

SHAPING THE FUTURE

Sustainability Report 2012



To be the provider of choice for solutions to the offshore & marine industries, sustainable environment and urban living.

We will develop and execute our businesses profitably, with safety and innovation, guided by our three key business thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities.

SUSTAINING GROWTH

Our commitment to business excellence is driven by our unwavering focus on strong corporate governance and prudent risk management.

Resource efficiency is our responsibility and makes good business sense.

Innovation and delivering quality products and services sharpen our competitive edge.

EMPOWERING LIVES

People are the cornerstone of our businesses.

As an employer of choice, we are committed to grow and nurture our talent pool through continuous training and development to help our people reach their full potential.

We want to instill a culture of safety so that everyone who comes to work goes home safe.

NURTURING COMMUNITIES

As a global citizen, Keppel believes that as communities thrive, we thrive. We give back to communities wherever we operate through our multi-faceted approach towards sustainability.

We believe that cultivating a green mindset among our employees will spur them to adopt a sustainable lifestyle.

As leaders in our businesses, we support industry programmes and initiatives, and encourage open dialogue to promote growth.

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LETTER TO OUR STAKEHOLDERS

This year, Keppel celebrates 45 years of growth. In shaping the Company's future, we have to stay the course of our multi-business strategy, embracing sustainability not only as a guiding principle, but on strategic and operational levels.

We continue to strive to be a responsible corporate citizen and make a sustainable difference to the long-term economic vitality of communities around the world where we operate.

The world's urban population is expected to increase 72% by 2050, from the current 3.6 billion to 6.3 billion. Given that the effects of urbanisation are pervasive, cities contend with pressing issues on energy, water, waste and environmental impact. Through our key businesses in offshore and marine, infrastructure and property, we are providing solutions to help address some of these needs in a sustainable way.

This report is a way for us to communicate our aspirations, plans, actions, performance and commitment to grow the Company holistically. In it, we document our initiatives related to corporate governance, the environment, safety, and people and community development.

BEST PRACTICE REPORTING

The Monetary Authority of Singapore issued the revised 2012 Code of Corporate Governance in May 2012 to include sustainability clauses in company disclosures, recognising its importance to the relevance and future of our capital market. The Singapore Exchange is also pushing for listed companies to disclose more on sustainability practices and is exploring setting up a sustainability index for Singapore-listed stocks.

Keppel Corporation's sustainability report draws on internationally-recognised standards of reporting, including the Global Reporting Initiative (GRI) 3.1 guidelines

and AA1000 Assurance Standard from AccountAbility.

To help us sharpen our processes and improve on the accuracy of information disclosed, we engaged Det Norske Veritas (DNV) Business Assurance to provide verification for our report. The external assurance also helps us ensure that our reporting remains balanced, responsive and relevant to our stakeholders.

REVIEWING OUR PERFORMANCE

The safety of employees continues to be a key focus for management. We maintained a good safety record in 2012, achieving an Accident Frequency Rate and Accident Severity Rate of 0.17 and 84 respectively, showing an improvement from 0.25 and 367 in 2011. We regret to report that in 2012 we had three fatalities, of which two were related to working at height. We investigated each incident thoroughly, determined root causes and identified steps to prevent similar events.

We believe that people are at the heart of every good company. To build the capacity of our workforce, we invested \$20.5 million in training and development programmes for employees globally, and remain committed to nurture a strong and united team.

The Group had some success in efforts to mitigate our environmental impact. We were able to reduce our use of energy and water in Singapore operations due to investments in technology and by changing some of our operational processes. Waste sent for incineration, in particular, was significantly reduced as we intensified our recycling efforts.

To provide a more structured framework for the Group's corporate giving, we launched Keppel Care Foundation, through which we will aid the needy and underprivileged, promote education and encourage



eco-friendly initiatives. The Group will commit up to 1% of its annual net profits to the Foundation.

STAKEHOLDER ENGAGEMENT

Keppel is committed to be accountable to our stakeholders. To increase our engagement with our stakeholders, we commenced a consultation exercise on sustainability issues in 2012 to understand and better address their concerns. The consultation was conducted with the guidance of an independent sustainability consultancy, and it will help us to identify areas most material to the company, prioritise our resources and address these areas.

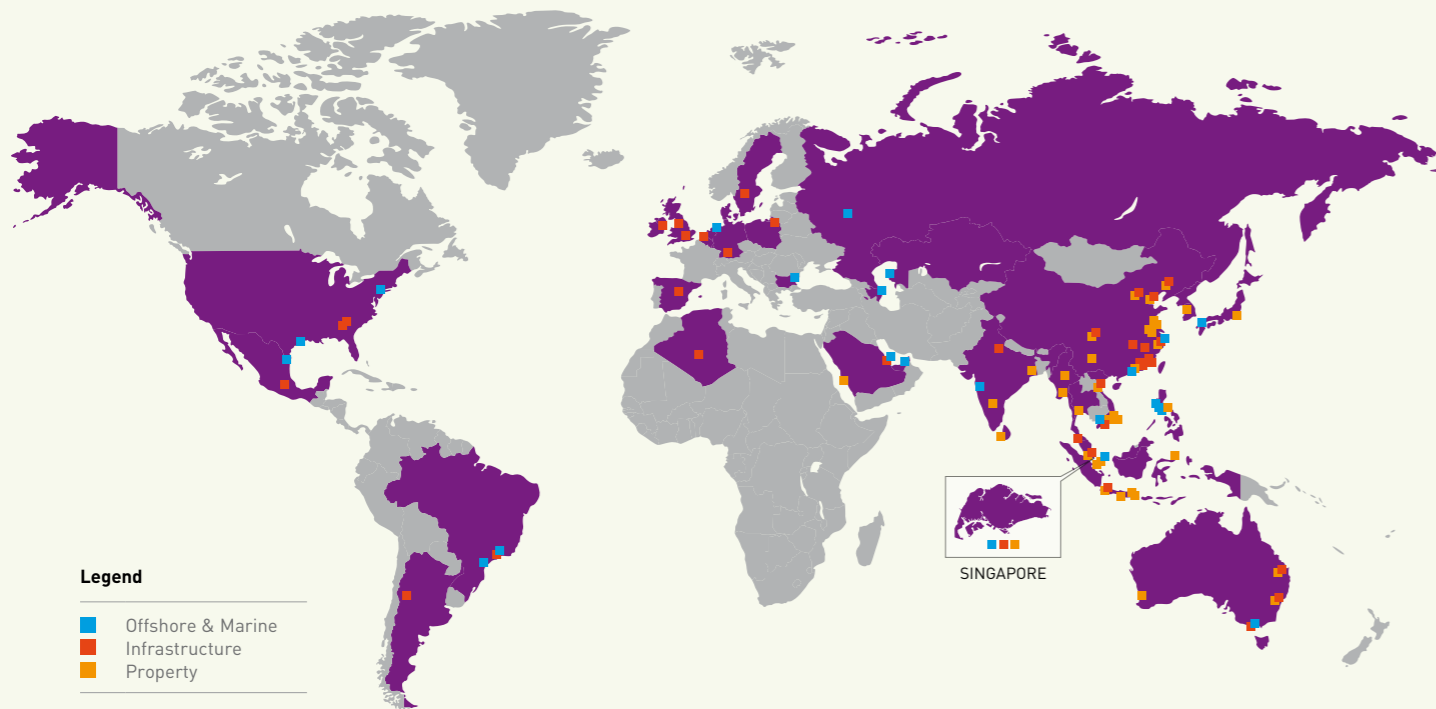
I hope that this report will continue to serve as a platform for dialogue and spur the Group to achieve better results.

CHOO CHIAU BENG
CHIEF EXECUTIVE OFFICER



CORPORATE PROFILE

Keppel Corporation is a Singapore-grown conglomerate with key businesses in Offshore & Marine, Infrastructure and Property. With a global footprint in over 30 countries, Keppel Corporation leverages its international network, resources and talents to grow its key businesses.



Strategic Directions

FORTIFYING CORE COMPETENCIES

- Ensure continued focus on execution excellence to produce top quality products and solutions for customers.
- Sharpen competitive edge by investing in Research and Development (R&D) and technology innovation for long-term growth.
- Maximise talent development and knowledge sharing to enhance productivity.

EXPANDING GLOBAL FOOTPRINT

- Build on the Group's strong global network for new business opportunities.
- Leverage the Keppel brand to enhance presence in existing markets and enter new ones.

LEVERAGING GROWTH PLATFORMS

- Maximise synergy and collective strength among businesses.
- Seize value-enhancing opportunities when they arise.



Offshore & Marine

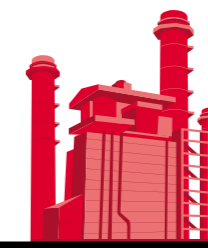
Keppel Offshore & Marine (Keppel O&M) is one of the world's largest offshore and marine groups, and a global leader in offshore rig design, construction and repair, ship repair and conversion and specialised shipbuilding.

Its Near Market, Near Customer strategy is underpinned by a global network of 20 yards and offices in the Asia Pacific, Gulf of Mexico, Brazil, the Caspian Sea, the Middle East and the North Sea regions.

Keppel O&M is a member of the Association of Singapore Marine Industries, and its key executives are members of the Singapore Maritime Foundation. The company is a partner of the Institute of Marine Engineering, Science and Technology, the leading professional body for the global marine community.

Keppel O&M's yard in Brazil participates in PROMINP (Programa de Mobilização das Indústrias de Petróleo), which aims to advance the Brazilian oil and gas industry. In the Netherlands, Keppel Velrome participates actively in economic, environmental and social issues raised by the Dutch government.

In addition, Keppel O&M supported the founding of the Centre of Offshore Research and Engineering (CORE) at the National University of Singapore (NUS) and Energy Research Institute (ERIGI) at the Nanyang Technological University of Singapore. Keppel O&M, together with Keppel O&M Technology Centre, FloaTEC and NUS formed a consortium, called f(K)N, to promote technology exchange between Brazil and Singapore.



Infrastructure

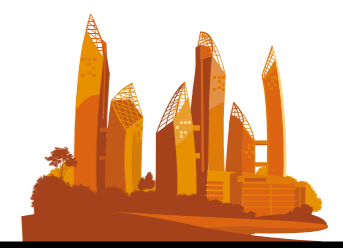
Keppel's Infrastructure Division comprises power and gas, environmental engineering, and logistics and data centre services.

Keppel Energy and Keppel Integrated Engineering were reorganised under a newly incorporated entity, Keppel Infrastructure, with effect from 2 May 2013. Keppel Infrastructure drives the Group's strategy to invest in, own and operate competitive energy and infrastructure solutions and services.

In Gas to Power, Keppel Infrastructure has a track record of developing, owning and operating power plants in Brazil, China, the Philippines and Nicaragua. In Singapore, it operates a 500 MW gas fired combined cycle power plant which is undergoing a 800 MW expansion. Through its subsidiary, Keppel Seghers, its advanced technology solutions address environmental issues such as solid waste and wastewater. Keppel DHCS, a subsidiary, is the largest district cooling service provider in Singapore.

Keppel Infrastructure is a member of the Waste Management and Recycling Association of Singapore and Singapore Water Association. Keppel DHCS is a member of the Sustainable Energy Association of Singapore.

Keppel Telecommunications & Transportation (Keppel T&T) is a leading service provider of logistics and data centres in Southeast Asia and Europe, and is a member of the Singapore Business Federation, Singapore Logistics Association and Singapore IT Federation.



Property

Keppel Land is recognised for its sterling portfolio of award-winning residential developments and investment-grade commercial properties as well as high standards of corporate governance and transparency.

The company is geographically diversified in Asia, with Singapore and China as its core markets, and Indonesia and Vietnam as its growth markets. It focuses on a two-pronged strategy of property development for sale and property fund management.

Keppel Land is part of the FTSE ST Real Estate Index, FTSE ST China Top Index, FTSE All-World Index, FTSE Asia Pacific ex-Japan Index, FTSE EPRA/NAREIT Global Real Estate Index and EPRA/NAREIT Index.

In 2012, Keppel Land became a founding member of the World Green Building Council Corporate Advisory Board, working with the global network of Green Building Councils to implement strategies, ideas and projects for a green built environment. Keppel Land is also a Board member of the Singapore Green Building Council and founding member of the Singapore Green Business Alliance.

INDUSTRY OUTLOOK



The global deepwater market continued to enjoy healthy growth. Keppel FELS, a subsidiary of Keppel Offshore & Marine, is expected to deliver 20 rigs in 2013, a record for any yard worldwide.

Keppel Corporation creates sustainable value through its key businesses in Offshore & Marine, Infrastructure and Property. The Group serves a global customer base through its presence in over 30 countries.

OFFSHORE & MARINE

Global oil consumption is expected to rise in tandem with improving economic conditions in China and the United States. Demand for oil, gas and coal will grow in absolute terms through 2035, but their combined share of the global energy mix is expected to fall from 81% to 75% in the same period.

Global capital spending in exploration and production is forecasted to grow for the fourth consecutive year to reach US\$644 billion in 2013. The industry is still in the early stages of an international spending up cycle.

The jackup market continues to put a premium on high-specification jackups over commodity rigs. Utilisation rates for high specification jackups continue to be healthy and are close to 100%. 35% of the world's jackup fleet is more than 30 years old, therefore the new jackups are expected to be readily absorbed.

The global deepwater market continued to enjoy healthy growth with about 40 deepwater units ordered in 2012. The number of orders for sixth-generation semisubmersibles more than doubled over 2011–2012.

INFRASTRUCTURE

Competition in the power market is expected to intensify with the increased supply from competitors and new market entrants. Moreover, the expected completion of Singapore's Liquefied Natural Gas (LNG) Terminal in mid-2013 will facilitate local LNG imports and Keppel Infrastructure's strategy to diversify its fuel sources.

Rapid population growth, urbanisation and economic development drive the need for sustainable environmental solutions. Keppel Infrastructure is positioned to capture opportunities in Singapore, Europe, Greater China and the Middle East, leveraging its environmental engineering expertise to seek out value-enhancing projects.

K-Green Trust will continue to evaluate enhancement opportunities for its assets, and will seek out good acquisitions in waste management, water treatment, renewable energy and energy efficiency in Asia Pacific and Europe.

Southeast Asian economies are expected to experience high growth as the region develops. China's fast-growing domestic consumer market and deep foreign reserves are expected to sustain its economy in spite of lingering uncertainties in the European Union and the United States. Rising urbanisation and the need for specialist logistics providers present windows of opportunities, which Keppel Telecommunications & Transportation

(Keppel T&T) will leverage to further expand in current markets and grow its presence in China and Southeast Asia.

Escalating growth in data and the adoption of cloud computing by enterprises, financial institutions, government agencies and social media companies are expected to drive global demand for data centres. Having served blue-chip clients for over a decade, Keppel T&T's data centre business is well-positioned to leverage its fundamentals to grow in Asia, Europe and the Middle East.

PROPERTY

Economic growth is expected to remain modest at 1-3%. With more property cooling measures announced, residential prices and sales volume may be affected. While any further cooling measures will exert downward pressure on the residential market, liquidity and the low interest rate environment continue to support demand.

As office demand is closely co-related to the state of economy, the uncertain global economic conditions may affect the take-up of space from the financial sector. However, the limited supply of Grade A office space as well as take-up from non-financial sectors will mitigate the impact. Multinational corporations continue to establish and grow their operations in Singapore given its appeal as a pro-business hub in Asia.

Economic growth, favourable demographics and rapid urbanisation will continue to drive demand for quality homes in markets where Keppel Land operates. Keppel Land will monitor the regional market, where homeownership aspirations remain strong with rising middle-class populations. The company will also continue to look out for attractive residential and commercial development sites. Riding on its brand name and experience as a premier office developer in Singapore, Keppel Land will continue to expand its commercial portfolio overseas.

For a more thorough discussion of Keppel Group's businesses, please refer to Keppel Corporation's Report to Shareholders 2012, pages 47 to 79.



ABOUT THIS REPORT

This Report focuses on the sustainability strategies and practices of Keppel Corporation and its subsidiaries, highlighting the economic, environmental, and social aspects of the Group's activities and initiatives. It provides an overview of our approach, priorities and targets, as well as a performance review in several key areas.

Limited copies of this Report have been printed to minimise impact on the environment. A PDF version is downloadable at www.keppcorp.com.

In addition to this Report, stakeholders are advised to read the Keppel Corporation's Report to Shareholders 2012 and visit our corporate website www.keppcorp.com for a complete view of the Group's business, strategy, performance and prospects.

REPORT BOUNDARY

This Report covers global operations and all subsidiaries and associated companies for which the Group has management control, unless otherwise indicated. The Company has 250 significant subsidiaries and associated companies as at 31 December 2012. Information relating to subsidiaries and associated companies is published on pages 191 to 202 of Keppel Corporation's Report to Shareholders 2012.

REPORTING PERIOD AND STANDARDS

The period covered by this Report is the same as the financial year of the Company (January to December 2012). Wherever possible, we have shared three-year historical information to provide a meaningful basis for comparison. The Sustainability Report is published yearly.

This Report has been developed in accordance with the Global Reporting Initiative (GRI) G3.1 guidelines and the Guide to Sustainability Reporting for Listed Companies published by the Singapore Exchange. Through the GRI

Application Level Check Statement, it has been confirmed that this Report fulfils the requirements of Application Level B+. For more information on the guidelines, please visit GRI's website. Standard units of measurements were used in this report and conversion factors, where applicable, are found in their respective sections. All dollar values are expressed in Singapore dollars.

The GRI Content Index on pages 68 to 71 outlines where specific GRI reporting elements and indicators are addressed in the Report.

MATERIALITY

We conducted a materiality analysis in 2011, and a materiality matrix was used to prioritise the social, economic, and environmental challenges, opportunities and issues of particular concern to our stakeholders. The analysis was based on AA1000 AccountAbility Principles of Inclusivity and Materiality and GRI 3.1 guidelines, whereby materiality is assessed by determining the relevance of each issue to Keppel and its stakeholders. An issue is considered to be material if it influences the decisions, actions, and performance of an organisation or its stakeholders.

Issues were systematically assigned numerical scales whereby higher priority issues were assigned higher scores (1 - Low, 5 - Critical). Following, the issues were plotted graphically on internal and external stakeholder axes to show where they lay in relation. An independent sustainability consultancy guided us through the materiality process, and provided external stakeholder perceptions based on their expertise. Thresholds on the axes were marked to divide the matrix into bands of materiality. This report addresses issues in the most significant bands.

The most material sustainability issues facing Keppel Corporation

are safety and risk management, product quality, economic performance, corporate governance and labour practices. The assessment of materiality is reviewed regularly.

INDEPENDENT ASSURANCE

Keppel Corporation appointed an independent third party, Det Norske Veritas (DNV) Business Assurance, to provide assurance on this Report. The content of this Report was reviewed and the accuracy and reliability of all statements validated in accordance with the DNV 'Protocol for Verification of Sustainability Reporting'. Principles and concepts in this protocol draw on GRI 3.1, the AA1000 Assurance Standard 2008 from AccountAbility and the International Standard on Assurance Engagements 3000 (ISAE 3000) from the International Federation of Accountants. All underlying systems and processes that support the Company's sustainability framework were reviewed in adherence to the AA1000 Principles of Inclusivity, Materiality, Responsiveness and Completeness, as well as the GRI 3.1 guidelines, specifically with respect to a 'B+' Application Level. The assurance statement is published on pages 65 to 67.

FEEDBACK

Through this Report, we demonstrate our commitment to keep our stakeholders, including our employees, customers, investors, business partners and community members abreast of our social and environment developments.

REPORT TO SHAREHOLDERS

www.keppcorp.com
Investor Centre > Financial Reports

SEND US YOUR FEEDBACK

sustainability@keppcorp.com

MANAGING SUSTAINABILITY

KEPPEL GROUP'S SUSTAINABILITY MANAGEMENT STRUCTURE



Sustainability issues are managed at and communicated through all levels of the Keppel Group. The Group Sustainability Steering Committee leads the Group's sustainability strategy. It comprises senior management from the Keppel Group and is chaired by Keppel Corporation's Chief Executive Officer, Mr Choo Chiau Beng. Three members in the Steering Committee are Senior Executive Directors on the Board of Keppel Corporation.

The commitment of senior management is crucial to successfully engage Keppel staff and provide leadership and direction for the Group's performance against the sustainability indicators.

The management structure sees the Steering Committee supported by the Working Committee, which in turn executes and reports the Group's strategy and performance. The Group Sustainability Working Committee is headed by Ms Wang Look Fung, Keppel Corporation's Director of Group Corporate Affairs.

The Working Committee is made up of six functional committees, which oversee and report the Group's strategy and performance across the six aspects identified as material to the Group. They are: Economic Performance, Corporate Governance, Environmental

Performance, Product Excellence, Labour Practices and Human Rights, and Safety and Health.

The Steering and Working Committees are supported by the Secretariat sited in Group Corporate Communications, as well as Group Internal Audit, which facilitates the reporting and advises on performance issues.

MANAGEMENT SYSTEMS

Our sustainability agenda and management approach are aligned

with our business thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities. You may refer to the inside cover of this report for an elaboration of these thrusts.

Group-wide, we continue to be guided by our corporate values and our Employee Code of Conduct where we establish our commitment to fair employment practices and the rules and conduct that employees must uphold.

KEPPEL GROUP CORE VALUES





MANAGEMENT SYSTEMS

| OFFSHORE & MARINE | |
|---|--|
| KEPPEL FELS | |
| ISO 9001 Quality Management System | Since 1994 |
| Singapore Quality Class Certification (SQC) | Since 2002 |
| Singapore Innovation Class Certification (I-Class) | Since 2004 |
| KEPPEL SHIPYARD | |
| Singapore Quality Class Certification (SQC) | Since 1999 |
| ISO 9001 Quality Management System | Since 1996 |
| ISO 14001 Environmental Management System | Since 2004 |
| INFRASTRUCTURE | |
| KEPPEL ENERGY | |
| Integrated Management System comprising: ISO 9001 Quality Management System ISO 14001 Environmental Management System OHSAS 18001 Occupational Health and Safety Management System SS 506 Singapore Standard Occupational Safety and Health Management System | In the process of obtaining certifications |
| KEPPEL SEGHERS ENGINEERING SINGAPORE | |
| ISO 9001 Quality Management System | Since 1999 |
| ISO 14001 Environmental Management System | Since 2002 |
| OHSAS 18001 Occupational Health and Safety Management System | Since 2002 |
| DOMESTIC SOLID WASTE MANAGEMENT CENTRE OPERATED BY KEPPEL SEGHERS ENGINEERING | |
| ISO 9001 Quality Management System | Since 2012 |
| ISO 14001 Environmental Management System | Since 2012 |
| OHSAS 18001 Occupational Health and Safety Management System | Since 2012 |
| KEPPEL LOGISTICS | |
| ISO 9001 Quality Management System | Since 1993 |
| ISO 14001 Environmental Management System | Since 2002 |
| OHSAS 18001 Occupational Health and Safety Management System | Since 2002 |
| ISO 13485 Quality Management System for Medical Devices | Since 2009 |
| Good Distribution Practice for Medical Devices in Singapore (GDPMDS) | Since 2009 |
| Management of Food Safety based on Hazard Analysis and Critical Control Point (HACCP) | Since 2011 |
| Secure Trade Partnership for robust security measures in trading operations (STP-Plus) | Since 2008 |
| Trade Facilitation and Integrated Risk-based System (TradeFIRST) | Since 2011 |
| KEPPEL DATA CENTRES | |
| SS 564 Singapore Standard for Green data centres – Energy and environmental management system (Keppel Datahub) | Since 2011 |
| SS 507 Singapore Standard for Information and communications technology disaster recovery services (Keppel Datahub and Keppel Digihub) | Since 2011 |
| ANSI/TIA 942 – Tier III Telecommunication Infrastructure Standard (Keppel Datahub) | Since 2010 |
| ISO/IEC 24762 Information and communications technology disaster recovery management standard (Keppel Datahub) | Since 2011 |
| PROPERTY | |
| KEPPEL LAND | |
| ISO 14001 Environmental Management System | Since 2008 |
| OHSAS 18001 Occupational Health and Safety Management System | Since 2012 |

STAKEHOLDER ENGAGEMENT

We recognise that business and sustainability goals are best unified through an active engagement process with our stakeholders.

