

CONFIGURED FOR GROWTH

Sustainability Report 2013



Vision

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

Mission

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.

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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.



CONFIGURED FOR GROWTH

Constantly shaping itself for the future, Keppel's drive for sustainable growth finds expression in the tangram, a symbol of flexibility and potential.

Letter to Our Stakeholders

Keppel embraces sustainability not only as a guiding principle, but also on strategic and operational levels. Our businesses in Offshore & Marine, Infrastructure and Property provide sustainable solutions to meet the world's need for energy, homes, connectivity and a clean environment.

This report documents our performance in growing Keppel holistically, and our aspirations and plans going ahead.

Our effort to drive sustainability in all aspects of our business was recognised by several sustainability benchmarks in 2013. Keppel Corporation is the only industrial conglomerate and one of four Singapore companies to be listed as an index component of the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) 2013/2014 in September 2013, underscoring our corporate sustainability performance.

Keppel Corporation was also listed on the New York Stock Exchange (NYSE) Euronext Vigeo World 120 in May 2013, where we were assessed to be among the 120 highest-ranking companies out of 1,500 listed companies in terms of control of corporate responsibility risk and contribution to sustainable development.

OUR PERFORMANCE

Successful execution, from the implementation of business strategy to the delivery of projects, has been one of Keppel's defining strengths. We will continue to innovate for new and better solutions as well as more efficient processes, while increasing safety and environmental performance. Our key business units are certified to ISO 9001, ISO 14001 and OHSAS 18001 or equivalent standards, demonstrating commitment towards product quality, environmental protection and occupational health and safety respectively.

Risk management and sustainability-based strategies are used to assess and mitigate health, safety and environmental risks across the Group.

Keppel has consistently maintained an average reduction of close to 20% in

Accident Frequency Rate (AFR) for the past three years. In 2013, we reduced our Accident Severity Rate (ASR) by 35%, from 84 man-days lost per million man-hours worked in 2012 to 55 in 2013. At the same time, we maintained a low AFR of 0.18 accidents per million man-hours worked. We will endeavor to further reduce our ASR by 20% in 2014. Affirming Keppel's commitment to safety, the Workplace Safety and Health Council (WSH) and Singapore's Ministry of Manpower awarded the Keppel Group 32 WSH Awards in 2013, the highest number achieved by a single organisation.

We aim to achieve a 16% improvement in our Green House Gases (GHG) intensity indicator from 2020 business-as-usual (BAU) level. The target is aligned with the Singapore government's pledge to reduce GHG by 16% below 2020 BAU levels, contingent on a legally binding global agreement. The key themes of our carbon management strategy include monitoring energy use better, adopting more efficient technology and processes, exploring alternative energy sources and stepping up efforts to ingrain environmental consciousness.

Our people are our most important asset. To grow the capabilities of our workforce, we invested \$19.2 million in the training and development of our employees globally.

We formalised our Corporate Statement on Human Rights in 2013, guided by general concepts from the United Nations Guiding Principles on Business and Human Rights. We embrace diversity and inclusiveness and uphold fair employment practices, in line with principles spelt out by Singapore's Tripartite Alliance for Fair Employment Practices.

As a responsible corporate citizen, we make social investments in education, and support community development and environmental initiatives. Keppel invested \$10.7 million in social causes and committed over 9,000 volunteer hours in 2013. The Group received the President's Award for Philanthropy (Corporate) at the 2013 President's Volunteerism and Philanthropy Awards.



ENGAGING STAKEHOLDERS

We completed a stakeholder engagement study in 2013 with the guidance of an independent consultancy. The study sought to review material issues covered in our sustainability report and obtain feedback for improvement. In preparing this report, we have factored in the responses received.

We completed the implementation of a web-hosted integrated sustainability reporting platform in 2013. This will allow us to enhance the process of data collection and improve data integrity. To seek external assurance on our report, we engaged DNV GL to verify the report and help us ensure that our reporting remains balanced, responsive and relevant to our stakeholders.

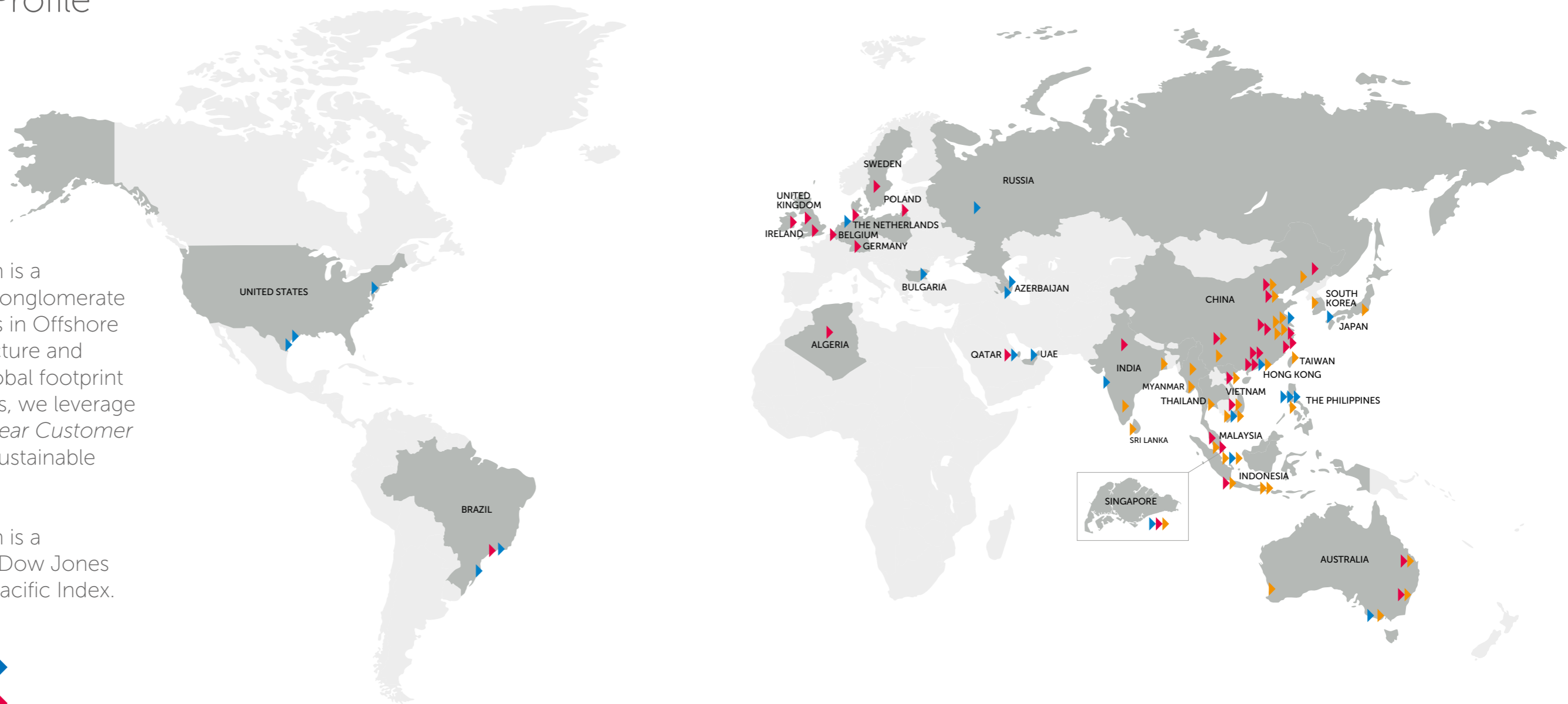
In 2014, we will further our sustainability efforts to maximise value for our stakeholders. I hope that this report will continue to serve as a platform for dialogue.

LOH CHIN HUA
CHIEF EXECUTIVE OFFICER
20 June 2014

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, we leverage our *Near Market, Near Customer* strategy to create sustainable growth and value.

Keppel Corporation is a component of the Dow Jones Sustainability Asia Pacific Index.



- OFFSHORE & MARINE** ▶
- INFRASTRUCTURE** ▶
- PROPERTY** ▶



OFFSHORE & MARINE

Keppel Offshore & Marine (Keppel O&M) is a global leader in offshore rig design, construction and repair, ship repair and conversion, and specialised shipbuilding.

It harnesses its synergy of 20 yards worldwide to be near its customers and their markets.

Keppel O&M is a member of World Ocean Council and Association of Singapore Marine Industries, a partner of Institute of Marine Engineering, Science & Technology; and its key executives are members of Singapore Maritime Foundation.

Keppel O&M played a key role in setting up National University of Singapore's (NUS) Centre for Offshore, Research and Engineering, Keppel-NUS Corporate Laboratory and Maritime Training Centre at ITE College Central.



INFRASTRUCTURE

Keppel's Infrastructure Division grows its robust portfolio of power and gas, environmental engineering, and logistics and data centre businesses.

Keppel Infrastructure drives the Group's strategy to invest in, own and operate competitive energy and infrastructure solutions and services. Its subsidiaries are members of Waste Management and Recycling Association of Singapore, Singapore Water Association and Sustainable Energy Association of Singapore. Keppel Infrastructure Trust provides opportunities to invest in energy and environmental infrastructure assets.

Keppel Telecommunications & Transportation, a leading service provider of logistics and data centres is a member of 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.

Keppel Land is a component of the Dow Jones Sustainability World and Asia Pacific Indices, MSCI Global Sustainability and Socially Responsible Indices, 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.

Keppel Land is a Founding Member of World Green Building Council Corporate Advisory Board, a Board member of Singapore Green Building Council and a founding member of Singapore Green Business Alliance.

Managing Sustainability

MANAGING SUSTAINABILITY

Sustainability issues are managed at and communicated through all levels of the Keppel Group. The Group Sustainability Steering Committee leads our sustainability strategy, which is aligned with our business thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities.

Comprising senior management, the Group Sustainability Steering Committee is chaired by Mr Loh Chin Hua, Chief Executive Officer and Executive Director of Keppel Corporation.

The commitment of senior management is crucial to engage staff and lead the Group's performance against sustainability indicators.

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

The Working Committee comprises six functional committees which oversee, execute and report the Group's strategy across six aspects identified as material to the Group: Economic Performance, Corporate Governance, Environmental Performance, Product Excellence, Safety & Health, and Labour Practices & Human Rights.

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

To enhance the data collection process and improve data integrity, we rolled out a web-hosted integrated sustainability reporting platform Group-wide in 2013.

We are guided by our corporate values and Employee Code of Conduct, which addresses standards of acceptable and unacceptable behaviour and personal decorum, as well as ethical business behaviour.

Keppel Group's Sustainability Management Structure



ABOUT THIS REPORT

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

Limited copies of this Report were printed to minimise environmental impact. A PDF version is available at www.kepcorp.com.

In addition, stakeholders are advised to read Keppel Corporation's Report to Shareholders 2013 and visit www.kepcorp.com for a complete view of the Group's business, strategy, performance and prospects.

REPORT BOUNDARY

As a guide, this Report covers global operations and all subsidiaries for which the Group has management control, unless otherwise indicated. The exact reporting boundaries for Environmental Performance, Product Excellence, Safety & Health and Labour Practices & Human Rights differ. Business entities included within the respective boundaries contribute materially to overall Group performance data.

The Company has 244 significant subsidiaries and associated companies as at 31 December 2013. Information

pertaining to them is published on pages 190 to 200 of Keppel Corporation's Report to Shareholders 2013.

REPORTING PERIOD & STANDARDS

The period covered by this Report is the same as the financial year of the Company (January to December 2013). Wherever possible, we shared three-year historical information to provide a meaningful basis for comparison. This Report is published yearly.

This Report was developed in accordance with Global Reporting Initiative (GRI) G3.1 guidelines and Singapore Exchange's Guide to Sustainability Reporting for Listed Companies. Through the GRI Application Level Check Statement, it has been confirmed that this Report fulfills the requirements of Application Level 'B+'. Standard units of measurements were used in this report; conversion factors, where applicable, are found in their respective sections. All dollar values are expressed in Singapore dollars.

The GRI Content Index on pages 72 to 75 outlines where specific GRI reporting elements and indicators are addressed.

MATERIALITY

In conducting our materiality analysis, we used a materiality matrix to prioritise the social, economic and environmental challenges, opportunities and issues of particular concern to our stakeholders.

The analysis was based on AA1000 Principles of Inclusivity and Materiality by AccountAbility and GRI 3.1 guidelines, where 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 Keppel or its stakeholders.

The most material sustainability issues facing Keppel Corporation are safety and risk management, product quality, economic performance, corporate governance and labour practices.

Material issues are regularly reviewed. As we transition to GRI G4 reporting, we will review all material issues in line with the new guidelines.

INDEPENDENT ASSURANCE

Keppel Corporation appointed an independent third party, DNV GL, to provide assurance on this Report. The content 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 by AccountAbility and the International Standard on Assurance Engagements 3000 (ISAE 3000) by 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 69 to 71.

FEEDBACK

This Report demonstrates our commitment to keep our stakeholders, including our employees, customers, investors, business partners and community members abreast of our social and environmental developments.

REPORT TO SHAREHOLDERS

www.keppcorp.com
Investor Centre > Financial Reports

SEND US YOUR FEEDBACK

sustainability@keppcorp.com

The Keppel Core Values

PASSION



"Can Do" Attitude
and Excellence

INTEGRITY



Ethics, Honesty
and Responsibility

CUSTOMER FOCUS



Value-added
Solutions, On-time
and Within Budget

PEOPLE-CENTREDNESS



Value and
Nurture People

SAFETY



Uphold High
Safety Standards

AGILITY & INNOVATIVENESS



Adapt to Change and
Innovate for Growth

COLLECTIVE STRENGTH



Global Mindset and
Achieve Shared Goals

ACCOUNTABILITY



Optimise Resources
and Being Responsible
to Stakeholders

Management Systems

Management Systems

Offshore & Marine

Keppel FELS

ISO 9001 Quality Management System	Since 1994
Singapore Quality Class Certification (SQC)	Since 2002
People Developer Singapore	Since 2003
Singapore Innovation Class Certification (I-Class)	Since 2004
International Sustainability Rating System 7 th Edition; 8 th Edition Level 6	Since 2008; 2012

Keppel Shipyard

ISO 9001 Quality Management System	Since 1996
Singapore Quality Class Certification (SQC)	Since 1999
ISO 14001 Environmental Management System	Since 2004
SS506 Singapore Standard for Occupational Safety & Health Management System	Since 2010

Infrastructure

Keppel Seghers Engineering Singapore

ISO 9001 Quality Management System	Since 1999
OHSAS 18001 Occupational Health & Safety Management System	Since 2006
ISO 14001 Environmental Management System	Since 2007

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 & Safety Management System	Since 2012

Keppel DHCS

ISO 9001 Quality Management System	Since 2005
ISO 14001 Environmental Management System	Since 2005
OHSAS 18001 Occupational Health & Safety Management System	Since 2005

Keppel FMO

ISO 9001 Quality Management System	Since 2002
ISO 14001 Environmental Management System	Since 2005
OHSAS 18001 Occupational Health & Safety Management System	Since 2005

Keppel Logistics

ISO 9001 Quality Management System	Since 1993
Certified On-The-Job Training Centre	Since 1995
People Developer Singapore	Since 1998
ISO 14001 Environmental Management System	Since 2002
OHSAS 18001 Occupational Health & Safety Management System	Since 2002
Secure Trade Partnership	Since 2008
ISO 13485 Quality Management System for Medical Devices	Since 2009
Good Distribution Practice for Medical Devices in Singapore (GDPMDS)	Since 2009
Trade Facilitation & Integrated Risk-based System (TradeFIRST)	Since 2011
Management of Food Safety based on Hazard Analysis and Critical Control Point (HACCP)	Since 2011

Keppel Logistics (Foshan)

ISO 9001 – Quality Management System	Since 2002
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Keppel Data Centres

SS 507 Singapore Standard for Information and communications technology disaster recovery services (Keppel Datahub & Keppel Digihub)	Since 2009/2011
ISO/IEC 24762 Information and communications technology disaster recovery management standard (Keppel Datahub & Keppel Digihub)	Since 2009/2011
TIA-942 – Tier 3 Telecommunications Infrastructure Standards (Keppel Datahub & Keppel Digihub)	Since 2010/2013
SS 564 – Singapore Standard for National Green Data Centre Management System (Keppel Datahub)	Since 2011

Property

Keppel Land

ISO 14001 Environmental Management System	Since 2008
OHSAS 18001 Occupational Health & Safety Management System	Since 2012

Performance Data Table

Performance Data	2011	2012	2013	Interpretation	Page No
Environment (Singapore Operations)					
Direct Energy (GJ)	963,708	757,615	1,063,660	▶	27
Indirect Energy (GJ)	1,794,747	1,911,765	1,951,935	▶	27
Potable Water Used (m ³)	1,380,930	1,452,747	1,483,679	▶	31
NEWater Used (m ³)	3,175,749	2,692,900	2,660,445	▶	31
Recycled Waste (tonnes)	85,043	189,371	156,759	▶	31
Incinerated Waste (tonnes)	110,060	45,848	40,225	▶	31
Direct Carbon Emissions (t-CO ₂)	601,490	639,927	555,814	▶	31
Indirect Carbon Emissions (t-CO ₂)	237,355	273,276	269,854	▶	31
Safety					
Group Accident Frequency Rate (reportable accidents per million man-hours)	0.25	0.17	0.18	▶	44
Group Accident Severity Rate (man-days lost per million man-hours)	367	84	55	▶	44
Cumulative Group Accident Frequency Rate (Singapore) (reportable accidents per million man-hours)	0.24	0.13	0.12	▶	44
Cumulative Group Accident Frequency Rate (Overseas) (reportable accidents per million man-hours)	0.28	0.22	0.26	▶	44
Cumulative Group Severity Rate (Singapore) (man-days lost per million man-hours)	180	48	47	▶	44
Cumulative Group Severity Rate (Overseas) (man-days lost per million man-hours)	682	141	65	▶	44
Labour					
Investment in Training (S\$ million)	20.5	20.5	19.2	▶	55
Training Hours per Employee (Singapore)	62	73	50	▶	55
Training Hours per Employee (Global)	30	34	29	▶	55
Sustainable Engagement Score (%) (Changes in methodology of calculation have been applied retrospectively)	77.7	85.0	86.0	▶	50
Group Employee Turnover rate (%)	10.9	9.9	8.6	▶	55
Local Hires (%)	60.7	61.7	61.2	▶	53
Senior Management Hired Locally (%)	59.4	62.2	61.4	▶	54
Community					
Philanthropic Investments (S\$million)	5.85	9.66	10.7	▶	60

▶ Generally Desirable ▶ Neutral ▶ Undesirable

Stakeholder Engagement



1

We shape our sustainability approach by identifying issues that are significant to our stakeholders. In doing so, we align our business strategy and activities with the priorities of wider society. Our stakeholder groups are identified as those directly impacted by, or have the potential to impact the Group's businesses.

We engage our stakeholders through various platforms, including:

- One-on-one and group meetings and conference calls;
- Webcasts and presentations of our quarterly results;
- Senior executive speeches;
- Email communications;
- Customer surveys;
- Corporate website at www.kepcorp.com and
- Publications such as Keppel Corporation's Report to Shareholders, Sustainability Report and corporate newsletters including Keppelite, 吉宝精英, HSE Matters, OffshoreMarine and Across Borders.

1. We engage our stakeholders in shaping our sustainability approach.

MANAGING OUR SUPPLY CHAIN

We work closely with our suppliers to make a positive impact on their sustainability performance. In general, new suppliers are screened and qualified in accordance with our requisition and purchasing policies. Health, Safety and Environmental (HSE) as well as labour criteria are included in the assessments. We review potential suppliers' reputation in the industry and their track record and certifications in these areas. Contractors with ISO 9001, ISO 14001 and OHSAS 18001 certifications are preferred.

Upon selection, new vendors are again assessed by the respective work teams based on specified criteria. The feedback provided to the procurement teams helps determine whether new vendors are included in our approved vendor list.

Keppel Offshore & Marine (Keppel O&M) is a participant of the Marine Sponsorship Scheme by Singapore's Ministry of Manpower (MOM). As a sponsor, Keppel O&M is obliged to

ensure that the Resident Contractors it appoints adhere to MOM guidelines on the employment of both local and foreign employees, including the provision of acceptable accommodation for foreign workers.

We also exercise influence on our supply chain by working closely with our subcontractors to ensure that they are aligned with our HSE standards. See page 46 for more details.

**STAKEHOLDER
ENGAGEMENT STUDY**

We completed a stakeholder engagement study in 2013 with the guidance of an independent consultancy. The study sought to review material issues covered in our Sustainability Report and obtain feedback for improvement. Close to 100 respondents from the following stakeholder groups participated in the study: customers, employees,

investors and analysts, government, suppliers and community groups.

The following areas were assessed by respondents to be most material to Keppel:

- Corporate governance;
- Economic performance;
- Safety and health management;
- Product and service excellence;
- Environmental performance;
- Labour practices and
- Community engagement.

Respondents generally agreed that the Keppel Group met its stakeholder goals of:

- Providing value-added and reliable solutions tailored to its customers (90% agree);
- Enhancing employees' affiliation with the company and assimilation into organisational culture (87% agree);
- Collaborating with public policy leaders on issues of mutual interest (88% agree);

- Fostering deeper relationships with long-term shareholders and addressing concerns of the investing community (100% agree);
- Nurturing communities where it operates to build trust and goodwill (100% agree) and
- Working alongside suppliers to influence and improve their sustainability performance (75% agree).

