



SUSTAINABILITY REPORT 2023

# INVESTING IN A SUSTAINABLE FUTURE

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## **INVESTING IN A SUSTAINABLE FUTURE**

As a global asset manager with deep operating capabilities, Keppel matches capital from investors with sustainability solutions to meet some of the world's most pressing needs amidst climate change, the energy transition, rapid urbanisation and increasing digitalisation. We are investing in a sustainable future, delivering quality solutions to customers and good returns to investors.

# INVESTING IN A SUSTAINABLE FUTURE

We are running our business sustainably and making sustainability our business by providing solutions that contribute to global sustainable development and decarbonisation efforts.

## DEAR STAKEHOLDERS,

2023 was a pivotal year in global sustainability efforts. At the United Nations Climate Change Conference (COP28) in December, the international community pledged to triple renewable energy capacity globally, transition away from fossil fuels, and accelerate zero- and low-emission technologies.

The International Sustainability Standards Board (ISSB) released new reporting standards, IFRS S1 and S2, which aim to establish a comprehensive global baseline of sustainability-related financial disclosures, while the Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations. In Singapore, the Monetary Authority of Singapore (MAS) launched the Singapore-Asia Taxonomy for Sustainable Finance, which defines business activities based on the extent of their contribution to climate change mitigation.

These initiatives reflect the growing resolve of the international community to better integrate environmental sustainability into corporate decision making, and to encourage the flow of capital to support the low-carbon transition. These are goals which resonate with Keppel and which we support.

2023 was also a transformational year for Keppel as we divested our offshore and marine business, shed our conglomerate structure and pivoted to become a global

asset manager and operator. We are focused on Infrastructure, Real Estate and Connectivity solutions which address global macro trends such as climate action, the energy transition, sustainable urbanisation and increasing digitalisation.

We continue to execute Keppel's strategy to not only run our business sustainably across the environmental, social and governance (ESG) fronts, but to make sustainability our business through investing in and creating solutions that contribute to a sustainable future. Through these efforts, we contribute to the international sustainability agenda and to the realisation of the United Nations Sustainable Development Goals.

## SUSTAINABILITY AT THE CORE OF OUR STRATEGY

Environmental sustainability and climate action have been closely integrated into Keppel's business strategy. This can be seen from the many climate-related initiatives that Keppel has launched in recent years, including the importation of renewable energy into Singapore; the development of the Keppel Sakra Cogen Plant, Singapore's most advanced and first hydrogen-ready power plant; our sustainable urban renewal initiatives; and efforts to green our data centres, among others.

In this report, we share Keppel's inaugural Climate Transition Plan, which outlines our contributions to the climate transition, as well as how our solutions help other companies and communities on their decarbonisation journeys.





**LOH CHIN HUA**  
Chief Executive Officer

**“We are focused on Infrastructure, Real Estate and Connectivity solutions which address global macro trends such as climate action, the energy transition, sustainable urbanisation and increasing digitalisation.”**

During the year, we completed a quantitative scenario analysis of the financial impact of climate-related physical risks, which is addressed in this report, and also commenced an analysis of the financial impact of climate-related transition risks on our key assets.

Within Keppel’s operations, we have been actively lowering our carbon footprint. In 2021, we set a target to halve our Scope 1 and Scope 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. As at end-2023, we have achieved a 69.5% reduction in Scope 1 and 2 emissions compared to our baseline. Given the good progress achieved, we are confident that we would be able to get to our net zero target well ahead of 2050.

As part of our decarbonisation efforts, we have also been increasing the utilisation of renewable energy. For 2023, 23.1% of our electricity use was from renewable energy sources, a marked increase from 12.6% in 2022. We aim to achieve 50% renewable energy utilisation by 2025, with a view to reach 100% by 2030.

Since 2022, we have expanded our Scope 3 emissions coverage to all categories relevant to Keppel. In 2023, our Scope 3 emissions amounted to about 6.02 million tCO<sub>2</sub>e, which is slightly lower compared to 2022. Our Real Estate Division and M1 have set Science-Based Targets Initiative (SBTi)-validated carbon emissions reduction targets,

which include reducing Scope 3 emissions. We are working with our value chain and portfolio of investments to lower their carbon emissions and improve energy efficiency, where possible. The Real Estate Investment Trusts (REITs) and business trust managed by Keppel have all set carbon emissions reduction targets, which will contribute over time to reducing Keppel’s Scope 3 emissions.

With growing recognition of the value of measuring avoided emissions, we are also reporting on the avoided/reduced emissions resulting from some of Keppel’s key solutions. In 2023, the waste-to-energy plant that we operate in Qatar, the upgrade of the Keppel Merlimau Cogen Plant, our district cooling systems in Singapore, Green Mark-certified projects and green data centres resulted in about 1.07 million tCO<sub>2</sub>e in net avoided emissions.

In addition, energy efficiency measures implemented by Keppel, together with the cumulative green initiatives implemented at Keppel’s Green Mark-certified developments, resulted in around 1.13 million GJ in energy savings in 2023. These translate to cost savings of about \$95 million for the asset owners and operators.

Beyond carbon emissions reduction, Keppel also achieved significant absolute reductions in water withdrawal and waste generation of 88% and 78% respectively, compared to the 2019 base year, largely due to the divestment of Keppel Offshore & Marine. Total hazardous waste generated by Keppel’s operations also decreased by 99.9% year-on-year.

## Letter to Stakeholders

**“Keppel’s purpose of creating solutions for a sustainable future strongly resonates with our internal and external stakeholders.”**

### A PURPOSE-DRIVEN COMPANY

As part of our Vision 2030 transformation, we unveiled our new identity and aspiration in 2023, to be “A Global Asset Manager and Operator, Creating Solutions for a Sustainable Future”. The first half of the statement describes what we do, while the latter defines our purpose.

This purpose is one which resonates strongly with both internal and external stakeholders, who appreciate that sustainability is an integral part of how Keppel creates value.

We are honoured to receive the President’s Award for the Environment 2023, the highest environmental accolade in Singapore. We are humbled by the recognition and will continue to work closely with our stakeholders to contribute to sustainable development and climate action.

In the 2023 Employee Engagement Survey, we received an engagement score of 86%, 2 percentage points higher year-on-year and 6 percentage points higher than Mercer’s global norm. 89% of respondents indicated that they are proud to work for Keppel and support Keppel’s transformation to be a global asset manager and operator.

Investors have also shared with us that they appreciate how Keppel is transforming and contributing to sustainable development.



The global transition away from fossil fuels and towards zero- and low-emission technologies bodes well for many of the solutions that Keppel provides, including renewables and the development of the Keppel Sakra Cogen Plant, Singapore’s first hydrogen-ready and most advanced power plant (in picture).

In January 2024, we launched Keppel’s Sustainability-Linked Financing Framework, which includes Key Performance Indicators and Sustainability Performance Targets related to Keppel’s sustainability strategy and operations. From the launch of the framework to date, we have secured about \$2.1 billion of sustainability-linked financing which can be used for general corporate purposes as well as the pursuit of business opportunities in the sustainability space.

### STRENGTHENING CORPORATE GOVERNANCE

We believe that strong corporate governance, compliance and risk management provide the foundation for a sustainable business. In 2023, we augmented the Board’s skills, knowledge, experience and diversity with the appointment of a new independent director, Ms Ang Wan Ching, with global experience in alternative private fund investments. We also strengthened our risk assessments and risk management measures.

We are honoured to receive the Gold Award for having the Best Managed Board among listed companies with market capitalisation of \$1 billion and above at the Singapore Corporate Awards (SCA) 2023. The SCA recognises exemplary corporate governance practices and seeks to raise the benchmark for best board practices, with a focus on areas such as transparency and accountability.

Reflecting Keppel’s focus on safety, we achieved zero fatalities across our global operations in 2023. We continued to enhance our Health, Safety and Environment (HSE) practices, including empowering staff to be more engaged and to speak up on safety, as well as leveraging technology such as data analytics and artificial intelligence to provide real-time insights of risk patterns.

### PEOPLE-FOCUS

We are committed to building a highly trained workforce led by people-centric leaders, promoting positive employee well-being, upholding fair employment practices, and empowering a diverse and engaged workforce.

To promote diversity, including gender diversity, we unveiled a new Keppel-wide Diversity, Equity and Inclusion Policy during the year.

In 2023, women occupied about 37% of senior management and managerial positions in Keppel. The average salaries, including cash incentives, of women at the senior management and management levels were 109% and 99% those of their male counterparts respectively.

To develop a skilled workforce and help employees reach their full potential, we invest in training and development programmes, including using digital platforms to empower staff to take charge of their learning. In 2023, we achieved more than 23 training hours per employee, exceeding our target of 20 hours for the year.

In recognition of our efforts, Keppel was named by TIME magazine in its inaugural list of the World’s Best Companies, and listed as one of the World’s Best Employers by Forbes





In 2023, Keppel was conferred the President’s Award for the Environment, the highest environmental accolade for individuals, educational institutions and organisations that have made outstanding contributions towards the environment and sustainability, as well as building a climate-resilient future for Singapore.

and as one of Singapore’s Best Employers by The Straits Times in 2023. We were also named by the Great Place to Work Institute as one of Vietnam’s Best Workplaces.

**COMMUNITY INVESTMENTS**

We aim to deliver social, economic and environmental benefits to the communities wherever we operate. In 2023, we contributed \$4.3 million to social investments and industry advancement. This includes \$3.3 million disbursed through Keppel Care Foundation, our philanthropic arm.

Key initiatives undertaken include supporting a new Keppel Professorship in Sustainability Solutions at the National University of Singapore, supporting SPD’s new senior care centre for persons with disabilities as well as its Sheltered Workshop, and extending the Living Well programme to provide vulnerable communities in Vietnam and India with access to clean water.

Our staff volunteers also continued to serve the community actively, achieving 11,450 hours of volunteer service in 2023, significantly higher than our target of 8,000 hours.

**SUPPORTING THE UN GLOBAL COMPACT**

Since 2018, Keppel has been a participant of the United Nations Global Compact, and we affirm our support of the Global Compact’s 10 principles on human

rights, labour, environment and anti-corruption. As we continue to improve our sustainability performance, we are encouraged by the local and international recognition Keppel has received, including inclusion in the Dow Jones Sustainability World and Asia-Pacific Indices and retaining the triple-A MSCI ESG rating.

I would like to thank our many partners, customers, investors and stakeholders for their trust and confidence for Keppel. I would also like to express my deep appreciation to the many dedicated Keppelites around the world who are contributing to our sustainability journey.

We will continue to work with all stakeholders to invest in and create a sustainable future together.

Yours sincerely,

**LOH CHIN HUA**  
**Chief Executive Officer**  
 15 May 2024



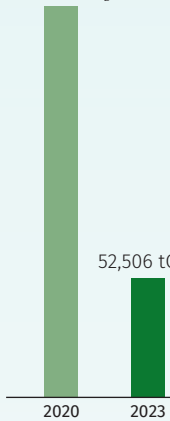
## ENVIRONMENTAL

### REDUCED SCOPE 1 AND SCOPE 2 CARBON EMISSIONS

▼ **69.5%**

Reduction in Scope 1 and 2 emissions from 2020 baseline achieved by operations in Singapore and overseas.

172,282 tCO<sub>2</sub>e



▼ **93%**

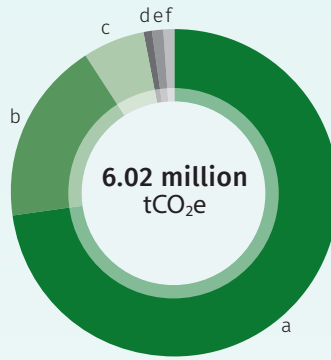
Reduction in Scope 1 emissions from 2020 baseline.

▼ **62%**

Reduction in Scope 2 emissions from 2020 baseline.

### TRACKED SCOPE 3 CARBON EMISSIONS

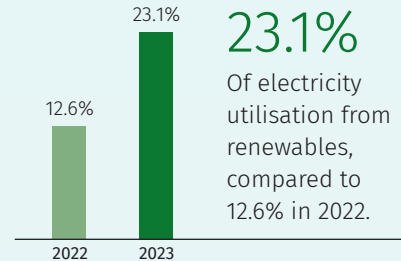
Expanded Scope 3 coverage to all 15 categories relevant to Keppel.



#### Key Scope 3 emissions

- a. Use of sold products **73%**
- b. Purchased goods and services **18%**
- c. Investments **6%**
- d. Fuel- and energy-related activities **1%**
- e. Downstream leased assets **1%**
- f. All other categories **1%**

### INCREASED RENEWABLE ENERGY UTILISATION



**23.1%**

Of electricity utilisation from renewables, compared to 12.6% in 2022.

### CONTRIBUTED TO AVOIDED EMISSIONS

**1.07m tCO<sub>2</sub>e**

In avoided emissions from the waste-to-energy plant operated by Keppel in Qatar, the upgrade of the Keppel Merlimau Cogen Plant, our district cooling systems in Singapore, Green Mark-certified projects and green data centres.

## SOCIAL

### EMPLOYEE ENGAGEMENT



**86%**

Overall engagement score, 2 percentage points higher than 2022, and above Mercer's global norm of 80%.

### COMMUNITY SERVICE



**11,450 hrs**

Of community service clocked by Keppel Volunteers globally, exceeding target of 8,000 hours.

## GOVERNANCE



### BEST MANAGED BOARD AWARD

Conferred Gold Award at the Singapore Corporate Awards 2023 for having the Best Managed Board among listed companies with market capitalisation of \$1 billion and above.

### BOARD COMPOSITION



**75%**

Independent Directors.



**83%**

Less than 9 years of tenure.



**25:75**

Board Gender Diversity ratio of female to male Directors.