By identifying issues that are significant to our stakeholders through open dialogue and other engagement efforts, we aim to shape our sustainability approach and better align our business strategy and activities.

The stakeholder groups were identified through a mapping exercise,

and are deemed to have a high level of interest in sustainability issues, as well as the potential influence to affect the Group's businesses.

COMMUNICATION AND ENGAGEMENT

Our engagement takes many forms, including one-on-one and group meetings and conference calls; senior executive speeches; "live" webcasts of our quarterly results and presentations; e-mail communications; publications

such as Keppel Corporation's Report to Shareholders, Sustainability Report; and our website. Market sensitive news is promptly posted on our website at the end or beginning of each market day, in addition to the Singapore Exchange website. In 2012, we embarked on a stakeholder engagement consultation, which will help us to understand and address the concerns of our stakeholders better. We will disclose the findings of the survey in next year's report.

Keppel's Stakeholders



CUSTOMERS

Goal: Provide value-added and reliable solutions tailored for our customers.

Action: As the Arctic is growing as an important focus area for our clients, an Arctic Centre of Excellence has been formed leveraging expertise across Keppel Offshore & Marine (Keppel O&M) as well as Marine & Shelf Development Ltd in Russia. Keppel O&M Technology Centre and ConocoPhillips are also designing a first-of-its-kind ice worthy jackup rig.



EMPLOYEES

Goal: Enhance employees' affiliation with the company and assimilation with organisational culture.

Action: Keppel O&M was the first company in Singapore to provide highly-subsidised dormitories for its foreign workers. Keppel has developed and are managing five dedicated dormitories with modern amenities such as canteens, minimarts, barber shops and wet markets that cater to their daily needs and well-being.



GOVERNMENTS

Goal: Collaborate with public policy leaders on issues of mutual interest.

Action: The Sino-Singapore Tianjin Eco-City is a landmark bilateral project between China and Singapore, with private sector investment and development. Keppel Group leads the Singapore consortium, and works in tandem with our Chinese consortium to guide our joint venture - the Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd in its role as master developer.



SHAREHOLDERS

Goal: Assure and address the concerns of the investing community and foster deeper relationships with long-term shareholders.

Action: In 2012, Keppel held over 170 one-on-one investor meetings and conference calls with Singapore and overseas institutional investors. Senior management went on non-deal roadshows to Japan, Hong Kong, the United States and the United Kingdom, and had over 60 meetings.



LOCAL COMMUNITIES

Goal: Nurture communities where we operate to build trust and goodwill.

Action: Launched in 2012, Keppel Care Foundation aims to sharpen, coordinate and sustain the Group's efforts and contributions to communities where Keppel operates. In line with Keppel's key corporate thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities, the Foundation will support worthy causes.



SUPPLIERS

Goal: Work alongside suppliers to influence and improve performance.

Action: Recognising that safety is a collective responsibility, Keppel engages its suppliers on operations and processes. Not only are suppliers and vendors involved in day-to-day safety management, they are also involved in programmes and initiatives for improvements.



PERFORMANCE DATA TABLE

| | 2010 | 2011 | 2012 | Interpretation | Page No |
|---|-----------|-----------|------------------|----------------|---------|
| ENVIRONMENT (SINGAPORE OPERATIONS) | | | | | |
| Direct Energy (GJ) | 870,002 | 963,708 | 757,615 | ■ | 23 |
| Indirect Energy (GJ) | 1,427,822 | 1,480,791 | 1,550,474 | ■ | 23 |
| Potable Water Used (m ³) | 1,566,587 | 1,380,930 | 1,452,747 | ■ | 25 |
| NEWater Used (m ³) | 2,905,055 | 3,175,749 | 2,692,900 | ■ | 25 |
| Recycled Waste (tonnes) | 91,598 | 144,896 | 284,489 | ■ | 25 |
| Incinerated Waste (tonnes) | 116,712 | 110,060 | 45,848 | ■ | 25 |
| Direct Carbon Emissions (t-CO ₂) | 609,170 | 595,008 | 639,887 | ■ | 26 |
| Indirect Carbon Emissions (t-CO ₂) | 198,943 | 195,835 | 221,632 | ■ | 26 |
| SAFETY | | | | | |
| Group Accident Frequency Rate (reportable accidents per million man-hours) | 0.33 | 0.25 | 0.17 | ■ | 40 |
| Group Accident Severity Rate (man-days lost per million man-hours) | 133 | 367 | 84 | ■ | 40 |
| Cumulative Group Accident Frequency Rate (Singapore) (reportable accidents per million man-hours) | 0.15 | 0.24 | 0.13 | ■ | 40 |
| Cumulative Group Accident Frequency Rate (Overseas) (reportable accidents per million man-hours) | 0.65 | 0.28 | 0.22 | ■ | 40 |
| Cumulative Group Severity Rate (Singapore) (man-days lost per million man-hours) | 129 | 180 | 48 | ■ | 40 |
| Cumulative Group Severity Rate (Overseas) (man-days lost per million man-hours) | 139 | 682 | 141 | ■ | 40 |
| LABOUR | | | | | |
| Investment in Training (S\$ million) | 18.3 | 20.5 | 20.5 | ■ | 48 |
| Training Hours per Employee (Singapore) | 60 | 62 | 73 | ■ | 48 |
| Training Hours per Employee (Global) | 31 | 30 | 34 | ■ | 48 |
| Sustainable Engagement Score (%) (Changes in methodology of calculation have been applied retrospectively) | 77.0 | 77.7 | 85.0 | ■ | 51 |
| Group Employee Turnover rate (%) | 11.5 | 10.9 | 9.9 | ■ | 47 |
| Local Hires (%) | 65.3 | 60.7 | 61.7 | ■ | 49 |
| Senior Management Hired Locally (%) | 60.5 | 59.4 | 62.2 | ■ | 49 |
| COMMUNITY | | | | | |
| Philanthropic Investments (S\$million) | 6.30 | 5.85 | 9.66 | ■ | 55 |

Legend

| | |
|---|---------------------|
| ■ | Generally desirable |
| ■ | Neutral |
| ■ | Undesirable |

AWARDS & ACCOLADES

CORPORATE GOVERNANCE



SECURITIES INVESTORS ASSOCIATION OF SINGAPORE 13TH INVESTORS' CHOICE AWARDS

- **KEPPEL CORPORATION**
 - Winner, Singapore Corporate Governance Award (Big Cap)
 - Most Improved Company, Singapore Corporate Governance Award
 - Brendan Wood TopGun CEO Designation, Mr Choo Chiau Beng

• KEPPEL LAND

- Merit, Singapore Corporate Governance Award (Big Cap)
- Runner-up, Most Transparent Company Award (Property)

• KEPPEL REIT

- Runner-up, Most Transparent Company Award (REITs)

SINGAPORE CORPORATE AWARDS

- **KEPPEL LAND**
 - Gold, Best Annual Report
 - Silver, Best Managed Board (Market cap of \$1 billion and above)

• KEPPEL TELECOMMUNICATIONS & TRANSPORTATION (KEPPEL T&T)

- Bronze, Best Investor Relations (Market cap of \$300 million to less than \$1 billion)

IR MAGAZINE SOUTHEAST ASIA CONFERENCE & AWARDS

- **KEPPEL CORPORATION**
 - Best Investor Relations Award by Section (Industrials)

• KEPPEL LAND

- Grand Prix for Best Overall Investor Relations Award (Mid or Small Cap)

SOUTHEAST ASIA INSTITUTIONAL INVESTOR CORPORATE AWARDS

- **KEPPEL CORPORATION**
 - The Best Annual Report in Southeast Asia
 - Top three companies with the strongest adherence to corporate governance in Singapore
 - Top eight most preferred companies by institutional investors

GOVERNANCE AND TRANSPARENCY INDEX

- Keppel Corporation was ranked fourth, Keppel Land was sixth while Keppel T&T was 13th out of 674 companies assessed.

- Keppel Corporation was named the Overall Best Managed Company in Singapore (Large Cap), at the Asiamoney Annual Best Managed Companies Awards.

ENVIRONMENTAL PERFORMANCE



- Keppel Land was ranked among the top sustainable companies on the Dow Jones Sustainability Asia Pacific and World Indices 2012/2013.
- Keppel Land was named Regional Sector Leader (Office) in the Global Real Estate Sustainability Benchmark.
- Keppel Land received special mention in the Singapore Compact CSR Award's Green Champion category.

BUILDING AND CONSTRUCTION AUTHORITY OF SINGAPORE (BCA) GREEN MARK AWARDS

• SINGAPORE

- Keppel DHCS's Changi Business Park Plant, Platinum
- The Lakefront Residences, Gold
- Marina at Keppel Bay, Gold
- Bugis Junction Towers, Gold
- Capital Square, Gold
- 158 Cecil Street, Gold
- Cassia @ Penjuru, Gold
- Keppel Offshore & Marine (Keppel O&M) Technology Centre, Certification

• OVERSEAS

- International Financial Centre Jakarta Tower 2, Platinum
- Saigon Centre Phase 2 in Ho Chi Minh City (HCMC), Gold
- Riviera Point in HCMC, Gold
- Elita Garden Vista in Kolkata, Certification (Provisional)

- Ocean Financial Centre (OFC) was certified under the United States' Leadership in Energy and Environmental Design Green Building Rating System (Platinum), and received Merit for Buildings Under Construction in Asia Pacific at the Green Building Award.

- Alpha Investment Partners' 158 Cecil Street won two Gold Awards at the World Green Roof Congress.

- Keppel REIT's 8 Chifley Square in Sydney was awarded the 6-Star Green Star Office Design v2 rating by the Green Building Council of Australia. 275 George Street in Brisbane also achieved 5-Star energy rating under the National Australian Built Environment Rating System.

- Jakarta Garden City (Phase 1) topped the Green Development category at the South East Asia Property Awards.

- Spring City Golf & Lake Resort received the Best Eco-Friendliness Award by Golf Magazine China.

PRODUCT EXCELLENCE



- Keppel Shipyard won the Repair Yard and Shipyard of the Year awards from Seatrade and Lloyd's List respectively.

- Nakilat-Keppel Offshore & Marine won the Ship Repair/Shipyard and Shipyard of the Year awards for the Middle East & Indian Subcontinent from Seatrade and Lloyd's List respectively.

- The BrasFELS yard garnered the Quality and Sustainability Naval Award for large companies from Brazil's National Union of Construction, Ship Repair and Offshore Industry and the ARO Foundation.

- Keppel Logistics was named, for the third time, the Best Domestic Logistics Service Provider of the Year (Singapore) at the annual Frost & Sullivan Asia Pacific Best Practices Awards 2012.

- Keppel Land clinched four Euromoney Real Estate Awards:
 - Best Office Developer, Singapore (fifth consecutive year)
 - Best Developer, Vietnam
 - Best Residential Developer, Vietnam
 - Best Mixed-Use Developer, Vietnam

- Keppel Land was among the top 10 developers in Singapore and Vietnam at the BCI Asia Awards.

- Keppel Land received the Highly Commended Best Developer Singapore award at the South East Asia Property Awards.

- Keppel Land won the Best Property Development Organisation for Mature Markets (Merit) at the Asia Pacific Real Estate Association Best Practices Awards.

- Reflections at Keppel Bay (Reflections) topped the FIABCI Singapore Property Awards' high-rise residential category.

- Reflections was lauded at the International Architecture Awards, conferred by The Chicago Athenaeum: Museum of Architecture and Design; the European Centre for Architecture Art Design and Urban Studies, and the Metropolitan Arts Press.

PRODUCT EXCELLENCE



- Reflections clinched the Design and Engineering Safety Excellence Award (Merit) and the Universal Design Award (Silver) at the BCA Awards. It also achieved a high score of 95.9 for BCA's Construction Quality Assessment System.

- Reflections received a Special Award as the Residential Building of the Year (Multiple Occupancy) by Emirates Glass LEAF (Leading European Architects Forum).

- Marina Bay Financial Centre Phase 1 topped the FIABCI Prix d'Excellence Awards office category, while Marina Bay Residences (MBR) was runner-up in the high-rise residential category.

- MBR clinched BCA's Construction Excellence Award.

- OFC received Five Star ratings for Best Commercial High-Rise Development, Best Office Development and Best Office Architecture at the International Property Awards. It also won Merit for Commercial Interior at the Pinnacle Awards.

- Riviera Point was awarded the Highly Commended Mixed-Use Development in Vietnam.

- Jakarta Garden City (Phase 1) was named the Best Villa Development in Indonesia at the South East Asia Property Awards.

- Sedona Hotel Yangon was named Myanmar's Leading Hotel for the fifth consecutive year, while Hotel Sedona Manado was Indonesia's Leading Business Hotel for the second year at the World Travel Awards.

SAFETY AND HEALTH



- The Keppel Group won 34 Workplace Safety and Health (WSH) Awards from the WSH Council and Singapore's Ministry of Manpower, the highest number ever attained by a single organisation.

- Keppel FELS and Keppel Singmarine clinched the Silver and Bronze Awards respectively in the 15th Convention for Workplace Safety and Health (WSH) Innovations in Marine Industry organised by the Association of Singapore Marine Industries (ASMI).

- The Keppel Group won five accolades at the 'Helping Employees Achieve Life-time Health' Awards by Singapore's Health Promotion Board.

LABOUR PRACTICES



- Keppel Corporation was named Singapore's 11th most attractive employer at the inaugural Randstad Award.

- Mr Tong Chong Heong, CEO of Keppel O&M, was named Champion of HR at the HRM Awards.

- The late MD (Marine) of Keppel O&M and MD of Keppel Shipyard, Mr Nelson Yeo, was conferred the Lifetime Achievement Award by Lloyd's List.

- Keppel Land garnered seven awards from the Singapore HR Institute, including the HR Advocate Award in CSR.

COMMUNITY AND SOCIETY



- Mr Choo Chiau Beng, CEO of Keppel Corporation, was awarded the Corporate Social Responsibility Award at the Asia Business Leaders Awards by CNBC.

- The Keppel Group garnered its fifth consecutive Distinguished Patron of the Arts Award from Singapore's National Arts Council, and received the Singapore Symphony Orchestra Benefactor Award.

- Keppel Corporation was conferred the Friend of Heritage award by the National Heritage Board.

- Keppel Corporation was conferred the title of Distinguished Fellow by the Singapore Scout Foundation Fund.

- Keppel O&M was conferred the Distinguished Partner in Progress Award by Singapore's Economic Development Board.

- Keppel Land China has been ranked among the Top 10 ASEAN Companies in China for its economic and social contributions to China. The inaugural award is by the China-ASEAN Business Council.

- Keppel Land received the prestigious 2nd Order Labour of Medal Award for its joint venture, Royal Park Sedona Suites Hanoi. This is the highest accolade presented to a private organisation for its socio-economic contribution to Vietnam.



FINANCIAL HIGHLIGHTS

With a drive for excellence, Keppel has delivered another solid year of growth in 2012. We remain committed to creating long term sustainable value for our stakeholders through our strong portfolio of businesses.

Major Developments in 2012



OFFSHORE & MARINE

- Maintained record of \$10 billion in new contracts won.
- Secured five deepwater drilling rig contracts in Brazil.
- Won first jackup contract in Kazakhstan, based on KFELS B Class design.
- Partnered ConocoPhillips to design a unique ice-worthy jackup rig for the Arctic.
- Made inroads into Floating LNG vessel conversion.
- Established Keppel Offshore & Marine (Keppel O&M) Technology Division to boost expertise and processes.



INFRASTRUCTURE

- Keppel Energy's capacity expansion of Keppel Merlimau Cogen plant is on track.
- Keppel Gas imported additional piped natural gas from Petronas.
- Keppel Integrated Engineering's (KIE) consortium was awarded \$124 million waste-to-energy contract in Poland.
- Keppel Telecommunications & Transportation (Keppel T&T) widened its logistics network with three joint ventures in China and Indonesia.
- Securus Fund acquired two data centres in Australia and Malaysia.



PROPERTY

- Sold about 2,350 homes, mainly in Singapore and China.
- Acquired four prime residential sites, which will add over 2,600 homes in Singapore, China and Sri Lanka.
- Acquired a 2.6-ha prime commercial site in Beijing CBD, marking Keppel Land's foray into the Beijing office market.
- Grew total Assets Under Management of Keppel REIT and Alpha Investment Partners to \$15.3 billion as at end-2012.

Focus for 2013/2014

OFFSHORE & MARINE

- Deliver on excellent execution, enhance productivity and manage costs.
- Continue Research and Development efforts to fortify market leadership in selected segments.
- Explore opportunities in new markets and adjacent businesses.
- Continue emphasis on Health, Safety and Environment.

INFRASTRUCTURE

- Keppel Energy to grow its share of Singapore's power market and further enhance integrated platform in gas and utilities businesses.
- KIE to complete construction of remaining projects in Qatar and the United Kingdom, as well as enhance operations and maintenance capabilities.
- Keppel T&T to leverage new technologies to enhance services and further expand customer base and geographical presence.

PROPERTY

- Focus on core markets of Singapore and China, and growth markets of Vietnam and Indonesia.
- Scale up in high-growth cities to develop competitive advantage.
- Expand commercial portfolio overseas.
- Increase fee income from fund management for sustainable growth.



The Group performed well in 2012 despite the challenging global environment.

Group revenue of \$13,965 million was 39% higher than 2011 due to higher revenue from our Offshore & Marine Division and Property Division.

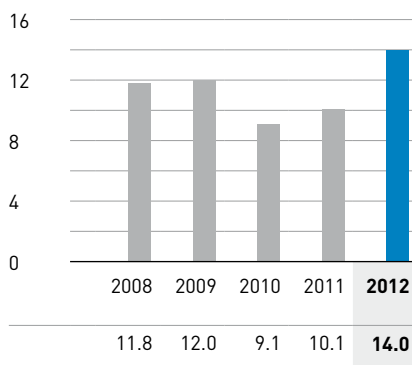
Group net profit before revaluation, major impairment and divestments increased by 28% to reach \$1,914 million. This is the fifth consecutive year that net profit has surpassed the \$1 billion mark.

Return on Equity (ROE) exceeded 20% for the sixth consecutive year.

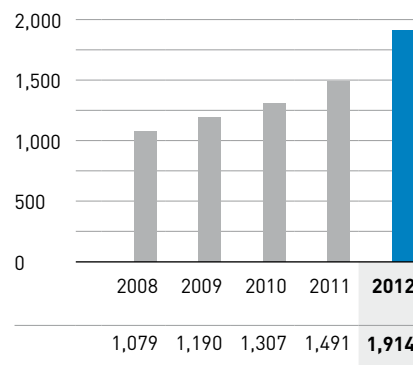
Economic Value Added (EVA) excluding major impairment and divestment rose by \$351 million to \$1,375 million from FY 2011's \$1,024 million. Increased EVA was due to higher operating profit (excluding major impairment and divestment), partially offset by higher capital charge.

Growth of earnings per share (EPS) kept pace with growth of net profit. EPS of 106.8 cents were 23 cents above 2011 and 32.5 cents above 2010.

Revenue (\$ billion)



Net Profit (\$ million)



Note: Figures exclude revaluation, major impairment and divestments.

Group shareholders' funds increased from \$7.7 billion at 31 December 2011 to \$9.3 billion at 31 December 2012. The increase was mainly attributable to retained profits for the year, fair value gains on cash flow hedges, partially offset by foreign exchange translation losses and payment of final dividend of 26.0 cents per share in respect of financial year 2011 and interim dividend of 18.0 cents per share for financial year 2012.

With the strong performance, shareholders will be rewarded with total distribution of approximately

72.4 cents per share for 2012. This comprised a final proposed dividend of 27.0 cents per share, special dividend in specie of one Keppel REIT unit for every five shares in the Company (approximately 27.4 cents per share) and the interim dividend of 18.0 cents per share paid in August 2012. The total distribution for 2012 is approximately \$1,301 million.

The Offshore & Marine Division secured \$10 billion of new orders in 2012, replenishing its orderbook to \$12.8 billion as at end-2012, with deliveries extending into 2019.





FINANCIAL HIGHLIGHTS



Photo courtesy of Woh Hup

OFFSHORE & MARINE

Offshore & Marine Division secured \$10 billion of new orders in 2012. The net order book stood at \$12.8 billion as at end-2012 with deliveries extending into 2019. Revenue of \$7,963 million was \$2,257 million or 40% higher. Operating profit margin for 2012 was 13.5%. Pre-tax earnings decreased 17% to \$1,181 million due to lower margins. Net profit of \$937 million was \$127 million or 12% lower than in 2011. The division remains the largest contributor to Group net profit with a 49% share.

INFRASTRUCTURE

Infrastructure Division's revenue decreased by \$31 million to

- 1 Reflections at Keppel Bay is one of only two Singapore-based projects to receive the prestigious International Architecture Awards for Best New Global Design 2012.
- 2 Keppel Energy continued to deliver strong earnings through its integrated power and gas businesses.

\$2,832 million, with higher revenue generated from the cogeneration power plant in Singapore offset by lower revenue from KIE. Profit before tax decreased by 65% to \$42 million as a result of losses from KIE partly offset by better performance from Keppel Energy.

PROPERTY

Revenue from Property Division of \$3,018 million was \$1,551 million above the previous year. This is contributed largely from revenue recognition from Reflections at Keppel Bay following the delivery of residential units sold under the deferred payment scheme to the purchasers. Pre-tax profit of \$1,276 million was an increase of \$694 million over 2011. This was mainly attributable to higher contribution from Reflections at Keppel Bay. With net profit at \$784 million, the Division contributed 41% to Group's overall earnings.

GOVERNMENT ASSISTANCE AND TAXES PAID

In 2012, the Group received a total of \$4 million in financial assistance from governments.

This largely consists of research and development grants as well as training grants from the Singapore government. The Group also paid a total of \$225 million in taxes to the various countries and tax jurisdictions in which it operates.

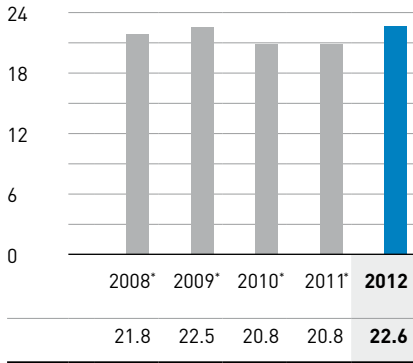
EMPLOYEE COMPENSATION

In 2012, staff costs amounted to \$1,579 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 employees in 2012 numbered 38,390. The figures in this section do not take into account staff costs of associated companies, whereby an associated company is an entity, not being a subsidiary, over which the Group has significant influence, but not control, in the operating and financial policy decisions.