Further, the following issues were identified to be most pertinent among those surveyed:

- Capability and development;
- Sustainable resource use;
- Proactive outreach to the community and
- Implementation of best practices and adherence to certification standards.

In preparing this report, we have factored in the responses received.

Keppel's Stakeholders

CUSTOMERS



EMPLOYEES



GOVERNMENTS



SHAREHOLDERS



LOCAL COMMUNITIES



SUPPLIERS



Awards & Accolades

CORPORATE GOVERNANCE

SINGAPORE CORPORATE AWARDS

- KEPEL CORPORATION
 - Bronze, Best Managed Board
 - Silver, Best Annual Report (Market capitalisation of \$1 billion and above)
- KEPEL TELECOMMUNICATIONS & TRANSPORTATION (KEPEL T&T)
 - Gold, Best Annual Report
 - Silver, Best Investor Relations (Market capitalisation of \$300 million to below \$1 billion)
- KEPEL REIT
 - Gold, Best Annual Report (REITs & Business Trusts)

SECURITIES INVESTORS ASSOCIATION OF SINGAPORE (SIAS) INVESTORS' CHOICE AWARDS

- KEPEL CORPORATION
 - First Runner-Up, Singapore Corporate Governance Award (Big Cap)
- KEPEL T&T
 - Winner, Singapore Corporate Governance Award (Mid Cap)
- KEPEL INFRASTRUCTURE TRUST (FORMERLY K-GREEN TRUST)
 - Merit, Singapore Corporate Governance Award (REITs/Business Trust)
- KEPEL LAND
 - Merit, Singapore Corporate Governance Award (Big Cap)
 - Runner-up, Most Transparent Company (Property)

INSTITUTIONAL INVESTOR MAGAZINE'S ALL-ASIA EXECUTIVE TEAM RANKING

- KEPEL CORPORATION
 - Asia's Best Investor Relations (Conglomerates) as voted by Sell-side: Second position
 - Asia's Best CEO (Conglomerates) as voted by Buy & Sell-sides
 - Asia's Best CFO (Conglomerates) as voted by Sell-side
 - Asia's Most Honoured Company: 20th of 181 Asian companies
 - Best Singapore Company

ALPHA SOUTHEAST ASIA INSTITUTIONAL INVESTOR CORPORATE AWARDS

- KEPEL CORPORATION
 - Best Annual Report in Singapore
 - Top three companies with the strongest adherence to corporate governance in Singapore
 - Top six most preferred companies by institutional investors



GOVERNANCE AND TRANSPARENCY INDEX (GTI)

- Keppel Corporation (3rd), Keppel Land (5th) and Keppel T&T (15th) have been ranked among GTI's Top 20 for the fifth consecutive year.

ENVIRONMENTAL PERFORMANCE

- Keppel Land was the Green Champion at the Singapore Compact Corporate Social Responsibility (CSR) Awards.
- Keppel Land won the Eco-Advocate Award at the inaugural Asia-Pacific Enterprise Leadership Awards.
- Ocean Financial Centre set the Guinness World Record in 2013 for the World's Largest Vertical Green Wall, and clinched the Skyrise Greenery Awards (Excellence) by the National Parks Board.
- Marina at Keppel Bay was named International Marina of the Year 2013 – 2014 by the Marine Industries Association (Australia), while its City Reef project won the Best Environmental Initiative award.
- At the Singapore Environmental Achievement Awards by Singapore Environment Council, Keppel Land topped the services category while Keppel DHCS clinched the Merit Award in the Services Category.

- Equity Plaza and Keppel Dighub were awarded the Water Efficient Building certificate (Silver and Basic, respectively) by PUB, Singapore's national water agency.

- Keppel Shipyard received the Sustained Partnership Platinum and Silver Awards from the National Environment Agency.

BUILDING & CONSTRUCTION AUTHORITY (BCA) GREEN MARK AWARDS

- SINGAPORE
 - Keppel DHCS' Changi Business Park District Cooling System Plant extension, Platinum
 - Bugis Junction Towers, Platinum
 - Keppel Bay Tower, Platinum
 - Corals at Keppel Bay, Gold^{Plus}
 - The Glades, Gold^{Plus}
 - Highline Residences, Gold^{Plus}
 - The Luxurie, Gold
 - Keppel Dighub, Certified
- OVERSEAS
 - Sino-Singapore Tianjin Eco-City's Low Carbon Living Lab, Platinum
 - Hill Crest Residence in Spring City Golf & Lake Resort in Kunming, China, Gold

1. Keppel's companies were recognised at the SIAS Investors' Choice Awards 2013 for best practices in corporate governance and transparency.

- Keppel Land achieved BCA's Green Mark Champion Award in 2014.
- At the BCA Construction Excellence Awards, Ocean Financial Centre was recognised in the commercial/mixed development buildings category, while Reflections at Keppel Bay received a Merit Award in the residential buildings category.
- Reflections at Keppel Bay received the BCA Universal Design Mark (Residential category) Platinum Award.
- Keppel Datahub 2 was the first new data centre in Singapore to achieve the Platinum Award for BCA-IDA Green Mark, the highest green accolade conferred by BCA and Infocomm Development Authority (IDA) specifically for data centre developments.

PRODUCT EXCELLENCE

- Keppel Offshore & Marine (Keppel O&M) was conferred the Singapore 1000 Sales/Turnover Excellence Award at the Singapore 1000 & Singapore SME 1000 Awards.
- Keppel O&M Technology Centre's E-Semi project received the Outstanding Maritime Research & Development and Technology Award at the Singapore International Maritime Awards.
- Keppel FELS' DSS™20NS accommodation semisubmersible design was conferred the Institution of Engineers Singapore Prestigious Engineering Achievement Award.
- Keppel FELS Brasil's BrasFELS shipyard received the PNQS Award for excellence in quality and sustainability from Brazil's National Union of Naval Construction, Repair and Offshore Industry and the ARO Foundation.
- Nakilat-Keppel O&M won the Shiprepair/Shipyard Award for the second year running at the Seatrade Middle East & Indian Subcontinent Awards.
- Keppel FELS won the top prize at the International Exposition on Team Excellence by the Singapore Productivity Association, while Keppel DHCS clinched the Bronze Award.

- Keppel Land received six accolades at the Euromoney Real Estate Awards:
 - Best Office/Business Developer, Singapore
 - Best Residential Developer, Indonesia
 - Best Developer, Vietnam
 - Best Residential Developer, Vietnam
 - Best Office and Business Developer, Vietnam
 - Best Mixed-use Developer, Vietnam
- Reflections at Keppel Bay clinched the Gold Award in the Residential (High Rise) category at the FIABCI Prix d'Excellence Awards.
- Marina Bay Financial Centre was named Best Commercial Development in Southeast Asia (SEA) while Marina Bay Suites was lauded the Best Condominium Development in SEA and Best Condominium in Singapore at the annual SEA Property Awards.
- Keppel Land Hospitality Management was accorded the following World Travel Awards:
 - Asia's Leading Golf Resort for Spring City Golf & Lake Resort, Kunming, China
 - Myanmar's Leading Hotel for the sixth consecutive year for Sedona Hotel Yangon
 - Myanmar's Leading Resort for Sedona Hotel Mandalay
 - Vietnam's Leading Serviced Apartments for Sedona Suites Ho Chi Minh City

SAFETY & HEALTH

- The Keppel Group secured 32 Workplace Safety & Health (WSH) Awards conferred by the WSH Council and Singapore's Ministry of Manpower. This is the highest number of safety awards achieved by a single organisation.
- Keppel Shipyard won safety awards at the Seatrade Asia Awards, Lloyd's List Global Awards and Lloyd's List Asia Awards.
- Keppel Land clinched the Merit Award at the International Safety Awards 2014 by the British Safety Council for its commitment to the health, safety and wellbeing of its workforce.

- Keppel Logistics Foshan was awarded Model Enterprise in Safety Culture and was a runner up in the Foshan City Industrial Injury Prevention and Safety Advancement Awards.

LABOUR PRACTICES

- Keppel Corporation was awarded the Human Capital Breakthrough Award by Human Capital Singapore for improving human capital and group-wide talent management practices.
- Keppel Corporation was named Singapore's most attractive employer in the Engineering Sector Services category at the Randstad Award 2014.
- Keppel O&M received the Best Graduate Development and Best Health & Wellbeing accolades at the 10th Annual Human Resources Management Awards.
- Keppel FELS received the Plaque of Commendation (Star) Award for promoting industrial relations, worker welfare and workfare and supporting National Trades Union Congress initiatives and programmes.
- Keppel Logistics Singapore was presented the SISEU's Certificate of Commendation for its key role in creating harmonious labour-management relations.

COMMUNITY & SOCIETY

- The Keppel Group won the President's Award for Philanthropy (Corporate) for best practices in community involvement and corporate philanthropy.
- The Keppel Group garnered its sixth consecutive Distinguished Patron of the Arts Award from Singapore's National Arts Council.
- Keppel Care Foundation, Keppel O&M and Keppel Logistics Singapore were awarded Corporate Gold, Silver and Bronze respectively at the Community Chest Awards. Keppel Shipyard received the 10-Year Outstanding SHARE Award, and Keppel FELS and Keppel Singmarine received SHARE Platinum Awards.

Awards & Accolades

- Keppel Corporation received the Singapore Lyric Opera's Patron Award.
- For its economic and social contributions to the country, Keppel Land China was ranked among the Top 10 ASEAN companies in China by the China-ASEAN Business Council for the second consecutive year.
- Keppel Logistics Singapore was acknowledged with the Minister for Home Affairs Award, 3rd Tier Meritorious Defence Partner Award, and Home Team NS recognition Award for Employers.

SUSTAINABILITY

- Keppel Corporation was the only industrial conglomerate and one of four Singaporean companies listed as a component of the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) 2013/2014. Keppel Land was listed on the DJSI World and Asia Pacific Indices for the third and fourth consecutive years respectively.
- Keppel Corporation was one of two Singaporean companies included in the NYSE Euronext Vigeo World 120 Index, which recognises companies with the highest Environment, Social and Governance rankings.

- Keppel Land and Keppel T&T were conferred Top Honour and Achievement of Excellence respectively in the Sustainable Business Awards (Large Enterprise) category at Singapore Business Federation's Singapore Sustainability Awards.
- Keppel Land was ranked 17th in the Global 100 Most Sustainable Corporations in the World 2014 emerging top amongst Asian firms and in the international real estate sector.
- Keppel Land was named the Regional Sector Leader for Asia (Office) for the second consecutive year in the Global Real Estate Sustainability Benchmark 2013.
- Keppel Land was included in The Sustainability Yearbook by RobecoSAM for the fourth consecutive year. The Yearbook features the top 15% of companies worldwide in sustainability leadership.
- Keppel Land clinched the Most Admired ASEAN Enterprise award in the CSR (Large Company) category at the ASEAN Business Awards 2013.

1. The Group secured 32 WSH awards in 2013, the most safety awards achieved by a single organisation.
2. The Group received the President's Award for Philanthropy (Corporate) for its sustained community contributions.
3. The offshore rig market remains positive in the longer term and Keppel O&M is able to deliver differentiated rig designs and quality solutions which will add value to the market.



Industry Outlook



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

While the global economy is showing gradual signs of improvement, concerns remain over the sustainability of growth, threat of higher global interest rates, deflation risks in the Eurozone and the contagion impact of China's slower economic expansion.

In spite of these global currents, oil prices were largely sustained in 2013, with Brent crude hovering around US\$100 per barrel. In the near term, there is downward pressure on oil prices from a potential supply increase from non-OPEC members, although this could be partly offset by oil demand growth, which gradually gained momentum in late 2013. Global exploration and production (E&P) capital expenditure is expected to be robust, increasing 6% year-on-year to reach a record US\$723 billion in 2014.

Jackup demand across most regions remains strong, particularly in the Middle East, Mexico, Southeast Asia and India markets. At the end of 2013, some 60% of the total world jackup fleet was over 25 years old. Over the past five

years, jackup attrition has totalled around 40 rigs, indicating a replacement cycle that is underway. As E&P moves further offshore and more of these fields enter the development phase, there is an industry need for vessels capable of performing development and completion drilling in addition to exploration drilling. To meet these needs, the Keppel CAN-DO drillship was developed and construction has proceeded on the first drillship.

INFRASTRUCTURE

In the power sector, the retail contestability threshold for consumers was lowered from 10,000 kilowatt per hour (kWh) to 8,000 kWh on 1 April 2014, and will be further lowered to 4,000 kWh on 1 October. Keen competition is likely to persist in the coming years as additional generation units from both existing power companies and new entrants come into commercial operations.

In the Waste-to-Energy (WTE) business, the National Environment Agency in Singapore is planning for a new WTE facility under the Public Private Partnership scheme. In Southeast Asia, WTE is gaining acceptance underpinned by attractive Feed-in Tariffs and other government initiatives to promote the development of renewable and sustainable energy.

Keppel Telecommunications & Transportation (Keppel T&T) is poised to ride on growing demand in Southeast Asia and China markets for reliable, advanced logistics solutions. Southeast Asia is expected to remain on its growth trajectory in tandem with the development of its infrastructure and financial institutions. China's rising domestic consumption, underpinned by increasingly assertive domestic consumers, is expected to sustain the Chinese economy despite slow growth in the Western economies.

Demand for data centre space remains robust, sustained by the continued growth of the internet and use of mobile devices. The increasing popularity of cloud computing is likely to spur demand for complementary services such as co-location, which Keppel T&T specialises in. These trends present opportunities for Keppel T&T's data centre business to grow in Asia, Europe and the Middle East.

PROPERTY

The Singapore residential market is expected to remain challenging in 2014, with the continued impact of the Total Debt Servicing Ratio and Additional Buyer's Stamp Duty. However, the cut-back in government land sales may help to stabilise the market.

The pipeline of new office supply in the next two years is limited with only one new Grade A development of about 700,000 square feet expected to be completed. Office rents are expected to strengthen in 2014 and 2015, led by the Grade A segment.

Demand for quality homes in Asia will continue to be supported by economic wealth, urbanisation and a rising middle class. The property tightening measures will prevent the formation of property bubbles and allow for sustainable growth of the residential measures.

For a more thorough discussion of Keppel Group's businesses, please refer to Keppel Corporation's Report to Shareholders 2013, pages 48 to 89.

Financial Highlights

Keppel creates sustainable value for stakeholders through a robust portfolio of businesses. Amidst a climate of uncertainty in 2013, the company performed creditably and is configured for growth.



\$12.4b

Revenue decreased 11% from FY 2012's \$14.0 billion.

\$1,412m*

Net profit decreased 26% from FY 2012's \$1,914 million.

14.9%*

Return On Equity decreased by 7.7 percentage points from FY 2012's 22.6%.

MAJOR DEVELOPMENTS IN 2013

OFFSHORE & MARINE

- Delivered a record number of 22 rigs worldwide.
- Achieved record net orderbook of \$14.2 billion as at end-2013.
- Inaugurated Baku Shipyard in Azerbaijan and signed an MOU with PEMEX for a yard in Mexico.
- Launched Keppel-NUS Corporate Laboratory to augment innovation, and research and development (R&D) efforts.

INFRASTRUCTURE

- Keppel Energy and Keppel Integrated Engineering were reorganised into Keppel Infrastructure.
- Keppel Merlimau Cogen Plant's 800MW expansion became fully operational.
- Expanded logistics network with acquisition of third river port, Sanshui Port in China, and development of an air logistics hub in Singapore.
- Grew portfolio of data centres in Ireland, the Netherlands and Singapore.

PROPERTY

- Invested over \$1 billion in selective acquisitions in core markets of China and Singapore.
- Sold more than 4,400 homes, mostly in China and Singapore.
- Formed strategic alliance with China Vanke.
- Divested 51% stake in Jakarta Garden City to recycle capital.
- Grew assets under management by Keppel REIT and Alpha Investment Partners to \$17.7 billion.

1. Keppel O&M delivered a record number of 22 rigs worldwide in 2013.

* Figures exclude revaluation, major impairment and divestments.

Group revenue of \$12,380 million was 11% lower than 2012 due to lower revenue from our Offshore & Marine Division and Property Division. Group net profit before revaluation, major impairment and divestments decreased by 26% to \$1,412 million.

Earnings per share (EPS) declined by 27% to 78.2 cents. Return on Equity (ROE) was 14.9%.

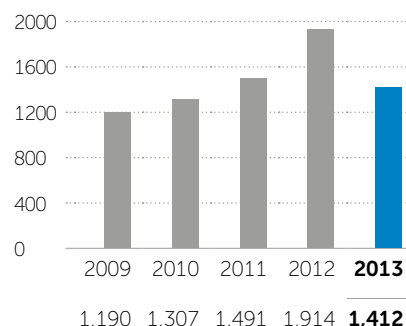
Economic Value Added (EVA) excluding major impairment and divestment decreased by \$436 million to \$939 million which was attributable to lower operating profit and higher capital charge.

Group shareholders' funds increased from \$9.25 billion at 31 December 2012 to \$9.70 billion at 31 December 2013.

Revenue (\$ billion)



Net Profit (\$ million)*



► SUSTAINING GROWTH
Financial Highlights

The increase was mainly attributable to retained profits for 2013 and foreign exchange translation gains, partially offset by fair value loss on cash flow hedges, payment of final dividend and distribution of dividend *in specie* of Keppel REIT units for 2012, as well as payment of interim dividend and distribution of dividend *in specie* of Keppel REIT units for the half year ended 30 June 2013.

Total distribution for 2013 was 49.5 cents per share. This comprised a final dividend of 30.0 cents per share, a special dividend *in specie* of eight Keppel REIT units for every 100 shares in the Company (equivalent to 9.5 cents per share) and an interim dividend of 10.0 cents per share. The total distribution for the year is approximately \$894 million.

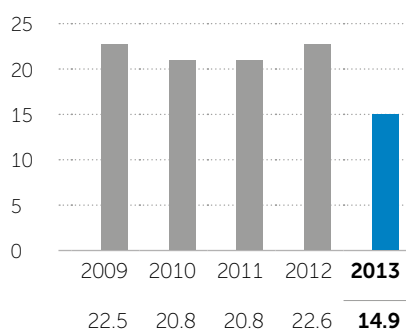
OFFSHORE & MARINE

The Offshore & Marine Division secured about \$7 billion of new orders for 2013. The net orderbook stood at a record high of \$14.2 billion with deliveries extending into 2019. Revenue of \$7,126 million was \$837 million or 11% lower. Operating profit margin for 2013 was 14.7%, an improvement from last year's 13.5%. Pre-tax earnings increased 1% to \$1,187 million due to an increase in share of associated companies' profits, partly offset by a decrease in operating results. Net profit of \$930 million was \$7 million or 1% lower than in 2012. This Division remains the largest contributor to Group net profit in 2013 with a 66% share.

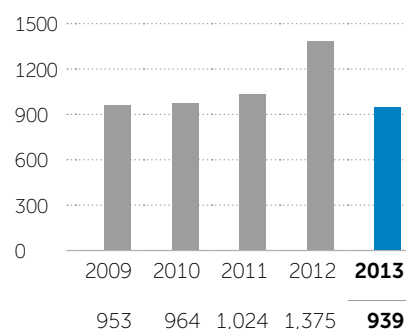
INFRASTRUCTURE

The Infrastructure Division's revenue increased by \$627 million to \$3,459 million due to higher revenue contributed by the co-generation power plant in Singapore. Profit before tax increased slightly by \$1 million to \$43 million as a result of improved performance by its power and gas business and a reversal of provision following the finalisation of the sale of a power barge, offset by losses arising from cost overruns pertaining to Engineering, Procurement and Construction (EPC) contracts.

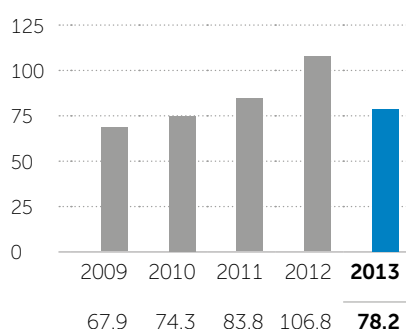
ROE (%)*



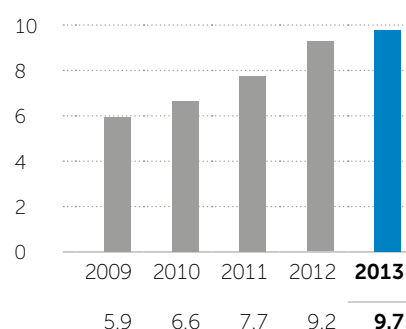
EVA (\$ million)*



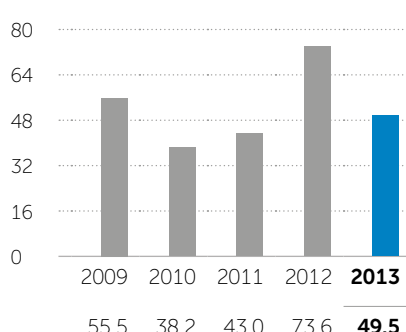
EPS (cents)*



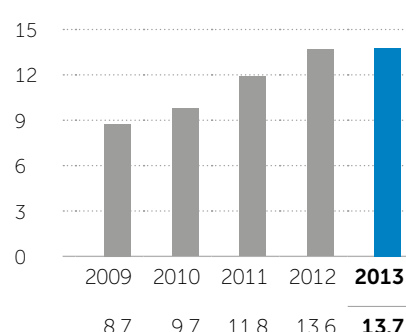
Shareholders' Funds (\$ billion)



Total distribution per share (cents)



Capital Employed (\$ billion)



* Figures exclude revaluation, major impairment and divestments.