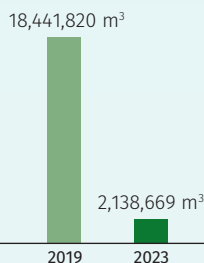




### REDUCED WATER WITHDRAWAL

▼88%

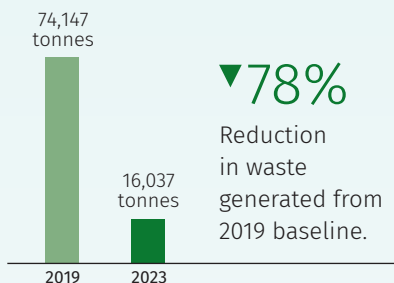
Reduction in water withdrawal from 2019 baseline.



### REDUCED WASTE GENERATION

▼78%

Reduction in waste generated from 2019 baseline.



## PRESIDENT'S AWARD FOR THE ENVIRONMENT

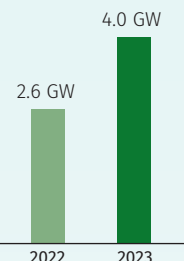
### PRESIDENT'S AWARD FOR THE ENVIRONMENT

Received the President's Award for the Environment in October 2023, the highest environmental accolade for outstanding contributions towards the environment and sustainability, as well as building a climate-resilient future for Singapore.

### GREW RENEWABLE ENERGY PORTFOLIO

4 GW

In renewables portfolio as at end-2023, on track towards target of 7 GW by 2030.



### TRAINING HOURS



>23 hrs

Of training per employee, higher than target of 20 hours.

### HEALTH AND SAFETY

Zero fatalities

Across global operations.

### NEW DEI POLICY

DEI

Unveiled new Keppel-wide Diversity, Equity and Inclusion (DEI) Policy.

### GLOBAL INDICES

Member of **Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

DJSI

Constituent of Dow Jones Sustainability World Index (DJSI World) and Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific).

MSCI ESG RATINGS



MSCI

Retained highest MSCI ESG rating of AAA since 2020.

### RISK MANAGEMENT AND COMPLIANCE FRAMEWORKS

Artificial Intelligence (AI) Governance and Data Governance Frameworks

established to manage rising risks associated with the use of AI within Keppel, and to promote standards on how data is used, managed and protected.



# Key Figures

## ENVIRONMENTAL

**CARBON EMISSIONS**  
**Net zero**

Committed to halve Keppel’s Scope 1 and Scope 2 emissions by 2030, compared to 2020 levels, and achieve net zero Scope 1 and Scope 2 emissions by 2050.

**CARBON EMISSIONS REDUCTION**  
**69.5%**

Reduction in Scope 1 and 2 carbon emissions from 2020 baseline.

**SCOPE 3 EMISSIONS**  
**15 categories**

Tracked all categories of Scope 3 emissions relevant to Keppel, with total emissions of about 6.02 million tCO<sub>2</sub>e in 2023, slightly lower year-on-year.

**RENEWABLE ENERGY UTILISATION**  
**23.1%**

Of electricity utilisation from renewables in 2023. Aim for 50% of Keppel’s electricity use to be from renewables by 2025, with a view to reach 100% by 2030.

**ENERGY SAVINGS**  
**\$95m**

In estimated cost savings from energy efficiency initiatives implemented by Keppel in 2023 and from cumulative green initiatives implemented at our Green Mark-certified developments.

**ECONOMIC VALUE GENERATED**  
**>\$11.5b**

Of economic value generated for our stakeholders in 2023.

## SOCIAL

**EMPLOYEE ENGAGEMENT**  
**86%**

Overall engagement score, 2 percentage points higher year-on-year, and above Mercer’s global norm of 80%. 89% of employees indicated that they are proud to work for Keppel.

**HEALTH AND SAFETY**  
**Zero fatalities**

Achieved across our global operations.

**SOCIAL INVESTMENTS**  
**\$4.3m**

Contributed to social investment spending and industry advancement.

## GOVERNANCE

**SGTI RANKING**  
**98th percentile**

Improved ranking to 7th out of 474 companies (98th percentile) in the Singapore Governance and Transparency Index (SGTI) 2023.

**BOARD GENDER DIVERSITY**  
**25%**

Female directors on the Board.

**SUPPLY CHAIN**  
**100%**

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

# Sustainability Awards and Recognition



## Dow Jones Sustainability Indices (DJSI)

Keppel is a constituent of the DJSI World and the DJSI Asia Pacific Indices, ranking it among the top 10% of the largest 2,500 companies globally, and among the top 20% of the 600 largest companies in the Asia-Pacific developed region respectively, in the S&P Global Broad Market Index based on long-term environmental, social, governance and economic criteria. Keppel was also included in S&P Global's Sustainability Yearbook 2024.

## MSCI World ESG Leaders Index

Keppel has retained the highest triple-A rating in the MSCI environmental, social and governance (ESG) ratings<sup>1</sup>. The Company has held the triple-A rating since February 2020. Keppel is a constituent of the MSCI All Country World Index (ACWI), MSCI's flagship global equity index, which covers more than 2,800 constituents. Keppel is also a constituent of the MSCI ACWI Climate Change Index and MSCI World ESG Leaders Index.

## iEdge Sustainability Indices

Keppel is among the top 10 constituents of the iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index in 2023. The iEdge SG ESG Indices comprise SGX-listed companies that meet sustainability reporting requirements and are considered ESG leaders with established and leading ESG practices. Keppel is also a constituent of the iEdge Singapore Low Carbon Indices, which track the carbon intensity performance of Singapore or globally-listed companies domiciled or incorporated in Singapore.



## FTSE4Good Index Series

Keppel has been a constituent of the FTSE4Good Index Series since 2019. The Index comprises companies which have been independently assessed on more than 300 indicators, which are applied according to each company's unique ESG risk exposure.



## Euronext Vigeo World 120

Keppel has been a component of the Euronext Vigeo Eiris – World 120 Index since 2013. Developed by Euronext, the primary exchange in the Eurozone, and Vigeo, the leading European agency in corporate social responsibility ratings, the Euronext Vigeo Eiris – World 120 Index comprises 120 of the highest-ranking listed companies globally in terms of performance in corporate responsibility.



## President's Award for the Environment

Keppel received the President's Award for the Environment (PAE) from the President of Singapore in October 2023. The PAE is the highest environmental accolade for individuals, educational institutions and organisations that have made outstanding contributions towards the environment and sustainability, as well as building a climate-resilient future for Singapore.



## Singapore Corporate Awards

Keppel was conferred the Gold Award at the Singapore Corporate Awards 2023 for having the Best Managed Board among listed companies with a market capitalisation of \$1 billion and above. Organised by The Business Times, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors, and supported by the Accounting and Corporate Regulatory Authority and the Singapore Exchange, the Best Managed Board Award category seeks to raise the benchmark for best board practices in Singapore, with a focus on key areas such as transparency, accountability, performance, processes and human capital, as well as through providing a multi-dimensional view of board effectiveness.



## Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards

Keppel was conferred the new Singapore Corporate Sustainability Award 2023 (Big Cap) at the SIAS Investors' Choice Awards 2023. The award, which is based on investor-centric research developed by SIAS, together with the NUS Business School Centre for Governance and Sustainability, recognises companies that have achieved high levels of corporate sustainability performance while achieving good business and financial results.



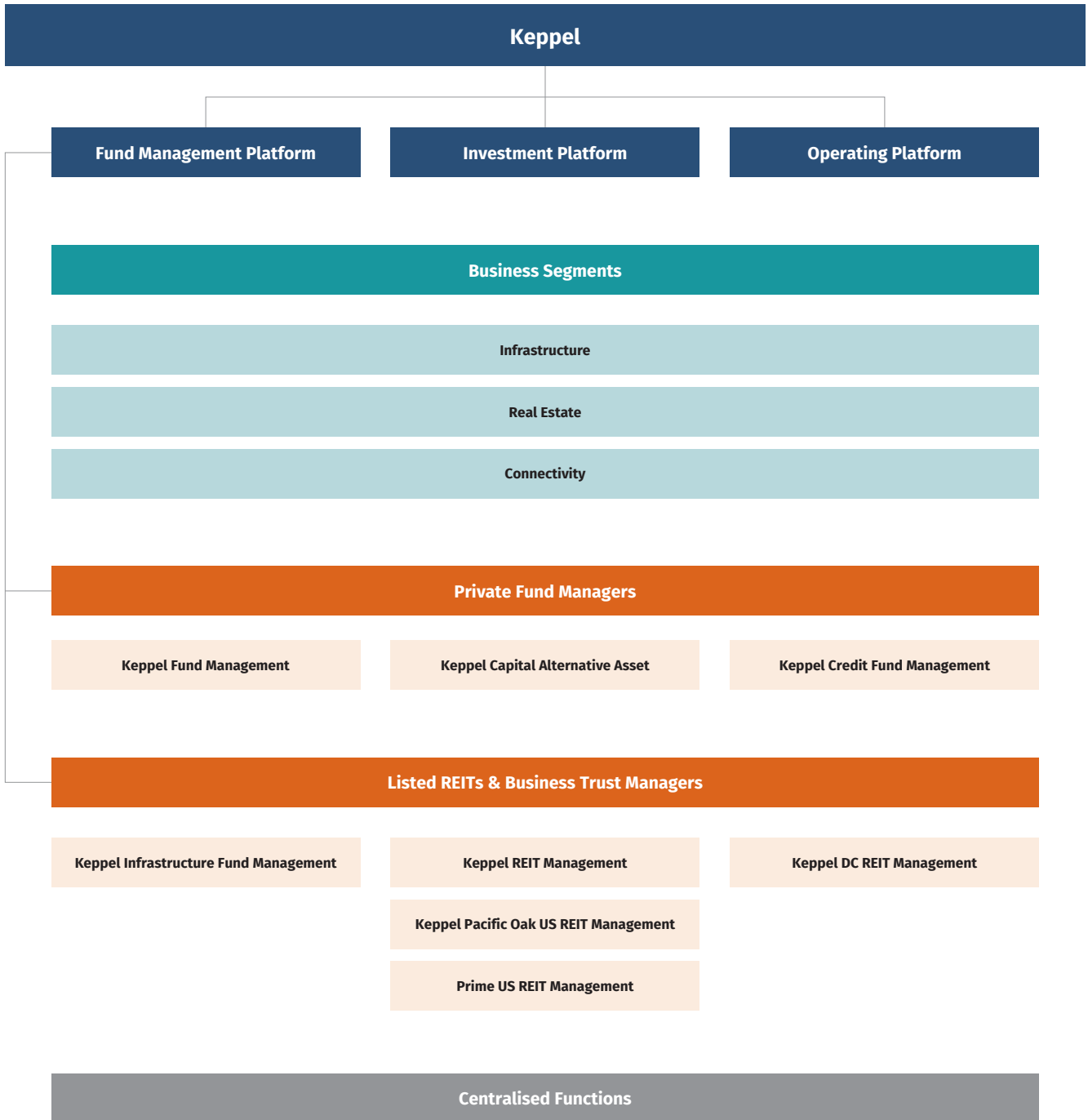
## Singapore Apex Corporate Sustainability Awards

Keppel was named Winner in the Sustainable Solutions category at the Singapore Apex Corporate Sustainability Awards 2023, organised by the United Nations (UN) Global Compact Network Singapore. The Awards is the Singapore benchmark of excellence in corporate sustainability, and recognises businesses whose operations or solutions have demonstrated excellence in embodying the 10 Principles of the UN Global Compact, in the areas of environment, human rights, labour and anti-corruption. The award for the Sustainable Solutions category recognises businesses that excel in developing products or services that address the sustainability needs of other businesses.

<sup>1</sup> The use by Keppel Ltd. of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Ltd. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

# Corporate Structure

GRI 2-1 | 2-2 | 2-6





# SUSTAINABILITY FRAMEWORK

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



## ENVIRONMENTAL STEWARDSHIP

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

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

**Material ESG Factors:**

- Climate Action and Environmental Management

» For more information, go to: pages 32 to 45



## RESPONSIBLE BUSINESS

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

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

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

**Material ESG Factors:**

- Corporate Governance and Risk Management
- Supply Chain Management

» For more information, go to: pages 46 to 55



## PEOPLE AND COMMUNITY

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

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

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

**Material ESG Factors:**

- Human Capital Management
- Health and Safety
- Contribution to Society

» For more information, go to: pages 56 to 88

# Sustainability Management

GRI 2-9 | 2-12 | 2-14

Guided by Vision 2030, we will grow Keppel as a global asset manager and operator, creating solutions for a sustainable future.

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

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

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

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

The BSSC meets at least four times a year. Its roles include monitoring international sustainability-related trends and developments, reviewing the Company's sustainability strategy, ensuring that Keppel has in place an effective sustainability governance structure, overseeing the adoption of and progress towards the Company's sustainability goals, reviewing the processes for identifying, assessing and managing climate-related risks and opportunities, and overseeing the Company's health, safety, and environmental performance, among others. The BSSC also makes regular



In 2023, the BSSC visited the Keppel South Central project site, as well as the construction site of the Singapore Integrated Waste Management Facility. (In picture: Artist's impression of Keppel South Central, a next-generation smart, super low energy commercial building in Singapore's Central Business District.)

visits to Keppel's projects and work sites, including interacting with our contractors and suppliers, to monitor and better understand Keppel's sustainability and safety performance.

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

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

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

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

Company's sustainability efforts, including preparing Keppel's sustainability report.