For more details on the Group's financial performance, please refer to pages 46 to 89 of Keppel Corporation's Report to Shareholders 2012.



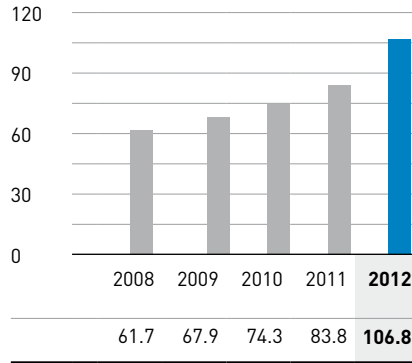
ROE (%)



Note: Figures exclude revaluation, major impairment and divestments.

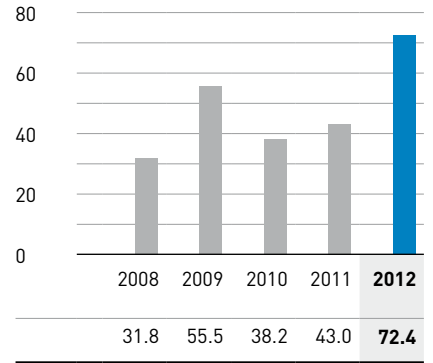
* Comparative figures are restated due to retrospective application of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

EPS (cents)

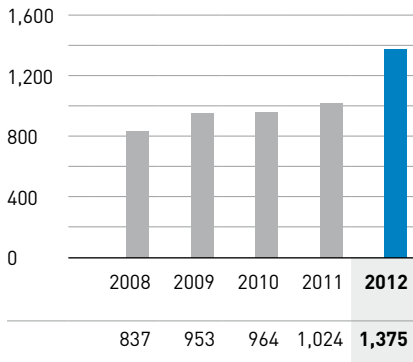


Note: Figures exclude revaluation, major impairment and divestments.

Total Distribution Per Share (cents)

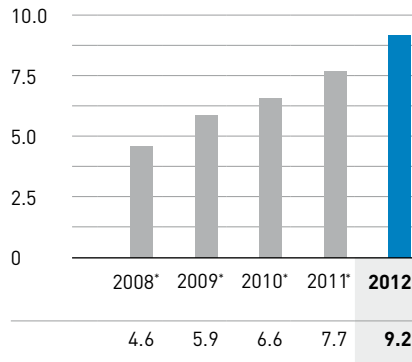


EVA (\$ million)



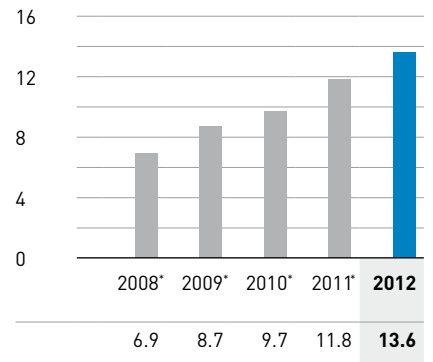
Note: Figures exclude revaluation, major impairment and divestments.

Shareholders' Funds (\$ billion)



* Comparative figures are restated due to retrospective application of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

Capital Employed (\$ billion)



* Comparative figures are restated due to retrospective application of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

2





CORPORATE GOVERNANCE

The long term sustainability of Keppel Group's businesses is underpinned by our core value of integrity and driven at the highest level through strong corporate governance and proactive engagement with stakeholders.

Highlights

7 OUT OF 11

Board Directors were Independent Directors for the financial year ended 31 December 2012.

3

Lines of defence under Keppel's System of Management Controls Framework.

9 YEARS

Since Whistle-Blower Protection Policy took effect.

Focus Areas



High standards of corporate governance with strong and independent board.



Strong commitment to good business ethics.



Clear, consistent and regular communication with shareholders.

Performance Overview

WHAT WE SAID IN 2012

- Continue to maintain strong Board independence and performance.
- Continue to monitor, review and implement corporate governance best practices.

WHAT WE DID IN 2012

- Updated Insider Trading Policy and Internal Guidelines on Disclosure of Dealings in Listed Securities.
- Updated terms of reference of board committees.
- Enhanced corporate governance processes through Keppel's System of Management Controls Framework.

WHAT WE PLAN TO DO

- Continue to maintain strong Board independence and performance.
- Continue to monitor, review and implement corporate governance best practices.
- Continue to enhance corporate governance processes.



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 business and performance.

To us, a critical aspect of good governance is to have an effective, strong and independent board as the highest governing body responsible for setting the strategic direction, overseeing the business and affairs of the Company, establishing with management, the strategies and financial objectives to be implemented by management and monitoring the performance of management. In addition, there must be a strong commitment to ensure that good business ethics are practised across the Group and that there is clear, consistent and regular communication with the Company’s investors.

The Group Sustainability Steering Committee drives the sustainability strategy for the Group. It is chaired by Keppel Corporation’s Chief Executive Officer, who is also a Senior Executive Director. The other two Senior Executive Directors of the Company are also members of the Steering Committee.

GOVERNANCE

BOARD COMPOSITION AND EVALUATION

At Keppel, our Board directors fully understand that they must act in the best interest of the Company at all times, are accountable to the shareholders and have the responsibility to safeguard their interests.

For the financial year ended 31 December 2012, there were 11 directors on our Board, comprising seven independent directors, one non-executive and non-independent director and three executive directors. To assist the Board in its oversight function, board committees, namely the Audit Committee, Board Risk Committee, Nominating Committee,



Mr Tony Chew (centre), Independent Director of Keppel Corporation, represented the Company to receive the Singapore Corporate Governance Award (Big Cap) – Winner at the SIAS Investors’ Choice Awards.

Remuneration Committee and Board Safety Committee, were formed to focus on key matters such as internal audit, risk management, board composition and performance, succession planning and talent management, remuneration and safety. Each committee has clearly defined terms of reference. For more details on the terms of reference and composition of the various committees, please refer to pages 108 to 111 of Keppel Corporation’s Report to Shareholders 2012.

There is a strong and independent element on our Board, with an independent chairman and the majority of our Board comprising independent directors. Except for the Board Safety Committee, all board committees comprise entirely independent or non-executive directors, with independent chairmen. The Nominating Committee determines on an annual basis whether or not a director is independent bearing in mind the Singapore Code of Corporate Governance 2012’s definition of an “independent director” and guidance as to the relationships the existence of which would deem a director not to be independent.

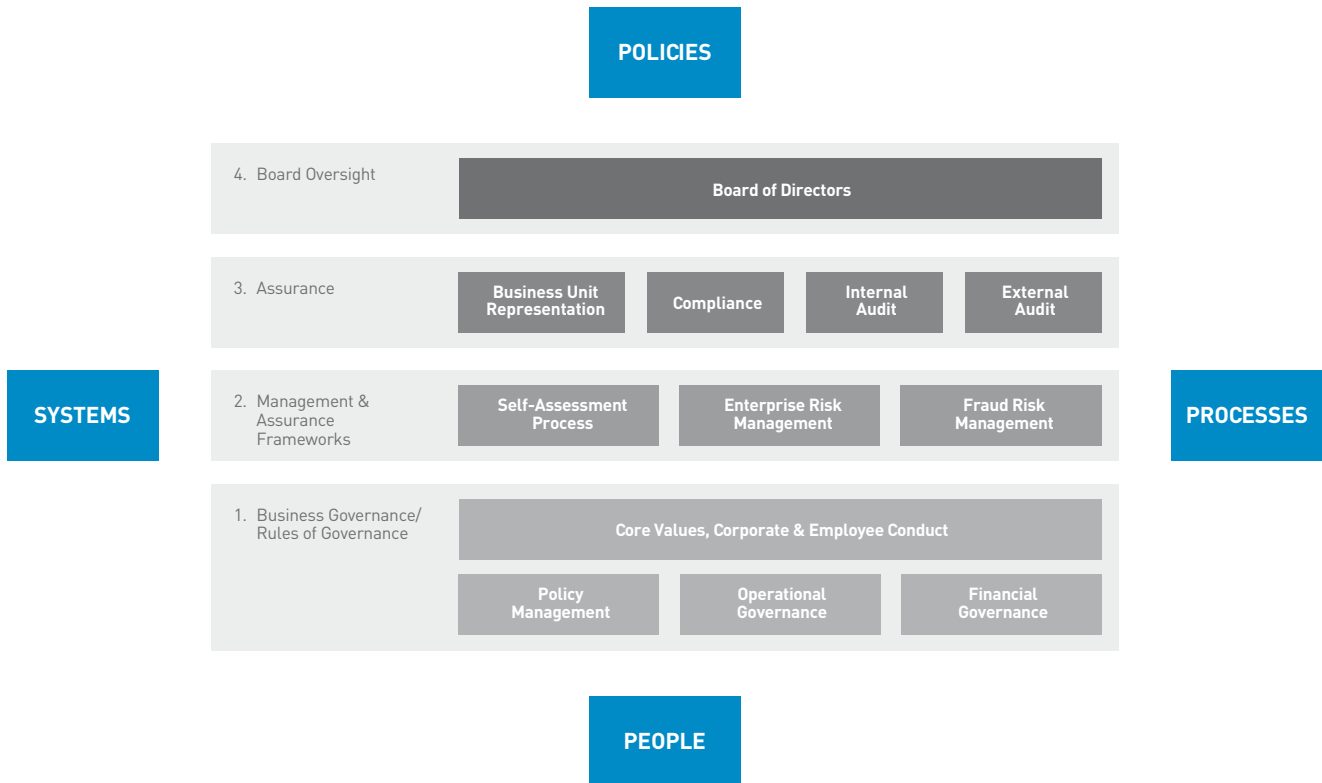
The Nominating Committee takes into account, among other things, whether a director has business relationships with the Company or any of its related companies, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent judgement with a view to the best interests of the Company.

Our non-executive directors are generally not involved in the day-to-day management of the Company. However, 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. For this to happen, the Board, in particular the non-executive directors, must be kept well-informed of the Company’s businesses and affairs and be knowledgeable about the industries in which the businesses operate. The Company has therefore adopted initiatives to put in place processes to ensure that the non-executive directors 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.



CORPORATE GOVERNANCE

KEPPEL'S SYSTEM OF MANAGEMENT CONTROLS



Board evaluation is another important element in ensuring board effectiveness. Our Board has put in place formal evaluation processes and performance criteria, and has appointed an independent third party co-ordinator to assist in the assessment of the Board's performance as a whole, the performance of the individual directors as well as that of the Chairman. Such assessments help to improve the overall effectiveness of the Board by providing opportunities for the directors to give constructive feedback. They also help the directors focus on their key responsibilities.

The competencies and skill sets of the directors and the composition of the Board also play a role in the overall effectiveness of the Board. At Keppel, the Nominating Committee ensures that the Board and board committees comprise directors who as a group provide the core competencies required to exercise

effective oversight and direction. The board composition is diversified with directors having different relevant industry experience. For the financial year ended 31 December 2012, there was one female director who serves as the Chairman of the Board Risk Committee and is a member of the Audit and Remuneration Committees. Our directors are also provided with continuing education in areas related to their duties and responsibilities and the Group's business and industry in which the businesses operate. All newly-appointed directors will also undergo a comprehensive orientation programme which includes management presentations on the Group's businesses and strategic plans and objectives, and site visits.

Please refer to pages 92 to 108 of Keppel Corporation's Report to Shareholders 2012 for details on the corporate governance framework and practices of the Company.

INTERNAL CONTROLS

The Keppel Group considers it important that all employees understand the rules of conduct for which they are accountable, in accordance with the laws and regulation in all the countries in which the Group operates and the Group's policies. Keppel employees must always choose the course of highest integrity, guided by the Keppel Core Values.

The Board Risk Committee reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard shareholders' interests and the Company's assets. The Board Risk Committee reports to the Board on material findings and recommendations in respect of significant risk matters. The Group's risk-related policies and limits are subject to regular review to ensure that they address business risks



adequately and effectively. Chief Executive Officers of the principal business units are also required to confirm on an annual basis to the Company's Board that, to the best of their knowledge and belief, there was no violation of any anti-bribery or anti-corruption laws of the countries in which the respective business unit carries on its business.

The Audit Committee regularly examines the effectiveness of the Group's internal control system to, amongst others, mitigate risk of fraud. By way of enforcement, the Group's internal auditors assist the Audit Committee to ensure that the Company maintains a sound system of internal controls through the regular monitoring of key controls and procedures, and ensuring their effectiveness, undertaking investigations as directed by the Audit Committee, and conducting regular in-depth audits of high risk areas. Together with external auditors, the Group's internal auditors also conduct annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management, thereby serving as an active mechanism for the detection and deterrence of fraud.

The Group also has in place Keppel's System of Management Controls Framework outlining the Group's internal control and risk management processes and procedures which comprises, amongst others, fraud risk management processes such as mandatory conflict of interest declaration by employees in high-risk positions and the implementation of policies such as the Keppel Whistle-Blower Protection Policy and Employee Code of Conduct to establish a clear tone at the top with regard to employees' business and ethical conduct. Please refer to pages 105 to 107 of Keppel Corporation's Report to Shareholders 2012 for details on Keppel's System of Management Controls Framework.

REMUNERATION FRAMEWORK AND POLICY

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the market, Company's, business unit's and individual employee's performance. The Remuneration Committee 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, and thereby maximise shareholder value. Besides recommending to the Board for endorsement a framework of remuneration and the specific remuneration packages for each director and key management personnel, the Remuneration Committee also reviews the remuneration of senior management and administers the KCL Share Option Scheme, the KCL Restricted Share Plan (the "KCL RSP") and the KCL Performance Share Plan (the "KCL PSP", together with KCL RSP, the "KCL Share Plans"). To enhance objectivity, the Remuneration Committee comprises four non-executive directors, three of whom (including the Chairman) are independent.

For executive directors and key management personnel, the total remuneration mix comprises three key components; that is, annual fixed cash, annual performance incentive, and the KCL Share Plans. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances which the Company benchmarks with the relevant industry market median. The annual performance incentive is tied to the Company's, business unit's and individual employee's performance, inclusive of a portion which is tied to Economic Value Added (EVA) performance. The EVA performance incentive plan and the KCL Share Plans are both long term incentive plans. Executives who have a greater ability to influence Group outcomes have a greater proportion of overall reward at risk.

The compensation structure is directly linked to corporate and individual performance, both in terms of financial, non-financial performance and the creation of shareholder wealth. This link is achieved in the following way:

- (a) by placing a significant portion of executives' remuneration at risk ("At Risk component") and in some cases, subject to a vesting schedule;
- (b) by incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:
 - a. There are four scorecard areas that the Company has identified as key to measuring the performance of the Group – (i) Commercial/Financial; (ii) Customers; (iii) Process; and (iv) People;
 - b. The four scorecard areas have been chosen because they support how the Group achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Company's overall strategic goals. This is designed to achieve a consistent approach and understanding across the Group;
- (c) by selecting performance conditions such as Return On Equity (ROE), Total Shareholder Return and EVA for equity awards that are aligned with shareholder interests;
- (d) by requiring those KPIs or conditions to be met in order for the At Risk components of remuneration to be awarded or to vest; and
- (e) by forfeiting the At Risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

In order to align the interests of senior executive directors with that of shareholders, the senior executive directors are remunerated partially



CORPORATE GOVERNANCE

in the form of shares in the Company and are encouraged to hold such shares while they remain in the employment of the Company.

For non-executive directors, directors' fees are paid in cash and a fixed number of shares in the Company, subject to shareholders' approval at each annual general meeting.

Please refer to pages 98 to 104 of Keppel Corporation's Report to Shareholders 2012 for details on the remuneration framework.

AWARENESS AND TRAINING

The Group has communicated a comprehensive set of policies to all employees as part of its Group-wide commitment to maintain a robust system of risk management and internal controls. These policies are readily accessible to all employees via the Company's shared folders or intranet. As and when there are updates to the policies, the updated policies are broadcast to all employees via e-mail.

The Company also has in place an Employee Code of Conduct to, amongst other matters, set the tone in relation to the Group's anti-bribery stance and position as regards, in particular, gifts and hospitality, facilitation payments, and dealings with associates, and generally sets out the principles of business conduct expected of all employees. All new employees are provided a copy of the Employee Code of Conduct and are required to acknowledge their understanding of its content. To further mitigate risks of corruption and fraud, business units have also set in place their respective operational policies and standard operating procedures, including approval limits for financial commitment and procurement policies. To create awareness of anti-bribery practices and requirements, an e-learning toolkit and other relevant materials on anti-bribery were also circulated Group-wide.

The Group also has an Interested Person Transaction policy which requires all business units to report interested person transactions. On a quarterly basis, management reports to the Audit Committee, which comprises independent directors, the interested person transactions ("IPTs") in accordance with the Company's shareholders' mandate for IPTs. The IPTs are reviewed by the internal auditors. All findings are reported during Audit Committee meetings. In addition, being a listed company on Singapore Exchange Securities Trading Limited, a general shareholders' mandate for recurring interested person transactions of a revenue or trading nature or those necessary for the Company's operations will be sought at every annual general meeting. Material interested person transaction will have to be specifically approved by shareholders in a general meeting. Both the mandate and specific shareholders' approval sought will have to undergo a strict review and approval procedures from Singapore Exchange Securities Trading Limited.

In addition, the Company also has an Insider Trading Policy, Internal Guidelines on Disclosure of Dealings in Listed Securities and Competition Law Compliance Manual to further strengthen corporate governance in the respective areas.

In the wake of the recent landmark decision in the Airocean case and the revisions to the Securities and Futures Act, the Company's Insider Trading Policy and the Internal Guidelines for Disclosure Dealings in Listed Securities were updated. A seminar on insider trading prohibitions was also conducted for senior management and employees of various business units, in particular those involved in potentially trade-sensitive and/or price sensitive matters such as finance and business development personnel, to raise awareness of insider trading prohibitions. Guidance on the revised disclosure regime under the Securities and Futures Act was also provided to directors and chief executive officers of the Group.

All new employees are also required to acknowledge that they have read and understood the Insider Trading Policy, and will comply with the prohibitions and restrictions set out in the policy.

REPORTING AND INVESTIGATION

Keppel's Whistle-blower Protection Policy took effect on 1 September 2004 to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined 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. Reportable Conduct refers to any act or omission by an employee of the Group or contract worker appointed by a company within the Group, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

- (a) dishonest, including but not limited to theft or misuse of resources within the Group;
- (b) fraudulent;
- (c) corrupt;
- (d) illegal;
- (e) other serious improper conduct;
- (f) an unsafe work practice; or
- (g) any other conduct which may cause financial or non-financial loss to the Group or damage to the Group's reputation.

The Audit Committee had reviewed the policy and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the Audit Committee is guided by a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses



Joint simulations are regularly organised with Singapore's security agencies as part of the Group's Business Continuity Plans.

that perpetrated the fraud or misconduct so as to prevent a recurrence.

For more details on the reporting and investigation mechanism under the Keppel Whistle-blower Protection Policy, please refer to pages 113 to 114 of Keppel Corporation's Report to Shareholders 2012.

MANAGING KEY RISKS

Keppel's Enterprise Risk Management (ERM) framework provides the Group with a holistic structure to identify, assess and adequately address its significant risks. It outlines the reporting structure, monitoring mechanisms, as well as specific risk management processes and tools, including Group policies and limits. These ensure the close monitoring of potential operational, financial and reputational impact from the Group's key risks.

The ERM framework is reviewed regularly, taking into account changes in the business and operating environments, as well as evolving corporate governance requirements. It adapts risk management practices set out in the ISO 31000 standards,

Singapore Standards SS540 for Business Continuity Management (BCM), as well as the Singapore Code of Corporate Governance.

With its span and scale, the Group is exposed to diverse risks relating to competition, political and regulatory changes, contractual liabilities, human resources, market and financial developments, project management, cost escalation, dependency on suppliers and subcontractors, partnerships, disruptions to supply chain, catastrophic events, environmental, social and governance among others.

The Group's operations are largely project-based and executed over extended periods. The Group adopts a standardised risk assessment and monitoring process to help manage the spectrum of key risks throughout the lifespan of each project. The tender team, comprising experts from different disciplines, evaluates the significant risks of potential projects.

As a pre-emptive measure, project reviews and quality assurance

programmes are instituted to monitor and address key risks involving cost, schedule and quality at the execution stage. Health, safety and environmental risks are key areas that are subject to close monitoring and oversight by dedicated committees. Project teams and management also use Key Risk Indicators as early warning signals to monitor related execution risks.

HEALTH AND SAFETY

Each business unit has its own safety management system that is externally audited by independent safety consultants. Keppel's Board Safety Committee reviews and examines the effectiveness of Group companies' safety management systems, including training and monitoring systems, to ensure that a robust safety management system is maintained.

ENVIRONMENT

Key business units in the Group identify and mitigate risks pertaining to significant environmental issues through establishing and implementing environmental management systems and procedures based on the internationally-recognised ISO 14001 standard.

CORRUPTION AND FRAUD

The Group's risk-related policies and limits are subject to regular review to ensure that they address business risks, including corruption and fraud risks, adequately and effectively. Heads of key business units are also required to confirm each year to the Company's Board that, to the best of their knowledge and belief, there was no violation of any anti-bribery or anti-corruption laws of the countries where the respective business unit carries on its business.

Please refer to pages 105, 109, 116 to 119 of Keppel Corporation's Report to Shareholders 2012 for details on the Board Risk Committee, risk management framework and practices.



ENVIRONMENTAL PERFORMANCE

Keppel Group actively manages its environmental impact for a sustainable future.

Highlights

21.4%

Reduction in direct energy used in Singapore operations.

9%

Less water used in Singapore operations.

58.3%

Reduction in waste incinerated by Singapore operations.

Focus Areas



Optimise resource efficiency.



Reduce carbon emissions and waste generation.



Raise employee awareness and build capabilities.

Performance Overview

WHAT WE SAID IN 2012

- Roll out electricity conservation programmes.
- Improve reporting mechanisms across the Group.
- Continue water conservation programmes.

WHAT WE DID IN 2012

- Embarked on process improvements and resource optimisation initiatives, which reduced direct energy consumption in Singapore operations.
- Engaged external assurance for the Group's sustainability reporting.
- Continued implementation of water conservation programmes, reduced total water consumption in Singapore operations.

WHAT WE PLAN TO DO

- Continue our energy and water conservation programmes for both Singapore and overseas operations.
- Strengthen reporting systems across the Group.



In 2012, the Keppel Group continued to create more value for its stakeholders by scaling up environmental sustainability efforts, focusing on process improvements, equipment optimisation, technological developments and employee education and training.

The Group will continue to improve its environmental performance, specifically in these four areas: Energy, Water, Waste, as well as Emissions and Effluents. The Group also integrates environmental considerations in its products and services. For more information, please refer to pages 31 to 33.

This environmental performance report includes the performance of the Group's major subsidiaries in Singapore, as well as overseas operations in which the Group has significant ownership. This includes Keppel Offshore & Marine (Keppel O&M) and its significant subsidiaries, Keppel FELS, Keppel Shipyard and Keppel Singmarine; Keppel Land, Keppel Integrated Engineering (KIE), Keppel Telecommunications & Transportation (Keppel T&T) and Keppel Energy.

Due to commercial sensitivity, Keppel Energy's direct energy consumption and carbon emissions are excluded from this report.

ENERGY

Direct and indirect sources of energy are important resources for the Group to drive its operations across many industries. In 2012, the Group consumed 5,345,739 GJ of direct energy and 2,055,946 GJ of indirect energy or electricity. Within the Group, Keppel O&M consumed the most direct and indirect energy, as a result of its strong order book in 2012, accounting for approximately 85% of the Group's total energy consumption (excluding Keppel Energy).