1



1. Keppel is committed to provide sustainable solutions to the challenges brought about by rapid urbanisation.

PROPERTY

Revenue from the Property Division of \$1,768 million was \$1,250 million below that of the previous year mainly from decline in sales recognition of Reflections at Keppel Bay units arising from the deliveries of residential units sold under the deferred payment scheme in 2012 which was not repeated in 2013. Pre-tax profit dropped by 33% to \$853 million in the current year. This reduction was partially offset by a higher contribution of profit from China and gains from the sale of the Jakarta Garden City project. With net profit at \$442 million, the Division contributed 31% to the Group's overall earnings.

GOVERNMENT ASSISTANCE & TAXES PAID

In 2013, the Group received a total of \$2 million in financial assistance from governments. This largely consists of R&D as well as training grants from the Singapore government. The Group

operates in over 30 countries and has paid a total of \$585 million in taxes to the various countries and tax jurisdictions in which it operates.

EMPLOYEE COMPENSATION**

In 2013, staff costs amounted to \$1,668 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 2013 numbered 39,364.

For more details on the Group's financial performance, please refer to pages 48-89 of the Keppel Corporation Report to Shareholders 2013.

** 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.

Corporate Governance

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



7 out of 11

Board Directors were Independent Directors as of 31 December 2013.

3

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

3

Risk Tolerance Guiding Principles formulated.

PERFORMANCE OVERVIEW

▶ WHAT WE SAID IN 2013

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

▶ WHAT WE DID IN 2013

- Formulated Risk Tolerance Guiding Principles.
- Established Risk Management Assessment Framework.
- Initialised a Control Self-Assessment programme.
- Established processes in compliance with Personal Data Protection Act (Do-Not-Call Registry provisions).
- Formalised an Investor Relations Policy.
- Formalised internal procedures for disclosure of potentially material information.

▶ WHAT WE PLAN TO DO

- Continue to maintain strong Board independence and performance.
- Implement Personal Data Protection Act compliance procedures and processes.
- Enhance anti-bribery measures.
- Roll-out the Control Self-Assessment programme to selected entities.

1. The Board of Directors bring diverse expertise and experience to the Group.

* The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

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.

Keppel adheres to the principles and guidelines of the Code of Corporate Governance 2012* ("the 2012 Code").

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 sustainable development strategy for the Group. For the financial year ended 31 December 2013 ("FY 2013"), the Steering Committee was chaired by Keppel Corporation's Senior Executive Director cum Chief Executive Officer, Mr Choo Chiau Beng. Senior Executive Director Mr Teo Soon Hoe and Senior Executive Director Mr Tong Chong Heong, were also members of the Steering Committee. Mr Choo Chiau Beng, Mr Tong Chong Heong and Mr Teo Soon Hoe have since retired with effect from 1 January 2014, 1 February 2014 and 1 June 2014 respectively. The current Chairman of the Committee is Mr Loh Chin Hua, who was appointed as Chief Executive Officer cum Executive Director of the Company with effect from 1 January 2014. The Chief Financial Officer of the Company, Mr Chan Hon Chew, and the Chief Executive Officers of the principal business units of the Group are all members of the Steering Committee.

GOVERNANCE
BOARD COMPOSITION
& 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 FY 2013, there were 11 directors on our Board, comprising seven independent directors, one non-executive and non-independent director and three Senior Executive Directors. To assist the Board in its oversight function, board committees, namely the Audit Committee, Board Risk Committee, Nominating Committee, 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 109 to 111 of the Company's Report to Shareholders 2013.

There is a strong and independent element on our Board, with an independent chairman and the majority of our Board comprising independent directors. For FY 2013, 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 2012 Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a director not to be independent. In this connection, the Committee carried out the review on the independence of each non-executive director based on the respective directors' self-declaration in

the Director's Independence Checklist and their actual performance on the Board and Board Committees.

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.

Board evaluation is another important element in ensuring board effectiveness. Our Board has put in place formal processes for assessing the effectiveness of the Board as a whole and its Board Committees, the contribution by each individual director to the effectiveness of the Board as well as the effectiveness of the Chairman of the Board. To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party co-ordinator to assist in collating and analysing the returns of the board members. 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 comprised directors who as a group provide core competencies required to exercise effective oversight and direction. The board composition is diversified with directors from different relevant industry experiences. For FY 2013, there was one female director who served as the Chairman of the Board Risk Committee and member of the Audit and Remuneration Committees.

For FY 2013, the Nominating Committee is satisfied that the Board and the Board Committees comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group and the core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board and the Board Committees to be effective.

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 113 of the Company's Report to Shareholders 2013 for details on the corporate governance framework and practices.

RISK MANAGEMENT & 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 our own group 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 Committee reports to the Board on material findings and recommendations in respect of significant risk matters. In this aspect, the Group is guided by a set of three Risk Tolerance Guiding Principles, approved by the Board in FY 2013, as disclosed on page 116 of the Company's Report to Shareholders 2013. The Company also has in place a Risk Management Assessment Framework which was established to facilitate the Board's evaluation of the adequacy and effectiveness of the Group's risk management system. The framework lays out the governing policies, processes and systems

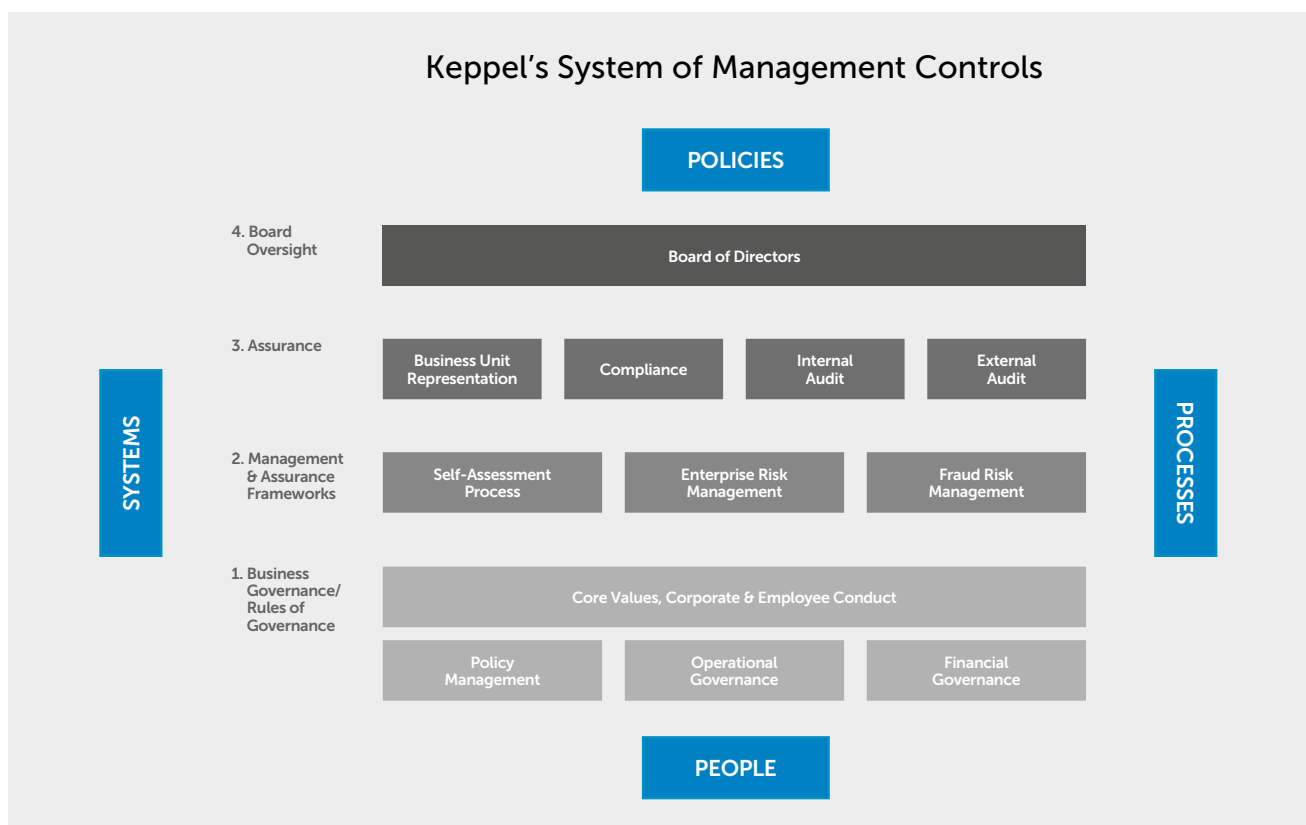
pertaining to each of the key risk areas of the Group and assessments are made on the adequacy and effectiveness of the Group's risk management system in managing each of these key risk areas.

The Audit Committee regularly examines the effectiveness of the Group's internal control system to mitigate the 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.

The Group's internal auditors also conduct an annual review of the adequacy and effectiveness of the Group's material internal controls,

including financial, operational, compliance and information technology controls, and risk management, thereby serving as an active mechanism for the detection and deterrence of fraud.

The Group also has in place the 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. This establishes a clear tone at the top with regard to employees' business and ethical conduct. Please refer to pages 106 to 107 of the Company's Report to Shareholders 2013 for details on the Keppel's System of Management Controls Framework.





Annual General Meetings provide shareholders with a platform to engage with the Board and senior management.

REMUNERATION FRAMEWORK & POLICY

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.

Executive directors & other key management personnel

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. In designing the compensation structure, the Remuneration Committee seeks to ensure that the level and mix of remuneration are competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation.

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 EVA performance. The EVA performance incentive plan and the KCL Share Plans are long term incentive plans. Executives who have a greater ability to influence Group outcomes have a greater proportion of overall reward at risk. The Remuneration Committee exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the company. The mix of fixed and variable reward is considered appropriate for the Group and for each individual role.

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 ways:

- (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 scorecards 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 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.

For FY 2013, the scorecards of key management personnel included, where appropriate, performance indicators relating to Health, Safety and Environment, and stewardship of people development.

The Remuneration Committee also recognised the need for a reasonable alignment between risk and remuneration to discourage

excessive risk taking. Therefore, in determining the compensation structure, the Remuneration Committee had taken into account the risk policies and risk tolerance of the Group as well as the time horizon of risks, and incorporated risk-adjustments into the compensation structure through several initiatives, including but not limited to:

- (a) Prudent funding of annual cash incentives;
- (b) Bonus deferrals under the EVA performance incentive plans;
- (c) Vesting of contingent share awards under the KCL Share Plans being subject to KPIs and/or performance conditions being met; and
- (d) Potential forfeiture of variable incentives in any year due to misconduct.

The Remuneration Committee is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Group's risk profile.

In determining the actual quantum of the variable component of remuneration, the Remuneration Committee had taken into account the extent to which the performance conditions, as set forth above, have been met. The Remuneration Committee is therefore of the view that the remuneration is aligned with performance during FY 2013.

In order to align the interests of Senior Executive Directors with that of shareholders, the Senior Executive Directors are remunerated partially in the form of shares in the Company and are encouraged to hold such shares while they remain in the employment of the Company.

Non-executive directors

For each non-executive director, 70% of his total director's fees will be paid in cash ("Cash Component") and 30% in the form of KCL shares ("Remuneration Shares") (both amounts subject to

adjustment as described below). The actual number of Remuneration Shares, to be purchased from the market on the first trading day immediately after the Annual General Meeting ("Trading Day") for delivery to the respective non-executive Directors, will be based on the market price of the Company's shares on the Singapore Exchange Securities Trading Limited on the Trading Day.

The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash. Such incorporation of an equity component in the total remuneration of the non-executive Directors is intended to achieve the objective of aligning the interests of the non-executive Directors with those of the shareholders and the long term interests of the Company.

The aggregate directors' fees for non-executive directors are subject to shareholders' approval at each annual general meeting.

Please refer to pages 99 to 103 of the Company's Report to Shareholders 2013 for details on the remuneration framework.

AWARENESS & TRAINING

The Group has communicated a comprehensive set of policies to all employees as part of its Group-wide commitment to maintaining a robust system of risk management and internal controls. These policies are disseminated via email and accessible to all employees. As and when there are updates to the policies, the updated policies are broadcasted to all employees via e-mail.

The Company has also in place an Employee Code of Conduct to, amongst other matters, set the tone in relation to the Group's anti-corruption 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. 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.

All employees are required to read and understand the Employee Code of Conduct and comply with the prohibitions and restrictions set out therein. In 2013, all 9,625 new employees have acknowledged that they have read and understood the policy. In addition, 226 key personnel attended the Keppel Group Finance Seminar in 2013 and received training on corporate governance, internal controls and anti-corruption measures.

To create awareness of anti-bribery practices and requirements, an e-learning toolkit on anti-bribery is also circulated Group-wide annually.

The Employee Code of Conduct also requires all employees and officers of the Group to avoid any conflict between their interests and interests of the Group in dealing with suppliers, customers and other third parties.

The Group also has an Interested Person Transaction policy which requires all business units to report interested person transactions ("IPTs"). On a quarterly basis, management reports to the Audit Committee, which comprises independent directors, the 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 the Singapore Exchange Securities Trading Limited, a general shareholders' mandate for recurring IPTs 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 transactions 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, Guidelines on Disclosure of Dealings in Listed Securities and Competition Law Compliance Manual to further strengthen corporate governance in the respective areas.

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 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 page 113 of the Company's Report to Shareholders 2013.

RISK MANAGEMENT

As a conglomerate operating in over 30 countries, Keppel is exposed to diverse risks. Such risks relate to its industries, the competition, technology advancement, political and regulatory changes, finance and 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, which could impact its businesses.

The Group responds to these potential threats by maintaining a robust risk management system and processes, which enables it to manage the challenges, as well as seize opportunities in an uneven business terrain.

Keppel's Enterprise Risk Management (ERM) Framework, a component of Keppel's System of Management Controls Framework, provides the Group with a holistic and systematic approach in risk management. It outlines the reporting structure, monitoring mechanisms, as well as specific risk management processes and tools, including



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

Group policies and limits, in addressing the key risks in the Group. These collectively enable the Group to monitor closely any potential operational, financial and reputational impact arising from its 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 31000:2009 standards, Singapore Standard ISO 22313 for Business Continuity Management, as well as the 2012 Code.

Risk management is an integral part of decision-making processes at all levels of the Group. A discussion on the Group's strategic, operational and financial risks is included in the Company's Report to Shareholders 2013 pages 116 to 118.

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. Project teams and management adopt a systematic risk management process and apply risk management tools, such as the risk assessment criteria matrix to evaluate likelihood and impact of risks. Key risk indicators are tracked as early warning signals to monitor related execution risks, and risk registers at company, department and project levels serve to guide project owners in identifying, assessing, mitigating and monitoring key risks. As part of the ongoing risk monitoring, regular reports on significant risk projects, concentration exposures and business continuity updates are reviewed by Board Risk Committee.

Health, safety and environmental risks are key areas that are subject to close monitoring and oversight by dedicated committees.

HEALTH & SAFETY

Each business unit has its own safety management system that is externally audited by independent consultants. Keppel's Board Safety Committee reviews and examines the

effectiveness of Group companies' safety management systems, including training and monitoring, to ensure the systems are robust.

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 & 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 out its business.

Environmental Performance

Keppel is committed to conduct business in an environmentally-benign manner. Risk and sustainability-based strategies are used to assess, avoid, reduce and mitigate our environmental risks and impacts.



120m kWh

Per annum potential energy savings from 43 Building and Construction Authority (BCA) Green Mark-certified developments when completed.

129,216 GJ

Of energy to be saved, theoretically, through the optimisation of operations and processes and technological improvements.

16%

Targeted improvement in Green House Gases (GHG) intensity indicator from 2020 business-as-usual (BAU) levels.

PERFORMANCE OVERVIEW

WHAT WE SAID IN 2013

- Continue our energy and water conservation programmes for both Singapore and overseas operations.
- Keppel Land to ensure that new property developments in Singapore achieve at least the BCA Green Mark Gold^{Plus} certification.
- Strengthen reporting systems across the Group.

WHAT WE DID IN 2013

- Continued to drive energy and water conservation programmes.
- Keppel Land achieved the highest honour of BCA Green Mark Champion in May 2014.
- Rolled out a web-hosted integrated sustainability reporting platform Group-wide to enhance the process of data collection and improve data integrity.

WHAT WE PLAN TO DO

- Keppel Land to ensure that all completed commercial buildings in Singapore achieve at least the BCA Green Mark Gold^{Plus} standard in 2015.
- Consolidate and report data on a more regular basis with new web-hosted reporting platform.

1. Ocean Financial Centre stands tall as an eco-icon in Singapore's financial district.

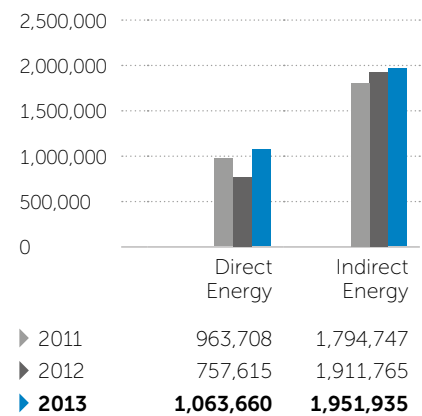
We believe that being environmentally responsible makes good business sense. Beyond supporting and championing green causes, we continued to focus on addressing material issues. These include enhancing energy efficiency, meeting green standards, managing resources and reducing waste and emissions.

The Group will continue to evaluate and identify opportunities to further improve our environmental performance, targeting areas deemed most important to the Group and our stakeholders.

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 Infrastructure, Keppel Telecommunications & Transportation (Keppel T&T) and Keppel Land.

Due to commercial sensitivity, direct energy consumption and carbon emissions arising from Keppel Infrastructure's power generation operations are excluded from this Report.

Singapore Operations Direct & Indirect Energy Consumption (GJ)



Note: The figures for indirect energy used in 2011 and 2012 have been restated to account for corrections to historical data.

Environmental Performance

To enhance the process of data collection and improve data integrity, Keppel rolled out a web-hosted integrated sustainability reporting platform Group-wide and conducted user-training sessions for staff.

ENERGY

The Keppel Group's energy demand comprises a mix of direct and indirect sources of energy. Direct energy refers to primary sources of energy consumed on site by our operations whereas indirect energy is electricity purchased from external suppliers. The Group's primary energy source is diesel. Other direct sources of energy are petrol, furnace oil and Liquefied Petroleum Gas (LPG).

In 2013, the Group consumed 1,479,085 gigajoules (GJ) of direct energy and 2,319,165 GJ of indirect energy or electricity. Within the Group, Keppel O&M consumed the most direct energy in order to fulfill its strong orderbooks in 2013, accounting for approximately 88% of the Group's total direct energy consumption. The infrastructure businesses collectively contributed to approximately 50% of the Group's total indirect energy consumption, mainly as a result of increased business activities at Keppel Infrastructure and Keppel T&T.

Singapore operations consumed 1,063,660 GJ of direct energy in 2013, approximately 40% higher than 757,615 GJ consumed the previous year, mainly as a result of increased business activities in Singapore and an increase in diesel usage during the overhaul of the Senoko Waste-to-Energy (WTE) Plant.

The indirect energy used in Singapore operations increased marginally by 2% from 1,911,765 GJ in 2012 to 1,951,935 GJ in 2013, mainly due to commissioning work for Keppel Merlimau Cogen's expansion and increased business activities at our data centres. The increase was minimised despite heightened business activity as a result of energy efficiency initiatives implemented across the Keppel Group.

For instance, Keppel O&M collaborated with equipment manufacturers and developed energy-efficient blowers which are used in shipyard operations, as well as systems for cranes to convert kinetic energy from braking into usable electricity.

Under the Infrastructure Division, the Keppel Seghers Ulu Pandan NEWater Plant and the Keppel DHCS Plant at Changi Business Park started harnessing solar energy with photovoltaic cell installations of one megawatt peak (MWp) and 510 kilowatt peak (kWp) system sizes respectively since early 2013.

In 2013, the Group implemented new initiatives that can theoretically save 129,216 GJ of energy. These savings are achieved through the optimisation of operations and processes and technological improvements, including the adoption of more efficient equipment and devices that reduce electricity consumption.

GREEN DATA CENTRES

Keppel Data Centres, a joint venture between Keppel T&T and Keppel Land, is developing a new data centre, Keppel Datahub 2 (KDH2) to cater to the growing demand for high quality data centre space in Singapore. KDH2 will adopt innovative energy-efficient designs in its implementation. In March 2014, the facility became the first new data centre in the Singapore to achieve the Platinum Award for BCA-IDA Green Mark, the highest green accolade conferred by the BCA and Infocomm Development Authority (IDA) of Singapore specifically for data centre developments.

GREEN BUILDINGS

To date, Keppel Land has a total of 43 BCA Green Mark-certified projects in Singapore and overseas, including five of which are of the highest Platinum standard - Ocean Financial Centre, Bugis Junction Towers, Keppel Bay Tower, and KDH2 in Singapore, as well as International Financial Centre Jakarta Tower 2 in Indonesia. Ocean Financial

Centre, developed by Keppel Land, was also the first high-rise office building in Southeast Asia to achieve the Platinum level LEED-CS (Leadership in Energy and Environmental Design-Core and Shell) pre-certification in 2009. The potential energy savings from these 43 developments are estimated to be almost 120 million kWh per annum when fully completed.