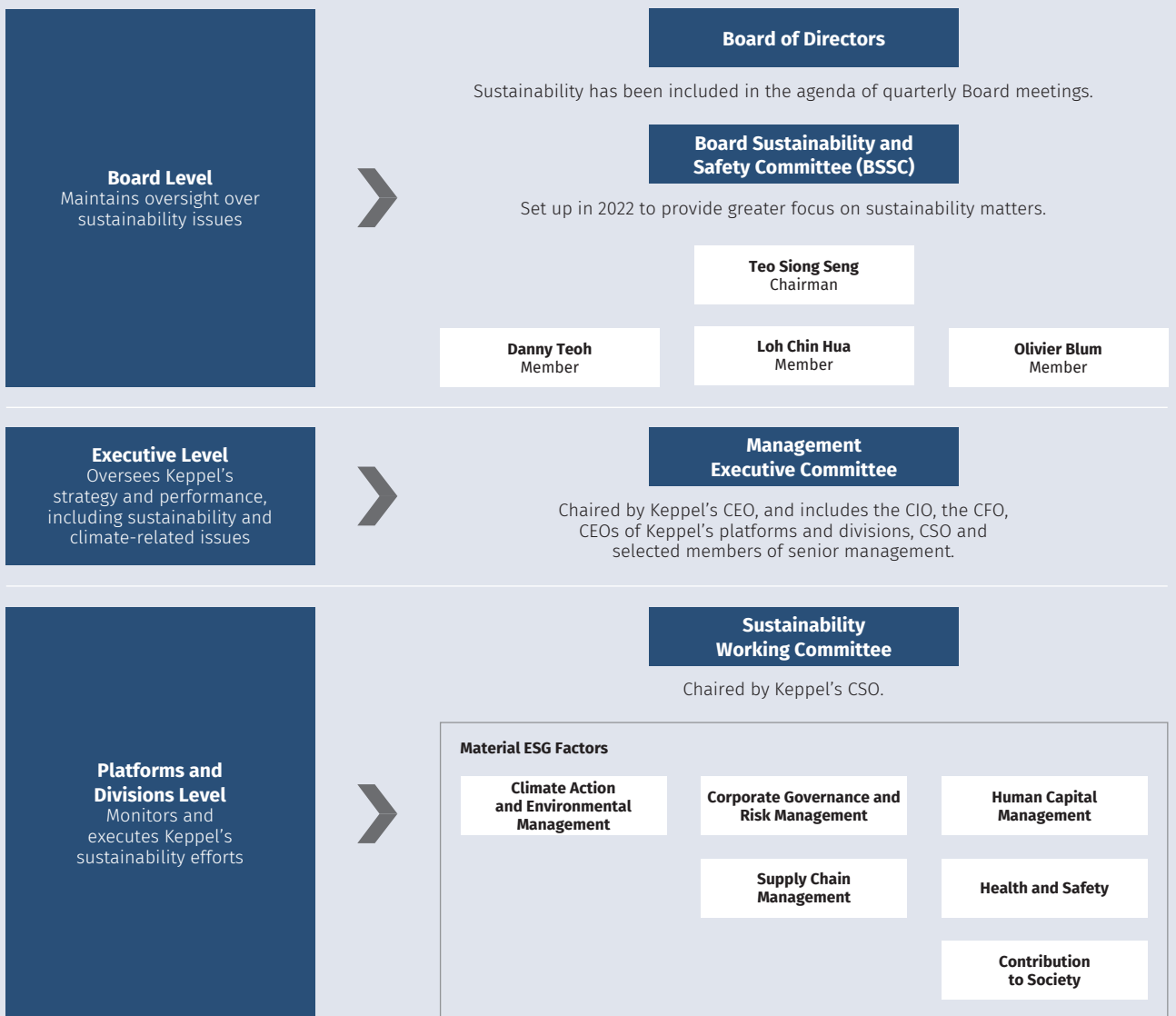
To embed sustainability throughout the Company and ensure accountability, sustainability targets have been included in the performance appraisal of senior management across the Company, including both annual remuneration and long-term incentives. Environmental sustainability targets, including carbon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

## BOARD STATEMENT ON SUSTAINABILITY

“The Board and management of Keppel have considered sustainability issues in the Company's business and strategy, determined the material environmental, social and governance (ESG) factors and overseen the management and monitoring of the material ESG factors.”

**KEPPEL BOARD OF DIRECTORS**

### SUSTAINABILITY MANAGEMENT STRUCTURE



# Sustainability Management

## MEMBERSHIPS IN ASSOCIATIONS

GRI 2-28

As part of the process of engaging different stakeholders, we participate as members in various organisations, including:

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


- Securities Investors Association (Singapore) to engage the investment community and promote good corporate governance;
- Singapore National Employers Federation to promote excellence in employment practices;
- Workplace Safety & Health (WSH) Council to build industry capabilities to better manage WSH and promote safety and health at work;
- The Institute of Policy Studies to support the analysis and discussion of public policy in Singapore;
- Singapore Institute of International Affairs to enhance understanding and partnerships among countries in the region, including in sustainability;

- GRI Singapore as a member of the Founding Consortium to support companies in ASEAN with relevant services and training to manage and report their most material ESG impacts;
- SGListCos as a founding member, to support the long-term growth and success of companies listed on the Mainboard and Catalist of the SGX in three critical areas, namely thought leadership and advocacy, ESG ecosystem, and corporate access and investor relations; and
- Singapore Low Carbon Network, an initiative by PwC Singapore to build capability and share knowledge in achieving a low carbon Singapore.

## STAKEHOLDER ENGAGEMENT

GRI 2-29



Keppel is committed to creating value for all its stakeholders and regularly engages its six key categories of stakeholders. Inputs from stakeholders are taken into account in determining the Company’s strategies and policies, including its sustainability efforts. Inputs were sought from all stakeholder groups during the comprehensive review of Keppel’s material ESG factors in 2022.

<b>Employees</b> 	<b>Customers</b> 	<b>Governments</b> 
<p><b>Significance</b></p> <p>People are our most valuable asset. We are committed to employee well-being, workplace health and safety, and investing in the training and development of our employees to help them reach their full potential. We adopt merit-based recruitment practices and emphasise diversity, equity and inclusiveness.</p>	<p><b>Significance</b></p> <p>Customer satisfaction is crucial to the success of any business. We are committed to continually improve our products and services to better meet customers’ needs, including through regular engagement of customers and harnessing insights from such engagements.</p>	<p><b>Significance</b></p> <p>Governments shape the business environments in which we operate. Policies and regulations can affect how businesses are run and also create new opportunities. We track topics of concern to governments and regulatory bodies wherever we operate, and seek to not only comply with, but also support the policies of national and regional governments.</p>
<p><b>Key Topics and Concerns</b></p> <p>Strategy and direction; innovation; productivity; collaboration; talent management; people development.</p>	<p><b>Key Topics and Concerns</b></p> <p>Product quality; product safety; Health, Safety and Environment (HSE) excellence.</p>	<p><b>Key Topics and Concerns</b></p> <p>Opportunities for collaboration and investment; sharing of industry best practices; setting industry benchmarks.</p>
<p><b>Key Engagement Platforms</b></p> <p>Regular townhalls for senior management to engage staff; annual employee engagement surveys; visits by Board and senior management to project sites in Singapore and overseas; regular engagement of unions; staff training and development; various staff engagement activities, such as the Global Keppelites Forum, Global Learning Festival as well as Physical and Mental Well-being Months.</p>	<p><b>Key Engagement Platforms</b></p> <p>Ongoing communication via different channels and regular customer satisfaction surveys. For example, recycling workshops are conducted for Keppel Electric’s customers to encourage sustainable behaviours; service quality surveys and programmes such as healthy workplace initiatives are held for tenants of the Real Estate Division’s commercial buildings; annual Net Promoter Score surveys are conducted with M1’s customers; and annual customer satisfaction surveys are conducted for our data centres’ customers.</p>	<p><b>Key Engagement Platforms</b></p> <p>Regular meetings and engagements with the authorities and regulators; work with governments on sustainability-related projects such as the Sino-Singapore Tianjin Eco-City and the Laos-Thailand-Malaysia-Singapore Power Integration Project; support government initiatives aligned to Keppel’s business and purpose such as sponsorship of the Lee Kuan Yew World City Prize and support for National Park Board’s OneMillionTrees Movement; participate in associations such as SGListCos to advance the sustainability agenda.</p>
<p><b>Our Response</b></p> <p>Read more about how we manage our global workforce on pages 56 to 67 of this report.</p>	<p><b>Our Response</b></p> <p>Read more about how we provide sustainable solutions for our customers on pages 40 to 59 of our Annual Report 2023, and how we engage customers on page 73 of this report.</p>	<p><b>Our Response</b></p> <p>Read more about how we collaborate with authorities and governments on each of the key material issues on pages 28 to 88 of this report.</p>





Keppel's senior management engaged institutional investors at the Company's inaugural Investor Day held in August 2023.

<b>Shareholders and Investors</b> 	<b>Suppliers</b> 	<b>Local Communities</b> 
<p><b>Significance</b></p> <p>Keppel's investors and shareholders play an important role in the financing and governance aspects of our business. Our Investor Relations Policy ensures a level playing field and helps shareholders and prospective investors make well-informed decisions. Limited Partners (LPs) and potential LPs who invest in the private funds that we manage are also critical to Keppel's success as a global asset manager and operator.</p>	<p><b>Significance</b></p> <p>Strong, effective relationships with our suppliers give our business strategic and operational advantages. By effecting stringent procurement processes, putting in place a Supplier Code of Conduct and regularly engaging suppliers, including through the organisation of supplier training, we aim to encourage our suppliers to adopt more sustainable practices.</p>	<p><b>Significance</b></p> <p>We aim to contribute to the well-being of communities wherever we operate. We seek to develop impactful programmes that can contribute to society. We actively communicate with local communities, including through the media, on issues of concern to them. This includes gathering feedback and communicating mitigating measures, where relevant, when communities may be impacted by our operations.</p>
<p><b>Key Topics and Concerns</b></p> <p>Business strategy; responsible investment; economic and sustainability performance.</p>	<p><b>Key Topics and Concerns</b></p> <p>Compliance; HSE excellence; fair treatment; responsible procurement practices.</p>	<p><b>Key Topics and Concerns</b></p> <p>Community investments; donations to worthy causes; volunteer programmes; impact assessment and mitigation.</p>
<p><b>Key Engagement Platforms</b></p> <p>Full year and half-year results webcasts; annual reports, sustainability reports and regular disclosures; Annual General Meetings and Extraordinary General Meetings; engagement with analysts and media; meetings and roadshows to engage institutional investors; briefings to retail investors organised in partnership with the Securities Investors Association (Singapore); regular meetings with and reports to LPs, as well as site visits.</p>	<p><b>Key Engagement Platforms</b></p> <p>Regular meetings by project managers and HSE teams with key contractors and subcontractors; engagement of suppliers, ESG screening and signing of Supplier Code of Conduct; regular engagement with suppliers, including periodic site visits by management and audits of supplier performance; conduct of training sessions for suppliers/contractors on ESG issues, including health and safety, and carbon management.</p>	<p><b>Key Engagement Platforms</b></p> <p>Regular engagement initiatives such as raising public awareness on the impact of climate change and engaging students on environmental issues; uplifting lives in communities where we operate, such as through Keppel's Living Well programme and supporting Dementia Singapore; communicating with local communities on potential issues of concern such as upcoming development works and publication of Environmental Impact Assessments.</p>
<p><b>Our Response</b></p> <p>Read more about how we engage the investment community, including our LPs, on pages 38 to 45 of the Company's Annual Report 2023.</p>	<p><b>Our Response</b></p> <p>Read more about how we work with suppliers to influence their sustainability performance on pages 50 to 55 of this report.</p>	<p><b>Our Response</b></p> <p>Read more about how we collaborate with community partners to support social and environmental causes on pages 44 to 45 and 76 to 88 of this report.</p>

# Materiality Review

GRI 3-1 | 3-2

The Board and management of Keppel review annually and determine the ESG factors material to the Company’s business, taking into account Keppel’s business strategy, stakeholder concerns and how Keppel’s interactions with the environment and society give rise to sustainability-related risks and opportunities.

Materiality reviews help the Company to focus its sustainability strategy, management practices and report on the most significant environmental, social and governance (ESG) factors in order to create sustainable value over the long term.

Keppel conducts a comprehensive materiality assessment, supported by an independent consultant, involving in-depth interviews, focus groups and online surveys that engage both internal and external stakeholders, once every five years or more frequently if required.

A comprehensive materiality review was conducted in 2022 and material issues were prioritised in a materiality matrix. In the intervening years, a more

limited internal review of material ESG factors is conducted annually.

In 2023, Keppel conducted an internal review of the material ESG factors, taking reference from the Singapore Exchange (SGX) guidelines on Sustainability Reporting, as well as the GRI Standards.

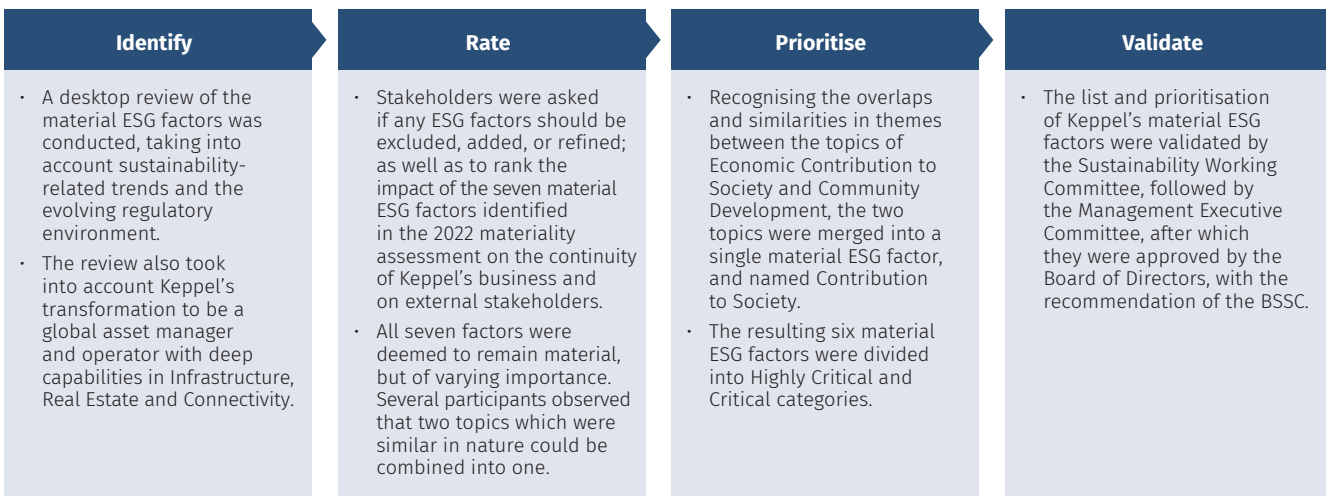
In addition, we are also studying the new standards issued by the International Sustainability Standards Board (ISSB) and considering how they can be incorporated, where relevant, in Keppel’s sustainability disclosures.