Singapore operations consumed 757,615 GJ of direct energy and 1,550,474 GJ of indirect energy in 2012 (compared to 963,708 GJ and

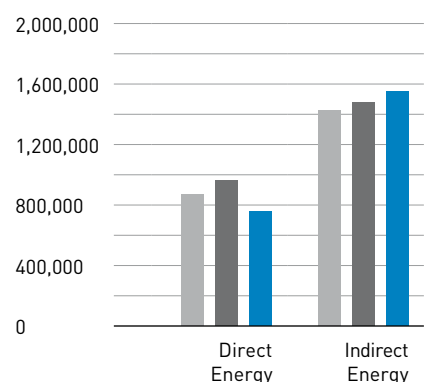


Keppel O&M implemented various process improvements to further improve energy efficiency.

1,480,791 GJ respectively in 2011). The Group achieved a reduction of approximately 21.4% in direct energy used in its Singapore operations due to the various resource efficient practices and technologies adopted.

For example, Keppel O&M implemented various process improvements, such as the centralisation of shore generators usage in its yard facilities. KIE installed Variable Speed Drives (VSD) for pumps to optimise energy usage and upgraded chillers in its plants to improve energy efficiency. For indirect energy consumption, Singapore operations registered a 4.7% increase compared to 2011, largely due to increased business activities.

Singapore Operations Direct and Indirect Energy Consumption (GJ)



| | | |
|------|---------|-----------|
| 2010 | 870,002 | 1,427,822 |
| 2011 | 963,708 | 1,480,791 |
| 2012 | 757,615 | 1,550,474 |



ENVIRONMENTAL PERFORMANCE

Special Focus

SAVING ENERGY

In 2012, the Group implemented new initiatives that can potentially save a total of 157,334 GJ of energy. These savings are expected to be achieved through technological improvements and optimisation of operations and processes, including the implementation of energy efficient programmes, installation of energy efficient equipment, as well as process improvements leading to lower consumption of primary fuels used in operations.

USE OF SOLAR POWER

Keppel Seghers' Ulu Pandan NEWater Plant installed a 1MW solar PV system in 2012. The solar PV system has started to generate green energy starting from February 2013 to supplement electricity usage in the plant, thereby reducing over 660 tonnes of carbon dioxide emissions each year.



GREEN BUILDINGS

As at end 2012, all of Keppel Land's completed investment buildings in Singapore have achieved at least the Green Mark Gold award. Besides engaging energy service companies to perform energy audits to assess the buildings' energy consumption and recommend energy saving measures, Keppel Land has implemented energy efficient systems and introduced environmentally friendly features in its buildings. For example, Ocean Financial Centre, a Green Mark Platinum building, features several eco-features such as the largest photovoltaic system for a high-rise building in the Singapore CBD area, a triple-glazed full height glass curtain wall, an energy-efficient hybrid chilled water air-conditioning system, and an innovative paper recycling chute system.

The total annual energy savings of all seven completed investment

buildings are estimated at over 5.6 million kWh, translating to an annual reduction of about 2,900 tonnes of carbon emissions.

KEPPEL DHCS' NEW PLANT IN CHANGI BUSINESS PARK

Keppel DHCS' new district cooling facility at the Changi Business Park incorporates various resource efficient technologies. It features an integrated photovoltaic system which has a generation capacity of 510 kW peak. The green electricity harnessed exceeds the electricity consumption required by the new plant building, effectively making it a Net Zero Energy Building. Keppel DHCS also adopted online auto tube cleaning system for the condenser circuit of new chillers. This system keeps the heat exchanger tubes free from fouling and scale deposits, thereby optimising the performance of the chillers.





WATER

The Group's water consumption can be segmented into potable water, NEWater (treated wastewater from sewage) and recycled water. Through water conservation projects, promotion of water conservation practices and other factors, as well as a dip in activities in one of Keppel O&M's overseas yard, the Group reduced its total water consumption from 65,442,460 m³ in 2011 to 5,835,023 m³ in 2012.

In 2012, the Group, including its overseas subsidiaries, consumed 3,076,198 m³ of potable water. Operations in Singapore consumed 4,145,647 m³ of water (potable and NEWater) compared to 4,556,679 m³ in 2011, registering a 9% decrease in total water consumption from the previous year, largely as a result of various water conservation projects and process improvements implemented across the Group.

KIE's Senoko Waste-to-Energy (WTE) Plant continued its water recycling initiatives to reduce the amount of water consumed. In 2012, 65,925 m³ of wastewater was recycled.

WASTE

The Group continued its efforts to recycle and reuse where possible to reduce the amount of waste disposed.

In 2012, the Group recycled a total of 393,632 tonnes of refuse. Waste recycled included ferrous scraps, grits, plastic stretch wrap, paper and other office consumables.

Singapore operations recycled 284,489 tonnes of waste in 2012, almost doubling the 144,896 tonnes of waste recycled in 2011. The significant increase is attributed mainly to Keppel O&M's higher volume of work and inclusion of new data from KIE's WTE plants. In particular, the Singapore and Subic shipyards started sending their used grit for recycling, which contributed to the increase in recycling. Keppel Land's completed investment properties in Singapore also registered about 20% increase in recycled waste compared to 2011.

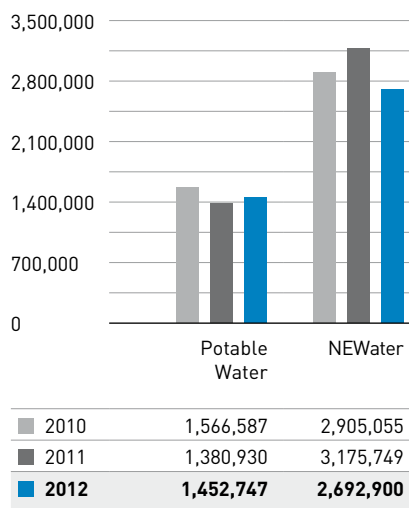


In land-scarce Singapore, refuse is incinerated to reduce the amount of waste before disposal at the landfill. In 2012, 45,848 tonnes of waste was sent for incineration in Singapore as compared to 110,060 tonnes in 2011. This registered a 58.3% decrease in waste sent for incineration due to increased employee awareness to separate recyclable waste from general waste. A total of 51,569 tonnes of waste was sent for incineration from the Group's Singapore and overseas operations in 2012.

- 1 Keppel Seghers' Ulu Pandan NEWater Plant installed a solar PV system which will supplement electricity usage in the plant.
- 2 All of Keppel Land's investment buildings in Singapore have achieved at least the Green Mark Gold award.
- 3 The Group focused on raising water conservation awareness through educational programmes.

¹ Reflects new initiatives at Singapore and Subic shipyards, and new data from KIE.

Singapore Operations Potable Water and NEWater Used
(m³)



Singapore Operations Recycled Waste and Incinerated Waste¹
(tonnes)

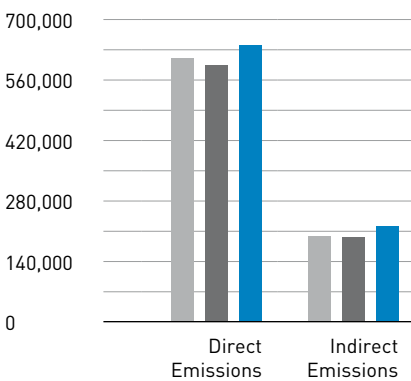




ENVIRONMENTAL PERFORMANCE

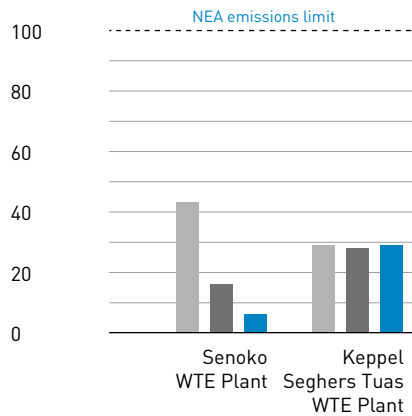


Singapore Operations Direct Emissions and Indirect Emissions (t-CO₂)



| | | |
|------|---------|---------|
| 2010 | 609,170 | 198,943 |
| 2011 | 595,008 | 195,835 |
| 2012 | 639,887 | 221,632 |

Average Particulate Matter Emissions for Keppel's WTE Plants (mg/Nm³)



| | | |
|------|----|----|
| 2010 | 29 | 43 |
| 2011 | 28 | 16 |
| 2012 | 29 | 6 |

Incineration of refuse is prohibited in the Philippines, as well as in Foshan in Guangdong Province, China. Therefore, waste generated from operations at Keppel Shipyard and Keppel Logistics (Foshan) were disposed in landfill sites. In 2012, 13,082 tonnes of waste were landfilled, registering a 60.6 % decrease from 33,222 tonnes in 2011.

There were no reports of spillages and sanctions that have been administered by Singapore or overseas authorities on the Group in 2012. Regrettably, Keppel Singmarine Brasil, the new shipyard in Brazil, received a fine in 2012 for breaching environmental regulation for carrying out open-air blasting. Blasting chambers are being constructed to prevent recurrence.



EMISSIONS AND EFFLUENTS CARBON DIOXIDE EMISSIONS

In 2012, direct emissions from the use of fuels and the incineration of waste in WTE plants for the Group amounted to 982,090 t-CO₂ while indirect emission from electricity use was 284,500 t-CO₂.

In 2012, direct emissions from Singapore operations amounted to 639,887 t-CO₂, a slight increase from previous years, mainly attributable to the increase in refuse incinerated at KIE's WTE plants in 2012. The calculation methodology for carbon dioxide emissions from KIE's WTE plants was revised in 2012 after consultation with the Singapore authorities¹. The carbon dioxide emissions for the Group for 2010 and 2011 are restated in this report based on the latest calculation methodology to enable comparison between 2010 and 2012.

Indirect emissions from Singapore operations increased by 13.2% to 221,632 t-CO₂ in 2012, which can be attributed to increased business activities across the Group. The National Environment Agency's (NEA) Electricity Grid Emissions

Factor of 0.5146 kg-CO₂/kWh was used in the calculation of indirect emissions.

Direct emissions account for close to 78% of total carbon emissions for the Group. The Group is committed to operate its businesses responsibly and continue to look for ways to reduce electricity use to reduce its carbon footprint.

GREEN PRACTICES

Business units under the Group have scaled up their energy efficiency projects in 2012. More lighting at plants and facilities have been replaced with energy efficient ones. Keppel O&M's workshops have also installed translucent roofing to make use of natural light, thereby reducing electrical usage for lighting.

The Group continued its employee education efforts in 2012. Educational materials were disseminated within various business units regularly on environment and resource efficiency related issues. Training, such as the Singapore Certified Energy Manager programme, were also provided for employees that are involved in energy management or operations.

OTHER EMISSIONS

Keppel Energy and KIE continue to take an active role in managing emissions. The amount of nitrogen oxides and sulphur dioxide emitted are well below the emission standards of 700 mg/Nm³ and 500 mg/Nm³ respectively as stipulated by NEA's Code of Practice on Pollution Control.

In 2012, the amount of dust or particulate matter emitted by Senoko WTE and Keppel Seghers Tuas WTE plant was 5.89 mg/Nm³ and 29.34 mg/Nm³ respectively, which was well below the emission standard of 100 mg/Nm³.

¹ The new methodology was developed with reference to 2006 IPCC Guidelines for National Greenhouse Gas Inventories (Volume 5 – Waste).

¹ Dust or particulate matter emitted by the WTE plants was well below the emission standards.

² Keppel continued employee education efforts and promoted green initiatives.





PRODUCT EXCELLENCE

The Keppel brand has grown to become synonymous with innovation, world-class quality and execution. We are committed to best practices, and continuously engage our customers to ensure a high level of satisfaction for our products and services.

Highlights

27

Jackup, semisubmersible and drillship proprietary designs.

34

Building and Construction Authority (BCA) of Singapore Green Mark awards achieved by Keppel Land as at end-2012.

11

Awards won by Keppel FELS at the National Innovation and Quality Circles Award 2012.

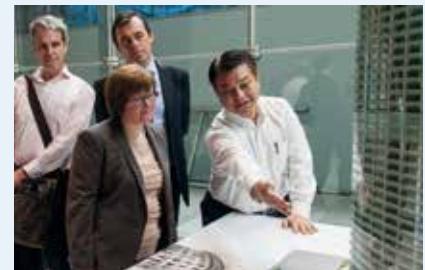
Focus Areas



Champion innovation as well as research and development (R&D).



Implement best practices to protect customers' health and safety.



Engage customers for feedback and continuous improvement.

Performance Overview

WHAT WE SAID IN 2012

- Accelerate research efforts at Keppel Offshore & Marine Technology Centre (KOMtech) and Keppel Environmental Technology Centre (KETC).
- Ensure that property developments both in Singapore and overseas achieve at least the BCA Green Mark Gold certification or equivalent.
- Actively engage customers for feedback.

WHAT WE DID IN 2012

- The Group achieved several international and national awards as well as certifications to ISO 9001, ISO 14001 and OHSAS 18001 standards.
- KOMtech set up a Deep Water arm to complement the Shallow Water arm.
- Business units in the Group continued to actively engage customers with regular surveys and feedback sessions.

WHAT WE PLAN TO DO

- KOMtech plans to set up technology foresight units in Brazil and USA.
- Ensure that new property developments in Singapore achieve at least the BCA Green Mark Gold^{PLUS} certification.
- Continue to invest in process technology and improvements.



MANAGEMENT PHILOSOPHY

In an increasingly competitive global environment, the Group strives to build on the Keppel brand equity by distinguishing its products and services with its hallmark quality and execution excellence. This will also enhance shareholder value and ensure sustainable growth of the Group.

Over the years, we have garnered numerous national and international awards and accolades for our products and services. Central to the Group's pursuit of excellence are the Keppel core values of 'customer focus' and 'agility and innovativeness'. By delivering value-added solutions in a timely and safe manner within customers' budgets, we aim to not only meet, but surpass the expectations of our customers. We foster close relationships with customers to enable us to understand their evolving needs and strengthen our product and service offerings.

To fortify Keppel's leadership in our businesses, the Group will continue to seek opportunities to partner trend-setting customers

to develop solutions especially for new offshore frontiers, and to sharpen our technology know-how. The front-end engineering and design study that Keppel is undertaking for Golar's floating liquefied natural gas (FLNG) projects is an example of our holistic partnership with customers from start to finish.

Amidst a continually evolving business environment, the Group has to respond swiftly and constantly innovate to set itself apart from competitors. The Group also has to be agile and capitalise on good opportunities, improve business processes and add value for all our stakeholders.

BEST PRACTICES

Keppel has operations in more than 30 countries and our people are committed to provide consistent, high quality products and services to customers worldwide.

The Group's global presence, a result of our *Near Market, Near Customer* strategy, enables us to keep abreast of and be responsive to our customers' changing needs. The Group is constantly monitoring and reviewing

its business processes, putting in place systems to better manage risks, increase productivity and sharpen competitive edge.

Keppel's key business units are certified to ISO 9001, ISO 14001 and OHSAS 18001 standards, demonstrating commitment towards product quality, environmental protection and occupational health and safety respectively.

RESEARCH AND DEVELOPMENT

A key engine for the Keppel Group to sustaining growth and creating value is its focus on R&D and commitment towards technology innovation.

To fortify Keppel Offshore & Marine's (Keppel O&M) commitment to advance its technology leadership, all technology units of Keppel O&M were brought under one umbrella – the Technology Division in 2012. The key arms of the Technology Division include an R&D arm, a Commercial arm, and a Process and Productivity arm. Beyond Singapore, KOMtech has a technology foresight unit in the Netherlands, and is in the process of setting up technology foresight units in Brazil and USA.



Jakarta Garden City developed by Keppel Land was named 'Highly Commended Green Development' at the South East Asia Property Awards 2012.



PRODUCT EXCELLENCE



1 Keppel Shipyard was conferred 'Shipyard of the Year 2012' by Lloyd's List Asia for the 8th consecutive year in recognition of its long-standing commitment to its customers.

2 With E&P activities in the arctic region are expected to grow, Keppel O&M is readying itself to provide commercially viable solutions to the market, such as ice-capable jackup rigs.

KOMtech's mission is to develop competencies, promote innovation, stimulate and carry out application research, develop products and processes, and engage in technology foresight to create strategic advantages for Keppel O&M. Commercial viability is the guiding principle for KOMtech in the R&D of new solutions and enhancements to products and processes.

KOMtech comprises two arms, Shallow Water and Deep Water. The Shallow Water segment focuses on Arctic jackup designs, offshore wind solutions, liquefied natural gas applications, environmental and drilling solutions for the oil and gas industry. The Deep Water segment looks into ultra harsh environment semi-submersibles, tension leg platforms, innovative ship designs, as well as shipyard technology to improve shipyard processes and productivity.

KETC initiates and drives applied R&D, product development and engineering process improvement activities, focusing on environmental engineering involving waste-to-energy (WTE) and advanced water treatment technologies. The centre also creates and manages intellectual properties of Keppel Seghers, the environmental technology arm of Keppel Corporation.

During the year, KETC also works closely with plant operators to improve operational efficiency and effectiveness of existing WTE and water plants managed by Keppel Infrastructure. The improvements comprise plant process optimisation, testing of new materials and engineering design enhancement. All its existing WTE and water plants are used as living labs.

NEW ENERGY FRONTIER

KOMtech's research work in the liquefied natural gas (LNG) market has gained traction with a growing and active portfolio of research projects in 2012, such as LNG Liquefaction Systems, LNG fuelled vessels, LNG hose transfer systems, and a mini-LNG supply-chain for associated gas.

To tap into opportunities in the LNG sector, Keppel Shipyard is working with Golar LNG on a Front-End Engineering and Design (FEED) study to determine the engineering and work scope of potential conversions of LNG vessels to Floating LNG vessels.

ARCTIC SOLUTIONS

With exploration and production (E&P) activities in the Arctic region expected to grow in the foreseeable future, Keppel O&M is readying

itself to provide commercially viable solutions to the market. The Arctic remains an important focus area for KOMtech, and an Arctic Centre of Excellence has been formed leveraging on the expertise of KOMtech, Offshore Technology Development (OTD), Marine Technology Development (MTD), Keppel O&M USA and Marine & Shelf Development Ltd in Russia.

KOMtech in collaboration with ConocoPhillips, are designing a first-of-its-kind ice worthy jackup rig. The rig will be capable of operating in a self-sustaining basis for 14 days and will be equipped with a hull designed for towing in ice. This joint design is expected to be completed by end 2013.

DEEPWATER SOLUTIONS

With offshore oil and gas developments moving steadily into deeper waters, complex engineering designs and constructions are required. To meet this demand, KOMtech has developed innovative designs such as the Extendable Semi Submersible (E-Semi) to enhance performance for conditions in the Gulf of Mexico and offshore Brazil, the Deep Draft Semi (DDS) dry tree solutions for offshore Brazil, the TLP2200 which is a tension leg platform design for operations in



water depths of 2200m; the Slim Drillship for top-hole drilling, the Semi Submersible Drilling Unit SSDU8000, and the Offshore Logistics Hub for Brazilian deep waters.

Other exciting areas of research being embarked on include marine emission scrubber solutions and offshore wind energy-related solutions; including self-installing platforms for substations, wind turbine jacket foundations, wind turbine installation vessels and cable-laying vessels.

INNOVATING ENVIRONMENTAL SOLUTIONS

In 2012, KETC secured two new patents for high-strength wastewater treatment using dual process of biological cum membrane actions, which is suitable for the management of industrial wastewater and leachate discharge. Projects in progress include KETC’s study of membrane distillation, a potential technology for frac water treatment, and a pilot study of co-digestion of wastewater, jointly undertaken by KETC and Nanyang Technological University (NTU).

TECHNOLOGY PARTNERSHIP

The Group leverages existing and proprietary technologies and collaborates with universities, research institutes and industry partners worldwide.

In 2012, KOMtech, Keppel O&M, FloaTEC and the National University of Singapore (NUS) formed a consortium f(K)N. The consortium seeks to promote relevant workshops and seminars among the universities, research institutes and industry players in Brazil, invite outstanding academics for visiting professorships and research fellowships, promote engineering postgraduate programmes at NUS and Brazilian universities to look into the challenges facing the deepwater industry, facilitate technology exchange between Brazil’s ocean basin, tow tank and numerical laboratories and Singapore’s research institutes, and promote engineering undergraduate exchange programmes between NUS and the Brazilian universities.

KETC continues to collaborate with local academic and research institutions such as NUS and NTU, as well as overseas institutions. The collaboration facilitates a complementary framework, whereby KETC provides industrial inputs, customer needs and facilities for test bedding, and research institutions contribute in the development of lab-scale applications.

CUSTOMER HEALTH & SAFETY

The Keppel Group places great importance on customers’ health and safety in the provision and use of its products and services.

Due care and diligence are strictly exercised in the design, construction, and operation of products and services to ensure that they do not pose hazards to customers.

Health and safety impacts during all life cycle stages of the Group’s products are constantly assessed, such as in building processes and the usage, storage and disposal of materials. Policies, procedures, guidelines on environment, health and safety are adhered to ensure that health and safety are not compromised in any way.

At Keppel O&M, offshore rigs are designed to meet and exceed international maritime laws and regulations with regard to customers’ health and safety as well as environmental protection.

Keppel FELS offers offshore solutions that meet the stringent NORSOK and NMA (Norwegian Maritime Authority) regulations for safety and working environment. The company also develops leading rig designs which meet UK Health, Safety and Environment (HSE) requirements, such as the KFELS Super A Class harsh-environment jackup, the KFELS MPSEP (multi-purpose self-elevating platform) wind turbine installation vessel, and the KFELS SSAU5000NG next generation semi-submersible accommodation unit.



2



PRODUCT EXCELLENCE

Recognising the increased demand for compliance to higher HSE standards in rig designs, Keppel FELS has set up a dedicated team to manage all aspects of HSE regulatory developments.

Keppel FELS rigs are equipped with systems designed to a highest level of operational safety. For example, the DSS™ 38E advanced deepwater drilling rig, DSS™ 20NS floating accommodation vessel, and the KFELS SSAU5000NG next generation semi-submersible accommodation unit are designed to meet the dynamic positioning 3 (DP-3 or DPS-3) notation. This is the highest class for design safety and system redundancy in self-propelled semi-submersible rigs, allowing the vessel to continue with automatic positioning and heading control even when an entire compartment is lost due to fire or flood. The DSS™ 20NS floating accommodation vessel is also fully outfitted with

single-man cabins, providing superior level of comfort and rest to its crew as compared to conventional rigs which have two-men or four-men cabins.

Equipped with the latest state-of-the-art pinion overload detection, rack phase difference detection, and brake failure and overload protection devices, the KFELS Super A Class jackup has also provided customers ease of mind and confidence.

In terms of environmental protection, Keppel FELS rigs are designed and built to International Maritime Organization Marine Environment Protection Committee standards, where oily discharge over board are limited to 15 parts-per-million (ppm) of oil content. Keppel FELS has further implemented the superior zero-discharge system in several of its rigs, including the KFELS SSDT™ semi-submersible drilling tender and the KFELS Super A Class harsh-

environment jackup rigs. These zero discharge systems treat the hazardous mud and sludge slops from drilling operations with decanters, oily water separators, and chemical dosing units and discharge them at only 5ppm. By exceeding international standards, Keppel FELS is able to further minimise environmental pollution at sites where its customers operate, thereby enhancing its customers' health and safety.