Keppel Land aims to achieve at least the BCA Green Mark Gold^{Plus} for new developments in Singapore and BCA Green Mark Gold rating or its equivalent for new projects overseas. The company also aims for all of its completed commercial buildings in Singapore to achieve at least the BCA Green Mark Gold^{Plus} standard by 2015.

WATER

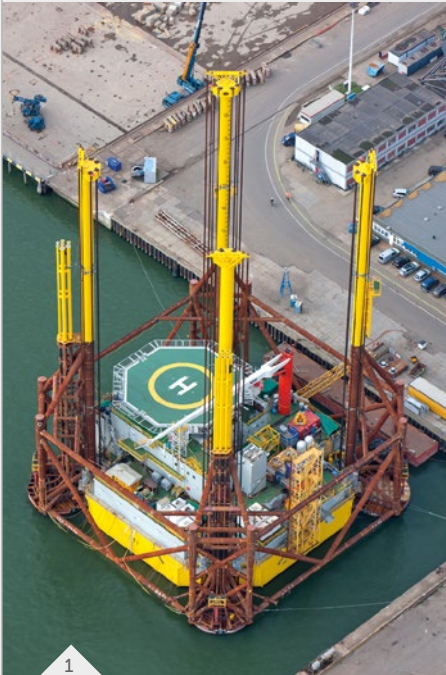
The total water consumption of the Group consists of potable water, NEWater (treated wastewater from sewage), recycled water and water drawn from rivers. The Group reduced its total water consumption to 5,622,658 cubic metres (m³) from 5,835,099 m³ in the previous year, registering an approximately 3.6% reduction. The Group will continue to drive its water conservation efforts through the promotion of water-saving practices, the adoption of water-efficient technologies and equipment, as well as process improvements.

Operations in Singapore consumed 4,144,124 m³ of water (potable and NEWater) compared to 4,145,647 m³ in 2012, registering a slight decrease in total water consumption from 2012 despite the increase in business activities, largely due to process optimisation and the various water conservation projects implemented.

To reduce the strain on potable water sources, the Group continued its water recycling efforts in 2013. Keppel Infrastructure's Senoko WTE Plant continued its water recycling initiatives, and recycled 52,580 m³ of wastewater in 2013, which makes up close to 1% of the Group's total water consumption.

Special Focus

► PIONEERING OFFSHORE WIND SOLUTIONS



In May 2013, Keppel contributed to the growth of the European offshore wind energy sector when Keppel Verolme, a subsidiary of Keppel O&M, successfully completed and installed a floating, self-erecting substation platform for Global Tech 1, an offshore wind park in the German Exclusive Economic Zone in the North Sea.

Installed at a water depth of 40 metres, the substation platform will collect and step up the electricity generated by the offshore wind park's 80 wind generating turbines, each with a capacity of 5 MW, to feed into Germany's national power grid. It is also equipped with critical control systems to serve as a backup power supply for the wind farm in case of emergencies, and provides permanent

accommodation for over 30 people.

This substation platform contains transformers and high voltage switchgear integrated onto a Mobile Offshore Application Barge (MOAB), a specialised barge designed and developed by Overdick GmbH & Co.

Keppel Verolme carried out the detailed engineering and construction of the MOAB at its yard in Rotterdam while its consortium partner, Alstom Grid GmbH (Alstom), supplied and installed the medium and high voltage equipment, power transformers as well as the protection and control systems.

Mr Harold Linssen, MD of Keppel Verolme said, "This is the second MOAB which we have delivered but our first where it has been equipped to be a transformer substation. It is a demonstration of an innovative and customised solution which combines proven state-of-the-art technologies from the oil & gas industry with the energy transmission business.

"This delivery highlights our capabilities to offer pioneering solutions for the emerging European offshore wind energy sector and also provide value-added services such as in the installation of the platform. Backed by Keppel O&M's global network of 20 yards and its strength in technology and project execution, we are well-positioned to support the growth of the offshore wind energy market."

Instead of the traditional "pile-driving" technology used to install offshore substations

which can impact marine life, mammoth steel suction cans were used to fix the self-erecting platform into the seabed. This method also reduced noise pollution. The platform can be completely and safely removed after its lifetime-cycle through a reverse procedure.

By serving both energy transmission and wind farm maintenance functions, the offshore substation platform helps to enhance the operational reliability and efficiency of Global Tech 1, contributing to a sustainable environment. The platform is the centrepiece of the Global Tech 1 North Sea wind park where the electricity generated by its 80 wind turbines is merged and the voltage transformed from 33 to 155 kilovolts.

Global Tech 1 is located approximately 100 km from the Dutch shore. When fully operational, this wind park will be capable of generating some 1.4 billion kilowatt hours (kWh) of electrical energy annually, supplying 445,000 households with clean energy.

1. Keppel Verolme's work on the Mobile Offshore Application Barge contributes to the emerging European offshore wind energy sector.

WASTE

The Group continued its efforts to recycle and reuse where possible to reduce the amount of waste generated and disposed. In 2013, the Group recycled 212,457 tonnes (t) of refuse. Waste recycled included ferrous scrap, grits, plastic stretch wrap, paper and other office consumables.

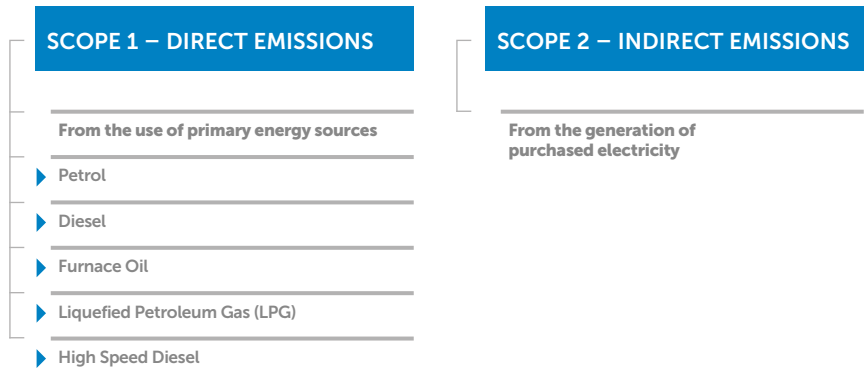
Singapore operations recycled 156,759 t of waste in 2013, which was 17.2% lower than the 189,371 t of waste recycled in 2012. The decrease in the amount of waste recycled was largely attributable to a reduction in overall waste generated, due to a combination of waste minimisation efforts, such as the reusing of scrap metal at shipyards, as well as the promotion of recycling among contractors and our employees through contractor briefing sessions and environment champion workshops.

In land-scarce Singapore, refuse is incinerated to reduce the volume of waste and remove harmful substances before disposal at the landfill. 40,225 t of waste was sent for incineration in Singapore in 2013, registering a 12.3% decrease compared to 45,848 t in 2012. A total of 42,132 t of waste was sent for incineration from the Group's Singapore and overseas operations in 2013. As incineration of refuse is prohibited in the Philippines, Keppel Shipyard disposed its municipal waste at landfill sites. 1,841 t of waste was landfilled in the Philippines in 2013. There were no reports of spillages and sanctions that have been administered by Singapore or overseas authorities on the Group in 2013.

EMISSIONS & EFFLUENTS
GHG EMISSION*

Keppel aims to achieve a 16% improvement in its GHG intensity indicator from 2020 BAU levels. The target is aligned with the Singapore government's pledge to reduce GHG by 16% below 2020 BAU levels, contingent on a legally binding global agreement. The baseline year for the business units in tracking their progress is 2009 for Keppel FELS, Keppel Shipyard, Keppel Singmarine and Keppel Merlimau Cogen, and 2010 for

Classification of GHG emissions from our operations:



Keppel Logistics, Keppel Land, Keppel DHCS and Keppel Infrastructure Trust.

The main drivers for the management of carbon in the Keppel Group are:

- To reduce impact on the environment;
- To safeguard against potential legislation on carbon and the potential of a carbon tax and
- To manage the impact of rising energy costs.

The Group's strategy in carbon management is to provide a basis for identifying, implementing, monitoring and tracking the carbon management action plans of the various business units. The key themes of this strategy include:

- Improve energy consumption information monitoring;
- Optimise operational efficiencies;
- Adopt more energy-efficient equipment and technology;
- Explore alternative energy sources and
- Step up efforts to ingrain environmentally-conscious behaviours among stakeholders.

In 2013, direct emissions from the use of fuels and the incineration of waste at WTE plants for the Group amounted to 585,185 tonnes of carbon dioxide (t-CO₂) while indirect emissions from electricity use was 324,487 t-CO₂.

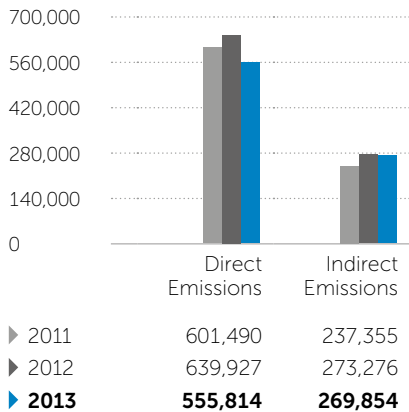
The Group's total direct emissions for Singapore operations decreased

by 13.1% to 555,814 t-CO₂ in 2013, mainly as a result of less refuse being incinerated at Keppel Infrastructure's WTE plants during plant overhaul and an update to the emission conversion factor for carbon dioxide generated from the incineration of waste. Indirect emissions from Singapore operations also decreased by 1.3% to 269,854 t-CO₂ in 2013 mainly due to a lower electricity grid emission factor.

The Group is committed to conduct our business in a sustainable and responsible manner to manage the environmental impacts of our business. We will continue to evaluate and identify areas to further improve how we operate our businesses.

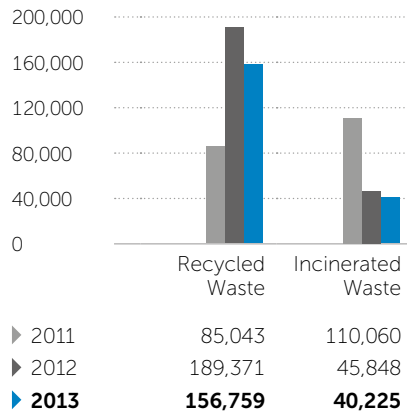
* The GHG conversion factors used for Scope 1 (direct emissions) are based on the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) 2013 Government GHG Conversion Factors for Company Reporting. The GHG conversion factors for Scope 2 (indirect emissions) are based on the National Environment Agency (NEA) of Singapore Electricity Grid Emissions Factor 2013. The GHG emission Scopes 1, 2 and 3 are defined by the GHG Protocol, whereby Scope 1 refers to emissions from company owned and operated facilities, machines, vehicles, etc.; Scope 2 refers to emissions from the generation of purchased electricity consumed by the company; Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company, such as employee commuting, business travel and the purchase of office supplies. The Group does not report on Scope 3 emissions as the boundaries for such emissions are very broad, and it is presently not feasible to track such data for a credible Scope 3 assessment.

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



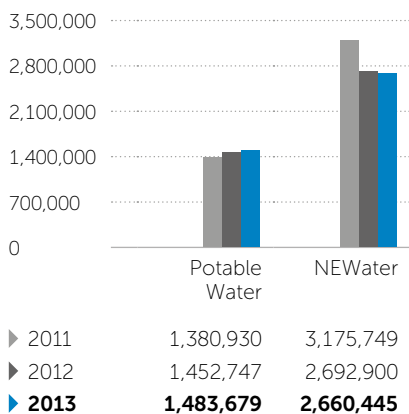
Note: The emissions data for 2011 and 2012 have been restated to account for corrections to historical data.

Singapore Operations Recycled Waste and Incinerated Waste (t)

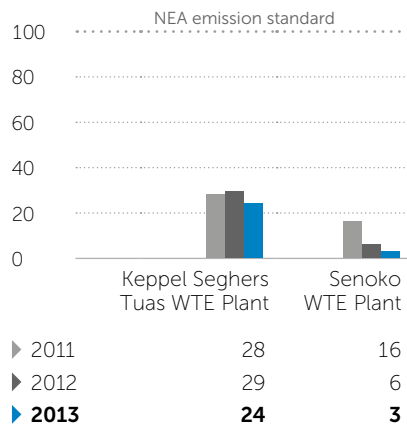


Note: The figures for recycled waste in 2011 and 2012 have been restated to account for corrections to historical data.

Singapore Operations Potable Water & NEWater Used (m³)



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



OTHER EMISSIONS

Keppel Infrastructure continued to take an active role in managing the emissions arising from its operations. Nitrogen oxide emitted in 2013 from the three plants under Keppel Infrastructure ranged from 153.49 milligrams per normal cubic metre (mg/Nm³) to 365.18 mg/Nm³, far below the emission standard of 700 mg/Nm³ stipulated by NEA's Code of Practice on Pollution Control. Sulphur dioxide emitted from the plants ranged from 8.50 mg/Nm³ to 118.43 mg/Nm³ below the emission standard of 500 mg/Nm³.

Dust or particulate matter emitted by Senoko WTE Plant and Keppel Seghers Tuas WTE Plant in 2013 were 2.76 mg/Nm³ and 24.30 mg/Nm³ respectively, well below the NEA emission standard of 100 mg/Nm³.

Ozone-depleting substances emitted in 2013 were 924 t, contributed by refrigerant leakage from air-conditioning systems. The refrigerants tracked include R11, R12, R22, R404A, R407C, R410A, HCFC123 and HFC134A.

GREEN PRACTICES

Business units under the Group have continued to implement projects to enhance energy efficiency. In addition to replacing existing lighting with more energy-efficient ones, smart control systems such as motion sensors for lights and air-conditioner timers have been installed. Further, energy-saving devices such as Variable Speed Drives (VSDs) have been installed progressively at plants and facilities to improve motor efficiency.

The Group also continued to provide specialised training, such as the Singapore Certified Energy Manager programme for employees involved in energy management or operations. To date, 17 employees have completed such training, among which 11 have been certified and appointed as energy managers of their respective business units, whilst another six are awaiting certification. Various business units in the Group are partners of Singapore's Energy Efficiency National Partnership Programme, a voluntary partnership programme by NEA for companies to learn more about energy efficiency.

Beyond educating our employees, the Group also reached out to other stakeholders to raise awareness on the need to care for the environment. The management team at Taman Sutera, Keppel Land's integrated township in Johor, Malaysia, held regular environmental sharing sessions with tenants and residents, and organised the collection of rainwater and recycling of waste from residential estates, offices and the Sutera Mall.

Keppel Land's most recent programme involved a collaboration with Singapore's Ngee Ann Polytechnic to jointly develop Effective Microorganism (EM) ponds at two schools within its Taman Sutera township, whereby EM, a chemical-free alternative to synthetic fertilisers and pesticides, was used to facilitate faster breakdown of pollutants in these ponds.

Product Excellence

The Keppel brand is synonymous with innovation, world-class quality and execution. Committed to best practices, we engage our customers to ensure a high level of satisfaction for our products and services.



30

Jackup, semisubmersible and drillship proprietary designs.

43

Building and Construction Authority (BCA) of Singapore Green Mark awards achieved by Keppel Land till date.

80%

Of Keppel Shipyard's repair revenue are from repeat customers.

PERFORMANCE OVERVIEW

▶ WHAT WE SAID IN 2013

- Keppel Offshore & Marine Technology Centre (KOMtech) to set up technology foresight units in Brazil and USA.
- Continue to invest in process technology and improvements.

▶ WHAT WE DID IN 2013

- Established the Keppel-NUS Corporate Laboratory with the key research thrusts of future systems, future yards and future resources.
- Expanded suite of proprietary designs for the offshore industry.
- Keppel FELS established a dedicated team to monitor and manage regulatory developments in Health, Safety and Environment (HSE).
- KOMtech initiated the setting up of technology foresight units in Brazil and USA.

▶ WHAT WE PLAN TO DO

- Sharpen focus on research and development (R&D) and technology innovation.
- Continue to actively engage customers with regular feedback sessions.

1. The KFELS B Class jackup is the industry's preferred design. In 2013 alone, a total of 15 KFELS B Class rigs were delivered while another 18 were ordered.

MANAGEMENT PHILOSOPHY

Keppel's hallmark quality and execution excellence distinguish the Keppel brand in an increasingly competitive global arena.

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 understand their evolving needs and strengthen our suite of products and services.

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 sharpen our technology know-how.

Amidst a continually evolving business environment, the Group has to respond swiftly and constantly innovate to remain competitive. The Group also has to be nimble, seize 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 is constantly monitoring and reviewing its business processes, putting in place systems to better manage risks, increase productivity and sharpen its 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. Please refer to pages 6 and 10 to 12 for details on certifications attained, as well as awards and accolades received by our business units.



Marina Bay Financial Centre, the largest integrated mixed-use development in Singapore's new downtown, celebrated its grand opening on 15 May 2013. Gracing the ceremony was the Prime Minister of Singapore, Mr Lee Hsien Loong (centre), together with Dr Lee Boon Yang (left), Chairman of Keppel Corporation.

OFFSHORE & MARINE

Keppel FELS, a subsidiary of Keppel Offshore & Marine (Keppel O&M), is a leading designer, builder and repairer of high-performance mobile offshore rigs. In particular, its proprietary KFELS B Class jackup design, developed by its technology arm Offshore Technology Development (OTD) and Bennett Offshore, has become the industry benchmark for jackup rigs, with over 70 units delivered and on order since 2002. The KFELS B class jackup rig and KFELS SSDT™ semi drilling tender designs are often singled out for their contributions to sustainable operations, as well as to the safety and well-being of the rig crew. Keppel FELS set a record in 2013 by delivering 21 rigs in a year, surpassing its previous record of 13 rigs in 2009. The feat was made possible by good planning, close collaboration within the group and a passionate workforce. It meant that Keppel FELS was delivering a new rig nearly every two weeks to international owners and operators.

Keppel Shipyard, another subsidiary of Keppel O&M, is the leader in the conversion of Floating Production

Storage Offloading (FPSO) units, Floating Storage Offloading (FSO) vessels and Floating Storage and Regasification Units (FSRU), as well as turret, mooring systems and topside modules fabrication. Keppel Shipyard completed more than 380 vessel repairs in 2013, with more than 80% of its repair revenue coming from repeat customers and companies with fleet agreements with Keppel Shipyard. At the end of 2013, Keppel Shipyard completed 110 FPSO/FSO/FSRU conversions/upgrading, 65 turret fabrication and mooring system installations/modifications, and 110 major specialised projects.

Keppel Singmarine, a specialised shipbuilding division of Keppel O&M, builds a wide range of specialised offshore support vessels. Keppel Singmarine continued to mechanise its processes by adding an automatic pipe dispenser and conveyor transfer system, a robotic profile cutter and a T-bar robotic welding machine. To seize opportunities from the rising global demand for Liquefied Natural Gas (LNG) and supporting infrastructure, Keppel Singmarine

forged a strategic partnership with France's Gaztransport & Technigaz (GTT), the global leader in the design and construction of membrane containment systems for maritime transportation and storage of LNG.

INFRASTRUCTURE

To enhance resource efficiencies, Keppel Energy and Keppel Integrated Engineering were reorganised in May 2013 to become Keppel Infrastructure.

Keppel Infrastructure's Gas-to-Power (GTP) business delivered another year of good results amidst intensifying competition from new entrants and increased supply in the market. Keppel Merlimau Cogen completed its 800 megawatt (MW) expansion ahead of schedule and within budget. This brings its total generation capacity to 1,300MW. The expansion will improve efficiency, redundancy as well as allow Keppel Infrastructure to better serve the needs of consumers in Singapore.

In its waste-to-energy (WTE) and water treatment businesses,

Keppel Infrastructure was focused on executing its Engineering, Procurement and Construction (EPC) projects in 2013. In Qatar, physical construction of the Doha North Sewage Treatment Works is largely completed and testing is underway. The Qatar Domestic Solid Waste Management Centre has successfully completed its second year of operations processing some 600,000 tonnes of municipal waste in 2013 while meeting all regulatory requirements.

The X-to-Energy division drives Keppel Infrastructure's efforts to seek out efficiencies and new frontiers in the energy sector. It currently comprises the Group's district cooling systems (DCS) business and infrastructure business trust. In August 2013, Keppel DHCS' district heating and cooling plant in Tianjin Eco-City commenced its first supply of heated and chilled water. The plant is equipped with geothermal technology that extracts renewable energy from the ground which would help to lower the overall carbon footprint of Tianjin Eco-City.

Keppel Logistics, a subsidiary of Keppel Telecommunications & Transportation (Keppel T&T) offers one-stop, integrated logistics solutions. Its operations are equipped with leading industry technologies such as the Warehouse Management System, Transport Management System and Electronic Data Interchange technology which are scalable and flexible in adapting to clients' changing needs in the market. These systems improve data accuracy, reduce manual entry, and hence result in higher service levels for customers. Keppel T&T's Logistics Division continued to achieve high occupancy rates in its logistics facilities in Singapore, Malaysia and Vietnam.

Keppel Data Centres, a joint venture between Keppel T&T and Keppel Land, has more than a decade of experience building and managing data centres. Keppel Data Centre's infrastructure is of a high resiliency design that meets

global data centre standards. It is operated and managed via stringent security standards, strict schedules, processes and procedures to maintain a high level of availability to support the IT infrastructure of customers. Its data centres continued to operate at near full occupancy.

PROPERTY

Keppel Land is committed to ensuring that its new projects in Singapore achieve at least the Building and Construction Authority (BCA) Green Mark Gold^{Plus} certification, with a further target for all completed commercial buildings in Singapore to meet at least the BCA Green Mark Gold^{Plus} standard in 2015. To date, the company has a total of 43 BCA Green Mark projects, including the highest accolade, the Green Mark Platinum award.