The review process in 2023 involved focus group discussions with senior management and staff. Participants were selected to ensure representation

across different platforms, divisions and countries, and taking into account diversity in seniority, skillsets, experience and gender. The discussions took into account double materiality perspectives, and explored how ESG factors impacted the Company’s operational context, strategic direction and ability to create value, as well as how the Company’s business and operations affected the external environment.

The material ESG factors were then reviewed by the Sustainability Working Committee and the Management Executive Committee, and thereafter approved by the Board with the recommendation of the Board Sustainability and Safety Committee (BSSC).

The materiality review process is aligned with the SGX’s guidelines, and involved the following key steps:



**CHANGES TO MATERIAL ESG FACTORS FOLLOWING 2023 ASSESSMENT**

In 2023, the topics of Economic Contribution to Society and Community Development were merged into a single material ESG factor named Contribution to Society, due to overlaps and similarities in themes between the topics.

A new sub-topic, Investing in Sustainable Solutions, was also added under the Climate Action and Environmental Management material factor. This reflects Keppel’s transformation to be a global asset manager and operator, and the emphasis on investing in sustainability solutions as part of the Company’s

strategy and climate transition planning efforts.

The six material ESG factors were grouped under Keppel’s three sustainability pillars of Environmental Stewardship, Responsible Business as well as People and Community, which correspond with the environmental, governance, and social aspects of sustainability respectively.

Keppel’s revised set of material ESG factors is shown in the following table:

Sustainability Pillars	6 Material ESG Factors
Environmental Stewardship	<p><b>Climate Action and Environmental Management</b> Keppel is committed to both running our business sustainably, and making sustainability our business through investing in and creating solutions for a sustainable future. This involves focusing our portfolio on sustainability-related solutions, building resilience against climate change risks, and seizing climate-related opportunities, which help our customers and communities get to net zero. We are also committed to minimising our impact on the environment by reducing greenhouse gas emissions, energy consumption, water consumption and waste generation, as well as preventing pollution and preserving biodiversity in our operations.</p>
	<p><b>Corporate Governance and Risk Management</b> Keppel recognises that good corporate governance is essential to the sustainability of the Company’s business, and that non-compliance with laws and regulations may pose financial and reputational risks. We are committed to ensuring strong corporate governance, regulatory compliance and robust risk management, including risks related to sustainability, cybersecurity and data protection. We uphold high standards of ethical business conduct and have zero tolerance for fraud, bribery and corruption.</p>
Responsible Business	<p><b>Supply Chain Management</b> Keppel believes in building a resilient, responsible and diversified supply chain. We are committed to integrating sustainability criteria in the selection, monitoring and evaluation of suppliers. We engage our suppliers to build capacity and encourage their adoption of sustainable and responsible business practices. This enables Keppel to minimise social and environmental impacts, manage risks and enhance resilience across our supply chains.</p>
	<p><b>Human Capital Management</b> Keppel recognises that people are fundamental to the Company’s performance. We seek to build a highly trained workforce led by people-centric leaders, and are committed to building positive employee well-being, upholding fair employment practices, and empowering a diverse and engaged workforce. Effective human capital management will enhance Keppel’s ability to attract and develop a strong talent pool to drive Keppel’s growth.</p>
People and Community	<p><b>Health and Safety</b> Keppel is committed to providing a safe and healthy working environment. We work closely with stakeholders, including our contractors, subcontractors, suppliers, regulators and industry associations, to maintain high standards of health and safety. We believe in building a proactive safety culture and advocate for continuous improvements in health and safety standards, both in our operations and in the broader community. We also ensure high safety standards for our products and services to safeguard customer well-being.</p>
	<p><b>Contribution to Society</b> Keppel creates value for our stakeholders through running a successful and resilient business, which provides dividends for shareholders, jobs for communities, and tax revenue for governments. As a global asset manager and operator that invests in and creates sustainable solutions, Keppel contributes simultaneously to the economic advancement of society and to environmental sustainability. Keppel also aims to uplift and give back to communities wherever we operate, including through staff volunteerism and contributing to worthy causes. We focus in particular on supporting education, caring for the underprivileged and protecting the environment.</p>

# Materiality Review

## Material ESG Factors

Highly Critical		Relevant ESG Sub-topics	
	<b>Climate Action and Environmental Management</b>	<ul style="list-style-type: none"> <li>• Climate Action</li> <li>• Energy Management</li> <li>• Water Management</li> <li>• Investing in Sustainable Solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Emissions</li> <li>• Waste Management</li> <li>• Biodiversity and Environmental Protection</li> </ul>
	<b>Corporate Governance and Risk Management</b>	<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Cybersecurity and Data Protection</li> </ul>
	<b>Human Capital Management</b>	<ul style="list-style-type: none"> <li>• Fair Employment Practices</li> <li>• Talent Attraction, Retention and Development</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity, Equity and Inclusion</li> <li>• Human Rights</li> </ul>
	<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Health and Safety</li> </ul>	

Critical		
	<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Sustainable Supply Chain Management</li> </ul>
	<b>Contribution to Society</b>	<ul style="list-style-type: none"> <li>• Economic Contribution to Society</li> <li>• Community Development</li> </ul>

### MANAGEMENT AND MONITORING OF MATERIAL ESG FACTORS

The six material ESG factors were organised into highly critical and critical factors. The classification was based on their prioritisation by focus group participants, as well as management’s judgement of their impact on Keppel’s generation of long-term value and the Company’s impact on external stakeholders. This was approved by the Board of Directors with the recommendation of the BSSC.

There was no change in the classification of material ESG factors compared to 2022. Climate Action and Environmental Management, Corporate Governance and Risk Management, Human Capital Management, as well as Health and Safety were identified as highly

critical factors which can have the greatest impact on Keppel’s business and the generation of long-term value, as well as where the Company can have the biggest impact, while Supply Chain Management and Contribution to Society were identified as critical material factors.

Specific indicators and metrics have also been identified for each material factor, in order to effectively monitor and manage its impact on both external and internal stakeholders.

The Board and management oversee the management and monitoring of the material ESG factors and are regularly updated on the progress and key developments related to these factors. The day-to-day management of each material factor is handled by different functional

departments or dedicated committees in the Company, and coordinated by the Sustainability Working Committee which is chaired by the Chief Sustainability Officer, with oversight by the Management Executive Committee.

The BSSC further oversees management’s plans and progress towards achieving the goals and targets associated with the material ESG factors.

The materiality assessment and key material factors have also been integrated in Keppel’s Enterprise Risk Management process.

Further disclosures on the targets and performance for each material factor can be found in the respective sections of this report.



# Material Factors

GRI 2-23 | 2-24



KL@Changi is Singapore's first Green Mark Platinum Positive Energy building under the BCA new Green Mark scheme, and houses our Infrastructure Division's smart operations nerve centre.

Keppel has a two-pronged sustainability strategy of running our business sustainably, and making sustainability our business by investing in and creating solutions for a sustainable future.

## CREATING SOLUTIONS FOR A SUSTAINABLE FUTURE

Our approach to sustainability is underpinned by the three pillars of Environmental Stewardship, Responsible Business, and People and Community, which address the environmental, social and governance (ESG) aspects of sustainability. Keppel's six material ESG factors are organised under each of these pillars.

The table on pages 22 to 23 highlights Keppel's strategy and the key actions

taken to address the risks and opportunities related to each material ESG factor. While all material ESG factors are important, we have identified Climate Action and Environmental Management, Corporate Governance and Risk Management, Human Capital Management as well as Health and Safety as the material ESG factors which can have the greatest impact on our business and the generation of long-term value, as well as where the Company can have the biggest impact on the external environment.

As a company committed to sustainability, Keppel contributes, both directly and indirectly, towards the achievement of the United Nations (UN) Sustainable Development Goals (SDGs). We have identified 10 SDGs which represent Keppel's most significant impacts on the sustainable development agenda. They include areas where Keppel is making the most positive impacts on the achievement of the SDGs, as well as areas where we have a responsibility to prevent and mitigate potential negative impacts.

# Material Factors

Environmental Stewardship	
Material Factor	Description
<b>Climate Action and Environmental Management</b>	<p>Climate change is one of the most severe challenges facing humanity. Physical risks can lead to higher operating costs, business disruptions and potentially stranded assets, while transition risks such as policy, legal, technological and market changes may pose financial, operational and reputational risks.</p> <p>Keppel supports the efforts by the international community and the Singapore Government to address climate change. We recognise climate change as a key strategic risk under our risk assessment framework, and are taking steps to better understand and address climate-related risks, while also seizing opportunities created by the growing global focus on climate action.</p> <p>Keppel has committed to halve our Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. We have also been tracking Scope 3 emissions since 2019 and have expanded our coverage to all categories relevant to Keppel.</p> <p>Since 2020, Keppel has adopted a shadow carbon pricing policy to evaluate major investment decisions in order to contribute to climate action, mitigate climate-related risks, prepare for tougher climate legislation and higher carbon prices, and avoid stranded assets.</p> <p>Keppel has set a target to grow our renewable energy portfolio to 7 GW by 2030, and has announced renewables projects with a total capacity of 4 GW<sup>1</sup> as at end-2023.</p> <p>Within our operations, Keppel has set a target for 50% of our electricity use to be from renewable energy sources by 2025, with a view to reaching 100% by 2030.</p> <p>We have set targets to reduce our water and waste intensity by 2030 from a 2023 base year. We are also committed to minimising our environmental impact on nature and biodiversity.</p> <p>In 2023, we actively expanded our business in climate and environment-related areas, such as the import of renewable energy into Singapore, the development of Singapore's first hydrogen-ready and most advanced power plant, sustainable urban renewal and the development of greener data centres. Further details on Keppel's business initiatives related to climate action and environmental management can be found on pages 40 to 59 of Keppel's Annual Report 2023.</p>
<b>Impact on SDGs</b>	
Responsible Business	
Material Factor	Description
<b>Corporate Governance and Risk Management</b>	<p>Keppel recognises that good corporate governance is essential to the sustainability of its business, and that non-compliance with laws and regulations may pose financial and reputational risks. We are committed to ensuring strong corporate governance and regulatory compliance, robust risk management, including sustainability-related risks, as well as high standards of ethical business conduct, including zero tolerance for fraud, bribery and corruption.</p> <p>Keppel continued to adopt an effective and balanced approach to risk management to optimise returns, while taking into consideration business risks and corporate sustainability. We focused on managing global macro risks and mitigating the impact on business, where possible. Regular risk management education, including training on risk management principles, is conducted for all directors and employees, to promote an effective risk management culture in the Company.</p> <p>Cybersecurity risk continues to be a significant risk and we continuously enhance our technology controls to prevent and detect cyber-attacks. Our cyber policies are aligned with industry standards such as ISO 27001/2, US National Institute of Standards and Technology, as well as local regulators' requirements to ensure effective management of cybersecurity risks.</p> <p>We also focused on climate-related risks to monitor and assess the impact of climate change on business operations and assets. Our TCFD disclosures are found on pages 24 to 27 of this report. Further details on Keppel's approach towards corporate governance and risk management can be found on pages 72 to 120 of our Annual Report 2023.</p>
<b>Impact on SDGs</b>	
<b>Supply Chain Management</b>	<p>Keppel believes in building a resilient, responsible and diversified supply chain. We are committed to integrating sustainability criteria in the selection, monitoring and evaluation of suppliers. We engage with suppliers to adopt sustainable and responsible business practices, so as to minimise any adverse social and environmental impacts as well as manage risks across our supply chains.</p> <p>All our suppliers are selected in accordance with our requisition and purchasing policies and screened based on ESG criteria. Qualified suppliers are expected to sign and abide by Keppel's Supplier Code of Conduct, which is publicly available on Keppel's website. In 2023, we launched a digital supply chain risk management platform to screen our suppliers and better weave ESG considerations into our supply chain management strategy.</p> <p>As part of our efforts to enhance sustainability performance within our supply chain, we also collaborated with UN Global Compact Network Singapore to provide carbon management training for our suppliers, especially those from small- and medium-sized enterprises.</p>
<b>Impact on SDGs</b>	

## People and Community

Material Factor	Description
<b>Human Capital Management</b>	<p>People are fundamental to the Company's performance. We seek to build a highly trained workforce led by people-centric leaders. We are committed to providing meaningful and purposeful work, building positive employee well-being, upholding fair employment practices, and empowering a diverse and engaged workforce.</p> <p>We continued to conduct our annual Employee Engagement Survey in 2023, and received an engagement score of 86% in 2023, 2 percentage points higher than 2022, and 6 percentage points above Mercer's global norm. 89% of our staff indicated that they are proud to work for Keppel.</p> <p>Keppel was named by TIME magazine in its inaugural list of the World's Best Companies, listed as one of the World's Best Employers by Forbes and named as one of Singapore's Best Employers by The Straits Times in 2023. We were also named by the Great Place to Work Institute as one of Vietnam's Best Workplaces. In 2024, Keppel was re-certified as a Top Employer in Singapore and China by the Top Employers Institute.</p>
<b>Impact on SDGs</b> 	<p>Keppel is committed to providing a safe and healthy working environment. We believe in building a proactive safety culture and advocate for continuous improvements in health and safety standards, both in our operations and in the broader community.</p> <p>The Company's leadership sets the tone and leads by example in strengthening our safety culture. We also engage and empower the workforce to speak up when they encounter any unsafe act or practice.</p> <p>We ensure high safety standards for our products and services to safeguard customer health and safety. This includes applying Design for Safety guidelines to all major development projects in Singapore and overseas, to ensure that work can be executed safely not only during the construction stage, but also during the operations and maintenance stages.</p> <p>Keppel's Safety Awareness Centres (SAC) across six cities have trained a total of about 60,000 employees and contractors' workers since the first SAC was set up in 2011, with a total of more than 5,500 workers trained in 2023.</p> <p>In 2023, Keppel achieved zero fatalities across our global operations. We will continue to strive to further improve our safety performance through regular audits, feedback mechanisms and engagement with stakeholders.</p>
<b>Health and Safety</b>	<p>Keppel aims to create value for all stakeholders through running a successful and resilient business, which provides good dividends for shareholders, jobs for communities and tax revenue for governments.</p> <p>In 2023, Keppel achieved a net profit of \$4.1 billion. Total cash dividend for FY 2023 was 34 cents per share. Including the distributions <i>in specie</i> of the then Sembcorp Marine shares<sup>2</sup> and Keppel REIT units<sup>3</sup>, total dividends amount to about \$2.70 per Keppel share for FY 2023.</p> <p>By growing our business as a provider of sustainability solutions, Keppel contributes to the economic advancement of society, while also advancing environmental sustainability.</p> <p>Keppel is committed to ensuring that its approach towards tax management is executed responsibly and with integrity. Keppel's Tax department monitors and maintains oversight of Keppel's tax matters by working closely with the relevant business and finance teams as well as other internal stakeholders on various tax planning initiatives and tax compliance matters.</p> <p>Keppel aims to uplift and give back to communities wherever we operate, building lasting positive relationships and effective partnerships, including through staff volunteerism. We contribute to worthy causes, focusing on supporting education, caring for the underprivileged and protecting the environment.</p> <p>In 2023, Keppel invested around \$4.3 million in social investment spending and industry advancement, including more than \$3.3 million disbursed through Keppel Care Foundation, Keppel's philanthropic arm.</p>
<b>Impact on SDGs</b> 	
<b>Contribution to Society</b>	

<sup>1</sup> On a gross basis and includes projects under development.