Keppel Infrastructure adheres to a set of health and safety policy and procedures that guide the design, construction and operation of plants and facilities. Environmental and safety impacts are assessed at all stages, from design development to construction and operation, in accordance with the company's environmental and safety management systems. For example, the design, handling, storage and disposal of materials are considered as early as the planning stage.



The KFELS SSDT™ is an outstanding application of engineering and technological advancement, contributing significantly to environmental protection as well as the safety of operators.



Special Focus

GREEN LANDMARK



Keppel Land continues to redefine Singapore's skyline with notable and award-winning developments such as MBFC.

Iconic design, state-of-the-art environmentally-friendly features and a prominent business address distinguish Marina Bay Financial Centre (MBFC) as a landmark in Singapore's Marina Bay business district.

Jointly developed by Keppel Land, Cheung Kong (Holdings)/Hutchison Whampoa and Hongkong Land, MBFC sits on a prime 3.55 hectare waterfront site. It comprises three office towers offering nearly 3 million square feet (sf) of Grade A office space, two residential towers housing 649 luxury apartments and approximately 176,000 sf of retail space.

MBFC is one of few developments in Singapore to have achieved more than one BCA Green Mark award. Over a short span of three years, MBFC was

presented the Green Mark Gold^{PLUS} award for its Commercial Tower 3 and the Green Mark Gold award for its office towers 1 & 2, as well as its residential towers – Marina Bay Residences and Marina Bay Suites.

The Green Mark awards recognise MBFC's green initiatives inherent in its design, architecture and construction. Green labelled products and materials with recycled content were used in the construction of MBFC. The development incorporated features that reduce solar load, resulting in lower energy for cooling. For example, a curtain-wall glass cladding system is used for the overall building envelope design that delivers low energy thermal transfer value, resulting in a high energy efficiency index; both of which exceed BCA requirements. These features, along with other energy efficient systems such as regenerative lifts and heat recovery wheel systems, bring about an estimated energy savings of 30% in Tower 3 alone.

Overall, the entire MBFC development is expected to save about 21 million kilowatt hours (kWh) per year. This amount of energy is sufficient to power more than 3,700 five-room apartment units for a year. MBFC is also expected to save up to 80,000 cubic metres of water

annually, equivalent to the amount of water needed to fill almost 32 Olympic-sized swimming pools.

To encourage environmentally-friendly practices among tenants, bicycle lots and recycling bins are provided within the development. Other resource-efficient features that contributed to its Green Mark award wins include a rainwater collection system for irrigation, pneumatic waste collection system, and ductless mechanical ventilation system at carparks.

MBFC is also designed with lush greenery and landscaping. For example, the green wall at the 6th storey, combined with sky gardens at the 6th, 27th and 46th storeys, offer residents at Marina Bay Suites a refreshing living environment within an urban setting.

Marina Bay Residences and Tower 1 & 2 emerged winners at the International Real Estate Federation FIABCI Singapore Property Awards 2011 in the residential (high-rise) and office categories respectively. The awards recognise projects for excellence in design, aesthetics, functionality as well as contribution to the built environment and community-at-large.

Green Mark Awards for MBFC (2007-2009)

| | |
|---|----------------------|
| Marina Bay Financial Centre (Tower 3) | Gold ^{PLUS} |
| Marina Bay Financial Centre (Tower 1 and 2) | Gold |
| Marina Bay Residences | Gold |
| Marina Bay Suites | Gold |



PRODUCT EXCELLENCE



At Keppel Shipyard, procurement of materials and equipment are made with responsible and reputable vendors, taking into consideration the health and safety impacts during their useful life. Procedures for proper waste treatment and disposal are also in place.

CUSTOMER ENGAGEMENT

The Group believes that customer engagement is essential for sustainable growth and long-term success. Mechanisms for customers to provide feedback and suggestions are in place to assess and maintain customer satisfaction with Keppel's products and services. We seek to understand customers' pressing needs and concerns, and translate them into improvements at the ground level.

Keppel FELS conducts customer surveys every four months. The process involves questionnaires and face-to-face interviews with customers. The overall average score for the company in 2012 was 4.5 on a scale of 1 to 6 (1 – very poor, and 6 – excellent), which is in the "good" to "very good" range.

Keppel Shipyard conducts client relations meetings to ensure expectations are clear and well understood. On project completion, post project reviews are conducted

to identify success points and improvement areas. Customer feedback is obtained regularly, and performance is monitored using a Customer Satisfaction Index.

Similarly, other business units such as Keppel Infrastructure and Keppel Telecommunications & Transportation (Keppel T&T) also seek feedback from customers regularly for continuous service improvement.

Keppel Logistics and Keppel Data Centres, subsidiaries of Keppel T&T, conduct yearly customer surveys. In Keppel Logistics' annual customer satisfaction survey conducted in 2012, a higher percentage of customers rated the company "Very Good" and "Excellent" in the overall satisfaction level compared to 2011. Keppel Data Centres adopts a continuous feedback mechanism where management constantly seeks feedback from customers upon project completion. Reviews have been positive and this is evident from a high renewal rate from our clients at all the Company's data centre facilities.

For the property division, Keppel Land's Customer Focus Unit and Property Management division are dedicated to fostering and sustaining good long-term relationships with customers. Feedback from homeowners and

tenants is taken into consideration in the review and improvement of upcoming projects and existing developments. In 2012, service quality surveys were conducted for five completed residential projects and two commercial buildings. An average of more than 90% of the respondents indicated that they were satisfied with the services rendered in the management and operations of the developments.

COMPLIANCE

Keppel is committed to subscribe to best practices as well as to comply with applicable legislations and other relevant requirements. In 2012, the Group has not identified any non-compliance with laws, regulations and voluntary codes concerning the provision and use, as well as health and safety, of its products and services.

Our business units abide by the Singapore Code of Advertising Practice (SCAP) by the Advertising Standards Authority of Singapore. The SCAP was formulated against the background of national law, and international law and practice, including the International Code of Advertising Practice published by the International Chamber of Commerce.

Moving into the future, we remain focused on customers' needs and exercise due care to ensure customers' health and safety while providing products and services stamped with our hallmark quality and excellence.

¹ Keppel believes that customer engagement is key for sustainable growth. Mr Emilio Lozoya Austin, CEO of Pemex (left) in conversation with Mr Choo Chiau Beng, CEO of Keppel Corporation and Chairman of Keppel O&M (right) as they tour the Keppel FELS yard.

² Seafox 5, built to Keppel's proprietary MPSEP design, is one of the largest and most advanced multi-purpose offshore wind turbine installers of its kind.



Special Focus

OFFSHORE WIND SOLUTIONS

Keppel FELS delivered Seafox 5, one of the largest and most advanced multi-purpose offshore wind turbine installers of its kind to the Seafox Group in September 2012.

It is built to a proprietary Multi-Purpose Self-Elevating Platform (MPSEP) design by Keppel Offshore and Marine (Keppel O&M)'s Offshore Technology Development, and is among a handful of purpose-built jackups with a 1,200-tonne heavy lift capacity and capable of installing both turbines and large foundations exceeding 800 tonnes in weight.

Measuring 50m wide and 151m end-to-end, it is able to operate in up to 65 metres water depth, the deepest for such vessels, and has already been chartered to the joint-venture Berger Dan Tysk to install offshore wind foundations in the 288 megawatt (MW) Dan Tysk wind farm in the German sector of the North Sea.

The MPSEP is a self-propelled installation jackup utilising

Keppel FELS' proven jacking technology. It is equipped with an Enhanced Monitoring System which automatically monitors the Rack Phase Difference value, an important safety parameter to monitor during jacking operations.

Compared with existing wind turbine installation vessels, the vessel can operate in some 45% deeper waters, while reducing downtime even in extreme storm conditions, thus providing a potentially longer operational window.

Through technology innovation, Keppel O&M incorporates unique features to its product designs to reduce environmental impact and promote safe and sustainable operations.

The main generators of the MPSEP meet the stringent International Maritime Organisation Tier II Engine International Air Pollution Prevention standards. It also complies with American Bureau of Shipping's Enviro-OS notation and holds the Green Passport Notation. The power

plant is designed with an auxiliary engine, which is smaller in size compared to the main engines and effectively reduces overall vessel emissions when the vessel is on low power load utilisation. Air-conditioning units use non-ozone depleting refrigerant. Alternating Current (AC) power distribution system is installed throughout the vessel. With AC drives, the rig is low maintenance, requires less service and spare parts, promotes a quiet environment and consumes less energy.

The MPSEP is designed to meet the United Kingdom Health and Safety and Executive OTO guidelines. Safety features include 300% fire water provision, redundancy in heating, ventilation and air conditioning systems. The accommodation block is built to the stringent Norwegian NORSOK standards to prevent occupational hazards and improve the comfort of the operators.

The four legs are of Keppel FELS' proprietary "reversed - K" braced design allows for a bigger payload to be moved during each trip. The design also enables faster preloading and is less susceptible to foundation failure risk.

Due to its environmental capability, stability coverage, deck-space of 3600m², variable load of 7,000 metric tonnes (mt) as well as its lifting and reach capacity of the 1,200 mt crane, Seafox 5 can outperform most jack-ups and be competitive with floating heavy lift vessels.





SAFETY AND HEALTH

We remain steadfast in our goal to create a safe and healthy work environment for all our stakeholders.

Highlights

\$32.6 MILLION

Invested to improve safety systems and training.

20,593

Personnel trained at Keppel Safety Training Centre and Safety Awareness Centre.

0.17

Reportable accidents for every million man-hours worked, down from 0.25 in 2011.

Focus Areas



Refine the safety management system with clear targets set for the Group.



Encourage safety ownership at the ground level.



Fortify stakeholder partnerships.

Performance Overview

WHAT WE SAID IN 2012

- Strengthen Workplace Safety and Health (WSH) framework to build a strong safety culture.
- Aim for a zero-incident workplace.
- Establish effective partnerships with our stakeholders to ensure that all adopt effective WSH practices.

WHAT WE DID IN 2012

- Extended Keppel WSH 2018 strategy to overseas business units.
- Reduced number of workplace incidents.
- Continued to establish effective partnerships with our stakeholders to ensure that all of them adopt effective WSH practices.

WHAT WE PLAN TO DO

- Reduce the Group Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) by 20% in 2013 with the ultimate goal of zero fatality.
- Reduce risks from high impact risk activities by ingraining workers with a safety mindset.
- Conduct biannual worker engagement tours which are led by senior management.
- Implement Safety Road Map programmes within business units.



RAISING THE BAR

At Keppel, we believe that an effective safety management system contributes to overall operational and business excellence. Across the Group, safety and health initiatives are in place to ensure the well-being of employees and stakeholders.

Keppel remains committed to create a zero-incident work environment for all our stakeholders in Singapore and overseas. In this regard, stakeholders from employees to customers and subcontractors are encouraged to take ownership, share knowledge and promote a positive culture.

The Keppel WSH Strategy 2018 was introduced in 2010 in line with the WSH 2018 Strategy by Singapore’s Workplace Safety and Health Council (WSHC) and the Ministry of Manpower (MOM). The strategy was extended to our overseas business units in 2011, focusing on the four key strategic thrusts aimed at aligning Group efforts to improve safety and health.

EFFECTIVE MANAGEMENT

Keppel Corporation established a Board Safety Committee (BSC) in 2006, the first by a public-listed company in Singapore, to review and develop policies across its multiple business units. In 2012, the BSC focused on the development of a Corporate HSE Policy (see case study on page 43). The policy serves as a guideline for Keppel’s business units to strengthen the Group’s existing safety management system.

At Keppel, all business units comply with applicable laws and regulations in the countries we operate in.

Our safety systems in Singapore and overseas are audited by independent safety consultants, as well as by our HSE personnel.

Keppel Energy is in the process of having its businesses certified with the Integrated Management System which includes OHSAS 18001 Occupational Health and Safety

KEPPEL WSH 2018 STRATEGY

Under the Keppel WSH Strategy 2018, four key thrusts were identified to align Group efforts while improving safety and health practices.

The strategic thrusts are:

1. **Establishing an integrated framework**
2. **Implementing an effective management system**
3. **Enhancing ownership**
4. **Strengthening partnerships**



Regular site visits by management ensure that policies and guidelines are adhered.



SAFETY AND HEALTH



- 1 Keppel Safety Training Centre continues to equip employees and subcontractors with relevant training on workplace procedures.
- 2 Keppel Singmarine was awarded the Keppel Group Chairman Safety Challenge trophy for best safety performance.
- 3 Keppel's senior management, employees and external stakeholders reaffirm their commitment to safety at the Keppel Group Safety Convention 2012.

Management System and SS 506 Singapore Standard Occupational Safety and Health.

The Domestic Solid Waste Management Centre in Doha, Qatar, which is operated and maintained by Keppel Seghers, was awarded the OHSAS 18001 certification, while Keppel Land achieved the OHSAS 18001 certification for projects and properties in Singapore, China and Vietnam.

Keppel Land implemented a Construction Safety Audit Scoring System for current projects in Singapore. The audit is mandatory for construction projects valued at over \$30 million, and is conducted half yearly by an external consultant. Keppel Land also ensures that the sites are audited quarterly by its WSH department. In addition, Keppel Land undertook a Completed Building Audit whereby all Keppel Land owned or managed buildings are audited for health and safety compliance. A total of 21 hospitality establishments and completed buildings across five countries were audited.

Compliance audits are conducted at Keppel Offshore & Marine (Keppel O&M)'s yards in Singapore and overseas. In November 2012,



Keppel O&M embarked on a cross-audit focusing on maintenance and general safety observations comprising HSE and facility personnel from the Singapore yards.

The programme aims to evaluate the efficiency and effectiveness of the yards' capabilities in implementing maintenance regimes of critical equipment and machinery, and provide a platform for cross-sharing and learning of best practices among the yards. Following the audits in local yards, the exercise will be extended to overseas yards in 2013.

LEADING BY EXAMPLE

One of Keppel's strongest safety pillars is the strong commitment and leadership from top management.

Mr Sven Bang Ullring, who was the BSC's Chairman since 2009, handed over to Mr Tan Ek Kia in 2012. The leadership team was also bolstered by Mr Tan Puay Chiang who joined the BSC, and Mr John Birchall, Keppel Land's Safety and Health Director, who was appointed as the Keppel Group Safety Coordinator.

In addition to the BSC at the Group level, Management Safety Committees (MSCs) and BSCs



at the business unit level has enabled more targeted oversight.

Management regularly conduct site visits to understand issues that affect the workforce. In 2012, the Keppel Group Safety Coordinator conducted a series of site visits across the Group to gain better insight on various operational and safety issues.

ENHANCING OWNERSHIP

The Keppel Safety Self Assessment, a comprehensive three-year exercise, was implemented for the second year running in 2012. The effort, which was in collaboration with safety consultants DuPont Singapore, aims to establish a sustainable self-assessment tool that will track the progress of the Keppel safety culture and systems.

Keppel Lead Assessors, together with DuPont consultants, embarked on a roadmap verification exercise across the Group from October 2012 to December 2012. The results of the exercise showed that all business units have successfully formulated and implemented action plans in their roadmaps. A two-day course on "Managing Safety – Systems that work for Operational Managers" was also

conducted by DuPont and attended by 38 Operational Managers and HSE personnel across the Group.

The Keppel Safety Training Centre continues to equip employees and subcontractors with relevant training on workplace procedures. In 2012, 6711 staff, 231 supervisors and over 10,000 workers were trained at the Centre.

WORKFORCE ENGAGEMENT

Keppel FELS held its annual HSE Excellence Campaign which focused on the prevention of hand and finger injuries. Keppel Shipyard organised a hand and finger safety campaign in collaboration with its contractors. The yard also ran a campaign on height safety.

At Keppel Energy's cogeneration plant expansion, regular talks and inspections were conducted.

Keppel Energy also organised HSE Week, comprising a series of events, to raise staff awareness. Keppel Integrated Engineering (KIE) and Keppel Logistics organised activities including the annual KIE EHS Convention and the EHS month respectively.

Keppel employees are represented in unions and workforce safety councils.

Regular dialogue sessions are held between management and the unions, and health and safety standards are spelt out in collective agreements.

The Workforce Safety Council at Keppel O&M meet every month with yard and safety managers. Monthly meetings are also held with the Contractors HSE Watch Group which represents all major contractors. At Keppel FELS, a Subcontractors Executive Council Safety Committee, comprising representatives from different trades, meet up weekly to discuss concerns and initiatives.

The successful Buddy Scheme Mentorship spearheaded by Keppel Shipyard paired Buddy Groups with mentors, and was extended to 16 major and 38 minor contractors.

At Keppel Energy, KIE and Keppel Land, workers and contractors are represented at monthly meetings.

FORTIFYING PARTNERSHIPS

Keppel works in collaboration with stakeholders such as WSHC and MOM to raise industry safety standards. The Group also participates actively in national





SAFETY AND HEALTH

and industry initiatives and events, and are strong supporters of national efforts such as the WSH Conference and the bizSAFE Convention jointly organised by WSHC and MOM. bizSAFE is a programme to assist companies in building up their capabilities for improvements in safety and health standards at the workplace.

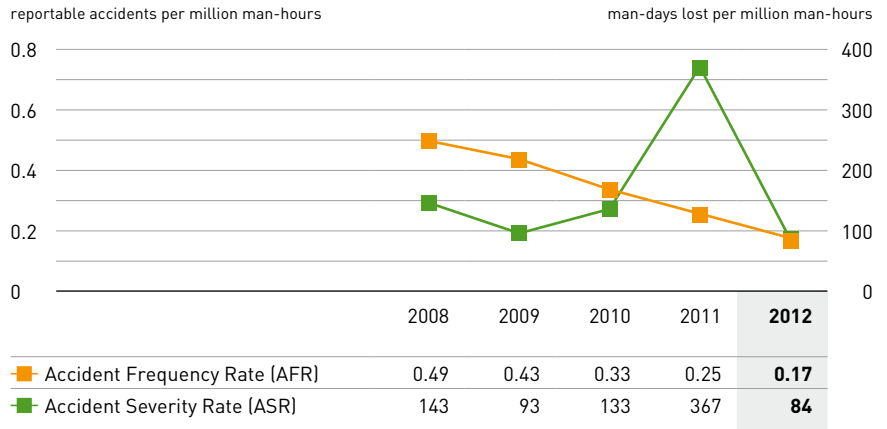
Keppel O&M provides incentives to motivate its contractors and vendors to progress through the levels of the bizSAFE programme. With effect from 1 January 2013, Keppel Shipyard will require bizSAFE Level 4 for all resident contractors before they are allowed to undertake any work in the yard. Currently, Keppel O&M business units in Singapore require bizSAFE Level 3 for all resident contractors.

Keppel O&M also renders support to the Association of Singapore Marine Industries (ASMI), with several top and middle management represented in the various committees of ASMI, including the ASMI Safety Committee and the ASMI Council.

Keppel Land has been a bizSAFE Mentor since 2011, a status accorded to companies recognised to have excellent WSH systems and practices. As bizSAFE Mentor, Keppel Land requires main contractors to be certified bizSAFE Partners. The company also shares its knowledge with partners and other bizSAFE enterprises.

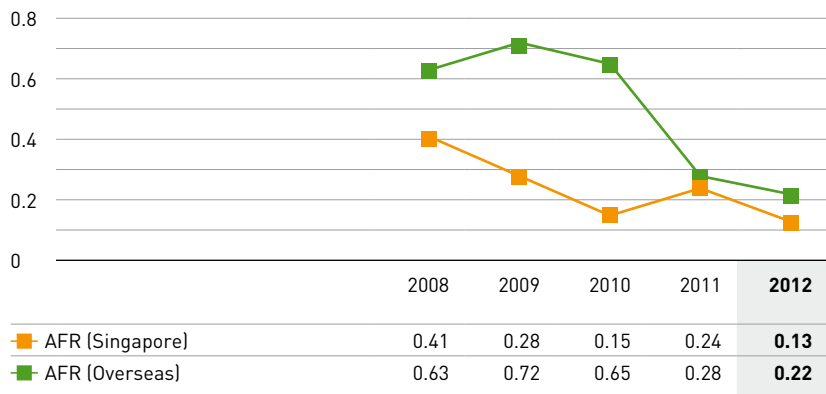
Two of Keppel Telecommunications & Transportation (Keppel T&T)'s data centres have achieved bizSAFE Level 1 and bizSAFE Level 2, while Keppel Logistics has achieved the bizSAFE STAR Level.

Keppel Group Safety Performance (Global) (2008 - 2012)



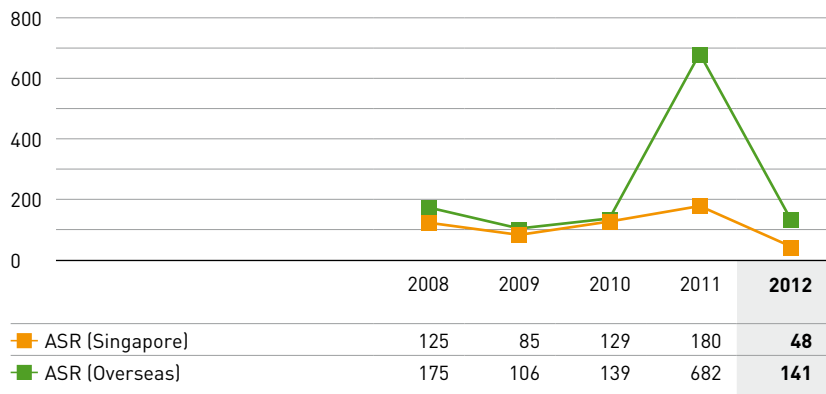
Keppel Group Cumulative Accident Frequency Rate (2008 - 2012)

(reportable accidents per million man-hours)



Keppel Group Cumulative Accident Severity Rate (2008 - 2012)

(man-days lost per million man-hours)





Keppel Group clinched a record 34 awards at the Workplace Safety and Health Awards 2012.

AWARDS AND RECOGNITION

At the WSH Awards in Singapore in 2012, the Keppel Group clinched a record 34 safety awards. It is the highest number by a single organisation since the awards were introduced in 2006 by WSHC and MOM.

The Keppel Group Safety Convention on 8 October 2012 saw over 800 Keppelites and invited guests reaffirm their commitment to safety. The event provided a platform for discussion on best practices and standards, with Guest of Honour, Dr Jukka Takala, Executive Director of the WSH Institute, sharing his expertise.

The 2012 Keppel Group Chairman Safety Challenge was awarded to Keppel Singmarine for demonstrating exemplary initiatives, performance and innovation in

safety. A total of 15 gold, 14 silver and 14 bronze awards were given out to teams with outstanding safety innovation projects.

PERFORMANCE

In 2012, we invested \$32.6 million across the Group on safety improvement measures, which include infrastructure and system upgrades as well as training and development.

We have maintained a good safety record by focusing on the high-risk sectors.

We measure performance based on our Accident Frequency Rate (AFR) and Accident Severity Rate (ASR). As there are variables in calculating the AFR and ASR in the different countries we operate in, we use the Singapore norm for consistency. This is based on defined parameters by

the Ministry of Manpower's Workplace Safety & Health Act, whereby:

$$AFR = \frac{\text{Number of Reportable Accidents} \times 1,000,000}{\text{Number of Man-hours Worked}}$$

$$ASR = \frac{\text{Number of Man Days Lost To Workplace Accidents} \times 1,000,000}{\text{Number of Man-hours Worked}}$$

Our AFR and ASR for 2012 was 0.17 and 84 respectively, an improvement from 0.25 and 367 in 2011.