A new brand philosophy for Keppel Land, 'Thinking Unboxed', was unveiled in 2013 and exemplifies its drive for innovation to continually deliver quality products and services.

TAPPING GROWTH MARKETS

Across its global network of yards, Keppel O&M continued to upgrade the competencies and productivity of its yards.

Keppel's *Near Market, Near Customer* strategy resulted in a Memorandum of Understanding (MOU) with subsidiaries of Mexico's national oil company, Petróleos Mexicanos (PEMEX), to jointly develop, own and operate a greenfield yard in Mexico to support the initial building of six KFELS B class jackup drilling rigs. To be located strategically in the modern Port of Altamira along the coast of the Gulf of Mexico, the yard will not only provide local content to support the industry's growth in Mexico, but also employment, training and skills development for the local workforce through Keppel O&M's training and development schemes.

Keppel O&M has delivered projects for Mexico since 2004. It has completed eight jackup rigs and two

accommodation platforms for PEMEX and is currently building another 10 jackup rigs to be deployed in Mexico.

Over in Azerbaijan, the group's second yard in the country, Baku Shipyard, was inaugurated. The 62-hectare yard is jointly developed by Keppel O&M, State Oil Company of Azerbaijan Republic (SOCAR) and Azerbaijan Investment Company (AIC). The shipyard will be able to undertake the construction of a wide range of specialised vessels and merchant ships including subsea vessels, anchor handling tug/supply vessels and multi-purpose offshore support vessels as well as tankers and cargo vessels. The yard also has ship repair and conversion capabilities.

RESEARCH & DEVELOPMENT

Key to sustaining growth and creating value for the Keppel Group is a focus on R&D and a commitment towards technology innovation.

To maintain its leadership, the Group invests heavily in R&D, which includes the setting up of R&D centres to focus on specific initiatives. Since 2007, KOMtech has been established as the R&D arm of the Keppel Group.

The establishment of Keppel O&M's Technology Division in April 2012 has continued to reap synergies from the group's technology units and sharpen focus on the commercial viability of innovations.

KOMtech, which engages in technology foresight, conceptualises solutions and selectively conducts R&D, collaborates with OTD, Deepwater Technology Group (DTG) and Marine Technology Development (MTD), which carry out detailed engineering work, create prototypes and work with early adopters, before the designs are handed over to Keppel O&M business units for full commercialisation. The business units also aid in the innovation process by providing problem definitions based on customers' feedback.

In November 2013, the Keppel-NUS Corporate Laboratory was set up as an industry-university partnership to pursue three main research thrusts centred on future systems, future yards and future resources. Please refer to the Special Focus story on page 37.

Following positive feedback and strong enquiries from the market, Keppel FELS is proceeding with the building of its new CAN-DO drillship, which is jointly developed by KOMtech and its design partner, GustoMSC. When completed in 2016, the drillship is expected to be a state-of-the-art deepwater exploration, development and completion drilling vessel.

The decision to proceed with the construction of the new drillship, which was developed in close consultation with our customers, major oil companies and vendors, is a step towards meeting the industry's needs for vessels capable of performing development and completion drilling in addition to exploration drilling.

In the design, a generous functional deck space which is 70% more spacious than conventional drillships, has been incorporated to allow for the installation of third party equipment invariably required for development and completion drilling. In addition, the drillship has a double blowout preventer stack that fulfills post-Macondo safety standards.

From an oil and gas exploration project life cycle perspective, Keppel's CAN-DO drillship, with its breadth of capabilities, offers a more holistic and cost-effective deepwater drilling solution, as compared to rival designs in the market.

In 2013, there was consolidation of R&D efforts within the Group, with the transfer of water research from Keppel Environmental Technology Centre to KOMtech. The initiatives to enhance and strengthen existing WTE engineering design and proprietary technology

have led to improvements made in hybrid grates and larger-sized furnace lines, as well as in baghouse redesign and flue gas cleaning. The Group has also strengthened its capability to upgrade old WTE plants to raise throughput. Keppel's water research will be selective in the future, with a focus on the industrial water sector where there is less competition and better returns.

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, in order to ensure that health and safety are not compromised in any way.

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

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

Keppel FELS offers offshore solutions that meet the stringent NORSOK and Norwegian Maritime Authority (NMA) regulations for safety and working environment. The company also develops leading rig designs meeting the United Kingdom 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 accommodation unit.

Keppel FELS rigs are equipped with systems designed to the highest level of operational safety. For example, the DSS™ 38E advanced deepwater drilling rig, DSS™ 20NS floating accommodation vessel, and the KFELS SSAU5000NG are designed to meet the dynamic positioning class 3 (DP-3) notation. This is one of the highest class for design safety and system redundancy in self-propelled semi 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 a superior level of comfort and rest to crew members 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 also provides customers the ease of mind and confidence.

In terms of environmental protection, Keppel FELS rigs are designed and built to International Maritime Organisation Marine Environment Protection Committee standards, where oily discharge overboard is 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 drilling tender and the KFELS Super A Class harsh-environment jackup rigs. These zero discharge systems treat the

Special Focus

▶ CORPORATE LAB TO DEVELOP TECHNOLOGICAL SOLUTIONS



Keppel Corporation and the National University of Singapore (NUS) have set up the Keppel-NUS Corporate Laboratory, in collaboration with the National Research Foundation (NRF), Prime Minister's Office, Singapore. The laboratory, to be based at the NUS Faculty of Engineering, was established with an investment of \$75 million.

Keppel, which has been working closely with NUS Engineering for more than 10 years in the field of offshore engineering, is the first local company to establish a laboratory of this scale, in collaboration with a university in Singapore.

The Keppel-NUS Corporate Laboratory will create a synergistic industry-university partnership to pursue three main research thrusts which are centred on Future Systems, Future Yards and Future Resources to meet the challenges of the offshore industry. Its vision is to be a global technology centre of excellence in the pursuit of

resources in a safe and responsible manner from harsh environments and ocean beds, preserving and sustaining our environment. Its mission is to undertake R&D through Keppel's core competencies and NUS' research expertise for solutions to Deepwater, Arctic and other fields.

The research thrusts identified to address future challenges of the offshore industry are:

1. FUTURE SYSTEMS

The research thrust under Future Systems will focus on two main themes:

DEEPWATER TECHNOLOGY

Addressing challenges and developing novel solutions for floating systems for deep and ultra-deep water for oil and gas exploration and production.

ARCTIC TECHNOLOGY

Understanding ice-structure interaction is a critical factor in the design of Arctic drilling systems. Ice-interactions with non-conventional Arctic

structures will be studied, among others.

2. FUTURE YARDS

This research thrust will focus on Productivity Enhancement of Yard Operations which will address the needs to increase productivity and reduce reliance on manual labour in three main yard activities - welding, painting, and operations in confined spaces. This will be achieved with the use of more efficient and advanced production methods, and the design and development of automated systems which could perform the current manual tasks.

3. FUTURE RESOURCES

The research thrust under Future Resources will focus on the theme of Deepsea Seabed Nodule Collection to develop core competencies in environmental impact assessment and environmentally-benign exploration and exploitation of mineral resources in the deep ocean.

Leveraging on the expertise of NUS research centres such as the NUS Centre for Offshore Research & Engineering (CORE) and NUS Tropical Marine Science Institute (TMSI), as well as Keppel's research unit KOMtech, the Corporate Laboratory will develop capabilities and technologies to maintain Singapore's position as a global leader in the offshore and marine industry.

1. The Keppel-NUS Corporate Laboratory, launched in November 2013, augments Keppel's efforts in innovation and R&D.

► SUSTAINING GROWTH

Product Excellence

hazardous mud and sludge slops from drilling operations with decanters, oily water separators, and chemical dosing units and discharge them at only 5 ppm. By exceeding international standards, KFELS is able to further minimise environmental pollution at sites where its customers operate, thereby enhancing their health and safety.

At Keppel Shipyard, procurement of materials and equipment are made with responsible and reputable vendors. Procedures are also in place for proper waste treatment and disposal.

In the Infrastructure Division, Keppel adheres to health and safety policies 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 which are compliant with ISO 14001 and OHSAS 18001 standards. For example, proper design, handling, storage and disposal of materials are considered as early as the planning stage. Product operation and service performances are also constantly reviewed for improvements in relation to customers' health and safety.

Keppel Land has been adopting the Design for Safety in Buildings and Structure Guidelines (DFS) for all its new projects in Singapore since 2008. This is an advanced safety management tool that essentially requires designers and consultants to review the safety and health risks associated with their designs. In accordance with these guidelines, a guide process consisting of three phases - concept design review, detailed design, maintenance and repair review, as well as pre-construction

review - is carried out at various stages of the project to influence the design and identify risks as early as possible.

CUSTOMER ENGAGEMENT

'Customer Focus' is a Keppel core value and 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' needs and concerns, and translate them into improvements at the ground level.

Prior to the award of projects, Keppel Shipyard conducts client relations meetings to ensure expectations are clear and well understood. Upon project completion, post project reviews are conducted to identify success points and improvement areas.

Keppel FELS conducts customer surveys every four months, which includes questionnaires and face-to-face interview sessions with customers. The overall average score for the company in 2013 was 4.7 on a scale of 1 to 6 (1 – very poor and 6 – excellent), which is in the 'good' to 'very good' range.

Elsewhere in the Group, business units including Keppel Shipyard, Keppel T&T and Keppel Land also seek feedback from customers regularly for continuous service improvement.

Keppel Logistics conducts yearly customer surveys. In 2013, results were favourable as 84% of respondents rated its services as 'Good', 'Very Good' or 'Excellent' and 76% responded that they would recommend Keppel Logistics to others.

Keppel Data Centres also seeks feedback from customers

during project completion and handover. The reviews have been positive and the results evident in the high renewal rate from customers for its 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 2013, service quality surveys were conducted for 14 completed residential projects and five commercial buildings. An average of more than 93% 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 and comply with applicable legislations and relevant requirements.

Our business units abide by the Singapore Code of Advertising Practice (SCAP) by the Advertising Standards Authority of Singapore.

In November 2013, Singapore's Market Surveillance and Compliance Panel imposed a fine of \$20,000 on Keppel Merlimau Cogen for failing to promptly inform the Power System Operator of a plant tripping on 1 May 2013.

Barring this, the Group has not identified any other non-compliance with laws, regulations and voluntary codes concerning the provision and use, as well as health and safety, of its products and services.

Special Focus

▶ PROVEN DESIGNS FOR SEMI ACCOMMODATION UNITS



As the search for oil and gas goes into deeper waters further away from shore, more offshore accommodation is required to support such activities. Floating accommodation platforms are needed to provide additional living quarters for drilling and production personnel. Such support is required during hook-up and commissioning in the development phase, for maintenance and upgrading during the production phase, as well as for decommissioning.

Keppel O&M has a suite of proven proprietary designs for semisubmersible accommodation units. It has delivered three such units and has another two on order.

Its latest delivery, Floatel Victory, was completed in December 2013 and was built to Keppel's proprietary SSAU™5000NG design. Its next delivery will be Floatel Endurance, which is based on the DSS™20NS design, and is

expected to be completed by 1Q 2015. Developed by Keppel O&M's Deepwater Technology Group (DTG), the designs are the only proven designs built for the harsh North Sea environment in the last two decades.

The SSAU™5000NG can accommodate 500 people and is suited for operations in the United Kingdom sector of the North Sea while the DSS™20NS can house 440 people and is customised for the deep and harsh environments of the Norwegian sector of the North Sea.

Both designs are outfitted for world-class safety and efficiency. The semis' state-of-the-art accommodation and recreational facilities provide increased comfort for its occupants. They feature superior motion characteristics through a dynamic positioning class 3 (DP-3) capability and enhanced station-keeping, which ensure that occupants can live and work safely and comfortably. They

have spacious recreation facilities including a cinema for 90 people, internet cafe equipped with work stations, a gymnasium with a sauna, games rooms, a well-equipped hospital and a reading room.

The semis also minimise discharges overboard and comply with strict engine emission standards. They are equipped with innovative noise control and management technologies.

Their safety features include having free-fall life boats that can be launched in all conditions, specially designed lift rafts facilities which are able to transfer personnel from deck level safely to sea level, as well as a walkway below the main deck to reduce the need for personnel to walk on the main deck area. Another safety aspect is the semis' double 'skin' columns which help to prevent flooding in the event of a collision.

Keppel's suite of accommodation semi designs has been operating successfully in the North Sea as well as other areas and they have proven their worth in being environmentally friendly, cost efficient and technologically advanced.

1. The DSS™ 20NS design developed by Keppel O&M's Deepwater Technology Group is one of the only two proven designs built for the harsh North Sea environment in the last two decades.

Safety & Health

We embrace safety as a core value and are committed to create a safe and healthy work environment for all our stakeholders.



\$40m

Invested to improve safety systems and training, an increase of over 22% from the amount invested in 2012.

49,312*

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

0.18*

Reportable accidents for every million man-hours worked**.

PERFORMANCE OVERVIEW

WHAT WE SAID IN 2013

- Reduce the Group Accident Frequency Rate (AFR)** and Accident Severity Rate (ASR)**.
- Reduce risks from high impact risk activities through outreach initiatives.
- Conduct biannual worker engagement tours which are led by senior management.
- Implement Safety Road Map programmes within business units.

WHAT WE DID IN 2013

- Reduced our ASR by 35%, from 84 man-days lost per million man-hours worked in 2012 to 55 in 2013. At the same time, we maintained a low AFR of 0.18 accidents per million man-hours worked.
- Formalised a Corporate Health, Safety and Environment (HSE) policy.
- Developed communication tools on high impact risk activities to improve employee engagement.
- Progressively implemented Safety Road Map programmes within business units. Business units were guided to enhance HSE practices in line with the Keppel Workplace Safety and Health (WSH) 2018 Strategy.

WHAT WE PLAN TO DO

- Achieve an excellent safety record with zero fatalities and maintain a low AFR. We will endeavor to reduce our ASR by 20%.
- Introduce process-based methodologies to highlight safe work practices and address high impact risks through better engagement with workers and by developing a strong sense of individual and collective ownership of safety among stakeholders at all levels.
- Continue to implement Safety Road Map programmes within business units in line with the Keppel WSH 2018 Strategy.

1. Keppel continues to upgrade infrastructure and build knowledge and skillsets to enhance workplace safety.

* Figure includes personnel based in Singapore and abroad.

** In accordance with definitions by the Singapore Ministry of Manpower's Workplace Safety & Health Act, whereby: $AFR = \frac{\text{Number of Reportable Accidents} \times 1,000,000}{\text{Number of Man-hours worked}}$

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

A safe work environment makes for a more productive workforce and reduces risks for our businesses. Together with our stakeholders – from employees to subcontractors, vendors and customers – we strive to foster a culture where everyone looks out for each other's safety.

To shape a safe and healthy work environment for all, we empower and train our key stakeholders. In 2013, across the Group, we invested over \$40 million on improvement measures. These include enhancing infrastructure, upgrading systems and building knowledge and skillsets. 49,312 personnel received training at Keppel Safety Training Centre and Safety Awareness Centres in Singapore and abroad.

Our ongoing efforts to reduce accidents have proven fruitful. Our AFR recorded for 2013 was 0.18 accidents per million man-hours worked, compared to an AFR of 0.17 in 2012. We reduced our ASR to 55 man-days lost per million man-hours worked from 84 in 2012. Unfortunately, despite our best efforts, we suffered two fall-related fatalities in 2013. We investigated the incidents, communicated the lessons learnt, and have put in place measures to prevent recurrence. In addition, we continuously review areas for improvement as we step up our efforts to inculcate a strong safety culture.

ROBUST MANAGEMENT SYSTEMS

The Keppel WSH 2018 Strategy is aligned with Singapore's National WSH 2018 strategy and aims to implement uniform safeguards, increase accountability and promote ownership of safety.

Keppel complies with applicable laws and regulations in countries where we operate. Our safety management systems undergo internal audits by HSE personnel as well as audits by independent consultants.



The Board Safety Committee examines the effectiveness of Keppel's safety management system, including training and monitoring practices.

Our varied businesses face challenges unique to their respective industries and work environments. The vision of the Keppel WSH 2018 Strategy - "for everyone at our workplace to go home safe every day" unites our stakeholders and keeps everyone focused on creating a zero-incident work environment wherever Keppel operates. The four strategic thrusts of the strategy help synergise Group efforts and strengthen our safety and health practices.

Our three-year review exercise in collaboration with Du Pont Company (Singapore) was concluded in 2013. The findings affirmed that Keppel's commitment to safety is consistent across the organisation. Gaps were identified to be addressed within each business unit's roadmap. Business units have since received guidance to improve their safety and health practices in line with the Keppel WSH 2018 thrusts.

All Keppel Offshore & Marine (Keppel O&M) yards undergo compliance audits. Keppel FELS adopts the International Sustainability Rating System audited by DNV GL while both Keppel Shipyard and Keppel Singmarine adopt the SS 506 Singapore Standard Occupational Safety and Health Management System.

Keppel O&M carried out a safety audit exercise in 2013, whereby representatives from the various subsidiaries audited the initiatives and practices applied in the core work processes of the company's global yards. The audit, which commenced in Singapore in 2012, was extended in 2013 to yards in Azerbaijan, Brazil, China, the Netherlands, the Philippines, Qatar, United Arab Emirates and the United States.

At BrasFELS in Brazil, the yard completed its assessment programme with DuPont to improve its safety performance, implementing relevant procedures and programmes to close the gaps identified by the assessment.

Keppel Land conducted the Construction Safety Audit Scoring System (ConSASS) audit at all its development projects in Singapore, China and Myanmar.

ConSASS is an audit tool that provides an independent assessment on the effectiveness and development status of a worksite's WSH management system. It is administered by Singapore's WSH Council and supported by Singapore's Ministry of Manpower (MOM) for the construction industry in Singapore. The audit involves document reviews, site inspections and interviews with key personnel. A total of 17 elements are assessed,

with each being graded on a scale of four bands with scores of between 1 and 100.

Since August 2011, construction sites with a contract sum of \$30 million and above are required to have their WSH management system audited every six months. In 2013, Keppel Land went beyond statutory requirements to conduct quarterly audits for its Singapore worksites.

Keppel Infrastructure subsidiaries including Keppel FMO, Keppel Seghers and Keppel DHCS, adopt management systems such as the OHSAS 18001 Occupational Health and Safety Management System. Keppel Infrastructure is in the process of introducing an integrated management system for all its subsidiaries.

VISIBLE LEADERSHIP

Keppel Corporation established a Board Safety Committee (KCL BSC) in 2006, a first by a publicly-listed company in Singapore. The KCL BSC is chaired by Mr Tan Ek Kia, Keppel Corporation's non-executive and independent director. The committee reviews and examines the effectiveness of the Group's safety management system, including training and monitoring, to ensure the system is robust. Details on the members and the responsibilities KCL BSC are on page 111 of the Keppel Corporation Report to Shareholders 2013.

The KCL BSC has been instrumental in shaping the Group's safety journey and setting guidelines for an integrated framework. In 2013, the KCL BSC formalised the Corporate HSE Policy to strengthen the Group's management system.

The KCL BSC, together with the Keppel Group Safety Coordinator, Mr John Birchall, visited Keppel Batangas Shipyard and Keppel Subic Shipyard in 2013 to evaluate safety systems and guide the yards on improving their performance.

Keppel's management builds a strong culture by embracing safety as a core value. The leadership demonstrates visible commitment at the top level. Safety policies and practices at Keppel O&M, Keppel Land and Keppel Telecommunications & Transportation (Keppel T&T) also receive oversight by the respective business units' BSCs.

At Keppel O&M, weekly meetings are chaired by the Managing Directors of the respective business units to discuss safety-related issues. At Keppel FELS and Keppel Shipyard, Managing Directors chair weekly safety review meetings with safety and operational personnel. Weekly management walkthroughs take place in both Singapore and overseas yards such as Keppel Subic Shipyard and BrasFELS.

In 2013, Keppel Land's BSC and Management Safety Committee visited the worksite of Keppel Land's integrated marina lifestyle development in Zhongshan, China. The BSC also visited The Luxurie in Singapore as well as Leighton Asia's safety training centre in Hong Kong, where best practices were exchanged. Leighton Asia is an Australia-based builder and contractor renowned for its excellent safety performance and practices.

Keppel Infrastructure ensures safety matters are on top of the agenda at monthly management committee meetings. In 2013, senior management from the company and its Engineering, Procurement and Construction contractor Alstom held quarterly Safety Day events at the Keppel Merlimau Cogen Plant Phase II construction site which included site walks and presentations on the project's safety performance and proactive initiatives.

Keppel T&T's senior management reached out to ground staff by attending toolbox briefings and embarking on site walks.

The 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

VISION

For everyone at our workplace to go home safe every day

MISSION

To strengthen our safety culture by leveraging the Group's resources and expertise

STRATEGY THRUSTS

- Framework
- System
- Ownership
- Partnerships

STRATEGIC OUTCOMES

- Strong WSH culture
- WSH – Integral part of business
- Reduction in WSH accidents

DRIVING OWNERSHIP & INNOVATION

Ownership of safety is not only driven from the top but across levels with the aim of building from the ground up. Programmes and campaigns are run throughout the year to imbue a stronger sense of responsibility and ownership.

Our efforts in 2013 included the further education and training of our workforce, learning from near misses and actual incidents, promoting awareness of High Impact Risk Activities (HIRA) and conducting audits.