<sup>2</sup> Amounted to \$2.19, rounded to the nearest two decimal places; calculated based on a division of (a) the cash equivalent amount of the dividend declared by the Company of \$3,845 million, by (b) the Company's issued and paid-up share capital as at the Record Date of 1,751,959,918 Keppel Shares (excluding treasury shares).

<sup>3</sup> Based on the closing market price of \$0.835 per Keppel REIT unit on 6 November 2023, the cash equivalent amount of the dividend declared by the Company was \$294 million, equivalent to \$0.167 per share.

# TCFD Disclosures

GRI 3-3 | 2-14 | 201-2

## Keppel has been incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>1</sup> in our sustainability reporting since 2020.

In this section, we describe how we identify, assess and manage climate-related risks and opportunities. References to other sections of this report and Keppel’s Annual Report 2023 have been made, where necessary, to provide further details.

Recommended Disclosure	Keppel’s Approach	Page Reference
<p><b>Governance</b> Describe the board’s oversight of climate-related risks and opportunities.</p> <p>Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Sustainability-related topics, including environmental and climate change issues, are regularly discussed by the Board which meets six times a year, and as warranted by circumstances. The Board Sustainability and Safety Committee (BSSC) was established in 2022 to provide greater focus on sustainability matters, and its Terms of Reference include reviewing the processes for identifying, assessing, and managing climate-related risks and opportunities across the four pillars of governance, strategy, risk management, and metrics and targets, and related reporting.</p> <p>At the management level, the Management Executive Committee oversees the Company’s strategy and performance, including sustainability and climate-related issues, while the Sustainability Working Committee monitors and executes the Company’s sustainability efforts, including climate-related issues.</p> <p>Further details of Keppel’s Sustainability Governance structure and processes, which include climate-related issues, can be found on pages 14 to 17 of this report.</p>	<p>Sustainability Management: pages 14 to 17.</p> <p>BSSC Terms of Reference: page 105 of Keppel’s Annual Report 2023.</p>
<p><b>Strategy</b> Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.</p> <p>Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.</p> <p>Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Keppel has been transforming its business to focus on sustainability solutions. Our sustainability strategy involves both running our business sustainably, and making sustainability our business by creating solutions that help governments, our customers and communities on their net zero journeys and contribute to climate action. We have developed a climate transition plan to achieve our emissions reduction goals and contribute to global decarbonisation efforts. It can be found on pages 28 to 30 of this report.</p> <p>We have set absolute carbon emissions reduction targets in line with the Paris Agreement’s goal to limit global warming to 1.5°C above pre-industrial levels. We are also increasing our focus on risks and opportunities associated with climate change over the short term (1 year), medium term (3-5 years) and long term (more than 5 years).</p> <p>We recognise that climate-related physical risks such as extreme weather conditions can cause damage to property and infrastructure and potentially lead to stranded assets, business disruptions as well as higher operating costs due to insurance costs, flood protection, damage recovery as well as higher cooling and heating needs. Transition risks such as policy, legal, technological and market changes may also pose varying levels of financial, operational and reputational risks.</p> <p>At the same time, climate change is also creating many business opportunities. We have been refocusing the Company’s portfolio on solutions for a sustainable future. These include renewables, clean energy and environmental solutions, green buildings and data centres, sustainable urban renewal, district cooling, and waste-to-energy (WTE) solutions.</p> <p>In 2023, we expanded our business in renewables, clean energy and environmental solutions, and secured \$1.6 billion of Energy-as-a-Service contracts. For example, to tap the growing demand for renewable energy, Keppel, together with Keppel Infrastructure Trust, jointly acquired a 16.3% stake in Fäbodliden II, a 17 MW Swedish onshore wind farm.</p> <p>To strengthen Keppel’s resilience and mitigate against transition risks such as tougher climate legislation and higher carbon prices, Keppel has, since 2020, implemented a shadow carbon price (SCP) in the evaluation of new investments. The SCP helps us to factor in the possible impact of future carbon prices and avoid potential stranded assets, while channelling our investments towards solutions that contribute to sustainable development. The SCP is currently set at US\$20/tCO<sub>2</sub>e, and progressively increases to US\$50/tCO<sub>2</sub>e over time.</p> <p>In addition, Keppel launched a Sustainability-Linked Financing Framework in January 2024 to provide guidelines for the Company when it enters into sustainability-linked financing transactions. Since 2019, Keppel, including the listed REITs and business trust that it manages, has secured over \$6 billion in green and sustainability-linked financing.</p> <p>In December 2023, the Monetary Authority of Singapore launched the Singapore-Asia Taxonomy for Sustainable Finance (Singapore-Asia Taxonomy), which defines business activities in terms of green, amber, amber (measures) and ineligible categories, based on the extent of their contribution to climate change mitigation. We have conducted a preliminary mapping of the acquisitions made by Keppel as well as our private funds, listed REITs and business trust against the Singapore-Asia Taxonomy. Of the \$2.5 billion acquisitions made in 2023, 18% were in assets and activities not covered in the taxonomy. Of the remaining approximately \$2 billion of acquisitions that are covered by the taxonomy, around 34% meet the green, amber or amber (measures) criteria, while a further 28% can potentially meet these criteria, subject to finalisation of development plans.</p>	<p>Climate Action and Environmental Management: pages 32 to 45.</p>

<sup>1</sup> TCFD has fulfilled its remit and disbanded in October 2023. Following the publication of the inaugural ISSB Standards – IFRS S1 and IFRS S2 – the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies’ climate-related disclosures from TCFD.



Recommended Disclosure	Keppel's Approach	Page Reference
<p><b>Risk Management</b> Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>Describe the organisation's processes for managing climate-related risks.</p> <p>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Climate change has been identified as a strategic risk which is monitored by the Board Risk Committee (BRC) under Keppel's Enterprise Risk Management (ERM) framework. The ERM framework lays out the governance mechanisms and principles, policies and processes, and system pertaining to how the Company and its entities should identify, assess, mitigate, communicate, and monitor or escalate significant risk matters, including sustainability-related risks. This includes climate change and environmental management considerations, as well as third-party-related risks from vendors and suppliers.</p> <p>The Risk &amp; Compliance department supports management in applying the ERM framework to ensure that significant risks, including climate change-related risks, across the Company are assessed and adequately mitigated. External and internal audits of the risk management process are conducted annually as part of the ISO 37001 framework. Risk criteria is also incorporated in the evaluation of new projects.</p> <p>As part of sustainability risk management, we regularly assess climate-related risks and opportunities and strengthen our organisational capabilities in these areas. Management and risk teams across operating divisions drive and coordinate Company-wide activities and initiatives. These are facilitated by regular meetings to cascade risk policies or standards, and ensure that pertinent risks, including climate-related risks, are identified, assessed and mitigated in a timely manner.</p> <p>Risk assessments are performed at the respective platforms and divisions and agreed with their respective senior management before being consolidated to form Keppel's risk assessment. Further assessments are performed, and each key risk area is grouped by sub-groups within Strategic, Financial, Operational, Compliance and IT, and mitigation plans, where applicable, are provided to the Board and BRC at their quarterly meetings. This is complemented by enhancing education and awareness, providing resources and developing expertise, as well as conducting assessment or obtaining feedback on climate-related issues on an ongoing basis. We also continually improve our risk processes, taking reference from the latest industry developments and best practices.</p>	<p>Risk Management: pages 111 to 117 of Keppel's Annual Report 2023.</p>



Keppel Marina East Desalination Plant, Singapore's first large-scale, dual-mode desalination plant, which is developed and operated by Keppel.

Recommended Disclosure	Keppel's Approach	Page Reference
<b>Risk Management</b>	<p data-bbox="373 338 655 360"><b>Climate-related Physical Risks</b></p> <p data-bbox="373 360 1182 405">Keppel has been conducting qualitative analyses of the physical impact of climate change since 2021<sup>1</sup>.</p> <p data-bbox="373 427 1270 539">In 2023, Keppel conducted a further quantitative analysis focusing on the vulnerability of 19 key assets across our Infrastructure, Real Estate and Connectivity segments to climate-related physical risks over the time periods of 2030, 2050 and 2070. The assets, located across Singapore, China, Vietnam, Indonesia and India, had a total asset value of \$4.9 billion as at end-2022<sup>2</sup>. About \$4.3 billion of the assets were assessed to have high vulnerability to climate-related physical risks.</p> <p data-bbox="373 562 1270 786">Based on the assessment, the top three physical risks faced by these assets are extreme water level, extreme temperature and extreme precipitation. The average annual financial impact from physical damage for 2030 for these 19 assets was assessed to range from approximately \$14 million to \$16 million, based on the Shared Socioeconomic Pathways (SSP)1-2.6, SSP2-4.5 and SSP5-8.5 scenarios<sup>3</sup>, and was assessed not to be material for Keppel. Analyses were also done for 2050 and 2070 to help the Company better understand the impact of climate-related physical risks over the long term. However, as Keppel has adopted an asset light strategy and announced our asset monetisation plans, it is very unlikely that we would hold on to this specific group of assets up to 2050. The estimated financial impacts in 2050 and 2070 are thus not deemed to be of great relevance to Keppel and have not been disclosed.</p> <p data-bbox="373 808 1270 1099">To limit the impact of physical climate risks, Keppel's operating divisions have proactively implemented various context-specific adaptation measures in new and existing operations. For instance, in Singapore, the platform level for the new Keppel Sakra Cogen Plant was raised to up to 5 metres above the Singapore Height Datum<sup>4</sup>. Flood barriers, more drainage outlets and/or energy efficient cooling systems have also been installed at Keppel's real estate developments to adapt to the risks of rising sea levels, floods and heatwaves. In Vietnam, besides raising the platform level at the Saigon Centre commercial development, flood drills are conducted annually as part of business management plans. Our Data Centres and Networks Division has included a technical due diligence study, which includes criteria such as soil conditions, power/water availability, and risk of natural disasters such as floods, earthquakes and landslides, as part of its investment due diligence process for new data centres. Designs for Keppel's data centres also take into consideration risk factors including power and water shortage, with measures such as redundancies and power, and water storage facilities in place to provide backup in the event of such incidents.</p> <p data-bbox="373 1122 671 1144"><b>Climate-related Transition Risks</b></p> <p data-bbox="373 1144 1270 1323">Following a qualitative assessment in 2022<sup>5</sup> of climate-related transition risks to the Company's business, Keppel is conducting a further quantitative assessment of the transition risks associated with climate change, which will be completed in 2024. The analysis focuses on two key aspects of transition risks which are more readily quantifiable, namely the impact of carbon taxes on power generation assets and other assets subject to carbon taxes, and the indirect impact of the rising price of electricity over time in key markets where Keppel operates. The analysis is being done across three scenarios, namely SSP2, SSP3 and IEA NZE<sup>6</sup>, and over two timeframes of 2030 and 2050. The outcome of the analysis will be disclosed in Keppel's Sustainability Report 2024.</p> <p data-bbox="373 1346 687 1368"><b>Impact of Carbon Tax in Singapore</b></p> <p data-bbox="373 1368 1214 1435">For Keppel, the key asset currently subject to carbon tax in Singapore is the Keppel Merlimau Cogen (KMC) Plant. KMC's annual emission is around two to three million tCO<sub>2</sub>e, depending on electricity generated.</p> <p data-bbox="373 1458 1270 1592">Singapore's carbon tax rate is set to increase from \$5/tCO<sub>2</sub>e in 2023 to \$25/tCO<sub>2</sub>e in 2024 and 2025, with a view to reaching \$50-80/tCO<sub>2</sub>e by 2030. Assuming the level of emissions remains unchanged, and without utilising eligible international carbon credits under the International Carbon Credit (ICC) Framework to offset any taxable emissions, the total carbon tax will be in the range of \$50 million to \$75 million in 2024, and possibly double these amounts by 2030, when carbon tax reaches \$50/tCO<sub>2</sub>e.</p> <p data-bbox="373 1615 1270 1749">Depending on the carbon emissions intensity of the plant, the carbon taxes payable by each power generation plant in Singapore will vary. As KMC has recently been upgraded and is currently one of the most efficient plants in Singapore, the carbon taxes payable per unit of electricity generated are projected to be lower than the Singapore average. It is envisaged that the majority of the carbon taxes will be passed through to end-consumers to provide price signals to encourage efficient use of electricity. Hence, the immediate financial impact on KMC is not expected to be significant.</p> <p data-bbox="373 1771 1270 1973">The bigger impact of the carbon tax is to catalyse the shift towards the adoption of high efficiency technologies, as well as cleaner and renewable sources of energy. To this end, Keppel, the first electricity importer licensee in Singapore, has started importing renewable energy under the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP) since 2022. Keppel has also obtained conditional approvals to import up to 1.3 GW of renewable energy from neighbouring ASEAN nations, which not only contributes to decarbonising Singapore's power supply, but fosters collective and inclusive climate action through regional partnerships. In 2023, Keppel also commenced the construction of Singapore's first hydrogen-ready cogeneration plant, the Keppel Sakra Cogen Plant.</p> <p data-bbox="373 1995 1270 2098">Keppel also operates two WTE plants in Singapore which are held under Keppel Infrastructure Trust. The carbon taxes for these two WTE plants are borne by the Singapore National Environment Agency under the existing agreements. Hence, there is no direct financial impact of the higher carbon tax payable by the two WTE plants on Keppel.</p>	Risk Management: page 113 of Keppel's Annual Report 2023.