While we heeded the valuable lessons learnt from 13 fatalities in 2011, we unfortunately still suffered three fatalities in 2012, of which two were related to working at height. We will continue to educate every worker and employee on the importance of safety through various platforms and work towards having zero incidents.



SAFETY AND HEALTH

OCCUPATIONAL HEALTH

To ensure the well-being of our employees and stakeholders, various activities to encourage healthy living were rolled out in 2012. Workers had to undergo regular health checks to be certified fit before taking up strenuous work. Other occupational health and awareness programmes include hearing conservation and respiratory protection screenings.

Site teams from Keppel Merlimau Cogen organised health screening for all workers and subcontractors. Keppel Seghers conducted an audiometric test in December 2012 as part of a hearing conservation programme. In January 2013, Doha North Sewage Treatment Works scheduled a Vaccination Day for Keppel Seghers employees involved in testing and commissioning works.

Employees in Keppel are encouraged to lead healthy lives. Activities promoting health, such as educational talks and fruit giveaways are regularly rolled out.

SAFETY ACROSS BORDERS

Across Keppel's global network of business units, safety best practices and lessons are actively shared to align standards, recognise good initiatives, and emphasise the importance of safety to employees, contractors and partners.

In 2012, Keppel AmFELS sent its safety and operational personnel to visit the Singapore yards to learn and share HSE best practices that can be adopted back at its yard in Brownsville, Texas. Over in Brazil, Keppel FELS Brasil started a programme with DuPont as part of its continuous drive to further improve safety performance and achieve safety excellence.

A series of safety workshops were also conducted at Keppel AmFELS, BrasFELS, and Keppel Singmarine Brasil from 2 to 9 May 2012. Several safety programmes such as Cross



A total of 3,280 personnel underwent training at Keppel Land's Safety Awareness Centre in Ho Chi Minh City in 2012.

Pollination, Plus 5 for Safety and the e-Safety Portal were shared at these workshops.

To facilitate cross sharing and learning of good HSE practices, the Keppel O&M Cross Business Unit Audit was introduced in 2012. The inaugural exercise was conducted among the Singapore yards to much success. The exercise was subsequently conducted overseas in early 2013, starting with the Brazilian yards BrasFELS and Keppel Singmarine Brasil. The audit will continue on to the yards in the Philippines, China and Qatar.

Over at Keppel Land, a total of 3,280 personnel were trained at Keppel Land's Safety Awareness Centre in Ho Chi Minh City, Vietnam. The objective of the initiative was to increase the safety awareness of the contractors' employees through a series of courses on topics including safety induction, working at height, safety for lifting, confined space, electrical and equipments, risk assessment, and managing scaffold.

The Behavioural Management of Safety (BMOS) programme, which

saw a total of 11 project managers and WSH personnel trained on the BMOS Train-the-Trainer programme in 2012, was also championed at upcoming development projects in China and Vietnam.

In 2012, a safety personnel from Keppel Land's headquarters in Singapore was seconded to the Tanah Sutera development in Johor Bahru, Malaysia, for a year, assisting the team in building their safety management, communication and risk assessment capabilities. This follows a similar secondment to its office in Kolkata, India, in 2011.

Keppel Land has also started the auditing process at all its completed buildings. A total of 21 office, retail, and hospitality establishments in Singapore, China, Vietnam, Indonesia and Myanmar were audited by the WSH unit in 2012.



Special Focus

SETTING CORPORATE HSE STANDARDS

The Group introduced a Corporate HSE Policy in 2013. Formalised by Keppel's BSC and endorsed by Dr Lee Boon Yang, Chairman of Keppel Corporation and Mr Choo Chiau Beng, CEO of Keppel Corporation, the policy will be implemented across the Group. The policy complements ongoing efforts to align safety practices across the Group.

The policy will focus on strengthening the Group's safety management system, and are aimed at guiding the Group's individual business units to achieve specific targets.

Appraisals of Keppel's top management are linked to their respective company's safety performance, demonstrating that safety is an integral business objective.

An incident investigation procedure framework was developed and instituted in 2013 to help identify root causes of incidents and draw lessons. For reportable or serious high potential incidents, a lead investigator from a different business unit will be appointed to review the case together with the affected business unit to lend external perspective. Heads of business units also take the lead in sharing lessons learnt to ensure continuing visible safety leadership, while setting the right tone for employees on the importance of safety ownership.

The BSC together with the Keppel Group Safety Coordinator will continue to review and refine the Corporate HSE policy to improve standards. Our safety vision remains that everyone is able to go home safely, and to have a zero-incident work environment.

Keppel Corporation

Health Safety and Environment Policy

It is the policy of Keppel Corporation Ltd (KCL) to place the highest priority on the health and safety of people and protection of assets and the environment, in the pursuit of its business objectives and activities.

This policy is founded on the following principles:

- HSE is an integral part of business
- All accidents are preventable
- HSE is a line responsibility
- HSE function advises and assists the line towards its HSE goals
- Every employee has a personal responsibility to work safely and follow safe work practices and procedures
- Contractors and others who work on our premises are to follow this policy

To fulfill this policy, KCL is committed to:

- Make adequate resources available
- Pursue its business activities with no harm to people and minimum impact to the environment.
- Promote a strong HSE culture
- Adopt this policy in all its business premises where it has a controlling influence
- Set improvement targets and monitor progress through performance management, audits and periodic reviews.
- Comply with the requirements of statutory legislation of the countries in which it operates as a minimum.
- Adopt a systematic approach in HSE management system that enables continuous performance improvement.
- Report and investigate all accidents, incidents and near misses and ensure lessons learned are disseminated to prevent recurrence.

Lee Boon Yang
LEE BOON YANG
 Chairman
 Keppel Corporation Limited
 Date: 7 February 2013

Choo Chiau Beng
CHOO CHIAU BENG
 Chief Executive Officer
 Keppel Corporation Limited
 Date: 7 February 2013

The Corporate HSE Policy, formalised by the BSC in 2013, reflects the Group's ongoing commitment towards the health and safety of its stakeholders, and the protection of its assets and the environment.



LABOUR PRACTICES & HUMAN RIGHTS

Our employees are our most valuable asset. By embracing diversity and inclusion, upholding fair employment practices and growing the capabilities of our workforce, we aim to create a work culture where all employees take a shared responsibility for the delivery of our business goals.

Highlights

0

Unresolved registered grievances.

\$20.5 MILLION

Invested in training and development programmes for employees globally.

61.7%

Of our workforce are local hires from communities where we operate.

Focus Areas



Embrace diversity and inclusiveness, fostering a fair workplace environment.



Build the capabilities of our workforce at all levels of the business.



Attract and retain talent.

Performance Overview

WHAT WE SAID IN 2012

- Uphold fair employment practices.
- Strive towards progressive localisation in the communities where we operate.
- Continue to engage our employees and advocate wellness.

WHAT WE DID IN 2012

- Continued to adhere to the practices spelt out by the Tripartite Alliance for Fair Employment Practices (TAFEP).
- Invested \$20.5 million in training globally, with each employee receiving an average of 34 hours of training.
- Conducted Group-wide Employee Engagement Survey, registering a 75.3% response rate.

WHAT WE PLAN TO DO

- Maintain commitment to invest more than 35 training hours per employee per year on average, globally.
- Increase global participation in Employee Engagement Surveys.
- Continue to attract, develop and retain talent, keeping employee turnover rate to below 12% annually.



OUR APPROACH

Intense global competition, fluctuating financial markets and shifts in the human resource (HR) landscape create opportunities and challenges for businesses.

Our HR focus is on hiring talent with the right skill sets that will complement our overall corporate strategy, bridge gaps in competencies through learning and development schemes, and build competency in recruits to create a sustainable and engaging workplace.

We recognise our employees' contributions towards achieving growth for the Group, and continue to enforce fair employment practices that are compliant with applicable laws and regulations of the countries where we operate.

OUR PEOPLE

Our total workforce (full and part-time permanent employees only, excluding our contractor workforce) was 43,139 in over 30 countries.

Women represented 11.5% of the workforce. The age profile of our workforce is largely young, with 39.6% of employees under 30 years old and 48.2% between the ages of 30 and 49 years old.

We aim to recruit locally to generate greater benefits for the communities where we operate. Across our business units, 61.7% of employees and 62.2% of senior management are citizens or permanent residents of the countries in which they work.

During the year, 11,743 people were hired and the overall turnover rate was 9.9% globally and 9.0% in Singapore.

HUMAN RIGHTS

Keppel Corporation and our Group of Companies do not tolerate unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of our operations. We have not



The Keppel Group galvanises over 40,000 employees in more than 30 countries with a common vision and mission.

been, and will not be, involved in such unethical labour practices and we support the elimination of such exploitive labour. We comply with minimum wage laws in countries where such laws exist, and the local labour legislations.

Through our policies and the planning and administration of our employment practices, we are confident that our operations are not exposed to issues such as child or forced labour.

Unions are viewed as strategic partners, and we place great emphasis on maintaining a harmonious relationship. Approximately 42% of our global workforce are bargainable employees covered by Collective Agreements (CA).

Clear policies and guidelines are in place for the appropriate management of grievance cases. For unionised companies, employee grievances are resolved according



LABOUR PRACTICES & HUMAN RIGHTS

to the grievance handling protocol spelt out in the respective CA. All registered grievances are investigated and tracked through final closure. Every reasonable effort will be taken by both management and the union to resolve an employee's grievance promptly. Worldwide, there were three grievances cases reported in 2012, of which all have been resolved.

DIVERSITY & INCLUSION

Keppel is committed in embracing workforce diversity and implementing fair employment practices.

In our operations worldwide, Keppel adopts merit-based recruitment practices, and embraces diversity and inclusiveness. All new hires are considered based on individual competencies as well as organisational and job fit. Our hiring policies ensure equal employment opportunities to all, regardless of race, religion, gender, marital status or age. Our employment statistics illustrate the diversity of our workforce, and are regularly reviewed. Nonetheless, we recognise that there are sectors in our businesses such as offshore and marine, which are male-dominated globally.

All opportunities for advancement, promotion, recognition of achievements, compensation, training and other conditions of employment are provided on the basis of meritocracy. There were no reported incidences of discrimination raised by our employees in 2012.

EMPLOYMENT POLICIES AND PRACTICES

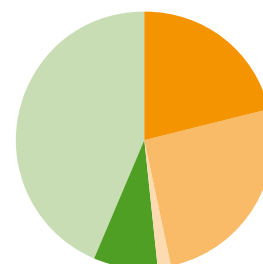
We firmly uphold fair employment practices and adhere to the practices spelt out by the TAFEP. We endorse the Employers' Pledge of Fair Employment Practices, which are guided by the following five principles:

1. Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job) and regardless of age, race, gender, religion, family status or disability.

GLOBAL WORKFORCE

Distribution by Regions (%)

| | No. of employees | % |
|----------------------|------------------|-------|
| Americas | 9,160 | 21.2 |
| Asia | 11,090 | 25.7 |
| Europe | 687 | 1.6 |
| Middle East & Africa | 3,399 | 7.9 |
| Singapore | 18,803 | 43.6 |
| Total | 43,139* | 100.0 |



* The headcount figures reported in this section take into account associated companies where Keppel has management control.

Distribution by Segment and Gender (%)

| | Male | Female |
|-------------------|-------------|-------------|
| Corporate Office | 35.9 | 64.1 |
| Offshore & Marine | 94.0 | 6.0 |
| Infrastructure | 82.9 | 17.1 |
| Property | 56.2 | 43.8 |
| Overall | 88.5 | 11.5 |

Distribution by Segment and Employment Type (%)

| | Permanent | Contract |
|-------------------|-------------|-------------|
| Corporate Office | 91.2 | 8.8 |
| Offshore & Marine | 88.9 | 11.1 |
| Infrastructure | 56.4 | 43.6 |
| Property | 53.8 | 46.2 |
| Overall | 81.8 | 18.2 |

Distribution by Segment and Professional Category (%)

| | Executive | Non-Executive |
|-------------------|-------------|---------------|
| Corporate Office | 82.9 | 17.1 |
| Offshore & Marine | 16.4 | 83.6 |
| Infrastructure | 40.1 | 59.9 |
| Property | 32.1 | 67.9 |
| Overall | 20.7 | 79.3 |



2. Treat employees fairly and with respect and implement progressive HR management systems.
3. Provide employees with equal opportunity to be considered for training and development based on their strengths and needs, to help them achieve their full potential.
4. Reward employees fairly based on their ability, performance, contribution and experience.
5. Abide by labour laws and adopt Tripartite Guidelines which promote fair employment practices.

PROVISION OF BENEFITS

Keppel provides its employees with a comprehensive range of benefits. This includes granted leave entitlements, medical benefits, group insurance plans as well as subsidised lodging and transportation for full-time employees. Part-time staff are entitled to the same benefits on a pro-rata basis.

Keppel strongly supports a pay-for-performance philosophy as we believe that this will drive ownership of collective goals, leading to a high-performance culture which creates long-term shareholder value. The key guiding principles when designing Keppel's pay philosophy are market competitiveness and performance orientation. Our robust performance management system ensures that all employees receive regular performance and career development reviews. We will continue to evaluate our policies regularly to ensure that employees are provided with a competitive package.

In 2012, 74 female employees in Singapore went on maternity leave and 98.6% of these employees returned to work. Keppel also provides paid paternity leave to all male employees in Singapore and countries where practicable.

GLOBAL WORKFORCE

Distribution by Employment Type and Gender (%)

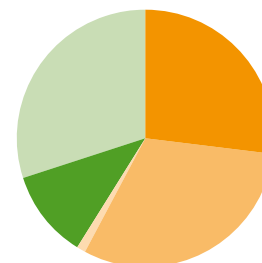
| | Male | Female |
|----------------|-------------|-------------|
| Permanent | 90.5 | 9.5 |
| Contract | 79.5 | 20.5 |
| Overall | 88.5 | 11.5 |

Distribution by Region & Gender (%)

| | Male | Female |
|----------------------|-------------|-------------|
| Americas | 93.7 | 6.3 |
| Asia | 76.9 | 23.1 |
| Europe | 84.3 | 15.7 |
| Middle East & Africa | 96.4 | 3.6 |
| Singapore | 91.5 | 8.5 |
| Overall | 88.5 | 11.5 |

New Hires by Region (%)

| | New Hires | % |
|----------------------|---------------|--------------|
| Americas | 3,170 | 27.0 |
| Asia | 3,660 | 31.2 |
| Europe | 59 | 0.5 |
| Middle East & Africa | 1,335 | 11.3 |
| Singapore | 3,519 | 30.0 |
| Total | 11,743 | 100.0 |



Annual Employee Turnover Rate* (%)

| | |
|-------------|------------|
| 2012 | 9.9 |
| 2011 | 10.9 |
| 2010 | 11.5 |
| 2009 | 11.5 |

2012 Annual Employee Turnover Rate* (%)

| | |
|----------------------|------|
| Singapore | 9.0 |
| Middle East & Africa | 13.7 |
| Europe | 8.7 |
| Asia | 14.8 |
| Americas | 4.8 |

* 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.



LABOUR PRACTICES & HUMAN RIGHTS

The Central Provident Fund (CPF) is a comprehensive social security savings plan introduced by the Singapore government to enforce savings by salaried workers to help CPF members work towards a secure retirement. Under the CPF scheme, Keppel and its employees make monthly contributions to the employees' CPF account in accordance with the prevailing regulations.

Apart from complying with Singapore's statutory requirements on making monthly contributions to employees' CPF accounts, the Group also adheres to the respective social security contribution or pension plan obligations of the countries that we operate in.

NURTURING HUMAN CAPITAL

Keppel invested \$20.5 million¹ in the training and development of our employees globally in 2012. The overall average training hours per employee in Singapore's key operations are approximately 73 hours, while the average training hours per employee globally are approximately 34 hours.

The HR divisions at our business units drive the talent management process in their respective geographies, while programmes for leadership and executive development are centralised at the Group level. Group HR coordinates information across the business units so that the review of talent is undertaken with consistent data.

We customise the learning and development programmes for employees across the Group to help develop and refine their competencies and skill sets. Employees are offered customised training at different career stages.

¹ The training figures take into account the four main subsidiaries of Keppel O&M, i.e., Keppel FELS, Keppel Shipyard, Keppel Singmarine and Keppel Offshore & Marine Technology Centre. Future reports will include all subsidiaries of Keppel O&M.

GLOBAL WORKFORCE

New Hires by Segment and Gender (Executive & above) (%)

| | Male | Female |
|-------------------|-------------|-------------|
| Corporate Office | 56.5 | 43.5 |
| Offshore & Marine | 85.5 | 14.5 |
| Infrastructure | 70.2 | 29.8 |
| Property | 60.3 | 39.7 |
| Overall | 78.4 | 21.6 |

New Hires by Segment and Age Group (Executive & above) (%)

| | < 30 years old | 30 to 39 years old | 40 to 49 years old | 50 years old & above |
|-------------------|----------------|--------------------|--------------------|----------------------|
| Corporate Office | 69.6 | 26.1 | 4.3 | 0.0 |
| Offshore & Marine | 65.5 | 26.2 | 5.7 | 2.6 |
| Infrastructure | 36.4 | 36.4 | 17.4 | 9.8 |
| Property | 28.8 | 47.9 | 13.7 | 9.6 |
| Overall | 54.3 | 30.8 | 9.7 | 5.2 |

Distribution by Age Group (%)

| | < 30 years old | 30 to 39 years old | 40 to 49 years old | 50 years old & above |
|-------------------|----------------|--------------------|--------------------|----------------------|
| Corporate Office | 23.8 | 35.4 | 18.2 | 22.6 |
| Offshore & Marine | 41.5 | 31.0 | 15.1 | 12.4 |
| Infrastructure | 26.5 | 36.0 | 22.3 | 15.2 |
| Property | 38.0 | 34.6 | 19.1 | 8.3 |
| Overall | 39.6 | 31.9 | 16.3 | 12.2 |

Distribution by Segment and Educational Qualification (%)

| | Post-graduate | Bachelor's Degree | Post-Secondary/Pre-U Vocational | Secondary | Primary & below |
|-------------------|---------------|-------------------|---------------------------------|-------------|-----------------|
| Corporate Office | 14.4 | 62.4 | 11.0 | 12.2 | 0.0 |
| Offshore & Marine | 1.5 | 10.9 | 23.8 | 39.5 | 24.3 |
| Infrastructure | 5.7 | 24.5 | 32.9 | 25.7 | 11.2 |
| Property | 5.1 | 32.9 | 28.5 | 29.3 | 4.2 |
| Overall | 2.4 | 14.9 | 25.1 | 36.9 | 20.7 |



INDUSTRY PROGRAMMES

The Group makes significant investments to equip employees with up-to-date operational skills and certifications.

The Keppel O&M Technical Associate Scheme was introduced in 2012 to retain existing apprentices and attract graduates from the Institute of Technical Education (ITE) in Singapore to join Keppel O&M. The scheme is designed to provide technical associates with a defined career and academic development path. Technical associates who have completed the scheme attain a National ITE Certificate (NITEC) or Higher NITEC in marine-related studies. Company sponsorships will be awarded to technical associates with good performance to further their studies and enable them to progress in their careers.

Keppel Energy continued to strengthen the skills of employees with training on workplace safety and network security, while managers and supervisors from Keppel Seghers Engineering based in Qatar participated in a workshop to enhance their ability to lead and train staff operating and maintaining plants in Qatar.

Keppel Telecommunications & Transportation (Keppel T&T) employees in China were sent for courses on operational safety and vocational skills, including stacker and crane maintenance training launched by the Kalmar Asia Training Centre in Shenzhen. Engineers from Keppel T&T's data centres attended certification courses for designing, maintaining and operating a high availability data centre.

Keppel embraces diversity and inclusiveness. Playing important roles in the construction of the rigs in Keppel FELS is the growing number of females working in the yard.

GLOBAL WORKFORCE

Distribution by Ethnic Group (%)

| | Chinese | Malay | Indian | Others |
|-------------------|-------------|------------|-------------|-------------|
| Corporate Office | 96.9 | 2.5 | 0.0 | 0.6 |
| Offshore & Marine | 19.6 | 6.9 | 31.2 | 42.3 |
| Infrastructure | 42.5 | 12.1 | 25.5 | 19.9 |
| Property | 89.0 | 5.5 | 1.9 | 3.6 |
| Overall | 25.6 | 7.5 | 29.3 | 37.6 |

Distribution by Region and Local/Non-Local Hires (%)

| | Local Hires | Foreigners |
|----------------------|-------------|-------------|
| Americas | 99.7 | 0.3 |
| Asia | 96.8 | 3.2 |
| Europe | 92.3 | 7.7 |
| Middle East & Africa | 1.1 | 98.9 |
| Singapore | 32.4 | 67.6 |
| Overall | 61.7 | 38.3 |

Senior Management Distribution by Region and Local/Non-Local Hires (%)

| | Local Hires | Foreigners |
|----------------------|-------------|-------------|
| Americas | 84.0 | 16.0 |
| Asia | 43.6 | 56.4 |
| Europe | 94.7 | 5.3 |
| Middle East & Africa | 25.0 | 75.0 |
| Singapore | 91.1 | 8.9 |
| Overall | 62.2 | 37.8 |





LABOUR PRACTICES & HUMAN RIGHTS

GROOMING LEADERS

In 2012, nine new scholars from various universities were inducted into the Keppel family. Scholars are groomed for roles across the Group according to their aspirations and qualifications. The Group also offers internships to promising tertiary students who are keen to glean work experience before starting a career with the Group. Till date, we have awarded 193 Keppel Group scholarships.

Over 300 employees from all levels were sponsored for further studies since 2004, as part of the Group's employee development scheme. 44 employees received this sponsorship in 2012. To encourage employees to pursue further studies, Keppel provides seven days of study leave annually in Singapore.

Many current members of Keppel Offshore & Marine (Keppel O&M)'s management team were groomed through its management trainee scheme. The scheme continues to be an effective way to ensure a continuous pipeline of young and talented recruits with the potential

to take on various management positions within the company.

Keppel Land's two-year Management Associate (MA) programme aims to attract promising new graduates. The comprehensive programme which includes job rotations, core training and mentoring by seniors, is structured to provide greater exposure for the MAs and equip them with the knowledge and network to embark on a fulfilling and rewarding career with Keppel Land. Six MAs were recruited in 2012 for the company's operations in Singapore and Vietnam.

Programmes for leadership and executive development are centralised under the Keppel College platform, and are developed with reputable business schools and subject matter experts. Over 2,500 employees have benefited from such programmes till date. Programmes in 2012 include the Global Young Leaders and Global Advanced Management programmes with Nanyang Business School at the Nanyang Technological University in Singapore. Sessions were held for some 59 participants from Singapore,

Azerbaijan, Belgium, Brazil, China, the Netherlands, the Philippines, Qatar, USA and Vietnam.

A project and contract management course by Nanyang Business School introduced participants to the principles and practice of project management and contracting, while programmes by the Outward Bound School and Keppel Bay Sailing Academy helped built camaraderie and hone the leadership skills of employees.

Keppel Young Leaders is a central platform to cultivate global mindsets, innovativeness and entrepreneurship amongst high potential employees in the Group. Members are given opportunities to participate in projects and cross-border assignments beyond their regular job scope.