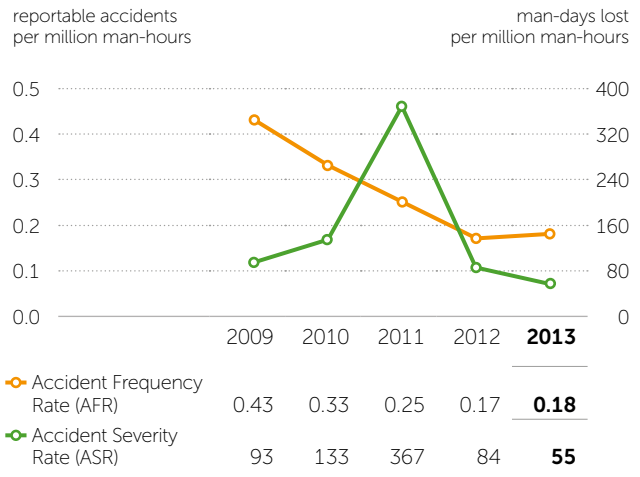
Keppel publishes a quarterly publication, *HSE Matters*, for employees, customers and contractors, to communicate and share best practices across the Group. The publication has a print distribution of over 3,500, and is also widely circulated electronically and made available online.

Proactive communication is necessary for a thriving safety culture. Keppel employees are represented in unions and workforce safety committees. Regular dialogue sessions are held between management and the unions, and health and safety standards are spelt out in collective agreements.

We recognise that for our best practices to be effectively executed, we must proactively and regularly communicate our initiatives to all employees at our Singapore and overseas business units. We ensure that our diverse workforce and subcontractors are properly trained with the required skills regardless of their different backgrounds and work experiences.

In Singapore, we organise regular HSE sharing sessions at the various yards as well as at our foreign worker dormitories to help workers understand that safe behaviour saves lives. Initiatives are also regularly communicated via emails and sharing sessions across the global yards.

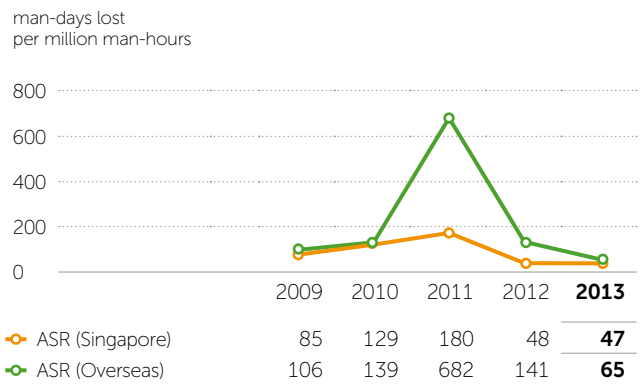
Keppel Group Safety Performance (Global)
(2009 – 2013)



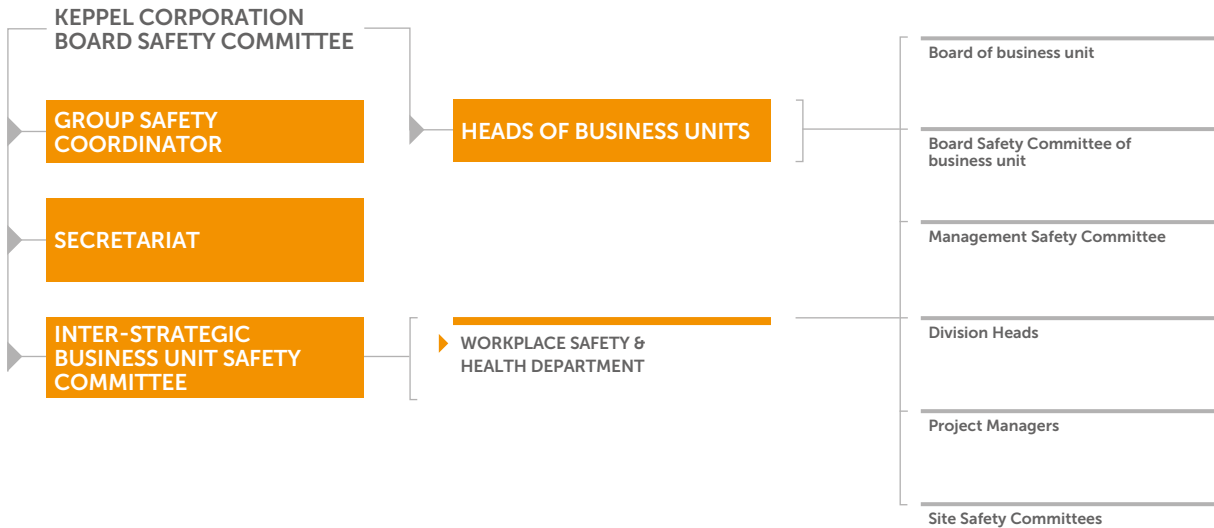
Keppel Group Cumulative Accident Frequency Rate
(2009 – 2013)



Keppel Group Cumulative Accident Severity Rate
(2009 – 2013)



GROUP SAFETY STRUCTURE



To reach out to overseas yards, Mr Yong Chee Min, Director (HSE & Special Projects), Keppel O&M, and other HSE team members visit the yards regularly to share and encourage sharing of information and alignment to Keppel O&M's safety culture. During such visits, Mr Yong also conducts workshops for managers and supervisors, updates the yards on the group's latest HSE initiatives, and seeks to understand the challenges faced by our yards. In 2013, Mr Yong visited Keppel Nantong, Keppel Batangas and Keppel Subic shipyards.

To reach out to a multicultural and multinational workforce, Keppel O&M developed a set of guidelines on inculcating safe habits for workers. Trainers from Keppel O&M were coached on how to impart safe work habits to new workers when they undergo skills training sessions at the Keppel O&M Training Centre before joining our workforce.

Over in Brownsville, Texas, Keppel AmFELS introduced a Safety Awareness Programme comprising fortnightly sessions where yard and

project personnel gather to discuss safety topics and incidents. Under the programme, all personnel are required to report near misses. Recognition is given weekly to employees with excellent safety performance.

At BrasFELS in Brazil, a programme was introduced to personnel in leadership positions to learn about risk perception and inculcate a safety culture among the workforce.

In 2013, Keppel FELS held its annual HSE Excellence Campaign, "Be Alert, Accidents Hurt". Keppel Shipyard ran a campaign across its local yards to create awareness of the importance of material handling to avoid hand and finger injuries, as well as reiterate the importance of a buddy system.

Keppel Land has in place the Behavioural Management of Safety (BMOS) programme to integrate behavioural strategies and processes into its health and safety management system.

BMOS stems from the belief that the personal adoption of safe working practices, through the inculcation

of a set of defined behaviours, will reduce the risk of work-related accidents and strengthen a company's safety culture. This is achieved through data collection on the frequency of critical behaviours as well as providing feedback and counseling to reinforce safe behaviour.

In 2013, the programme was implemented at all of Keppel Land's worksites in Singapore. Training on BMOS was also conducted for workers at the company's hotel redevelopment project in Yangon, Myanmar.

Keppel Infrastructure launched the "Gear Up for Safety Excellence" campaign to nurture a strong and sustainable safety culture for its employees. The campaign icon and tagline served as visual reminders to step up hazard identification and elimination.

Keppel Infrastructure also launched its inaugural *HSE Bulletin* which is circulated to all staff via email. The monthly bulletin serves to engage all employees and contractors by featuring Keppel Infrastructure's safety

▶ EMPOWERING LIVES
Safety & Health

performance, programmes and lessons learnt from incidents.

Keppel T&T has an incentive system to encourage staff to report near misses. This has proven invaluable in identifying areas to focus on to prevent accidents.

PARTNERSHIP WITH STAKEHOLDERS

We believe that safety is everyone's business. We collaborate with stakeholders such as MOM and WSH Council to support efforts in raising national and industry safety standards. We also work closely with our subcontractors to ensure that they are aligned and trained to our high standards of safety.

We continue to sponsor worthwhile national initiatives such as the bizSAFE Convention, National WSH Conference and the National WSH Campaign.

Keppel contributes to shaping the safety landscape of its industries with several management staff on board Singapore's WSH Council and the Association of Singapore Marine Industries (ASMI) WSH Committee. Mr Chow Yew Yuen, Chief Executive Officer, Keppel O&M, is a member of Singapore's WSH Council.

Mr Yong Chee Min, Director (HSE & Special Projects), Keppel O&M, is Chairman of the ASMI WSH Committee. Both Mr Wong Kok Seng, MD (Offshore), Keppel O&M, and MD, Keppel FELS, and Mr Chor How Jat, MD, Keppel Shipyard, are on the WSH Council (Marine Industries) Committee.

As an industry leader, we work closely with MOM and WSH Council to implement initiatives to raise the industry's safety standards. This includes supporting our subcontractors in achieving safety certifications, such as bizSAFE, from WSH Council. As bizSAFE partners, we provide incentives and tangible business leverages such as the imposition of minimum bizSAFE certification levels before work can be undertaken, to motivate our contractors to progress through the various levels of the bizSAFE programme.

In 2013, Keppel Shipyard trained over 17,790 contract workers in safety core competencies to equip them with the knowledge and skills in height safety, electrical safety, confined space safety and material handling.

1. Showing leadership in safety, Keppel Land's BSC conducts regular visits to project sites.
2. Keppel is committed to constantly engage customers on safety.





At Keppel FELS, the Subcontractors Executive Council Safety Committee, comprising representatives from different trade sections, meets weekly to discuss concerns and initiatives.

Keppel O&M supported ASMI with a presentation on the topic of 'Crane Safety Best Practices in the Marine Industry' at an ASMI workshop for the Marine Industries.

In close partnership with our clients, a two-day Shell Senior Management Workshop was conducted for the Shell Stone project under Keppel Shipyard. It was attended by senior management from key project stakeholders.

Recognising the importance of fostering a culture of safety in its supply chain, Keppel Land set up a new Safety Awareness Centre (SAC) in Johor Bahru, Malaysia, in 2013, to provide mandatory training for contractors' employees. Together with the first SAC set up in Ho Chi Minh City, Vietnam, in 2011, the company has trained more than 10,000 workers to-date.

The SACs seek to increase safety awareness among contractors' employees on pertinent topics such as working at height, lifting procedures, working within confined spaces, proper

use of equipment, risk assessment and managing scaffolds. All workers have to attend the mandatory safety training before they are allowed to work onsite.

Keppel Land's annual Consultants and Contractors Health and Safety Meeting reinforces the importance of safety training and practices amongst project teams, contractors and workers. The event also recognises and rewards project teams and contractors with excellent safety performance. In 2013, more than 140 consultants, contractors and staff attended the meeting.

WSH AWARDS

The Keppel Group had a commendable year in its safety journey and our achievements were recognised by the industry. We won 32 WSH Awards conferred by MOM and the WSH Council on 30 July 2013.

Among the recipients was Satya Ranjan Das Biswa Nath Das, a project supervisor from Keppel FELS, who was recognised for his leadership in guiding workers under his charge. Keppel O&M clinched 26 awards in the Safety and Health Award Recognition for Projects (SHARP) category. Keppel Land achieved the title of WSH Developer for the second consecutive year. Keppel Singmarine,

Keppel FMO and Keppel DHCS took home the WSH Performance (Silver) awards for their good safety performance and sound HSE management systems while Prime Steelkit won the WSH Risk Management Award.

KEPPEL GROUP SAFETY CONVENTION

At the Keppel Group Safety Convention held on 7 October 2013, over 600 participants including employees, clients, contractors and WSH Council officials pledged their commitment towards "Shaping a Safe Future", which was the theme of the event. Into its seventh year, the event provided a platform for all business units across the Keppel Group to share best practices as well as recognise teams who constantly innovate to raise and improve levels of safety at the workplace. Keppel Shipyard was acknowledged as the winner of the "Keppel Chairman Safety Challenge Trophy".

INTERNATIONAL SAFETY AWARDS

Keppel Shipyard received the Lloyd's List Global Safety Award held in London on 30 September 2013. In addition, it was also conferred Lloyd's List Asia Safety Award 2013 and Seatrade Asia Safety Award 2013.

Three of the projects by Keppel O&M were recognised at the 16th ASMI Convention for WSH Innovations on 25 September 2013.

Keppel Land was conferred the prestigious International Safety Award (Merit) by the British Safety Council in 2014. The award recognised the company for its commitment to the health, safety and well-being of its workforce.

OCCUPATIONAL HEALTH

The well-being of our employees and stakeholders is of utmost importance. Our workers are put through regular health checks to be certified fit before taking up strenuous work. Other occupational health and awareness programmes

▶ EMPOWERING LIVES
Safety & Health

include hearing conservation and respiratory protection screenings.

During the months when Singapore was experiencing high levels of haze, N95 masks were issued to personnel, who were also briefed on the correct use of the masks, as well as haze-related health risks and hazards and preventive measures. On days when the haze levels were deemed unsafe for outdoor work, yard personnel were advised to stop outdoor activities.

At Keppel Infrastructure, personnel working at power and incineration plants take annual hearing tests. At the waste treatment and management facilities in Qatar, employees received tetanus and Hepatitis A and B vaccinations against

infections from potential exposure to bio-hazards.

To encourage Keppelites to embrace healthy living, programmes and activities such as talks and fruit giveaways are regularly rolled out.

Overseas efforts include a "Go Fit, Go Healthy" initiative by Keppel Verolme under the supervision of a licensed physiotherapist and nutritionist. Nakilat-KOM's health committee organised "World Mental Health Day" for employees to learn about managing stress.

With the strong encouragement and support from the government and industry, we remain committed to achieving an incident-free workplace so that everyone in our worksites and offices goes home safe.

1. Keppel's Boards, senior management, employees and other stakeholders reaffirm their safety commitment at the Keppel Group Safety Convention 2013.
2. Mr Chor How Jat (right), MD of Keppel Shipyard, received the Chairman Safety Challenge Trophy on behalf of Keppel Shipyard from Dr Lee Boon Yang, Chairman of Keppel Corporation.



Special Focus

► SHAPING A SAFE FUTURE



"Shaping a Safe Future" was the theme of the 7th Keppel Group Safety Convention held on 7 October 2013 at the Singapore Expo hall. The Convention is one of the Keppel Group's annual pillar events to promote safety, and involved over 600 employees, partners, contractors and subcontractors.

Mr Choo Chiau Beng, Senior Adviser and then-CEO of Keppel Corporation, emphasised the need for everyone to play their part in Keppel's safety journey.

"Keppel has grown through the ups and downs over the last 45 years. We are what we are today not by chance, but because we constantly strive for excellence in all that we do. There is always more that we can do and learn from each other, which is why we work very hard to involve stakeholders such as our partners and

contractors in our pursuit of innovative solutions that can improve productivity and safety at our worksites," he shared.

Guest-of-Honour of the event, Mr Heng Chiang Gnee, Deputy Chairman of Singapore's Workplace Safety Health (WSH) Institute, commended Keppel for setting a good example in enforcing high safety standards for employees and contractors, saying that this will help guide small and medium enterprises in their safety journey.

The Chairman Safety Challenge Trophy is awarded every year to the business unit that best demonstrates outstanding initiatives, performance and innovation in safety. Keppel Shipyard, with its exemplary safety record and proactive initiatives, clinched the trophy in 2013. In total, 12 gold, 11 silver and 11 bronze awards were given out to teams who developed exemplary Safety

Innovation Projects. Three of the projects by Keppel O&M also received awards at the 16th Association of Singapore Marine Industries (ASMI) Convention for Workplace Safety and Health Innovations on 25 September 2013.

At the Convention, videos of four exceptional projects which won the gold award were screened to raise awareness and spur innovation. Participants of the event were also reminded to continually strive to raise the bar in working towards a zero-incident workplace.

To further promote safety awareness, a Behavioural Consultant, Mr Douglas Hamilton, provided insights on cultivating safety habits while a quiz on what constitutes safety brought about robust audience participation.

Labour Practices & Human Rights

Our employees are our competitive strength. By ensuring alignment with our core values, upholding fair employment practices and growing the capabilities of our workforce, we aim to create a work culture where all employees thrive.



\$19.2m

Invested in training and development programmes for employees globally.

61.2%

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

86%

Overall score for sustainable engagement.

PERFORMANCE OVERVIEW

▶ WHAT WE SAID IN 2013

- Invest in training, with a target of 35 hours of training 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.

▶ WHAT WE DID IN 2013

- Invested \$19.2 million in training globally, with each employee receiving an average of 29 hours of training.
- Extended the Group-wide Employee Engagement Survey globally, registering a 76% response rate.

▶ WHAT WE PLAN TO DO

- Continue to invest in training, with a target of 30 hours of training per employee per year on average, globally.
- Maintain an overall score of above 80% for 'sustainable engagement', determined via Keppel's annual Employee Engagement Survey. The score takes into account metrics on alignment with the Group's mission and values, career development, training, working relationships and teamwork.

1. We embrace workforce diversity and adopt merit-based recruitment practices.

Our 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 44,176 in over 30 countries. Women represented 11.3% of the workforce. The age profile of our workforce is largely young, with 39.2% of employees under 30 years old and 32.7% between the ages of 30 and 49 years old. During the year, 9,625 people were hired and the overall turnover rate was 8.6% globally and 8.4% in Singapore.

HUMAN RIGHTS

Keppel Corporation and our Group of Companies uphold and respect the fundamental principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our approach to human rights is informed and guided by general concepts from the United Nations Guiding Principles on Business and Human Rights.

We do not tolerate unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of our operations and we support the elimination of such exploitive labour.

Our commitment to human rights is supported by our Employee Code of Conduct, which sets the tone in relation to the Group's stance and position against discrimination

▶ EMPOWERING LIVES

Labour Practices & Human Rights

on any basis inclusive of any bias on the basis of ethnicity, sex, religious beliefs, nationality, age or any physical disability. The rules of conduct apply to all employees of Keppel Corporation and its subsidiary companies.

We adhere to the practices spelt out by Singapore's Tripartite Alliance for Fair Employment Practices (TAFEP), and endorse the Singapore Employers' Pledge of Fair Employment Practices. We comply with minimum wage laws in countries where such laws exist, and the local labour legislations.

We respect the values and cultures of the people and the communities in which we operate.

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 45% 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 to the grievance handling protocol spelt out in the respective CA. All registered grievances are investigated and tracked through to final closure. Every reasonable effort will be taken by both management and the union to resolve an employee's grievance promptly.

Worldwide, there were 14 grievance cases reported in 2013, one of which is pending resolution.

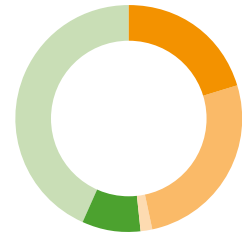
DIVERSITY & INCLUSION

Keppel is committed to embracing workforce diversity and implementing fair employment practices. In our operations

GLOBAL WORKFORCE

Distribution by Regions (%)

	No. of employees	%
▶ Americas	9,036	20.4
▶ Asia	11,606	26.3
▶ Europe	787	1.8
▶ Middle East & Africa	3,691	8.4
▶ Singapore	19,056	43.1
Total	44,176*	100.0



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

Distribution by Segment & Gender (%)

	Male	Female
Corporate Office	37.4	62.6
Offshore & Marine	93.5	6.5
Infrastructure	81.1	18.9
Property	54.1	45.9
Overall	88.7	11.3

Distribution by Segment & Employment Type (%)

	Permanent	Contract
Corporate Office	91.1	8.9
Offshore & Marine	84.7	15.3
Infrastructure	60.0	40.0
Property	93.8	6.2
Overall	83.7	16.3

Distribution by Employment Type & Gender (%)

	Male	Female
Permanent	90.1	9.9
Contract	88.4	11.6
Overall	88.7	11.3

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 & Marine, which are male-dominated globally.

All opportunities for advancement, promotion, recognition of achievements, compensation, training and other conditions of employment are provided on merit. Performance reviews are conducted for all employees.

The process is undertaken jointly by the employee and supervisor, and entails the setting of a target and career developmental roadmap, detailing work plans, training and measurable performance targets.

There were no reported incidences of discrimination raised by our employees in 2013.

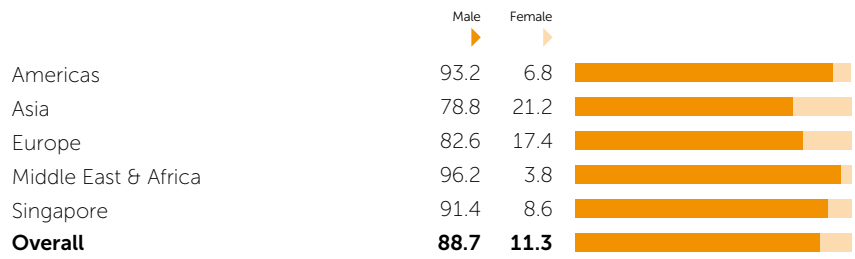
EMPLOYMENT POLICIES & PRACTICES

We firmly uphold fair employment practices and adhere to the practices spelt out by the TAFEP.