Recommended Disclosure	Keppel's Approach	Page Reference
<p><b>Metrics and Targets</b> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.</p>	<p>We have committed to halve Keppel's absolute Scope 1 and Scope 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. We measure and report our GHG emissions in accordance with the GHG Protocol, using the operational control approach. We track all categories of Scope 3 emissions that are relevant to Keppel, and are working with our value chain and investments to improve energy efficiency and reduce emissions wherever possible.</p> <p>In 2023<sup>7</sup>, Keppel achieved an absolute reduction of about 69.5% in Scope 1 and Scope 2 emissions to 52,506 tCO<sub>2</sub>e from our 2020 baseline of 172,282 tCO<sub>2</sub>e. Scope 1 emissions amounted to 3,091 tCO<sub>2</sub>e, down 93% from 42,476 tCO<sub>2</sub>e in 2020. Scope 2 emissions dropped by 62% to 49,415 tCO<sub>2</sub>e in 2023, compared to the base year. Keppel's Scope 3 emissions amounted to 6,015,981 tCO<sub>2</sub>e in 2023, slightly lower year-on-year.</p> <p>We have also set a target for 50% of Keppel's electricity use to be from renewables by 2025, with a view to reach 100% by 2030. In 2023, Keppel's renewable energy consumption made up 23.1% of total electricity consumption, significantly higher than the 12.6% in 2022.</p> <p>On top of the Company-wide carbon emissions reduction target, Keppel encourages its operating divisions to pursue even higher standards wherever possible, in line with the respective sectoral contexts and unique capabilities.</p> <p>Keppel's Real Estate Division has set GHG emissions reduction targets in accordance with the Science-Based Targets Initiative (SBTi). It has committed to halve its absolute Scope 1 and Scope 2 emissions by 2025 from 2020's level and achieve net zero by 2030<sup>8</sup>, and reduce Scope 3 emissions from purchased goods and services by 20% per square metre from 2020's level by 2030<sup>9</sup>. It has also set the target to achieve 100% reduction in non-renewable energy usage by 2030 through deploying energy efficient efforts as well as on-site and offsite renewables; and reduce water usage by 20% per square metre below 2020's level by 2030.</p> <p>M1 has adopted the Information and Communication Technology (ICT) Sector Guidance and set SBTi emissions reduction targets in line with the 1.5°C pathway, while Keppel's Data Centres and Networks Division aims to achieve net zero Scope 1 and Scope 2 emissions for all its new data centre assets in Singapore by 2030.</p> <p>All the listed REITs and business trust that Keppel manages have set carbon emission reduction targets and are actively monitoring the progress towards them. Keppel REIT and Keppel DC REIT have set absolute Scope 1 and 2 reduction targets which are aligned with a 1.5°C pathway, while Keppel Pacific Oak US REIT has set 2°C aligned targets. Keppel Infrastructure Trust has set a carbon emission intensity reduction target, given the nature of its business.</p> <p>Keppel's Infrastructure Division aims to reduce the carbon emissions intensity of Keppel's Singapore power portfolio from about 0.37 tCO<sub>2</sub>/MWh to 0.27 tCO<sub>2</sub>/MWh by 2035, as Keppel phases out emissions-intensive energy generation and expands its renewables and low carbon energy portfolio including carbon capture and alternative new energy like green hydrogen and ammonia.</p> <p>Keppel has also set a target to grow its portfolio of renewable energy assets to 7 GW by 2030. As at end-2023, Keppel's announced portfolio of renewable energy assets has increased to 4 GW, including projects under development, compared to 2.6 GW at end-2022.</p> <p>Details of Keppel's inaugural Climate Transition Plan, which outlines our contributions to the climate transition, as well as how our solutions help other companies and communities on their decarbonisation journeys, can be found on pages 28 to 30 of this report. In addition, details of Keppel's GHG emissions can be found on pages 39 to 43 of this report.</p>	Climate Action and Environmental Management: pages 32 to 45 of this report.

<sup>1</sup> Keppel conducted a high-level physical risk assessment which evaluated the potential impact of acute and chronic climate-related hazards (sea level rise, heatwave, water stress, flood, wildfire, coldwave and hurricane) on key assets globally in 2021, based on Representative Concentration Pathway (RCP) 2.6, RCP4.5 and RCP8.5 scenarios, with projections for 2030 and 2050. This was followed by a quantitative and context-specific climate-related physical risk scenario analysis in 2022, based on Shared Socioeconomic Pathways (SSP) 1, SSP2 and SSP5 scenarios, over 2030, 2050 and 2070.

<sup>2</sup> While not directly comparable, Keppel's total assets as at end-2022 amounted to \$31.1 billion.

<sup>3</sup> Shared Socioeconomic Pathways (SSP) based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, where the SSP1 scenario has low GHG emissions and global warming of below 2°C in 2100, while SSP2 and SSP5 refer to the intermediate and very high GHG emissions scenarios respectively.

<sup>4</sup> Includes minimum platform level of 4 metres above the Singapore Height Datum (SHD). The SHD was introduced by the Singapore Land Authority in 2015.

<sup>5</sup> Keppel conducted a qualitative analysis of climate-related transition risks in 2022, taking into account current and emerging regulations, technological, legal, market and reputational risks. Three climate scenarios were used, namely SSP2, SSP3, and International Energy Agency's (IEA) Net Zero Emissions (NZE) scenario, over the short term (1 to 3 years), mid term (up to 2030) and long term (up to 2050).

<sup>6</sup> The SSP3 scenario has very high GHG emissions and global warming of 2.8°C to 4.6°C by 2100, while SSP2 refers to the intermediate GHG emissions scenario with global warming of 2.1°C to 3.5°C by 2100. IEA's NZE is a scenario that combines socioeconomic conditions with a declining emissions pathway to reach Net Zero by 2050, resulting in global warming of 1°C to 1.8°C by 2100.

<sup>7</sup> Keppel Offshore & Marine has been excluded from Keppel's full year data as the business has been divested with effect from 28 February 2023.

<sup>8</sup> To meet its Scope 1 and 2 emissions reduction goals, Keppel's Real Estate Division will undertake various measures, including phasing out the use of non-essential diesel equipment; meeting the BCA Green Mark standards, or their equivalent, for all its new commercial developments; improving the energy efficiency of its existing buildings through energy optimisation and digitalisation strategies; maximising on-site renewable energy, and purchasing renewable energy certificates.

<sup>9</sup> To minimise its Scope 3 emissions, Keppel's Real Estate Division will increase the use of green-labelled and low-emission materials and products. As the use of concrete and steel contributes significantly to its Scope 3 emissions, it is driving a Sustainable Urban Renewal initiative, shifting its focus to rejuvenating existing buildings through asset retrofit and incorporating new technologies and smart solutions that will make them more relevant and efficient. Its pivot from a traditional developer model to sustainable urban renewal will contribute to circularity and reducing embodied carbon from business activities.

# Keppel's Climate Transition Plan

Keppel is committed to supporting the global ambition to reach net zero carbon emissions by 2050.

We have identified Climate Action and Environmental Management as a material environmental, social and governance (ESG) factor for the Company and put in place a governance structure to manage sustainability-related topics, including climate change. We have conducted climate scenario analyses and developed plans to address the risks and opportunities posed by climate change.

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

## Business Transformation

As part of Keppel's Vision 2030, we have been progressively transforming our business. In early 2021, we announced that the then Keppel Offshore & Marine (KOM) would exit the newbuild rig business after completing the existing rigs under construction. In 2022, we further announced the proposed divestment of KOM, which was completed in February 2023.

Today, Keppel is a global asset manager and operator, focused on investing in and creating solutions for a sustainable future across our Infrastructure, Real Estate and Connectivity segments.

## Running our Business Sustainably

We have set targets to reduce carbon emissions in line with the goal of limiting global warming to 1.5°C above pre-industrial levels.

We are committed to halve Keppel's Scope 1 and 2 emissions by 2030, compared to our 2020 baseline, and achieve net zero Scope 1 and 2 emissions by 2050. By the end of 2023, Keppel has achieved a reduction of 69.5% in Scope 1 and 2 emissions to 52,506 tCO<sub>2</sub>e, compared to 2020.

We are tracking all categories of Scope 3 emissions relevant to Keppel and working with our value chain and portfolio of investments to enhance energy efficiency and reduce their emissions where possible. In 2023, our Scope 3 emissions were slightly lower at 6.02 million tCO<sub>2</sub>e compared to 2022. Details on our Scope 1, 2 and 3 emissions can be found on pages 39 to 41 of this report. The vast majority of Keppel's current Scope 3 emissions relate to the sale and use of natural gas, which forms around 95% of the fuel mix for power generation in Singapore. As Singapore's power grid decarbonises, we expect these Scope 3 emissions to reduce accordingly. In the meantime, Keppel is contributing to decarbonising the grid through initiatives such as the import of renewable energy and the development of Singapore's first hydrogen-ready power plant.

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

## Making Sustainability our Business

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

We have set a target to grow Keppel's portfolio of renewable energy assets to 7 GW by 2030. As at end-2023, we have announced a renewable energy portfolio of 4 GW, including projects under development.

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

In January 2024, we launched Keppel's Sustainability-Linked Financing Framework, which includes Key Performance Indicators and Sustainability Performance Targets related to Keppel's sustainability strategy and operations. From the launch of the framework to date, we have secured about \$2.1 billion of sustainability-linked financing which can be used for general corporate purposes as well as the pursuit of business opportunities in the sustainability space.





The groundbreaking ceremony of the Keppel Sakra Cogen Plant was officiated by Guest of Honour, Dr Tan See Leng (centre), Minister for Manpower and Second Minister for Trade and Industry; Mr Ngiam Shih Chun (second from right), Chief Executive of Energy Market Authority; Mr Danny Teoh (third from left), Chairman of Keppel Ltd.; Mr Loh Chin Hua (third from right), CEO of Keppel Ltd.; and Ms Cindy Lim (second from left), CEO, Infrastructure of Keppel Ltd.

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

**CONTRIBUTING TO THE CLIMATE TRANSITION**

**Fund Management and Investment Platforms**

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

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

The private funds that Keppel manages are progressively tracking their Scope 1 and 2 carbon emissions in line with their respective mandates and sector-specific considerations, and aim to reduce their emissions where possible.

In 2022, we launched the Keppel Sustainable Urban Renewal Fund, which contributes to sustainable urbanisation by investing in the retrofitting and rejuvenation of older buildings, to contribute to urban renewal and circularity, while also enhancing asset performance and value.

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

# Keppel's Climate Transition Plan

## Operating Platform

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

### Infrastructure

Our **Infrastructure Division**, which operates essential services like power generation and waste treatment that are hard-to-abate sectors, has been proactively driving decarbonisation initiatives. In 2022, Keppel commenced the inaugural import of renewable energy into Singapore through the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP). This is intended to be a pathfinder towards realising the broader ASEAN Power Grid vision of multilateral electricity trading in the region. In 2023, Keppel further secured conditional approvals from Singapore's Energy Market Authority for renewable energy imports of 1 GW from Cambodia and potentially Lao PDR, and 300 MW from Indonesia.

We are developing the Keppel Sakra Cogen Plant, Singapore's first hydrogen-ready and most advanced power plant which is targeted to be operational by 2026. The emissions intensity of Keppel's Singapore power portfolio in 2023 is approximately 0.37 tCO<sub>2</sub>/MWh. Keppel aims to lower this intensity to a target of 0.27 tCO<sub>2</sub>/MWh by 2035, as Keppel phases out emissions-intensive energy generation and expands its renewables and low carbon energy portfolio including carbon capture and alternative new energy like green hydrogen and ammonia.

Keppel has also signed a Memorandum of Understanding with Singapore's National Environment Agency to study the feasibility of carbon capture at Singapore's WTE plants, which would enable WTE plants to achieve net zero emissions, or potentially even net negative emissions, in their operations.

### Real Estate

Our **Real Estate Division** has committed to reduce its absolute Scope 1 and 2 emissions by 100% and its Scope 3 emissions from purchased goods and services by 20% per square metre by 2030 from its 2020 base year. These targets were validated by the Science-Based Target Initiative (SBTi).

In addition, we are pivoting from traditional property development to sustainable urban renewal with a mission to acquire, retrofit, future-proof and extend the lifespan of older commercial buildings, to reduce energy use and avoid embodied carbon emissions.

### Connectivity

Our **Data Centres and Networks Division** has been exploring innovative proposals to reduce the carbon footprint of data centres, including floating data centres and green data centre parks. It aims to achieve net zero Scope 1 and 2 emissions for all its new data centre assets in Singapore by 2030.

**M1** has adopted the Information and Communications Technology sector guidance and committed to reduce its Scope 1 and 2 emissions by 46.2% and Scope 3 emissions from purchased goods and services, capital goods and upstream leased assets by 42% by 2030 from its 2020 base year. These targets have been validated by SBTi.



Keppel is pioneering nearshore Floating Data Centres which are mobile, scalable and customisable, to provide a sustainable solution for the growth of the modern digital economy.