RETAINING EXPERIENCE

Keppel supports re-employability beyond the statutory retirement age. Retirees are offered post-retirement employment opportunities in Keppel, in line with the Singapore Tripartite Guidelines on the re-employment of older employees.



Keppel seeks to maximise the potential of employees and enable them to progress in their careers through training and the creation of job opportunities.



Special Focus

POSITIVE WORKPLACE CLIMATE



Employees rated working at Keppel as a generally positive experience across many dimensions.

To reinforce its position as an employer of choice, Keppel continuously seeks to improve its organisational climate and work environment.

Employees are encouraged to provide feedback to management on workplace issues through platforms such as dialogue sessions. In addition, Keppel commissions an annual Employee Engagement Survey (EES) to gauge staff satisfaction. The EES was rolled out across the Keppel Group in 2009, and its findings reviewed and considered in the refinement of HR policies and programmes.

HR consulting firm Towers Watson was engaged to conduct the survey in 2012 and provide a neutral-party review. The results have since

been used to identify areas of strengths and opportunities for Keppel to improve the overall workplace environment.

This year, 3,775 employees took part in the EES, registering a strong response rate of 75%.

Employee views were solicited on a variety of topics including leadership and management style, career development and training, performance management and total rewards, communication, safety, working relationships, workload and welfare, and organisational change.

Keppel's scores were compared against Singapore national norms, as well as norms of global high-performing companies.

Keppel's overall score for 'sustainable engagement' is 85%. The score measures the current-state perspective of how employees feel about being engaged, enabled and energised to perform. Areas which recorded the highest scores include Keppel's commitment to provide a safe working environment for employees, employees' alignment with Keppel's mission, vision and values as well as effective supervision. Areas for improvement that were identified include compensation and benefits offered, workload and welfare as well as implementation of organisational changes.

Employees rated working at Keppel as a generally positive experience across many dimensions, affirming the Group's efforts in creating a desirable work environment. All opinion categories more positively rated than the Singapore average and on par with the top quartile of employee opinions in Singapore.

Opinion items that were rated most positively include collaboration and innovation efforts, leadership, effective performance management, local-level enablement and the support of career development needs. Areas for improvement were also identified. In addition, via key driver analyses, employee opinions on leadership, mission and values, and career development are found to have the greatest impact on driving and sustaining engagement levels.



LABOUR PRACTICES & HUMAN RIGHTS



With the belief that cohesive teams lead to a productive workforce, Keppel cultivates team spirit among employees through a wide range of activities.

In 2012, 358 retirees were re-employed across the Group. As at 31 December 2012, there is a total of 633 re-engaged staff within the Group. To prepare older employees for a smooth transit to retirement, programmes such as “Senior Mentors at Work” and “Career Coaching for Mature Employees” were organised.

ENGAGING EMPLOYEES

We believe that employee engagement is important to foster a conducive and cohesive workplace environment.

COMMUNICATION

Onboarding programmes are conducted for all new hires to ensure that they are successfully integrated.

Mentors are assigned to new hires to help them adapt to the Keppel culture and guide them in their

professional and personal growth. Mentoring workshops were organised for employees across the Group, and 40 mentors were formally certified in 2012. 640 mentors have been appointed across the Group till date.

Dialogue sessions with senior management are organised by business units to provide opportunities for management to share the Group’s progress with staff and to receive feedback. Employee Engagement Surveys are conducted across the Group to provide a platform for feedback. Results of the surveys are highlighted at management level.

BUILDING STRONG TEAMS

We believe that building cohesive teams will lead to a productive workforce. Besides formal platforms,

Keppel cultivates team spirit through informal activities for employees.

Keppelite Recreation Club serves to promote team spirit amongst employees through recreational and sporting activities. Over the years, the club has become an important link to connect employees working in the various business units.

Into its 10th run, Keppel Games continued to provide a platform that underscores sportsmanship and team spirit. Held from July to October 2012, the annual event helped forge friendships among employees across the Group and instilled a sense of belonging.



Special Focus

HELPING FOREIGN WORKERS INTEGRATE

Keppel O&M is committed to support the smooth assimilation of foreign workers into their new living environment in Singapore.

Keppel O&M was the first company in Singapore to provide highly-subsidised dormitories for its foreign workers through its subsidiary, Keppel Housing. Till date, the company has developed and are managing five dormitories – Acacia Lodge, Juniper Lodge, Lantana Lodge, Kian Teck Dormitory and Cassia@Penjuru.

The five dedicated dormitories offer modern amenities such as canteens, minimarts, barber shops and wet markets that cater to the daily needs and well-being of the residents. The dormitories are also equipped with a wide range of recreational amenities

such as multi-purpose halls, gymnasiums, basketball courts and computer facilities. Recreational activities such as sporting tournaments are organised regularly at the dormitories to promote harmonious living among the foreign workers.

Other than catering to their physical needs, Keppel O&M ensures that the mental and emotional health of foreign workers are taken care of to enable workers to achieve greater productivity and better focus on safety. Keppel Housing provides counselling services, including a 24-hour emergency helpline, which is manned by trained counsellors. In addition, regular visits to the dormitories are conducted by Keppel O&M management and union leaders to obtain feedback.

The dormitories also actively organise educational roadshows in collaboration with government agencies such as the National Environment Agency and the National Council for Problem Gambling.

- 1 Keppel is committed to providing a home away from home for foreign workers, with subsidised dormitories and facilities that cater to their daily living needs and well-being.
- 2 Caring for the emotional health of its residents, Keppel Housing offers counseling services by a team of trained welfare officers.





OUR COMMUNITY

Keppel is committed to uplift communities. We engage and nurture communities wherever we are, working towards a sustainable future together.

Highlights

\$9.66 MILLION

Invested in social causes.

1%

Of Group annual net profits committed to Keppel Care Foundation.

5,000

Volunteerism hours pledged by business units in Singapore.

Focus Areas



Empowering local communities through education and skills development.



Spurring industrial advancements through research, innovation and the robust exchange of ideas.



Caring for communities and the underprivileged through volunteerism and strategic social investments.

Performance Overview

WHAT WE SAID IN 2012

- Contribute to the economic development of the local communities where we operate.
- Promote the development of our industries by sharing best practices.
- Support worthy causes aligned with Keppel's key thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities.

WHAT WE DID IN 2012

- Launched Keppel Care Foundation to provide a more structured and sustainable framework for the Group's philanthropic efforts.
- Sponsored and participated in international conventions and knowledge building platforms.
- Continued to engage employees in a wide range of volunteerism initiatives.

WHAT WE PLAN TO DO

- Roll out a Group-wide community outreach programme and pledge a minimum of 5,000 volunteerism hours to community service in Singapore in 2013.
- Commit up to 1% of the Group's annual net profits to programmes in aid of worthy social causes.



The principles that underpin our community work are shaped by our belief that our operations should help in the generation of both economic and social capital for communities.

The Keppel Group invested \$9.66 million in 2012 on social causes.

Keppel Corporation is a corporate member of Singapore Compact, a non-profit organisation which aims to further the Corporate Social Responsibility (CSR) movement in Singapore. To promote discussion and exchange on CSR issues, Keppel Corporation and Keppel Land supported the International Singapore Compact CSR Summit once again in 2012 as Platinum Sponsors. The event was attended by around 450 delegates and featured a wide range of topics including financial and investor perspectives of CSR and policy issues.

KEPPEL CARE FOUNDATION

The Keppel Group launched Keppel Care Foundation in 2012. As a registered charity under the Singapore’s Charities Act, the Foundation aims to provide assistance for the needy and underprivileged, promote education and encourage eco-friendly mindsets and initiatives.

The Group has committed up to 1% of its annual net profits to the Foundation.

CAPACITY BUILDING

Keppel believes in fulfilling the economic potential of communities where it operates and empowering individuals through quality education and skills development.

Our business units partner educational institutions to offer students industrial attachments and internships so as to expose them to the industry. We believe that by supporting educational initiatives, we are contributing to raising the general competency of the workforce.

Keppel and the Singapore Institute of Technology (SIT) jointly established the “SIT-Keppel Gold Medals” to spur academic excellence and nurture

future leaders, whereby Keppel has committed to sponsor the Gold Medals, comprising cash awards, for 10 years starting in December 2012. The awards are disbursed to top graduating students pursuing industry-focused degree programmes offered by SIT in partnership with Newcastle University and the University of Glasgow.

To widen exposure to Chinese culture and contemporary developments in China, Keppel sponsored the International Summer School Programme by the College of Humanities, Arts and Social Sciences, Nanyang Technological University (NTU) in Singapore. The five-week programme, held on the campus of Tianjin University, China, involved over 30 students and faculty members from NTU, Tianjin University and Nankai University, China; Bryn Mawr College and Haverford College, United States; as well as University of Toronto, Canada.

The Company also contributed to the Lee Kuan Yew Fund for Bilingualism to develop teaching and learning resources for English and mother tongue languages in pre-schools and homes.

Keppel Offshore & Marine (Keppel O&M) continued to inspire entrants and groom talents for the industry by contributing to awards and book prizes. During the year, a total of 17 awards sponsored by Keppel O&M were given out at various educational institutions, including National University of Singapore (NUS), NTU, Ngee Ann Polytechnic and Newcastle University. These awards were given to top students with outstanding academic performance. Keppel O&M also established the Keppel Gold Medal & Book Prize for the NTU Renaissance Engineering Programme, which combines the study of engineering with business and liberal arts.

Keppel AmFELS continued to award scholarships under the Keppel AmFELS Dependent Scholarship Fund. This fund was established to provide grants for undergraduate tuition expenses incurred by dependents of eligible employees for full-time study at accredited colleges or universities. In addition, Keppel AmFELS sponsored and supported initiatives undertaken by the Offshore Energy Centre’s (OEC) Mobile Oilfield Learning Unit (MOLU). Formed with the intent of expanding the OEC’s education outreach in schools across Texas,



Keppel Land employees collaborated with the Hanoi Public Library in Vietnam to instill a culture of reading and learning among children.



OUR COMMUNITY

the MOLU is a travelling exhibit that features six self-contained, kiosk-style learning centres. The centres feature curriculum-based, hands-on activities about energy, and the technologies and sciences involved with the oil and natural gas industry.

Over in the Philippines, the Keppel Group of companies offered scholarships to students from NAMEI Polytechnic Institute to provide them with the opportunity to pursue tertiary education and carve bright futures for themselves and their families. In 2012, four scholars graduated with honours in Naval Architecture and Marine Engineering and have since embarked on careers with Keppel Batangas Shipyard and Keppel Subic Shipyard.

As an advocate of Azerbaijan's long term development, Caspian Shipyard Company (CSC) supported the Azerbaijan Diplomatic Academy (ADA) in Baku by contributing to its endowment fund. CSC will further the training and development of local employees at the university, empowering them to be proactive members of the Azerbaijan community.

Keppel Land continued to reach out to children and youths from lower-income families both locally

and abroad. Staff from Keppel Land supported the National Library Board (NLB)'s kidsREAD literacy programme by volunteering to read to children weekly. Keppel Land also sponsored the NLB Book Exchange initiative, which saw its staff participating in a book collection drive in aid of needy families.

Keppel Land extended its reading initiatives to Vietnam by supporting Word on Wheels, a mobile library project in Hanoi, as the main sponsor. Beyond funding, employees in Singapore collaborated with the Hanoi Public Library in Vietnam to interest children in reading. For its contributions, Keppel Land was recognised at the annual Singapore International Volunteerism Appreciation Dinner in 2012.

ADVANCING INDUSTRIES

Through our involvement in knowledge-building platforms and international conventions, we support and advance our chosen industries and spur collaboration between stakeholders in these industries.

In support of Singapore's efforts to promote exemplary thought-leadership and exchange of ideas among cities, Keppel Corporation contributed to one of

the highlights of World Cities Summit 2012 – the Lee Kuan Yew World City Prize, as a Founding Sponsor. The prize is awarded every two years to honour outstanding achievements and contributions to the creation of liveable, vibrant and sustainable urban communities around the world.

As Founding Sponsor of the Singapore International Water Week 2012 and sponsor of CleanEnviro Summit Singapore 2012, Keppel Corporation and Keppel Integrated Engineering (KIE) participated actively in several tracks of technical and business discussions and spurred dialogue with a showcase of leading urban solutions for cities, sustainable water innovations, and environmental and waste solutions. The Group also hosted streams of visitors from far and wide.

The summits, held jointly in July 2012, provided a valuable platform for the exchange of ideas and solutions to tackle environmental challenges, and attracted over 18,000 participants from 104 countries and regions.

The Keppel Group continued its support of Singapore International Energy Week in 2012 as a key sponsor. The annual week-long event is a platform

1 Prime Minister of Singapore, Mr Lee Hsien Loong (second from left) was briefed by Keppel's senior management at the World Cities Summit 2012 on the Group's broad portfolio of projects in environmental engineering and sustainable development.

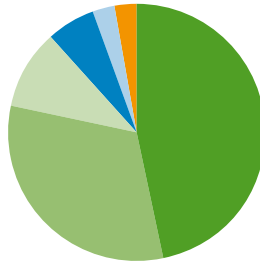
2 The Keppel GK-Eco Village in the Municipality of Bauan, Batangas, in the Philippines provides a safe and healthy living environment to 60 needy families and their children.





Social Investment Spending by Project Type, 2012 (%)

| | % |
|--------------------------------|-------|
| Education | 46.9 |
| Care for the underprivileged | 31.5 |
| Arts and Sports | 10.1 |
| Community Development Projects | 6.1 |
| Environmental Initiatives | 2.7 |
| Healthcare | 2.7 |
| Total | 100.0 |



Data note: \$9.66 million invested in social causes in 2012.

for energy professionals, policymakers and commentators to discuss and share best practices and solutions within the global energy space.

Keppel O&M continued its support of the NUS Keppel Chair Professorship, a partnership since 2002, to promote Ocean, Marine and Offshore Technology. This collaborative partnership aims to attract world-class researchers and practitioners to drive advancements through the sharing of new technology and processes. Keppel O&M also continues to share insights at regional and international platforms, talks at schools, educational visits and internship programmes to cultivate talent and expose the

young to opportunities and challenges in the sector.

As education in land law represents a vital interest for a land-scarce city like Singapore, Keppel supported the Kwa Geok Choo Professorship in Property Law as a Principal Sponsor. The Professorship by NUS aims to contribute to the research and teaching of Property Law in Singapore, allowing buyers and sellers of property to benefit.

CARING FOR THE COMMUNITY

We align our community investment activities with national and social priorities and local development programmes. Our overall social

investment contribution falls into six broad categories:

- Education, including but not limited to scholarships, grants and financial assistance.
- Programmes that advance and improve the well-being of the poor and underprivileged.
- Initiatives that foster and develop interest and appreciation of the arts, culture and sports.
- Community development projects that foster social inclusion and equality, and create opportunities for the community to work together towards common social goals.
- Initiatives that protect and improve the environment, and enhance biodiversity in local landscapes.
- Healthcare, including medical and scientific research, and the provision of medical facilities and services.

BREAKING THE CYCLE OF POVERTY

In the Philippines, Keppel Batangas Shipyard, along with the local government unit of the Municipality of Bauan, province of Batangas, and Gawad Kalinga Community





OUR COMMUNITY



Development Foundation (GK), completed a 60-unit housing development project – named Keppel-GK Eco Village – in 2012. The Eco Village was built on a 1-hectare property provided by the local government using GK's sustainable development template that aims to address the basic needs of the residents.

The Keppel Group donated a total of 9 million pesos to the development of this Eco Village. A proportion of this sum was raised from Keppel's business units and employees in Singapore through a fundraising activity organised by Keppel Volunteers and Keppel Young Leaders to promote volunteerism. Employees from Keppel Batangas Shipyard had also actively volunteered at the Keppel- GK Eco Village, participating in the construction after work, over weekends and during public holidays.

Following the completion of the Eco Village, Keppel Batangas Shipyard

helped to start a SIBOL (meaning 'to grow' in Tagalog) Learning Centre at the Village, which provides pre-school education under the supervision of its volunteer teachers. Children's educational materials, like books, were donated by Keppel employees to its library, 'Libro Mo, Library Ko' (Your Books, My Library).

Keppel also handed over the keys to a 20-unit housing development, its second collaborative effort with GK, to needy families in Cisadane, Indonesia. The Group rallied customers, business associates and employees to raise funds in aid of the poor.

ENVIRONMENTAL CONSERVATION AND ECO-CONSCIOUSNESS

In working with the community to nurture healthy ecosystems and promote the appreciation of Singapore's rich biodiversity, Keppel Volunteers participated in the Comprehensive Marine Biodiversity Survey organised by Singapore's National Parks Board and NUS'

Tropical Marine Science Institute. Launched in 2010, the project has collected some 30,000 specimens through surveys in mudflats, seabeds and reef habitats. Through this, 10 species have been rediscovered, such as a species of large coastal catfish last seen in Singapore waters over 100 years ago. Researchers have identified the "Lipstick" sea anemone, possibly a completely new species to be discovered in the world, in the mudflats of Pulau Ubin. Another species that may not have been recorded anywhere else in the world is the orange-clawed mangrove crab, found in coastal mangroves.

The Group participated in Earth Hour 2012 to promote conservation and raise awareness on climate change. Keppel Volunteers and students from Delta Senior School, a learning institute under APSN, united as Earth Hour ambassadors in the first-ever Earth Hour human formation in Singapore. Keppel O&M accommodation lodges and all seven



yards in Singapore as well as two shipyards in the Philippines switched off non-essential lights for one hour. All 34 Keppel Land commercial and residential properties as well as hotel developments in Asia participated in the international movement as well.

To promote environmental protection, BrasFELS organised the “BrasFELS for a Sustainable World” event. The event highlights included a tree planting activity, with 30 saplings planted in front of the BrasFELS yard.

To support World Environment Day, activities were organised for Keppel Land’s employees and tenants to raise awareness of conservation, wildlife trade and biodiversity. Keppel Land also endorsed various recycling initiatives through its commercial properties to reach out to employees and tenants.

PROMOTING THE ARTS, CULTURE & SPORTS

As a long-time patron of the arts, Keppel remains committed to nurturing communities by promoting the arts scene both locally and overseas. For its support of the arts, the Keppel Group was once

again conferred the prestigious ‘Distinguished Patron of the Arts Award’ in 2012 for the fifth consecutive year.

Some of Keppel’s efforts to grow the arts scene include helping promising young musicians from the Orchestra of the Music Makers in Singapore make their European debut at the prestigious Cheltenham Music Festival in 2012.

Keppel also partnered the Singapore Symphony Orchestra (SSO) by bringing renowned American violinist Sarah Chang to Singapore to perform. For contributing about \$1 million to the SSO over the years, Keppel was awarded the ‘SSO Benefactor Award’ in 2012.

Keppel REIT purchased a Steinway grand piano in support of the arts and to engage its tenants and the business community through music. Taking centre stage at the lobby of Ocean Financial Centre, the grand piano was officially launched in 2012 at a recital which featured young budding pianists from ChildAid and Steinway. Bringing music into Singapore’s financial district, Keppel REIT organises monthly performances

featuring young talents as well as professional musicians.

Keppel Corporation continued its support of the Clipper 11-12 Round the World Yacht Race, the world’s most celebrated amateur sailing race, as Team Sponsor for the Singapore yacht and Official Host Port for the Singapore stopover. The Singapore yacht sponsored by Keppel Corporation raced against nine other international yachts to finish strong, clinching an overall third position. This is the best performance by the Singapore yacht in four races since Keppel supported its first entry in the Clipper 05-06 Race. As part of its people development initiatives, Keppel fielded three Keppel Ambassadors to join more than 50 others from 11 nationalities of ages 19 to 66 years old to represent Singapore in the Clipper 11-12 Race.

Keppel sponsored the Keppel-Singapore Table Tennis Association (STTA) Awards Night to recognise top sporting talents for their achievements in 2012. Keppel’s partnership with STTA builds on Keppel’s three-year agreement to fund STTA’s zone training centre at Clementi. Both initiatives aim to grow and develop sporting champions in Singapore.



- 1 Keppel employees and APSN students unite to champion a greener future at the Earth Hour celebrations.
- 2 The Singapore yacht sponsored by Keppel Corporation clinched an overall third position in the Clipper 11-12 Round the World Yacht Race.



OUR COMMUNITY



To encourage the physically-challenged to stay healthy and raise awareness of disability sports, Keppel Land sponsored the Handcycling National Disability League Sprint Race 2012, which was organised by the Handcycling Association Singapore and the Singapore Disability Sports Council.

To give intellectually-disabled athletes encouragement, Keppelite Recreation Club members partnered special athletes competing in the Special Olympics Singapore's Charity Bowl.

Further, to encourage employees to stay fit and raise funds and awareness for various social causes, Keppel's business units participated in numerous sports events over the year to benefit charities in Singapore and



1 Mr Choo Chiau Beng, CEO of Keppel Corporation (far right) at the Keppel- STTA Awards Night 2013 with (from left) Er Dr Lee Bee Wah, President of STTA, Mr Lawrence Wong, Acting Minister for Culture, Community and Youth and Senior Minister of State, Ministry of Communications and Information, London 2012 Olympic Games medalists and Keppel-STTA Award winners, Feng Tianwei, Wang Yuegu and Sun Beibei.

2 Keppel O&M emerged champion in the ComChest Heartstrings Walk 2012 Vertical Marathon, a 57-storey vertical marathon fundraiser for Community Chest beneficiaries.

3 Mr Tan Geok Seng (third from right), President and CEO of Keppel AmFELS and Mr Gilberto Elizondo (right), VP of Human Resources of Keppel AmFELS, presented cheques to the children of Keppel AmFELS employees to help them further their studies.

4 Bringing learning and interaction opportunities to children are part of ongoing community initiatives undertaken by Keppel business units in Singapore and abroad.





overseas, including Children's Cancer Foundation, the Community Chest of Singapore, Asian Women's Welfare Association, Autism Association (Singapore), Shared Services for Charities, Singapore Children's Society, Loving Heart Multi-Service Centre, Singapore Association for Mental Health, Aspiration Wan Qing Lodge, Lakeside Family Centre, Concern and Care Neighbourhood Link and KWF Cancer Society in the Netherlands.

PROVIDING DISASTER RELIEF

Through its subsidiaries in the Philippines, the Keppel Group lent a hand to relief efforts in the Philippines after torrential rains caused widespread floods. Keppel Philippines Marine donated groceries and relief goods to the Philippine Red Cross while Keppel Subic Shipyard

contributed rice, wheel chairs and other relief goods.

VOLUNTEERISM

Employee volunteerism is a key thrust of the Group's community engagement programme and Keppel encourages all employees to contribute to the less fortunate.

Keppel's business units in Singapore have pledged a minimum of 5,000 volunteerism hours to community service in 2013.

Keppel Volunteers was started as a Group-wide volunteer movement. Since then, it has spearheaded hundreds of outreach activities. Across the Group, employees are given up to two days of paid volunteerism leave annually to participate in activities by Keppel Volunteers.

To bring cheer to needy elderly and to improve their living conditions, Keppel Volunteers launched home maintenance programmes in Singapore's Toa Payoh and Telok Blangah districts in 2011. The programmes were rolled out in partnership with Toa Payoh and Telok Blangah Moral Senior Activity Centres, and involved monthly cleaning and maintenance of one-room apartments occupied by elderly residents. To complement this on-going programme, Keppel Volunteers organised a workshop in 2012 to ensure volunteers are trained to help elderly beneficiaries.