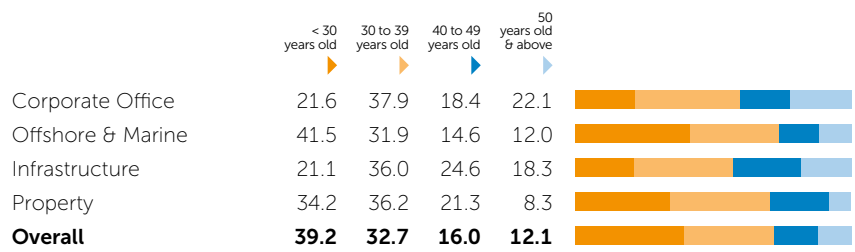
We endorse the Employers' Pledge of Fair Employment Practices, which are guided by the following five principles:

1. Recruit and select employees on the basis of merit.
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.

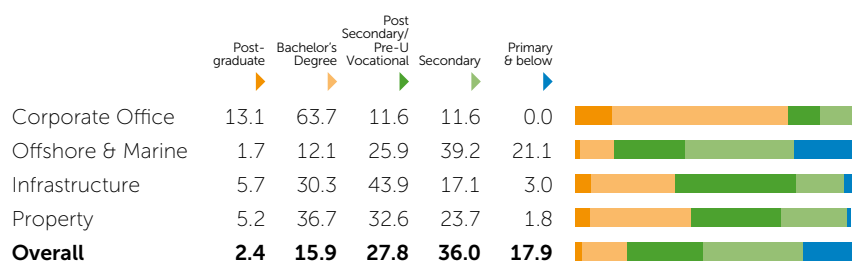
Distribution by Region & Gender (%)



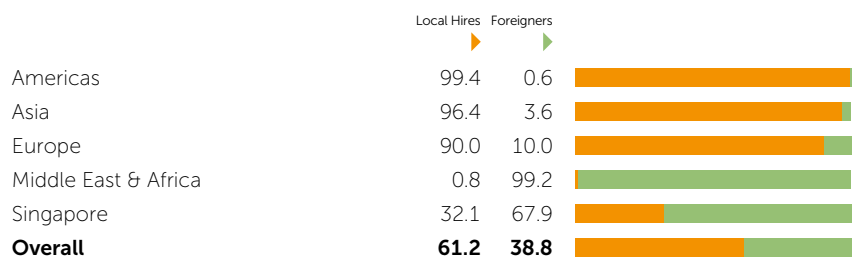
Distribution by Age Group (%)



Distribution by Segment & Educational Qualification (%)



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



► EMPOWERING LIVES

Labour Practices & Human Rights

4. Reward employees fairly.
5. Abide by labour laws and adopt Tripartite Guidelines which promote fair employment practices.

Keppel aims to be a truly global company, and local hiring is an important pillar of our people strategy. We aim to recruit locally to generate greater benefits for the communities where we operate. Across our business units, 61.2% of employees and 61.4% of senior management are citizens or permanent residents of the countries in which they work.

PROVISION OF BENEFITS

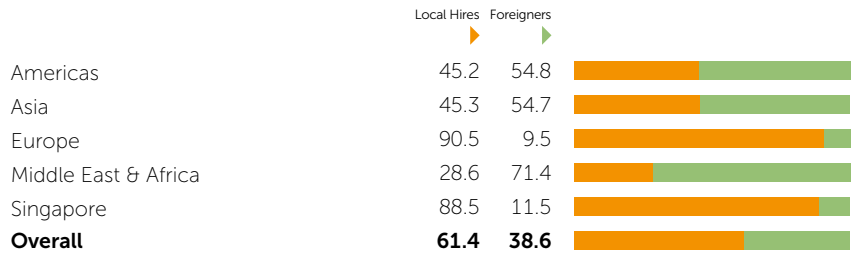
Keppel provides its employees with a comprehensive range of benefits. This includes granted leave entitlements, medical benefits, group insurance plans as well as subsidised lodging and transportation for full-time employees. Part-time staff are entitled to the same benefits on a pro-rata basis.

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. Our robust performance management system ensures that all employees receive regular performance and career development reviews.

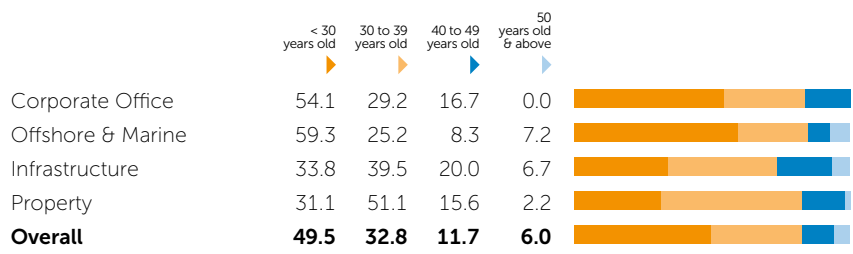
In 2013, 74 female employees in Singapore went on maternity leave and 73 returned to work. Keppel also provides paid paternity leave to all male employees in Singapore and countries where practiceable.

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.

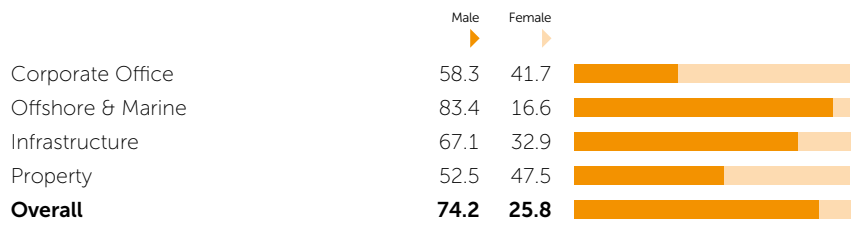
Senior Management Distribution by Region & Local/Non-Local Hires (%)



New Hires by Segment & Age Group (Executive & Above) (%)

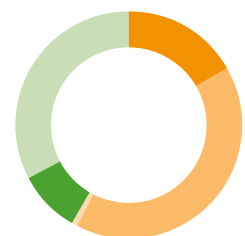


New Hires by Segment & Gender (Executive & Above) (%)



New Hires by Region (%)

	No. of employees	%
► Americas	1,604	16.7
► Asia	3,935	40.9
► Europe	77	0.8
► Middle East & Africa	867	9.0
► Singapore	3,142	32.6
Total	9,625	100.0



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 \$19.2 million in the training and development of our employees globally in 2013. The overall average training hours per employee in Singapore's key operations are approximately 50 hours, while the average training hours per employee globally are approximately 29 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.

INDUSTRY PROGRAMMES

Underscoring its commitment to nurture human capital, the Group makes significant investments to equip employees with up-to-date operational skills and certifications.

Keppel Offshore & Marine (Keppel O&M) renewed a training partnership Memorandum of Understanding (MOU) with the Institute of Technical Education (ITE) in 2014. The MOU aims to build a steady pipeline of talent for the offshore and marine industry. Keppel O&M and ITE signed their first MOU in 2008, forming a pioneer training partnership in the offshore and marine industry in Singapore.

Average Training Hours by Employee Category

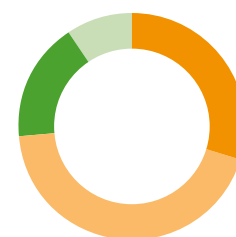
Senior Management	27	
Managerial	34	
Executive	60	
Non-Executive	17	
Industrial/General	51	

Annual Employee Turnover Rate* (%)

2013	8.6	
2012	9.9	
2011	10.9	
2010	11.5	

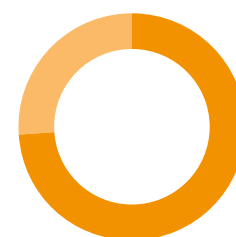
2013 Employee Turnover** by Age Group (Executive & Above) (%)

	No. of employees	%
▶ < 30 years old	304	29.8
▶ 30 to 39 years old	448	43.9
▶ 40 to 49 years old	174	17.1
▶ 50 years old & above	94	9.2
Total	1,020	100.0



2013 Employee Turnover** by Gender (Executive & Above) (%)

	No. of employees	%
▶ Male	756	74.1
▶ Female	264	25.9
Total	1,020	100.0



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

2013 Employee Turnover Rate* by Region (%)

Singapore	8.4	
Middle East & Africa	9.1	
Europe	7.2	
Asia	12.4	
Americas	4.2	

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

► EMPOWERING LIVES

Labour Practices & Human Rights

In 2013, ITE and Keppel O&M jointly set up the Maritime Training Centre at ITE College Central. This facility offers students a glimpse of the offshore and marine industry and the exciting opportunities it offers. The centre features a safety education zone and a custom-built integrated ship structural training model, M.V ITE (where M.V stands for Marine Vessel) contributed by Keppel O&M. The model is used by ITE for lessons on ship structure, quality inspection and safety training.

The Keppel O&M Technical Associate Scheme retains existing apprentices and attracts graduates from ITE, in Singapore to join Keppel O&M. The scheme is designed to provide technical associates with a defined career and academic development path.

Keppel Logistics developed a technical competencies training road map to provide continual education for technical personnel on data centre design, management, operations and energy efficiency.

GROOMING LEADERS

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. To date, we have awarded 199 Keppel Group scholarships. In 2013, 10 scholars who completed their studies embarked on their careers with Keppel.

To encourage employees to pursue further studies, Keppel provides employees in Singapore seven days of study leave annually. The Group also sponsored 67 employees for further studies in 2013.

The Keppel Group's two-year management associate programme aims to attract promising new graduates. The comprehensive

programme which includes job rotations, overseas postings and mentoring by seniors, is structured to provide greater exposure for the young talents and equip them with the knowledge and network to embark on a fulfilling career with the Keppel Group. Two management associates were recruited in 2013.

The Keppel O&M management trainee scheme continues to nurture young and talented recruits with the potential to take on various management positions within the company. In 2013, a total of 177 graduates were accepted into the scheme. To date, 1,472 management trainees have benefited from the scheme.

Keppel O&M also offers scholarships to full-time students with good academic results, in collaboration with the Association of Singapore Marine Industry. In 2013, a total of 20 marine-related scholarships were awarded.

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 3,500 employees have benefited from such programmes to date. Programmes in 2013 include

the Chameleon Summit on soft skills and managerial competencies, and the Global Leadership Impact programme on executive management skills. Both programmes hosted a total of 107 employees from Brazil, China, Germany, Indonesia, the Netherlands, the Philippines, Qatar, Singapore, Thailand, the United States, and Vietnam.

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 scopes.

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. As at 31 December 2013, there were a total of 671 re-employed 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.



2



ENGAGING EMPLOYEES

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

COMMUNICATION

Orientation 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 26 mentors were formally certified in 2013. 666 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 avenues 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 11th run, Keppel Games continued to provide a platform that underscores sportsmanship and team spirit. Held from August to November 2013, the annual event helped forge friendships among employees across the Group and instilled a sense of belonging.

1. We nurture and develop our people to help them reach their full potential.
2. Keppelite Recreation Club cultivates team spirit and sportsmanship amongst employees.

Our Community

Keppel believes that our business operations should generate both economic and social capital, creating long-term holistic value for the communities in which we operate.



► **\$10.7m**
Invested in social causes.

► **Over 9,000**
Volunteerism hours contributed by Keppelites.

► **1%**
Of the Group's annual net profits committed to social causes.

PERFORMANCE OVERVIEW

▶ WHAT WE SAID IN 2013

- 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.

▶ WHAT WE DID IN 2013

- Designated August as Keppel Community Month to commemorate Keppel Corporation's 45th anniversary, and contributed over 9,000 volunteerism hours to community service.
- Continued to engage employees in a wide range of volunteerism initiatives.
- Sponsored and participated in arts, education and community initiatives, investing \$10.7 million in social causes.

▶ WHAT WE PLAN TO DO

- Strengthen and entrench the culture of volunteerism among employees.
- Build long-lasting relationships with our beneficiaries through regular engagements.
- Expand the scope of community outreach projects.

1. Children play in the Keppel-GK Eco Village, a sustainable development project led by Keppel and Gawad Kalinga Community Development Foundation in the Philippines.

Nurturing communities is intrinsic to Keppel's corporate philosophy and a key driving force behind our business decisions.

In partnership with organisations that share our values, we make community investments that shape a better future, ensuring that we are configured for sustainable growth. The Group's total social investment spend in 2013 was \$10.7 million.

Beyond making financial contributions, Keppel believes in taking the time to engage in meaningful activities to help the less fortunate. In 2013, our employees contributed over 9,000 volunteerism hours to community engagement initiatives.

A RESPONSIBLE CORPORATE CITIZEN

Keppel Corporation is a Gold Member of Singapore Compact, a non-profit organisation that aims to further the Corporate Social Responsibility (CSR) movement in Singapore. For the third consecutive year, Keppel Corporation and Keppel Land were Platinum Sponsors of the International Singapore Compact CSR Summit 2013, where business leaders, academics and policy makers shared CSR perspectives and experiences.

The Group received the President's Award for Philanthropy (Corporate) at the 2013 President's Volunteerism & Philanthropy Awards (PVPA). Organised by the National Volunteer & Philanthropy Centre, the PVPA recognise those who have set benchmarks in encouraging the spirit of giving in Singapore.

At the 2013 Community Chest Awards, Keppel Care Foundation and Keppel Offshore & Marine (Keppel O&M) received the Corporate Gold and Silver Awards respectively, for their sustained contributions to Community Chest beneficiaries. Keppel FELS, Keppel Shipyard, Keppel Singmarine and Keppel Logistics were recognised for supporting SHARE, a workplace-giving programme.

Our Community

CHAMPIONING THOUGHT LEADERSHIP

Keppel Corporation supported the Singapore International Energy Week, World Engineers Summit and Sustainable Ocean Summit events in 2013 to provide valuable platforms to share insights and champion thought leadership on addressing pressing environmental challenges.

EMPOWERING THROUGH EDUCATION

Keppel Corporation increased its support for the Singapore Institute of Technology (SIT)-Keppel Gold Medals, educational cash awards for top graduating students pursuing industry-focused degrees offered by SIT in partnership with Newcastle University and University of Glasgow.

To inspire Singapore's next generation of industry leaders, Keppel O&M contributed to the funding of bursaries for National University of Singapore (NUS), Nanyang Technological University (NTU), Ngee Ann Polytechnic and Institute of Technical Education.

In Azerbaijan, Caspian Shipyard Company continued to contribute to the Azerbaijan Diplomatic Academy endowment fund. Similarly, Keppel AmFELS in Texas, USA, continued its support of higher education by contributing a further US\$50,000 to the Keppel AmFELS Endowment Scholarship.

To nurture industry talent, Keppel Batangas Shipyard in the Philippines launched the Alay Lakad Association of Bauan-Keppel Scholarships, under which youths receive technical training at Keppel Batangas Training Centre. Upon completion of the course, participants will have employment opportunities in the yard.

FOSTERING A LOVE OF LEARNING

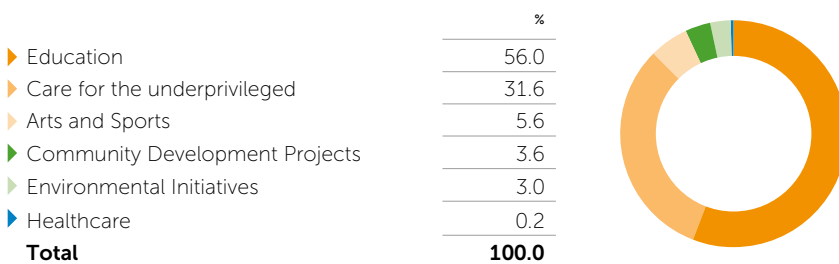
Keppel Land continued to actively promote children's literacy through grassroots activities. Under Singapore's National Library Board (NLB) kidsREAD programme, volunteers read aloud to children from low-income households to help them cultivate a love of reading.

For the third year running, Keppel Land was also the main sponsor of the NLB Book Exchange, during which saw about 4,000 books collected from Keppel's commercial and residential projects.

In partnership with Hanoi Public Library in Vietnam, Keppel Land employees promoted literacy with mobile libraries through a Words on Wheels trip to Van Kim Elementary School in My Duc District.

Similarly, employees from Keppel Telecommunications & Transportation in Singapore and Keppel Logistics Foshan in China encouraged a love

Social Investment Spending by Project Type, 2013 (%)



Note: \$10.7 million invested in social causes in 2013.

Special Focus

► PROGRESS REPORT: WATER FOR LIFE (YANGON)



A villager in Myanmar enjoys the improved access to clean water as a result of Water for Life (Yangon), a project supported by Keppel Land.

In 2013, volunteers across the Keppel Group participated in Water for Life (Yangon), a project to improve access to clean drinking water to rural communities in Myanmar. The three-year project will allow over 7,000 villagers in the townships of Kaw Hmu and Kungyangon, located two hours from Yangon, to benefit from an improved water eco-system, reduced water-borne diseases, and enhanced hygiene and sanitation conditions.

Supported by Keppel Land and Singapore Red Cross, Water for Life (Yangon) is a partnership between the Singapore International Foundation (SIF) and Mingalar Myanmar, a non-profit organisation. The United Nations declared 2013 the International Year of Water Cooperation.

Water for Life (Yangon) will see the installation of 24 tube wells and water storage shelters,

refurbishment of five rural health centres and organisation of health workshops to educate villagers on proper hygiene and care.

As at end-2013, a total of eight tube wells were successfully installed and three hygiene workshops conducted, benefitting more than 3,200 villagers in the Kaw Hmu and Kungyangon townships. To date, three volunteer trips have been organised.

► NURTURING COMMUNITIES
Our Community

of learning through the “Keppel Nurtures on Wheels” programme. Held in Chen Su Lan Methodist Children’s Home in Singapore and Nanhai Welfare Centre in Foshan, China, the programme saw volunteers presenting mobile libraries of donated books and instilling the importance of caring for the environment through craft activities with recycled materials.

CATALYSING COMMUNITY DEVELOPMENT
CULTIVATING A LOVE FOR THE ARTS

In recognition of Keppel’s contributions to Singapore’s art scene, Singapore’s National Arts Council presented Keppel with the Distinguished Patron of the Arts Award for the sixth consecutive year. Keppel also received Singapore Lyric Opera’s Patron Award.

Inspired by a firm belief in the power of art to nurture communities, Keppel committed \$12 million to National Gallery Singapore to establish the Keppel Centre for Art Education, to be

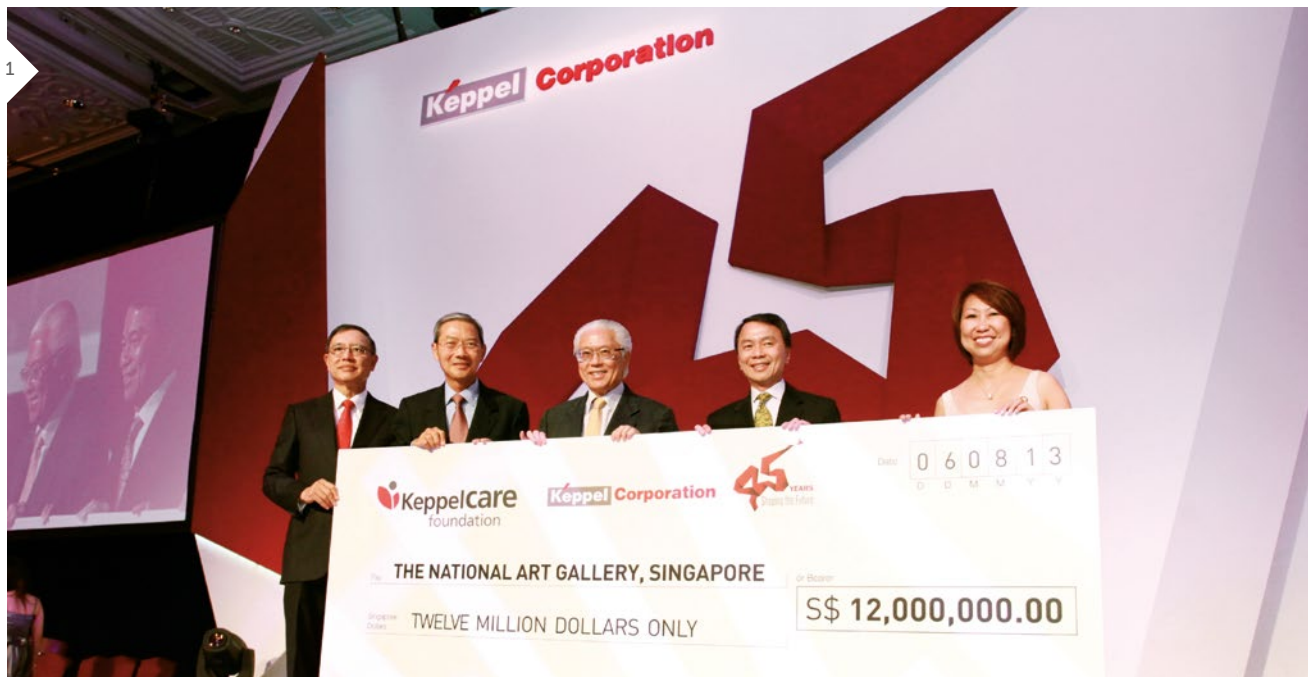
unveiled in 2015. The Centre will provide an immersive and creative learning environment for a projected 250,000 children, youth and family members annually.

To cultivate lifelong arts engagement among the young, Keppel Nights was re-launched in partnership with Esplanade – Theatres on the Bay. Keppel committed \$360,000 over two years to provide students from heartland schools in Singapore with access to Esplanade shows.

Keppel also contributed to Singapore Symphony Orchestra, Singapore Chinese Orchestra, NUS Symphony Orchestra and Singapore Dance Theatre.

To preserve and strengthen vibrant cultural traditions, the Group continued its longstanding support of River Hongbao in Singapore. In Brazil, BrasFELS sponsored FITA 2013, the International Festival of Arts in Angra dos Reis.