# RESPONSIBLE INVESTMENT

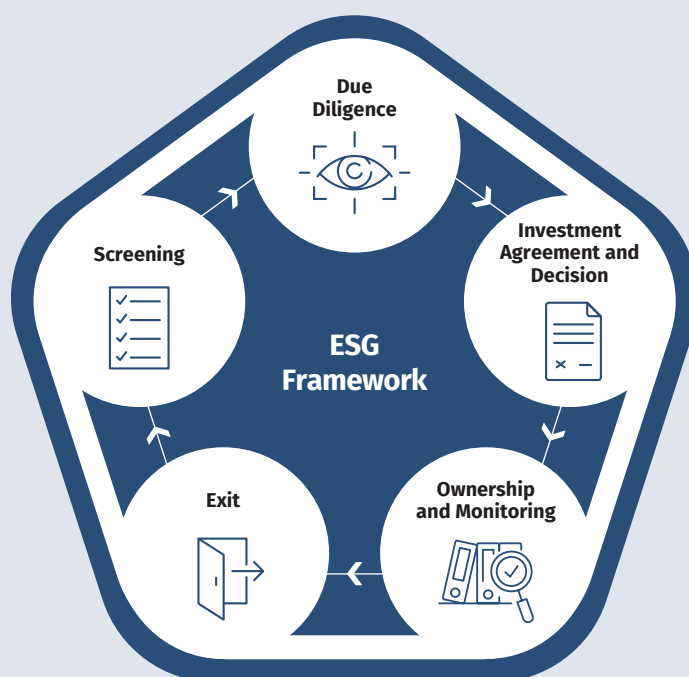
As a global asset manager and operator, Keppel is committed to responsible investment practices.

Through our Fund Management and Investment platforms, Keppel is a signatory of the United Nations (UN)-supported Principles for Responsible Investment. This reflects our commitment to responsible investment and the integration of ESG considerations in our investment processes. As a participant of the UN Global Compact, Keppel also avoids investments in activities that breach the 10 Principles of the UN Global Compact, covering the areas of human rights, labour, the environment and anti-corruption.

The investment committees of the private funds, and the boards of the listed REITs and business trust that Keppel manages take into consideration ESG factors, in line with their respective mandates and sector-specific considerations, when making investment decisions.

Our Fund Management and Investment platforms have adopted a Responsible Investment Policy, which communicates our overarching investment approach towards ESG issues. This includes defining the kinds of investments that the Company would not engage in. Key elements of the policy are available on Keppel’s website.

In addition, we have an ESG Framework (“the Framework”) which is adapted into the funds’ investment practices and life cycles, where relevant. The Framework follows a five-stage approach, taking into account the integration of relevant ESG considerations throughout the entire investment life cycle, from



the initial due diligence to the eventual exit of investments.

Within our Fund Management and Investment platforms, there is an ESG Committee, which is responsible for coordinating and communicating policies and regulations across the platforms. The Committee also maintains oversight of ESG disclosures for investment products.

Harnessing Keppel’s strengths as an asset manager and operator, our fund managers leverage the technical expertise of Keppel’s operating divisions as well as external parties, where necessary, in the management of ESG issues, including setting targets, achieving

emissions reductions and harnessing renewable energy.

Some of the funds managed by Keppel have set non-financial targets to manage material ESG risks and opportunities throughout the investment life cycles. For example, the Keppel Sustainable Urban Renewal Fund has a target of reducing the energy usage intensity of its buildings by at least 20% and achieving upgrades on relevant green building certifications.

As at end-2023, six out of 11 listed REITs, business trust and private funds<sup>1</sup> with operating or development assets and which are managed by Keppel, are GRESB participants and have attained various Green Star ratings<sup>2</sup>.

<sup>1</sup> The 11 listed REITs, business trust and private funds are Keppel REIT, Keppel DC REIT, Keppel Pacific Oak US REIT, Keppel Infrastructure Trust, Alpha Asia Macro Trends Fund III, Keppel Asia Macro Trends Fund IV, Keppel-MMP Indonesia Logistics Fund, Alpha Data Centre Fund, Keppel Data Centre Fund II, Keppel Asia Infrastructure Fund and Keppel Education Asset Fund.

<sup>2</sup> Keppel REIT, Keppel DC REIT, Alpha Asia Macro Trends Fund III, Keppel Asia Macro Trends Fund IV, Alpha Data Centre Fund and Keppel Education Asset Fund have attained the GRESB Green Star ratings, which recognise real estate entities for their sustainability performance.

# CLIMATE ACTION AND ENVIRONMENTAL MANAGEMENT

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets

- Work towards absolute Scope 1 and Scope 2 carbon emissions reduction target.
- Continue to enhance monitoring and reporting on all categories of Scope 3 emissions relevant to Keppel.
- Quantify and report on avoided emissions arising from Keppel's solutions.
- Continue efforts to conserve water and minimise waste.
- Conduct further analysis on the financial impact of climate-related physical and transition risks and opportunities on Keppel.



### 2023 Performance

- Achieved 69.5% reduction in absolute Scope 1 and Scope 2 emissions from 2020 baseline.
- 23.1% of electricity use was from renewable energy sources.
- Continued to track Keppel's Scope 3 emissions across all relevant categories.
- Contributed to avoided emissions of around 1.07 million tCO<sub>2</sub>e from Keppel's various solutions such as waste-to-energy (WTE) upgraded power plant, district cooling, real estate and data centre operations.
- Increased portfolio of renewable energy assets to 4 GW by end-2023.
- Achieved 88% reduction in water withdrawal compared to 2019 baseline.
- Achieved 78% reduction in waste generated compared to 2019 baseline.
- Conducted quantitative scenario analysis of potential financial impact of climate-related physical risks.
- Commenced quantitative scenario analysis of potential financial impact of climate-related transition risks.



### 2024 Targets

- Work towards absolute Scope 1 and Scope 2 carbon emissions reduction target.
- Report on all categories of Scope 3 emissions relevant to Keppel.
- Continue to quantify avoided emissions arising from Keppel's solutions.
- Continue efforts to conserve water and minimise waste.
- Conduct quantitative scenario analysis of selected climate-related transition risks.



### Longer Term Targets

- Halve Scope 1 and Scope 2 carbon emissions by 2030 and achieve net zero Scope 1 and Scope 2 emissions by 2050.
- Aim for 50% of Keppel's electricity use to be from renewable energy sources by 2025, with a view to reach 100% by 2030.
- Achieve 10% reduction in waste intensity for Real Estate Division's retail assets by 2030 from 2023 baseline.
- Achieve 5% reduction in water intensity for Infrastructure and Real Estate Divisions by 2030 from 2023 baseline.
- Grow portfolio of renewable energy assets to 7 GW by 2030.





## We are committed to climate action, improving resource efficiency and reducing our environmental footprint.

### OVERVIEW

GRI 3-3

Frequent extreme climate events have increased global awareness of the risks posed by climate change and accelerated the calls for urgent and concerted international action.

At the 2023 United Nations (UN) Climate Change Conference (COP28), the international community agreed, among others, to transition away from fossil fuels, triple renewable energy capacity globally and accelerate zero- and low-emissions technologies.

The Singapore Government has announced its national climate target to achieve net zero emissions by 2050 and reduce emissions to around 60 million tCO<sub>2</sub>e in 2030 after peaking emissions earlier.

Keppel is committed to support the efforts by the international community and the Singapore Government to address climate change. As part of

Keppel's Vision 2030, we are refocusing our portfolio on solutions for a sustainable future, and running our business sustainably.

With many countries and companies making net zero pledges, we see immense opportunities where Keppel can harness its strong capabilities and proven track records to help its customers and communities with their decarbonisation efforts.

### REPORT BOUNDARY

GRI 3-3

Our approach in accounting for Greenhouse Gases (GHG) emissions is aligned with the operational control<sup>1</sup> approach under the GHG Protocol, which determines the organisational boundary and the way Scope 1, 2 and 3 emissions are calculated for Keppel.

We account for 100% of Scope 1 and 2 emissions, and all relevant categories of Scope 3 emissions from entities over which we have operational control<sup>2</sup>.

<sup>1</sup> Operational control is defined in the GHG Protocol as having the full authority to introduce and implement operating policies in the company.

<sup>2</sup> Keppel maps its sustainability data against its business operations depicted on page 12 of this report, rather than the full list of legal entities and holding companies on pages 218 to 226 of Keppel's Annual Report 2023, which may include investment holding companies, and holding companies of projects that have not yet commenced.

### SCOPE 1 AND 2 EMISSIONS

69.5%

Reduction in Scope 1 and Scope 2 carbon emissions from 2020 baseline achieved by operations in Singapore and overseas.

### WATER WITHDRAWAL

88%

Reduction in water withdrawn from 2019 baseline.

### WASTE GENERATED

78%

Reduction in waste generated from 2019 baseline.

## Climate Action and Environmental Management

For entities where Keppel does not have operational control, the associated emissions are reported under Scope 3 Category 15 (Investments). These include Keppel's stakes in the REITs and trust managed by Keppel's Fund Management and Investment platforms, specifically Keppel REIT, Keppel DC REIT, Keppel Infrastructure Trust, and Keppel Pacific Oak US REIT, as well as private funds managed by Keppel<sup>1</sup>. Category 15 (Investments) also includes Sino-Singapore Tianjin Eco-City Investment and Development and other entities where Keppel holds direct stakes of 10% or more<sup>2</sup>.

### MANAGEMENT APPROACH

GRI 3-3

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

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

Our stance on environmental sustainability is articulated in our

Environmental Sustainability Policy, which is available on Keppel's website (keppel.com). We are committed to improving our environmental performance and have integrated environmental sustainability considerations into our major business and investment decisions, as well as Keppel's performance scorecard and the performance appraisal of senior management.

Keppel's environmental management strategy is overseen by the Board Sustainability and Safety Committee (BSSC) which is chaired by Director Mr Teo Siong Seng, and driven by the Management Executive Committee, which is chaired by the CEO of Keppel.

The Environmental Working Committee (EWC) implements various environmental management initiatives across Keppel, including those related to energy, water, effluent and waste management, as well as materials and resource conservation. The EWC serves as a central platform to facilitate discussion and collaboration among Keppel's platforms and divisions on environmental management issues. It monitors and reviews energy, water and waste data<sup>3</sup>, to determine areas of significant use and generation, so as to identify areas for improvement. It also tracks the progress made, alongside

planned projects, that will help to drive energy and water efficiency as well as waste minimisation.

The EWC comprises representatives from Keppel's platforms and divisions, many of whom are certified energy managers. It meets at least four times a year, and reports regularly on the progress in various areas of environmental management to the Sustainability Working Committee, and to the Management Executive Committee where necessary, in line with Keppel's Sustainability Management structure.

Keppel complies with environmental regulations wherever it operates. As at end-2023, 78% of our workforce adhere to the ISO 14001 Environmental Management Systems standard, which guides how we identify, manage, monitor and control environmental issues. External and internal environmental audits are conducted annually as part of the ISO 14001 assessment framework.

The data centres that Keppel's Data Centres and Networks Division operates in Singapore are certified under the SS 564 Singapore Standard for Green Data Centres, the ISO 50001 Energy Management Systems and the ISO 46001 Water Efficiency Management Systems standard. Keppel's Infrastructure Division is also



To tap the growing demand for renewable energy, Keppel, together with Keppel Infrastructure Trust (KIT), jointly acquired a 16.3% stake in Fäbodliden II, a 17 MW Swedish onshore wind farm. The acquisition follows an earlier joint investment made by Keppel and KIT alongside partners, for a 49% share of an initial portfolio of onshore wind energy assets (pictured) across Norway and Sweden sponsored by Fred. Olsen Renewables AS (FORAS).



Keppel is implementing Sustainable Urban Renewal (SUR) solutions across projects in Asia Pacific, to enhance the efficiency, sustainability performance and valuation of its real estate assets under management. (In picture: The Bank of Korea's Sogong Annex Facility in Seoul, which is undergoing SUR asset enhancements.)



ISO 50001 certified. The ISO 50001 standard helps organisations reduce energy consumption, minimise carbon footprint and reduce costs by promoting sustainable energy usage. External and internal energy audits are conducted annually as part of the ISO 50001 assessment framework to identify opportunities for improving energy performance.

Keppel's Real Estate Division has set the benchmark for all its new Singapore developments and overseas commercial projects to be certified to the Building and Construction Authority (BCA) Green Mark Gold<sup>PLUS</sup> standard, or its equivalent, and for all new overseas residential developments to be certified to the BCA Green Mark Gold Standard, or its equivalent. All newly acquired commercial buildings (completed) are also required to be certified to the BCA Green Mark Gold standard, or its equivalent, within two years<sup>4</sup>.

To ensure that projects fulfil stringent green building rating standards,

Keppel's Real Estate Division invests up to an additional 4% green premium in construction cost.

As at end-2023, Keppel has invested over \$194 million cumulatively since 2006 on green building expenditure, and currently has a total of 98 BCA Green Mark-certified or its equivalent properties in Singapore and overseas.

In 2023, Keppel received a score of B for the Carbon Disclosure Project (CDP) Climate Change assessment. CDP is a non-profit organisation that runs a global disclosure system which helps companies and cities manage their environmental impacts.

### CLIMATE TRANSITION PLAN

GRI 3-3

We are committed to doing our part to combat climate change. We have defined the kinds of pollutive sectors we will not go into, such as coal-fired plants; the businesses we will maintain; and those which we will focus more on,

such as renewables, clean energy and decarbonisation solutions.

To scale up quickly to capture opportunities arising from the global energy transition, we may also seek opportunities to acquire assets and stakes in established operating platforms. We are also looking at developing solutions for Carbon Capture, Utilisation and Storage, as well as new energy vectors, such as green ammonia and hydrogen.

We engage non-government organisations and think tanks to support climate initiatives aligned to the Paris Agreement, including the UN Global Compact, Global Compact Network Singapore, GRI Singapore and the Singapore Low Carbon Network.

