEMENT



Scope	Source	Tonnes of CO ₂ e Emission (tCO ₂ e) for 2020 – Keppel Corporation's office
Scope 2	Purchased renewable energy	0 ⁷
Scope 3 ⁶	Business travel and employee commuting	47
Carbon credit offsetting	South Pole's climate protection project: Rimba Raya Biodiversity reserve project, Indonesia (Certificate no. C2008EN, 04.2021)	47
Total		0

During the verification engagement, we have taken a risk-based approach, and we have verified the GHG assertion made in the Report and assessed the robustness of the underlying data management system, information flow and controls. We carried out the following activities:

- Desk review of Keppel's reported emissions provided to us in spreadsheets to select sample sites for offsite verification including offset purchase and the certification related to zero energy building by the Building and Construction Authority BCA, Singapore;
- Management interaction to review data management systems of Keppel including review of data completeness, emission factors used and assumptions applied (data related to (from grid, DG), diesel consumption in DG sets owned or operated by Keppel and, diesel

consumption in owned/leased vehicles, consumption of liquefied petroleum gas, naphtha, piped natural gas, compressed natural gas and acetylene and refrigerant usage (R123, R134A, R22, R407C, R410A) for its operations, and business travel;

- Offsite verification of data aggregation systems and related evidences related to Scope 1 emissions, Scope 2 emissions reported for sample locations at Keppel Land, Keppel Shipyard and Keppel Logistics; Scope 3 emissions reported for sample location at Keppel Capital;
- Desk review verification of emissions data for sample sites located at M1 Limited, Keppel Corporation and Keppel Land corporate offices, IXOM and City Gas; and
- Review of feedback from Keppel on reported observations arising from offsite verification.

For DNV Business Assurance Singapore Pte. Ltd.

SOH MUI YAN

Lead Assessor

DNV Business Assurance
Singapore Pte. Ltd.

10 May 2021, Singapore

MAK HENG CHWIN

Regional Manager APAC IME

DNV Business Assurance
Singapore Pte. Ltd.

VADAKEPATTH NANDKUMAR

Assurance Reviewer

DNV Business Assurance
India Private Limited, India

RESPONSIBILITIES OF THE MANAGEMENT OF KEPPEL AND OF THE ASSURANCE PROVIDER

Keppel is responsible for the collection, analysis, aggregation and presentation of data and information based on an operational control approach under the GHG Protocol.

Our responsibility of performing this work is to the management of Keppel only and in accordance with terms of reference agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient true and free from misstatements. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during March to May 2021 as part of verification of sustainability report disclosures.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct⁸ during the assurance engagement and maintain independence wherever required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward internal stakeholders interviewed during the assurance process. DNV did not provide any services to Keppel in 2020 that could compromise the independence or impartiality of our work.

⁶ Emissions from employee commuting are calculated based on Singapore's SMRT carbon footprint FY10.

⁷ The Building and Construction Authority (BCA) has certified Keppel Bay Tower, owned and operated by Keppel Land Limited (Keppel Land), as a Green Mark Platinum (Zero Energy) building.

⁸ The DNV Code of Conduct is available from the DNV website (www.dnv.com).

Note: The GHG conversion factors for direct (Scope 1) emissions, as well as Global Warming Potential values used are based on the United Kingdom's DEFRA 2020 Government GHG Conversion Factors for Company Reporting (Scope 1). The GHG conversion factors for indirect (Scope 2) emissions are based on the Electricity Grid Emission Factor for 2019 from Singapore's Energy Market Authority and Grid Emission Factor for International Energy Agency 2020. Carbon emissions from the incineration of waste (Scope 3) are based on the 2006 IPCC Guidelines for National GHG Inventories (Volume 5 – Waste), water treatment emissions, emissions factor for disposal of commercial & industrial waste through recycling and combustion and emissions factor for disposal of commercial & industrial waste through landfill from United Kingdom's DEFRA 2020 Government GHG Conversion Factors for Company Reporting (Scope 3). Emissions from business travel are calculated based on the International Civil Aviation Organisation (ICAO)'s online Carbon Emissions Calculator. Emissions from fuel and energy-related activities are calculated based on United Kingdom's DEFRA 2020 Government GHG Conversion Factors for Company Reporting (WTT – overseas electricity (generation) & (WTT – overseas electricity (T&D)).

ASSURANCE STATEMENT ON KEPPEL CORPORATION'S APPLICATION OF THE BUSINESS FOR SOCIETAL IMPACT (B4SI) FRAMEWORK



Corporate Citizenship is a global consulting firm which specialises in responsible and sustainable business and manages the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship has been commissioned by Keppel Corporation to perform independent external assurance on its use of the B4SI Framework to measure and report on its corporate community investment (CCI) activities, occurring between 1 January to 31 December 2020.

The B4SI Framework helps businesses to measure, manage and report on their CCI activities. It moves beyond charitable donations to include the full range of contributions, or inputs, made to community causes (including time, in-kind and management costs, and cash donations). It also assesses the actual results for the community and for the business, also known as outputs and impacts. (See <https://b4si.net/> for more information).

The purpose of our engagement has been to assess whether or not the B4SI Framework, and its guidance, are correctly and consistently applied by Keppel Corporation in its reporting. The scope of the B4SI assurance covers the information presented in the Community Development section of Keppel Corporation's Sustainability Report for 2020, on pages 80 to 89. The scope of the assurance included the following data and KPIs:

- Inputs: e.g. Volunteer hours, donation amounts
- Outputs: e.g. Number of beneficiaries served
- Impacts: e.g. Business impacts (employee perception of company)

The engagement was undertaken at a limited level and involved the following activities:

- Checks on the accuracy and consistency of the data and information presented in this report on pages 80 to 89.
- Management interviews with key persons responsible for community investment activities to understand the process for collecting, validating and consolidating the data. This also included questions to verify the internal systems and procedures for collecting, validating and consolidating the data.

As a result of our work, we are satisfied, based on the limited scope described above, that Keppel Corporation has sufficiently applied the guidance set out in the B4SI Guidance Manual. Our work has not extended to an independent audit of the data presented in this report.

Corporate Citizenship

Singapore
7 May 2021

KEY PERSONNEL

GROUP SUSTAINABILITY STEERING COMMITTEE

Loh Chin Hua

Chairperson
Chief Executive Officer,
Keppel Corporation

Chan Hon Chew

Chief Financial Officer,
Keppel Corporation

Christina Tan

Chief Executive Officer,
Keppel Capital

Chris Ong

Chief Executive Officer,
Keppel Offshore & Marine

Louis Lim

Chief Executive Officer,
Keppel Land

Cindy Lim

Chief Executive Officer,
Keppel Infrastructure

Thomas Pang

Chief Executive Officer,
Keppel Telecommunications & Transportation

Manjot Singh Mann

Chief Executive Officer,
M1

Tan Swee Yiow

Senior Managing Director,
Urban Development,
Keppel Corporation

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Co-Chairperson
Director,
Group Strategy & Development,
Keppel Corporation and
Managing Director,
Keppel Technology & Innovation

Ho Tong Yen

Co-Chairperson
Director,
Group Corporate Communications,
Keppel Corporation

Yeo Meng Hin

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Group Human Resources,
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General Manager,
Group Legal,
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Tok Soo Hwa

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Group Control & Accounts,
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Sepalika Kulasekera

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