1. Keppel committed \$12 million to National Gallery Singapore to establish the Keppel Centre for Art Education, which aims to nurture a new generation of creative and critical thinkers.
2. Keppelites reached out to the underprivileged through diverse activities during Keppel Community Month.



Special Focus

► **KEPPEL COMMUNITY MONTH**



2

To commemorate Keppel Corporation's 45th anniversary in 2013, August was designated as Keppel Community Month. Keppelites across the Group's business in Singapore and overseas engaged in diverse activities to reach out to the underprivileged.

Keppelites organised activities for students from the Movement for the Intellectually Disabled of Singapore (MINDS)-affiliated schools, including educational tours, funfairs and outings to venues such as Gardens by the Bay and S.E.A. Aquarium at Resorts World Sentosa.

Showing strong support of Children's Cancer Foundation, over a hundred employees and customers at Keppel Shipyard shed their locks, earning the company the "Most number of shaves by a corporate" award.

In Azerbaijan, Caspian Shipyard adopted the Special Boarding School for Children with Speech Impediments. BrasFELS employees in Brazil reached out to children of needy families at Fundação Estadual para o Bem-Estar do Menor, an after-school care centre. Keppel Land employees in Tianjin, China, organised activities with Xiangyu Autism Mutual Aid Association for children with autism.

To improve living conditions for the underprivileged, Keppel O&M Technology Centre employees performed cleaning and maintenance works at Melrose Home, a youth shelter in Singapore, while Sino-Singapore Tianjin Eco-City employees donated energy-saving appliances to Ai Xi Yang Seniors' Home in Tianjin.

To improve community health, Keppel Batangas Shipyard employees distributed free medicines at Sagip Buhay Tahanan Foundation, a home for the aged and elderly. The shipyard doctor also carried out medical checkups for the residents.



CARING FOR THE UNDERPRIVILEGED

Our community engagement is underpinned by a commitment to care for the less fortunate.

Keppel Volunteers

Keppel's efforts to nurture communities are bolstered by a robust culture of volunteerism. Keppelites are granted two days of volunteerism leave annually. To better serve beneficiaries, Keppel Volunteers attend training sessions to hone skills such as caring for the disabled and communicating with the elderly using Chinese dialects.

Keppel Volunteers regularly engage our adopted charity, the Association for Persons with Special Needs (APSN), to help its beneficiaries develop social and life skills. The activities undertaken in 2013 include an Orchard Road walkathon for the Children's Charity Association and dancing on an energy-absorbing platform for Earth Hour's Dance2Power event.

Keppel Volunteers also reach out to the elderly, partnering with Thye Hua Kwan Seniors' Activity Centres (SAC) to organise excursions to sites such as Chinatown Heritage Centre, Mount Faber, Jurong Bird Park, and River Safari. For occasions such as Lunar New Year and Mooncake Festival, Keppel Volunteers organise visits and outings to spread warmth.

To improve the living and learning conditions for residents of Rumah Anak Sholeh Inayah orphanage in Bintan, Keppel and Yayasan Mendaki volunteers refurbished rooms and conducted IT learning sessions. In Singapore, Keppel partnered Mendaki to deliver food hampers to low-income households during Ramadan.

At Keppel Shipyard, volunteers organised a Bone Marrow Donor Programme awareness drive, where 80% of participants registered to be bone marrow donors, well above the 30% registration rate of most drives.

SUPPORTING SPORTS

Spurring on sporting excellence in Singapore, Keppel Corporation sponsored the Keppel-Singapore Table Tennis Association Awards Night 2013, where Singapore's top paddlers were recognised for their achievements.

Harnessing the appeal of sports to raise funds for charity, Keppelites joined in the SGX Bull Charge 10th Anniversary Run. The Run raised more than \$3 million for four charities. In Brownsville, Texas, the Keppel AmFELS Annual Charity Golf Tournament raised US\$60,000 for three charities.

Keppelites also gamely participated in Singapore Pools' Football With A Heart, the 42km Business Times Charity Challenge and the Singapore Disability Sports Council's bowling fundraiser.

HUMANITARIAN AID

In the aftermath of Typhoon Haiyan, Keppelites in Singapore and the Philippines rallied to support relief efforts. Keppel Corporation, Keppel Philippines Holdings, Keppel Subic Shipyard, Keppel Batangas Shipyard and Keppel Philippines Properties donated almost

three million pesos (about \$80,000) to the Philippine Red Cross for the purchase and distribution of relief goods. Keppel Land matched employee donations to the Singapore Red Cross.

Prior to Typhoon Haiyan, Keppel Subic Shipyard volunteers helped local authorities distribute food and relief items to communities severely affected by floods and landslides caused by torrential rain.

In Singapore, Marina at Keppel Bay granted the Vega vessel complimentary berthing and donated aid and supplies that the 122-year-old Norwegian-built humanitarian vessel delivered to underprivileged communities.

SUPPORTING ENVIRONMENTAL INITIATIVES

In the Philippines, Keppel Batangas Shipyard employees and members of Gawad Kalinga Community Development Foundation (GK) celebrated the second anniversary of the Keppel-GK Eco Village in the Philippines by planting tree saplings and cleaning Igiw Falls, a nearby



1. Keppel Volunteers organise regular activities for beneficiaries of the Association for Persons with Special Needs.
2. Keppel spurred on sporting excellence in Singapore through its support of the Keppel-Singapore Table Tennis Association Awards Night 2013.

► NURTURING COMMUNITIES
Our Community

waterfall and stream. The village is a sustainable development project led by Keppel and GK.

To commemorate World Environment Day 2013, Keppel Land promoted responsible resource consumption through projects including Nokia's "Recycle a phone, adopt a tree," and the Lions' Save Sight Centre "Recycle for sight" programme, which collects unwanted spectacles for distribution in developing countries.

To mark Singapore World Water Day, Keppel Land launched the Active, Beautiful, Clean (ABC) Waters Learning Trail @ Jurong Lake. Since adopting the lake in January 2013, Keppel Land has held a lake clean-up and sponsored the T-NET Club X-Trail Challenge for youths to enjoy eco-adventure trails.

**ENCOURAGING
ECO-LEADERS**

Keppel Shipyard received the Sustained Partnership Platinum and Silver Awards from Singapore's National Environment Agency (NEA) for its 10-year partnership with Chung Cheng High School and support of ITE College West.

Both partnerships are part of NEA's Corporate and School Partnership programme, which encourages the private sector to educate youth on environmental issues. For the 2013 Clean and Green Schools' Carnival, Keppel Shipyard supported the projects of Chung Cheng High School and ITE College West students, who won the first prize in the post-Secondary category.

1. Keppelites assisted the Philippine Red Cross with relief efforts to support victims of Typhoon Haiyan.
2. To launch the President's Challenge 2013, Singapore President Dr Tony Tan Keng Yam and Minister for Social & Family Development and Second Minister for Defence Mr Chan Chun Sing toured Keppel's yards.



Special Focus

► CARING FOR COMMUNITIES



Keppel Care Foundation, a registered charity under Singapore's Charities Act, sharpens, coordinates and sustains the Group's community contributions. Established in 2012, the Foundation provides assistance to the needy and underprivileged, promotes education and encourages eco-friendly initiatives.

The Foundation contributed \$1.5 million to the President's Challenge 2013, which benefits over 50 charities.

The Foundation showed its support for social services in Singapore through Community Chest initiatives such as the Festive Care & Share campaign and Heartstrings Walk.

Other social service initiatives supported by the Foundation in 2013 include:

- NTUC U-Care Fund to improve the welfare of low-income families;
- Samaritans of Singapore to fund suicide prevention services and
- Yellow Ribbon Fund to advocate for ex-offenders.

EDUCATION

Keppel gave \$5.48 million to NUS, NTU, SIT and Singapore University of Technology and Design to enhance academic and learning excellence, provide scholarships and bursaries for students from economically disadvantaged backgrounds and enrich teaching and research.



Keppelites brought Lunar New Year cheer to residents of Bright Hill Evergreen Home, a Keppel Care Foundation beneficiary.

Other educational initiatives supported by the Foundation in 2013 include:

- Raffles Girls' School's Keppel Innovation Studio to support innovative Science, Technology, Engineering and Mathematics (STEM) programmes
- Nanyang Academy of Fine Arts Development Fund to support infrastructural development
- People's Action Party Community Foundation (PCF) Assist to provide financial aid for post-secondary school students from low-income families

ECO-FRIENDLY INITIATIVES

In support of Nature Cares, organised by the Garden City Fund under National Parks Board, the Foundation sponsored a slew of activities, including "Tai Chi in the Park"

and terrarium-building at Saint Theresa's Home. Among the highlights was an outing to HortPark, organised by Keppel Volunteers and Queenstown Primary School students, with elderly residents of Saint Theresa's Home.

HEALTHCARE

To contribute to raising healthcare standards in Singapore, the Foundation supported SingHealth Foundation, which awards grants for healthcare programmes.

Other health initiatives supported by the Foundation in 2013 include:

- Ren Ci Hospital to provide affordable medical, nursing and rehabilitative care;
- KK Hospital Health Endowment Fund to

help needy patients and fund health programmes for women and children;

- Singapore Cancer Society to fund initiatives that support cancer patients;
- Tan Tock Seng Hospital Community Charity Fund to support needy patients and
- Lions Home for the Elders to provide residential services for the destitute, frail and aged sick.

The Foundation also supported various organisations dedicated to helping those with disabilities, including the Singapore Association of the Visually Handicapped, Singapore Association for the Deaf, Special Olympics Singapore and Riding for the Disabled Association of Singapore.

YOUTH DEVELOPMENT

The Foundation supported the Mainly I Love Kids (MILK) Fund, which reaches out to disadvantaged children and youth in Singapore and overseas.

Other youth initiatives supported by the Foundation in 2013 include:

- PCF to provide affordable kindergarten and childcare services for low-income families;
- Heartware Network to engage youths to serve the community;
- TOUCH Community Services' Touch Young Arrows to nurture children from low-income and single-parent families and
- Singapore Children's Society to help children in need.

Independence Assurance Statement

INTRODUCTION

DNV Business Assurance Pte Ltd part of DNV GL was commissioned by the Management of Keppel Corporation ('Keppel') to carry out an assurance engagement on the Keppel Corporation Sustainability Report 2013 (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 2013 Sustainability Report which is available to stakeholders in a printed version and on Keppel's website.

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.

Keppel is a conglomerate with diverse business areas. The boundary of the reporting for each area is clearly defined in the chapter reported and unless otherwise stated will include those subsidiaries that Keppel has a management control over the business. The scope of work agreed on with Keppel includes the following aspects:

- A review of data and activities related to sustainability between

January 2013 and December 2013, as described in the 2013 Report.

- An evaluation of Sustainability Reporting Guidelines, GRI G3.1 reporting principles and the requirements for a '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 2013 Report.
- Our audit was carried out in April, May and June 2014. We limited our audit to the Keppel head office in Singapore. We interviewed representatives from the Corporate Headquarters as well as those from the various business units.

The financial data and information have been acquired from the 2013 certified Keppel balance sheet.

VERIFICATION METHODOLOGY

Our assurance engagement was planned and carried out in accordance with 'DNV Verification Protocol for Sustainability Reporting v.4.1', which is available on our website (<http://www.dnvgl.com/assurance/default.aspx>).

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

- Adherence to the AA1000APS (2008) principles of Inclusivity, Materiality and Responsiveness.
- 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 GL, including the information related to sustainability (as per the GRI indicators table) in the Keppel Corporation Report to Shareholders 2013.

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.

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

CONCLUSIONS

It is the opinion of DNV GL that the Keppel Sustainability Report 2013 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 Group and business unit level. In 2013, the Group performed a stakeholder engagement survey.

Keppel describes goals and actions for the inclusion of selected stakeholders. In our

Independent Assurance Statement

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 see an improvement in the way Keppel has managed the Inclusivity principle compared to the previous year.

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

MATERIALITY

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

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.

The process to define materiality done since 2010 should be updated following the availability of results from the 2013 stakeholder engagement. Keppel should consider collecting and reviewing results of materiality analysis conducted by various business units to have a better perspective of material issues at the Group level.

We recommend a regular review of the materiality analysis to identify new areas of interest resulting from significant changes to the business environment or changing stakeholder 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 'Needs Improvement'.

RESPONSIVENESS

Keppel's stakeholder dialogues were used to determine the type of information that is material to them and covered in the Report. The overall responsiveness toward external parties is reasonable.

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 boundary of the Report covers subsidiaries that the Keppel Group has management control. A sustainability report should include in its boundary all entities that generate significant sustainability impacts (actual and potential) rather than solely entities subjected to management influence.

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'.

REPORT QUALITY: BALANCE AND NEUTRALITY

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 'Acceptable'.

SPECIFIC EVALUATION OF THE INFORMATION ON SUSTAINABILITY PERFORMANCES

The Report covers global operations and all subsidiaries and associated companies for which the Keppel Group has management control, unless otherwise indicated.

The reporting of the sustainability performance presented in the Report is in line with the approach used by large conglomerates: a dedicated function collects data centrally from the operational companies belonging to the Group and consolidates them in the Report.

DNV GL has interviewed the personnel responsible for data and information at Group and business unit level. In order to determine the aggregation and processing of data and information, we reviewed the relevant documents and records based on which the statements in the Report addressed. Limited depth of evidence gathering, including inquiry and analytical procedures and limited sampling at lower levels in the organisation has been applied by DNV GL.

The information included in the Report subjected to our verification was found to be plausible with the related operations described.

Keppel has introduced this year a new approach to ensure the reliability and accuracy of data collected from business units. This new approach has enabled Keppel to identify some inconsistencies due to calculation errors and/or use of different parameters for measurements, which has indirect effects on the trends and the analysis conducted in the previous years.

These inconsistencies, confined to the direct and indirect energy use, waste, direct and indirect

emissions of the environmental section, have been rectified by Keppel in this year's Report.

The DNV GL review has been conducted on the reliability of data and information of the sustainability performance related to Keppel's selected core indicators in particular energy consumption, waste generation, emissions and health and safety performance indexes.

In terms of accuracy of specified performance information, the different boundaries used for different indicators affect in some cases the performance indexes.

The new approach to be used by Keppel for gathering information and data from various business units will be based on a computerised system and it is envisioned that this would reduce the possibility of inconsistencies in data collation and calculation.

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 GL 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 as well as support the transition to the new Sustainability Reporting Guidelines (G4):

- To better describe processes related to suppliers and the supply chain, and the sustainability impact of

suppliers in the various sections and arguments /issues within the Report.

- To better report the "Direct economic value generated and distributed", for all categories of stakeholders, in line with the EC1 indicator of the GRI G3.1 guidelines.

DNV GL'S COMPETENCE AND INDEPENDENCE

DNV GL 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 GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL maintains complete impartiality toward stakeholders interviewed during the verification process.

DNV GL 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



KWAK SEUNG HYUN
REVIEWER

DNV Business Assurance Pte Ltd
20 June 2014
Singapore



AA1000
Licensed Assurance Provider
000-10



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	●	13, 24-25, 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	●	AR49, AR190-200
2.4	Location of organisation's headquarters	●	Back Cover
2.5	Number and names of countries where the organisation operates	●	2-3, AR6-7
2.6	Nature of ownership and legal form	●	AR49, AR190-200
2.7	Markets served	●	2-3, AR6-7
2.8	Scale of the reporting organisation	●	2-3, 4-5, AR6-7, AR49
2.9	Significant changes during the reporting period	●	4-5
2.10	Awards received in the reporting period	●	10-12
3.	Report Parameters		
3.1	Reporting period for information provided	●	4-5
3.2	Date of most recent previous report	●	4-5
3.3	Reporting cycle	●	4-5
3.4	Contact point for questions regarding the report or its contents	●	5
3.5	Process for defining report content	●	4-5
3.6	Boundary of the report	●	4-5
3.7	Limitations on the scope or boundary of the report	●	4, 17, 27, 51
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	●	4-5
3.9	Data measurement techniques and the bases of calculations	●	4-5, 27, 30, 41, 51
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	●	27, 31
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	27, 31
3.12	Table identifying the location of the Standard Disclosures in the report	●	72-75
3.13	Policy and current practice with regard to seeking external assurance for the report	●	4-5, 69-71
4.	Governance, Commitments, and Engagement		
4.1	Governance structure of the organisation	●	4-5, 18-22, AR229
4.2	Chairman and Chief Executive Officer	●	19, AR229
4.3	Number of members of the highest governance body that are independent and/or non-executive members	●	20
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	AR32-34
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organisation's performance	●	22-23
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	20-21, AR93-94
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees	●	20-21, AR93-97
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, 5, 14, 18, 26, 32, 40, 50, 58
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	●	4-5, 19, 45
4.10	Processes for evaluating the highest governance body's own performance	●	20-21, AR97

¹ References to Keppel Corporation's Report to Shareholders 2013 are expressed as 'AR page number'. Keppel Corporation's Report to Shareholders 2013 is available at www.keppcorp.com

GRI Indicator	Description	Disclosure	Reference Page ¹
4.11	Address of precautionary approach or principle by the organisation	●	21, 24-25, AR116-119
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	●	6, 42, 51-52
4.13	Memberships in associations	●	2-3, 42-43, 59-60
4.14	List of stakeholder groups engaged by the organisation	●	8-9
4.15	Basis for identification and selection of stakeholders with whom to engage	●	8-9
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	Key Stakeholders 8-9; Shareholder Engagement AR32-34; Workforce Engagement 44-48; Employee Engagement 52, 57; Community Engagement 58-68
4.17	Response to key topics and concerns raised through stakeholder engagement	●	As above
PERFORMANCE INDICATORS			
Economic			
Economic DMA			
		①	Economic performance 13, 14-17, AR1-20; Market presence 2-3, AR6-7; Indirect economic impacts 16-17, 54-56, 60
Economic performance			
EC1	Direct economic value generated and distributed	①	14-17, AR 48-51
EC4	Significant financial assistance received from government	●	17
Indirect economic impacts			
EC7	Procedures for hiring and proportion of senior management hired from local community at locations of significant operations	●	53-54
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	①	59-68
EC9	Significant indirect economic impacts, including extent of impacts	①	13, 33-37, 54-56
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Environmental DMA			
		①	Energy 28; Water 28-29, Biodiversity 31; Emissions, effluents and waste 30-31; Products and services 31; Compliance 30-31
Energy			
EN3	Direct energy consumption by primary energy source	●	27-28
EN4	Indirect energy consumption by primary source	●	27-28
EN5	Energy saved due to conservation and efficiency improvements	●	28
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	27-29
Water			
EN8	Total water withdrawal by source	●	28, 30
EN10	Percentage and total volume of water recycled and reused	●	28, 30
Biodiversity			
EN13	Habitats protected or restored	①	31
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	●	30-31

Global Reporting Initiative (GRI) Content Index

GRI Indicator	Description	Disclosure	Reference Page ⁴
EN17	Other relevant indirect greenhouse gas emissions by weight	①	31
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	30-31
EN19	Emissions of ozone-depleting substances by weight	●	30-31
EN20	NOx, SOx and other significant air emissions by type and weight	①	30-31
EN22	Total weight of waste by type and disposal method	①	30
EN23	Total number and volume of significant spills	●	30
	Products and services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	①	33-38
	Compliance		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	30
	Society		
	Social DMA	①	Local communities 58-68; Corruption 25; Compliance 20-21, 25, 38, 43, 51-54
	Corruption		
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	●	23-24
	Compliance		
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	38
	Product Responsibility		
	Product Responsibility DMA	①	Customer health and safety 36, 38; Marketing communications 38; Compliance 38
	Customer health and safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	①	36, 38
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by types of outcomes	●	38
	Product and service labelling		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	38
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	●	38
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	38
	Labour Practices and Decent Work		
	Labour Practices and Decent Work DMA	①	Employment 51-54; Labour/management relations 52-53; Occupational health and safety 41-42, 47-48; Training and education 44-45, 55-56; Diversity and equal opportunity 53-54
	Employment		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	●	52-53

GRI Indicator	Description	Disclosure	Reference Page [†]
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	●	54-55
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	●	54-55
LA15	Return to work and retention rates after parental leave, by gender	●	54
	Labour/management relations		
LA4	Percentage of employees covered by collective bargaining agreements	●	52
	Occupational health and safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	⓪	42-45
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	⓪	44
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	⓪	47-49
	Training and education		
LA10	Average hours of training per year per employee by gender, and by employee category	⓪	51
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	⓪	55-56
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	⓪	53
	Diversity and equal opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	●	20, 52-53
	Human Rights		
	Human Rights DMA	⓪	Approval 51-52 Non-discrimination 51-52; Freedom of association and collective bargaining 52; Child labour 51-52; Prevention of forced and compulsory labour 51
	Non-discrimination		
HR4	Total number of incidents of discrimination and corrective actions taken	●	53
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	⓪	52
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	⓪	52
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	●	52-53

LEGEND

- Fully reported
- ⓪ Partially reported
- Do not report



Statement GRI Application Level Check

GRI hereby states that **Keppel Corporation** has presented its report "Configured for Growth - Keppel Corporation Sustainability Report 2013" 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 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The "+" has been added to this Application Level because **Keppel Corporation** 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 15 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

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CEO,
Keppel Corporation

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

CHOW YEW YUEN
CEO,
Keppel Offshore & Marine

ONG TIONG GUAN
CEO,
Keppel Infrastructure

ANG WEE GEE
CEO,
Keppel Land

THOMAS PANG
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 HEADS

WANG LOOK FUNG (Chairperson)
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Keppel Offshore & Marine
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