Keppel Volunteers runs activities in collaboration with Keppel's adopted charity, the Association for Persons with Special Needs (APSN), which





OUR COMMUNITY

Special Focus

CARING FOR COMMUNITIES

Keppel Care Foundation, a registered charity under the Charities Act, was launched on 9 September 2012. Conceived in light of Keppel's considerable growth and global expansion, the Foundation will help sharpen, coordinate and sustain the Group's efforts and contributions to communities where Keppel operates.

The Keppel Group of Companies will commit up to 1% of the Group's annual net profits to the Foundation.

Dr Lee Boon Yang, Chairman of Keppel Corporation shared, "Over the years, the Keppel Group has actively engaged our community in Singapore and abroad where we do business. We have contributed to many charitable activities. With the Group's growing businesses and worldwide presence, there was a need to provide a more structured and sustainable framework for the Group's Corporate Social Responsibility work at home and abroad."

In line with Keppel's key corporate thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities, the Foundation will reach out to organisations which have been conferred Institutions of Public Character status and support worthy causes with the following key objectives:

- Advance and improve the well-being of the poor, needy, aged or underprivileged and promote and foster community spirit;
- Advance the cause of education, whether general, professional or technical;



- Promote, foster and support efforts to improve and protect the environment;
- Provide relief from human suffering and improve the standard of human life by the prevention, combating and treatment of sickness and disease.

The Foundation is governed by a Board comprising founding directors Dr Lee Boon Yang, Chairman of Keppel Corporation, Mr Choo Chiau Beng, Chief Executive Officer (CEO) of Keppel Corporation and Mr Teo Soon Hoe, Senior Executive Director of Keppel Corporation. Mr Chee Jin Kiong, Director of Group Human Resources, Keppel Corporation, concurrently serves as the Foundation's CEO.

Former President of Singapore Mr S R Nathan graced the launch of the Foundation as its Guest-of-Honour and witnessed the disbursement of the Foundation's first donations at the launch. Donations totaling \$6.7 million

were presented to NUS, SUTD and Singapore Polytechnic, in support of both new and existing programmes advancing education and supporting the underprivileged.

The Foundation committed \$4.2 million in 2012 to NUS programmes, including the Keppel-NUS Vietnam Programme in Medicine to achieve learning, benchmarking, and improvement of healthcare in the region; the Keppel Chair Professorship Programme to enhance the competitiveness of Singapore's Ocean, Marine and Offshore industry; the S R Nathan Professorship in Social Work to support social work education and research; and Toh Chin Chye programmes to appoint academics as Fellows to teach and mentor students.

Professor Tan Chorh Chuan, President of NUS shared, "We are deeply appreciative of these new gifts that build on the unwavering support Keppel has given NUS for many years.

Keppel's generosity, across a wide number of disciplines, helps NUS contribute to the communities around us and continue to contribute with impact to Singapore and beyond."

To provide financial assistance to needy students for their university education and to recognise achievements of students, the Foundation committed \$2 million to SUTD towards the setting up of the Keppel Awards for Excellence and Keppel Bursary Awards.

Continuing its support of the Chua Chor Teck Memorial Lectures since 1986, the Foundation channeled \$500,000 to the Memorial Fund to honour the late former Managing Director of Keppel Shipyard, who was a pioneer in Singapore's maritime industry. The fund also provides scholarships to polytechnic and university students.

Other initiatives supported by the Foundation in 2012 include:

- Lions Home for the Elders to provide residential services and care for the elderly, destitute and frail
- Singapore Association of the Visually Handicapped
- Singapore Association for the Deaf
- Ang Mo Kio Family Service Centres fund for low income parents
- National Trades Union Congress-U Care Fund in support of low-income families
- Promisedland Community Services social support for cancer patients, needy families, children and youths
- People' Action Party Community Foundation Assist to provide financial support for post-secondary school students from low income families
- Singapore Institute of Technology to provide financial assistance to needy students through the Keppel Study Grant
- Nature Cares by NParks to bring the healing properties of nature to elderly in Singapore
- Samaritans of Singapore outreach efforts
- WE CARE Community Services treatment for addictive diseases
- Dover Park Hospice to provide care for terminally-ill patients
- Kwong Wai Shiu Hospital to provide health care services to the needy
- Singapore Cancer Society in support of programmes for the prevention and control of cancer

- 1 Launching Keppel Care Foundation (from left) Mr Teo Soon Hoe, Senior Executive Director of Keppel Corporation; Dr Lee Boon Yang, Chairman of Keppel Corporation; former President of Singapore Mr S R Nathan; Mr Choo Chiau Beng, CEO of Keppel Corporation and Mr Chee Jin Kiong, CEO of Keppel Care Foundation.
- 2 Keppel Care Foundation aims to improve the well-being of the needy and aged and foster community spirit.
- 3 Nature Cares brings the healing properties of nature to elderly in Singapore. The launch of the programme was officiated by President of Singapore Dr Tony Tan Keng Yam (third from left).





OUR COMMUNITY



Children of Keppel employees performed a heart-warming rendition of "Save My World" at the Keppel O&M Keppelites Charity Concert.

comprises five learning institutes, namely Chaoyang School, Katong School, Tanglin School, Delta Senior School and the Centre for Adults.

In 2012, Keppel Volunteers attended training sessions and workshops to better understand the needs of APSN students.

Keppel believes in playing an active role in the development of the beneficiaries. In line with this philosophy, activities are tailored to encourage learning and develop the beneficiaries' social and life skills, so as to help APSN students assimilate into society. Activities in 2012 included educational excursions and fundraisers.

Keppel Group supported the National Blood Programme by the Health Sciences Authority and the Singapore Red Cross to collect sufficient blood to meet the needs of patients in Singapore. For the fifth consecutive year, the Group organised blood donation drives at its worksites across Singapore in 2012.

Keppel O&M participated in various community outreach events in 2012. The highlight of the year was the Keppelites Charity Concert, a fundraiser organised as part of Keppel O&M's 10th anniversary celebrations and in aid of the Straits Times School Pocket Money Fund and APSN. The concert comprised performances by over 200 Keppel O&M employees, and was graced by former President of Singapore, Mr S R Nathan.

Overseas, Keppel AmFELS honoured United Way of Southern Cameron County's Early Childhood Education initiatives with a gift at the Keppel AmFELS annual golf tournament. The annual golf tournament also benefited the Brownsville Community Health Centre and Good Neighbour Settlement House.

Over in Brazil, Keppel Singmarine Brasil extended help to the community with contributions to a local school, Escola Municipal Izilda Reiser Mafra. With the aim of enhancing the quality of life of

the residents in the city of Navegantes, where the yard is based, Keppel Singmarine Brasil also contributed 10 public bus shelters.

In 2012, Keppel FELS Brasil's BrasFELS yard adopted Casa Abrigo da Crianca e do Adolescente (Home for the Children and Adolescents) to support underprivileged and needy children in Brazil. A group of BrasFELS volunteers celebrated Christmas with the children at the Home.

Keppel Land Vietnam reached out to its adopted charities, the Mother La Vang Home and the Phan Sinh Home in Dong Nai province, which provide shelter and care for underprivileged children, orphans and elderly with special needs. In addition to visiting residents of the home and donating basic necessities, employees raised funds to help with the homes' operational costs.



INDEPENDENT ASSURANCE STATEMENT

INTRODUCTION

DNV Business Assurance Pte Ltd was commissioned by the Management of Keppel Corporation ('Keppel') to carry out an assurance engagement on the Keppel Corporation Sustainability Report 2012 (the 'Report') concerning the Sustainability Reporting Guidelines, Version 3.1. ('GRI G3.1'), for the Global Reporting Initiative (GRI).

We conducted an independent assurance of Keppel's 2012 Sustainability Report which is available to stakeholders in a printed version and on Keppel's website.

Please refer to the specific section of the Sustainability Report concerning the profile of Keppel and the boundary of the Report.

Keppel is responsible for the collection, analysis, aggregation and presentation of information contained in the Report. Our responsibility in performing the commissioned work is solely to the Management of Keppel and in accordance with the terms of reference agreed on with the Company. The assurance engagement is based on the assumption that the data and information provided are complete and true. The stakeholders of Keppel are the intended recipients of the assurance statement.

SCOPE OF ASSURANCE

Keppel's Report included global operations and all subsidiaries and associated companies for which the Keppel Group has management control.

The scope of work agreed on with Keppel includes the following aspects.

- A review of data and activities related to sustainability between January 2012 and December 2012, as described in the 2012 Report.
- An evaluation of Sustainability Reporting Guidelines, GRI G3.1 reporting principles and the requirements for an 'B+' application level.

- The reliability of the information within the Report verified to Type 2, Moderate level of assurance, in accordance with AA1000AS (2008).
- A specific evaluation of the information on sustainability performance related to:
 - Keppel's selected core indicators set forth in the GRI G3.1, as indicated in the GRI Content Index included in the Keppel Corporation Sustainability Report 2012.
- Our audit was carried out in April and May 2013. We visited:
 - Keppel head office in Singapore, Keppel Bay Tower, 1 HarbourFront Avenue, #18-01.

The financial data and information have been acquired from the 2012 certified Keppel balance sheet.

VERIFICATION METHODOLOGY

Our assurance engagement was planned and carried out in accordance with the DNV 'Protocol for Verification of Sustainability Reporting', which is available on our website at www.dnv.com/cr.

The Report was evaluated considering the following criteria in accordance with the Protocol.

- Adherence to the AA1000APS (2008) principles of Inclusivity, Materiality, Responsiveness and Completeness.
- The GRI G3.1, specifically with respect to a 'B+' Application Level.

We reviewed the sustainability-related statements and claims as part of the verification made in the Report as well as assessed the strength of the underlying data management system, information flow and controls.

We examined and reviewed documents, data and other information that Keppel made available to DNV Business Assurance.

We acquired the information and technical data from the certified management systems.

We performed sample-based audits of the following:

- Mechanisms for the implementation of its sustainability policies, as described in the Report, that Keppel has put into practice;
- Mechanisms for identifying key stakeholders and integrating stakeholder feedback into decision-making;
- Processes for materiality determination and defining content, focus, and boundaries of the Report;
- Processes for generating, gathering and managing the quantitative and qualitative data included in the Report.

We interviewed the Sustainability Working Committee and a group of 22 people, senior executives, managers, and data owners based at the head office as well as Singapore based employees within the Company to understand sustainability strategy, initiatives, and achievements covered in the Report.

DNV Business Assurance did not interview external stakeholders as part of this assurance engagement.

CONCLUSIONS

It is the opinion of DNV Business Assurance that the 2012 Keppel Sustainability Report is an accurate and impartial representation of the Company's sustainability-related strategies, management systems and performance. We evaluated the Report's adherence to the following principles:

INCLUSIVITY

Keppel's stakeholder engagement activities occurred at the business units' operational level. A new programme has been launched in 2013, with the aim to engage external

INDEPENDENT ASSURANCE STATEMENT

stakeholders at the Group level in a structured way.

Keppel describes goals and actions for the inclusion of diverse groups of stakeholders. In our opinion, continuing to enhance dialogue with all stakeholder categories (e.g. suppliers) will help to better define material issues by considering their expectations, and will provide clearer context for the information to be included in the Report.

We believe it is important for the Company to continue developing the planned stakeholder engagement activities and programmes, in order to improve future sustainability reporting.

In our opinion, the level at which the Report adheres to the principle of Inclusivity is 'Needs Improvement'.

MATERIALITY

The Keppel Report provides a comprehensive overview of the Group's activities; it keeps stakeholders informed of corporate decisions in terms of achievements and performance.

The materiality analysis involved Keppel's Group functions and operations, with the aim to prioritise the social, economic and environmental challenges and issues that formed the basis for defining the report content.

We recommend regular review of the materiality analysis to identify new areas of interest resulting from significant changes to the business environment or changing stakeholders' expectations, as well as to extend the analysis to include overseas operations.

In our opinion, the level at which the Report adheres to the principle of Materiality is 'Acceptable'.

RESPONSIVENESS

The Report demonstrates the CEO and Group's commitment to Safety and Health. The data included

in the Report subjected to our verification were found to be identifiable and traceable. In our opinion, the level at which the Report adheres to the principle of Responsiveness is 'Acceptable'.

COMPLETENESS

The Report has adequately covered the sustainability strategy, management approach and sustainability performances against the GRI G3.1 selected indicators for a B level.

The Report boundaries are defined by the operating units over which Keppel has management control. It is recommended that Keppel consider inclusion in the boundaries of the report all entities that generate significant sustainability impacts and those over which it exercises significant influence.

In our opinion, the level at which the Report adheres to the principle of Completeness is 'Acceptable'.

PRINCIPLES OF REPORT QUALITY

The Report reflects the Group's desire to present a balanced account of the activities and results relevant to the reporting year, which is consistent with the corporate strategies. We consider the Report to be an impartial description of Keppel's sustainability impact.

In our opinion, the level at which the Report adheres to the principle of Neutrality is 'Good'.

Some data in the report was found to be inconsistent with the source data during the verification and has been subsequently corrected.

The accuracy and reliability of the information contained in the Report could be further strengthened by improving the internal processes for data quality control checks (from



operational units to corporate functions responsible for the Report).

In our opinion, the level at which the Report adheres to the principle of Accuracy is 'Acceptable'.

SPECIFIC EVALUATION OF THE INFORMATION ON SUSTAINABILITY PERFORMANCES

The methodology and process that Keppel developed for gathering information to be included in the Report is adequate.

The data included in the Report subjected to our verification were found to be identifiable and traceable; however, we suggest increasing validation on data reliability from operational units.

Keppel is implementing a new data management system for capturing and reporting its sustainability performance. We expect that this tool will enhance the Group's future mechanism to collect data from operational units.

DNV endorses the GRI Application Level of B+ as declared by Keppel.

OPPORTUNITIES FOR IMPROVEMENT

The following is a summary of the observations and prospects reported back to the Management of Keppel. These do not, however, affect our conclusions regarding the Report, and they are indeed consistent with the management objectives already in place.

DNV is of the opinion that the disclosure of the following additional information would increase the quality of Keppel's future sustainability reports and meet the interest of several stakeholders in line with present trends in the sustainability domain:

- To better describe processes related to supply chain monitoring, including environmental impact issues and application of Code of Conduct to suppliers.

- To evaluate further improvement of the disclosure of labour-related indicators in terms of gender and employment type disclosure.
- To describe how the stakeholder engagement exercise initiated will be systematically considered in the definition of material sustainability issues.

DNV'S COMPETENCE AND INDEPENDENCE

DNV is a leading provider of sustainability services, including the verification of sustainability reports. Our environmental and social assurance specialists operate in over 100 countries. DNV Business Assurance was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV Business Assurance maintains complete impartiality toward stakeholders interviewed during the verification process.

DNV Business Assurance expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

ANTONIO ASTONE
PROJECT MANAGER

THOMAS ANDRESEN GOSSELIN
REVIEWER

DNV Business Assurance Pte Ltd
7 June 2013
Singapore

 **AA1000**
Licensed Assurance Provider
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GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

| GRI Indicator | Description | Disclosure | Reference Page ¹ |
|----------------------------|---|------------|---|
| PROFILE DISCLOSURES | | | |
| 1. | STRATEGY AND ANALYSIS | | |
| 1.1 | Statement from the most senior decision-maker of the organisation | ● | 1 |
| 1.2 | Description of key impacts, risks, and opportunities | ● | 4, 21, AR116-119 |
| 2. | ORGANISATIONAL PROFILE | | |
| 2.1 | Name of the organisation | ● | Cover |
| 2.2 | Primary brands, products, and/or services | ● | 2-3 |
| 2.3 | Operational structure of the organisation | ● | AR47, AR191-202 |
| 2.4 | Location of organisation's headquarters | ● | Back Cover |
| 2.5 | Number and names of countries where the organisation operates | ● | 2-3, AR18-19 |
| 2.6 | Nature of ownership and legal form | ● | AR47 |
| 2.7 | Markets served | ● | 2-3, AR18-19 |
| 2.8 | Scale of the reporting organisation | ● | 2-3, 5, AR18-19, AR47 |
| 2.9 | Significant changes during the reporting period | ● | 5 |
| 2.10 | Awards received in the reporting period | ● | 10-11 |
| 3. | REPORT PARAMETERS | | |
| 3.1 | Reporting period for information provided | ● | 5 |
| 3.2 | Date of most recent previous report | ● | 5 |
| 3.3 | Reporting cycle | ● | 5 |
| 3.4 | Contact point for questions regarding the report or its contents | ● | 5 |
| 3.5 | Process for defining report content | ● | 5 |
| 3.6 | Boundary of the report | ● | 5 |
| 3.7 | Limitations on the scope or boundary of the report | ● | 5, 23, 45, 48 |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities | ● | 5-6 |
| 3.9 | Data measurement techniques and the bases of calculations | ● | 5, 22, 44 |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement | ● | 5, 9, 23, 45 |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report | ● | As above |
| 3.12 | Table identifying the location of the Standard Disclosures in the report | ● | 68-71 |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report | ● | 5, 65-67 |
| 4. | GOVERNANCE, COMMITMENTS, AND ENGAGEMENT | | |
| 4.1 | Governance structure of the organisation | ● | 17-20, AR232 |
| 4.2 | Chairman and Chief Executive Officer | ● | 17, AR20 |
| 4.3 | Number of members of the highest governance body that are independent and/or non-executive members | ● | AR20-25, AR232 |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | ● | 20, AR32-33, AR105-108 |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives and the organisation's performance | ● | 19-20, AR 98-104 |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided | ● | 17-19, AR105-107 |
| 4.7 | Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees | ● | 17-18, AR93-98 |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation | ● | Inner Cover, 1, 6-7, 37, 43, 45-48, 54-64 |
| 4.9 | Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance | ● | 6, 8, 17-21 |

¹ References to Keppel Corporation's Report to Shareholders 2012 are expressed as 'AR page number'. Keppel Corporation's Report to Shareholders 2012 is available on www.keppcorp.com.



| GRI Indicator | Description | Disclosure | Reference Page ¹ |
|---------------|--|------------|---|
| 4.10 | Processes for evaluating the highest governance body's own performance | ① | 6, AR112-113 |
| 4.11 | Address of precautionary approach or principle by the organisation | ● | 21, AR116-119 |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses | ● | 7, 39-40, 46-47, 55 |
| 4.13 | Memberships in associations | ● | 3, 40, 55-56 |
| 4.14 | List of stakeholder groups engaged by the organisation | ● | 8 |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | ● | 8 |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | ● | Key Stakeholders 8; Shareholder Engagement AR32-33; Workforce Engagement 39-40; Employee Engagement 51-52; Community Engagement 54-64 |
| 4.17 | Response to key topics and concerns raised through stakeholder engagement | ● | As above |

PERFORMANCE INDICATORS

ECONOMIC

| | | | |
|---------------------|--|---|---|
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| EC1 | Direct economic value generated and distributed | ● | 12-15, AR 48-49 |
| EC4 | Significant financial assistance received from government | ● | 14 |

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|-----|---|---|----------------------------|
| EC7 | Procedures for hiring and proportion of senior management hired from local community at locations of significant operations | ● | 44-49 |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement | ① | 55-64 |
| EC9 | Significant indirect economic impacts, including extent of impacts | ① | 4, 14, 29-32, 47-50, 54-60 |

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| EN3 | Direct energy consumption by primary energy source | ① | 23-24 |
| EN4 | Indirect energy consumption by primary source | ① | 23-24 |
| EN5 | Energy saved due to conservation and efficiency improvements | ● | 23-24 |
| EN6 | Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives | ① | 23-24 |

Water

| | | | |
|------|--|---|----|
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| EN10 | Percentage and total volume of water recycled and reused | ① | 25 |

Biodiversity

| | | | |
|------|--------------------------------|---|----|
| EN13 | Habitats protected or restored | ① | 58 |
|------|--------------------------------|---|----|

Emissions, effluents and waste

| | | | |
|------|--|---|-------|
| EN16 | Total direct and indirect greenhouse gas emissions by weight | ● | 26-27 |
|------|--|---|-------|

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

| GRI Indicator | Description | Disclosure | Reference Page ¹ |
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| EN17 | Other relevant indirect greenhouse gas emissions by weight | ① | 26-27 |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved | ① | 26-27 |
| EN19 | Emissions of ozone-depleting substances by weight | ① | 26-27 |
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| EN22 | Total weight of waste by type and disposal method | ① | 25-26 |
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| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation | ① | 24, 31-33 |
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| LA1 | Total workforce by employment type, employment contract, and region, broken down by gender | ● | 46-49 |
| LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region | ① | 47-48 |



| GRI Indicator | Description | Disclosure | Reference Page ¹ |
|--|---|------------|---|
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations | ● | 47-48 |
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| LA12 | Percentage of employees receiving regular performance and career development reviews, by gender | ⦿ | 46 |
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| Non-discrimination | | | |
| HR4 | Total number of incidents of discrimination and corrective actions taken | ● | 46 |
| HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour | ⦿ | 45-46 |
| HR7 | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour | ⦿ | 45-46 |
| HR11 | Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms | ● | 45-46 |

Legend

- Fully reported
- ⦿ Partially reported

GRI STATEMENT



Statement GRI Application Level Check

GRI hereby states that **Keppel Corporation Ltd** has presented its report ““Shaping the Future” Sustainability Report 2012” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 June 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because Keppel Corporation Ltd has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 12 June 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Key Personnel

GROUP SUSTAINABILITY STEERING COMMITTEE

Choo Chiau Beng (Chairperson)
CEO, Keppel Corporation

Teo Soon Hoe
Senior Executive Director,
Keppel Corporation

Tong Chong Heong
Senior Executive Director,
Keppel Corporation and
CEO, Keppel Offshore & Marine

Loh Chin Hua
Chief Financial Officer,
Keppel Corporation

Chow Yew Yuen
Chief Operating Officer,
Keppel Offshore & Marine

Ong Tiong Guan
CEO, Keppel Infrastructure

Ang Wee Gee
CEO, Keppel Land

Pang Hee Hon
CEO, Keppel Telecommunications
& Transportation

Chee Jin Kiong
Director, Group Human Resources,
Keppel Corporation

Wang Look Fung
Director, Group Corporate Affairs,
Keppel Corporation

Paul Tan
Group Controller,
Keppel Corporation

Tan Eng Hwa
General Manager, Group Internal Audit,
Keppel Corporation

GROUP SUSTAINABILITY WORKING COMMITTEE

Wang Look Fung (Chairperson)
Director, Group Corporate Affairs,
Keppel Corporation

Charles Foo
Director/Advisor,
Keppel Offshore & Marine
Technology Centre

Caroline Chang
General Manager, Group Legal,
Keppel Corporation

Cindy Lim
General Manager,
Group Human Resources,
Keppel Corporation

John Birchall
Group Safety Coordinator and
Director, Safety and Health,
Keppel Land

Chung Choon San
General Manager,
Project Management and
Sustainable Design,
Keppel Land

Daniel Kuek
Senior Manager,
Sustainable Development,
Keppel Infrastructure

Ang Lai Lee
Senior Manager,
Group Corporate Communications,
Keppel Corporation

Sue-Ann Huang
Senior Executive,
Group Corporate Communications,
Keppel Corporation

Edited and Compiled by
Group Corporate Communications, Keppel Corporation

Designed by
Sedgwick Richardson

KEPPEL CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Tel: (65) 6270 6666
Fax: (65) 6413 6391
Email: keppelgroup@kepcorp.com
www.kepcorp.com

Co Reg No: 196800351N