As a participant of the UN Global Compact, we are committed to upholding its principles, including taking a precautionary approach to environmental challenges, promoting greater environmental responsibility,

<sup>1</sup> These are namely Keppel Asia Infrastructure Fund, Keppel Education Asset Fund, Alpha Data Centre Fund, Alpha Asia Macro Trends Funds III, Keppel Asia Macro Trends IV, Keppel Data Centre Fund II, and Keppel-MMP Indonesia Logistics Fund. Keppel Vietnam Fund is not included, as its assets are still under development.  
<sup>2</sup> Scope 3 Category 15 (Investments) entities comprise Antina, Cleantech Solar Asia, ClubMed Bintan, Dyna-Mac, Eco Management Korea, EM Services, Floatel, Guangzhou Baiyun Facility Management & Operation, Keppel MET Renewables, MET Holding, Pierfront Capital Fund Management (which is included in Keppel's Scope 1 and 2 as Keppel Credit Fund Management from October 2023 onwards), Podium Complex, Ria Bintan, Smartworks, Watermark Retirement Communities, Zerowaste, 800 Super, and our Infrastructure Division's joint ventures in Tianjin Eco-City. Assets under construction, such as Keppel Sakra Cogen and Prathumwan Smart District Cooling, are excluded. For certain private companies such as AssetCo and Nautilus Data Technologies, data was unavailable at the time of preparation of this Sustainability Report.  
<sup>3</sup> This includes data on energy use/consumption and efficiency; water use and quantity; as well as the amount and type of waste generated in the Company's operations.  
<sup>4</sup> The Real Estate Division's environmental targets apply to all projects where it has a majority stake and/or operational control.



Keppel integrates its capabilities in district heating and cooling, solar energy and electric vehicle charging to offer Energy-as-a-Service, to help businesses decarbonise their operations.



Our Data Centres and Networks Division is driving the development of energy-efficient data centres such as the proposed DataPark+, a 1 GW nearshore sustainable data centre campus that is envisioned to be powered by hydrogen and solar energy, and can save nearly 21 billion litres of water annually through the use of seawater for cooling.

# Climate Action and Environmental Management

and encouraging the development and diffusion of environmentally-friendly technologies.

Further details on Keppel’s climate transition plan can be found on pages 28 to 30 of this report.

## CLIMATE CHANGE ADAPTATION AND MITIGATION

GRI 3-3 | 302-5

Keppel’s Operating Platform possesses deep capabilities in engineering, developing and operating assets. It delivers critical solutions and services across Infrastructure, Real Estate and Connectivity to address some of the

Environment-related Business Initiatives in 2023
Expanded our business in renewables, clean energy and environmental solutions, and secured \$1.6 billion of Energy-as-a-Service contracts in 2023.
Pioneering utility-scale power interconnection in ASEAN, and expected to contribute 1.3 GW out of Singapore’s 4 GW low-carbon electricity importation target.
Broke ground for Keppel Sakra Cogen Plant, Singapore’s first hydrogen-ready power plant.
Grew our portfolio of renewable projects to 4 GW <sup>1</sup> as at end-2023, from 2.6 GW at end-2022.
Developed Real Estate-as-a-Service offerings, and implementing Sustainable Urban Renewal initiatives in eight projects across Asia Pacific.
Driving development of energy-efficient data centres with proposed 1 GW DataPark+ and Floating Data Centre Module.

world’s most pressing challenges in the face of climate change and rapid urbanisation and digitalisation. These offerings span power, renewables, clean energy, decarbonisation and sustainability solutions, green buildings as well as digital infrastructure.

Further details on Keppel’s business initiatives which contribute to climate change adaptation and mitigation can be found on pages 40 to 59 of Keppel’s Annual Report 2023.

## ENERGY

GRI 302-1 | 302-3 | 302-4 | 302-5

Keppel’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, while indirect energy includes electricity, heat and cooling purchased from external suppliers. Keppel’s primary energy sources are diesel, natural gas, petrol and liquefied petroleum gas.

### Improving Energy Efficiency

In 2023, Keppel consumed 20,101 gigajoules (GJ) of direct energy and 502,179 GJ of indirect energy including renewable energy, a marked reduction compared to 203,371 GJ of direct energy and 983,102 GJ of indirect energy in 2022. The reduction in indirect energy was due mainly to the divestment of Keppel Offshore & Marine (KOM), as well as energy efficiency measures implemented. Energy intensity for 2023 was 75 GJ/\$million revenue, a 40.5% improvement as compared to 2022.

Energy efficiency initiatives undertaken by Keppel resulted in savings of about \$1 million in 2023. These savings were achieved through the optimisation of operations

## Energy Optimisation Measures in 2023



Implementation of green features and energy efficient equipment across various Green Mark-accredited properties in China and Vietnam, resulting in an estimated 1.48 million kWh in energy savings annually during their operational phase.

Upgrading to high efficiency chiller system at i12 Katong shopping mall, that is estimated to reduce annual energy consumption by 940,000 kWh.

Upgrading to high efficiency chiller systems, conversion of water-cooled packaged units and retrofitting of AHUs at M1, which are estimated to reduce annual energy consumption by 2.27 million kWh.

Various upgrading works that were carried out at Saigon Centre in Ho Chi Minh City, Vietnam including AHU retrofitting and upgrading of cooling tower management systems, which are estimated to save up to 1 million kWh in energy usage annually.

and processes; technological improvements including the adoption of more sustainable building designs and materials; and the use of energy-efficient equipment and devices.

The total cost of energy efficiency measures amounted to about \$6.4 million in 2023. This included capital investment of about \$2.9 million in green building expenditure for five BCA Green Mark-certified properties, as well as \$3.5 million in operational energy-saving measures.

<sup>1</sup> On a gross basis and includes projects under development.  
<sup>2</sup> As at end-2023, Keppel has a total of 98 BCA Green Mark-awarded projects, comprising Keppel Real Estate Division’s 97 properties in Singapore and the region, and KI@Changi, Singapore’s the first Green Mark Platinum Positive Energy building under BCA’s new Green Mark scheme. The Real Estate Division’s projects include one Platinum Zero Energy, one Platinum Super Low Energy and 18 Platinum awards. Keppel is also the first company to attain two BCA Zero Energy/Green Mark Super Low Energy commercial buildings in Singapore.  
<sup>3</sup> The 1,126,285 GJ in energy savings comprise savings from the reduced usage of fossil fuels and reduction in electricity consumed. The amount of savings is the difference in consumption before and after the implementation of an energy efficiency project. The savings are converted to energy equivalent in GJ based on the corresponding energy conversion factors for fossil fuels published in the United Kingdom’s Department for Business, Energy & Industrial Strategy (BEIS) GHG Conversion Factors for Company Reporting, where 1 kWh = 0.0036 GJ and 1 tonne of diesel = 43.04 GJ. A significant proportion of the savings are achieved through cumulative green initiatives implemented at our Real Estate Division’s Green Mark-certified developments, including projects under development, when they are fully completed.  
<sup>4</sup> The electricity conversion factor used is based on BEIS GHG Conversion Factors for Company Reporting, where 1 kWh = 0.0036 GJ. The estimated monetary savings is calculated based on the average electricity tariff rates in 2023 published by SP Group, where 1 kWh = \$0.3046.  
<sup>5</sup> The electricity savings in carbon dioxide equivalent was estimated by multiplying the energy savings in kWh with the Electricity Grid Emission Factors for 2022 from Singapore’s Energy Market Authority (EMA), where 1 kWh = 0.4168 kg CO<sub>2</sub>.  
<sup>6</sup> As part of its role, the EWC reviews and monitors Keppel’s water use and water use quantities, including areas of significant water use through data collected from the platforms and divisions, to identify areas for improvements in water efficiency. Water quality at our buildings and plants is checked regularly in line with regulatory requirements.



Over the years, the energy saving initiatives, together with the cumulative green initiatives implemented at our Green Mark-certified developments<sup>2</sup>, are estimated to have resulted in 1,126,285 GJ<sup>3</sup> of energy savings which translate to estimated cost savings of about \$95 million<sup>4</sup> for the asset owners and operators, and avoidance of approximately 130,000 tCO<sub>2</sub>e in emissions<sup>5</sup>.

### Renewable Energy

In 2023, Keppel's renewable energy consumption was 115,916 GJ. This made up 23.1% of Keppel's electricity utilisation in 2023, a significant increase compared to 12.6% in 2022. Keppel strives to use renewable energy where possible to reduce its Scope 2 emissions and has set a target for 50% of its electricity use to be from renewable energy sources by 2025, with a view to achieving 100% by 2030.

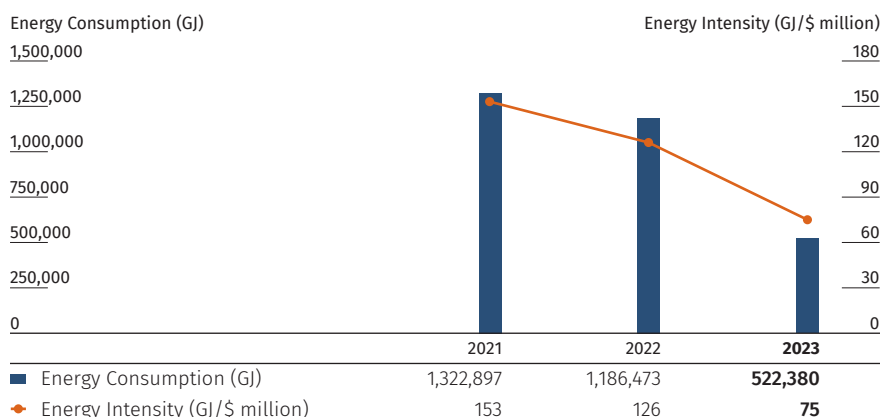
### WATER

GRI 303-1 | 303-3 | 303-4

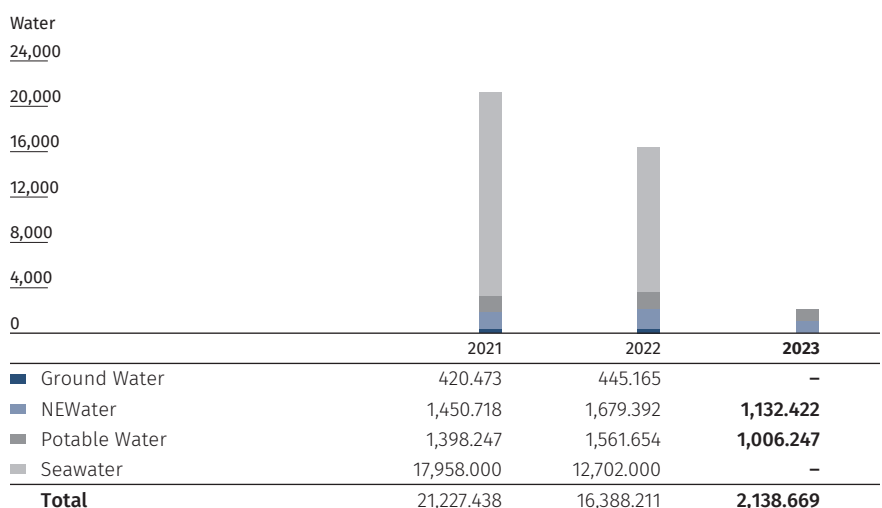
Effective and reliable supply of water is vital in the operation of our assets including power plants, district cooling plants, commercial buildings and data centres. Upstream processes such as construction require water for the processing of raw materials and cooling of processes. Downstream uses of water include drinking, cleaning and general purposes.

Water stress was identified as one of the key risks faced by Keppel's assets in the climate-related physical risk assessment that was conducted in 2021. Sites exposed to high water stress are mainly in China and Indonesia. We are monitoring steps taken at the governmental level to mitigate water stress in the respective countries or regions, and also strengthening water conservation efforts through initiatives such as promoting water-saving practices, adopting water-efficient technologies and equipment, as well as implementing process improvements. Keppel's investment in the development of water infrastructure such as the Keppel Marina East Desalination Plant (KMEDP), which commenced operations in 2020, also strengthens

### ENERGY CONSUMPTION AND INTENSITY



### WATER WITHDRAWAL ('000 m<sup>3</sup>)



Singapore's water supply resilience in the face of the effects of climate change on weather conditions.

We track the water usage at our premises via water meters to assess and identify opportunities for water efficiency improvements<sup>6</sup>. For our district cooling plants in Singapore, a water balance chart is used to improve understanding of our water usage to further reduce consumption and improve efficiency. In 2023, two of our district cooling plants initiated water recycling projects to recycle the cooling tower blowdown for non-potable usage. Expected to be completed in 2024, the project aims to increase water recycling and reduce water withdrawal by 35,000 to 37,000 cubic metres (m<sup>3</sup>) annually.

Water withdrawal by Keppel includes potable water (water from local catchment and imported water), NEWater (treated wastewater from sewage) and seawater. Keppel withdrew 2,138,669 m<sup>3</sup> of water in 2023, 87% lower year-on-year and 88% lower compared to our 2019 base year, due mainly to the divestment of KOM. This does not include 24,198,422 m<sup>3</sup> of water that was withdrawn and treated by KMEDP to provide potable water for public consumption. The total water discharged by Keppel in 2023 was 2,138,669 m<sup>3</sup>, all of which was discharged to third-party sources such as national sewerage systems.

In 2020, Keppel had set a target to reduce its weighted average water intensity by 20% by 2030, compared

## Climate Action and Environmental Management

to the 2019 baseline. Following the divestment of KOM which accounted for more than 50% of Keppel’s total water withdrawal in 2022, the Company’s water profile has changed significantly, rendering the earlier water intensity reduction target irrelevant. We have thus set a new water intensity reduction target, focusing on our Infrastructure and Real Estate Divisions which in 2023 made up 95% of Keppel’s total water withdrawal. The new target, which has been approved by the BSSC, is to reduce the water intensity of our Infrastructure and Real Estate Divisions by 5% by 2030, from the 2023 base year.

Beyond reducing water withdrawal, we also participate in industry initiatives on water risk management. Keppel, through its subsidiary, Keppel Seghers, is a member of the Singapore Water Association (SWA). SWA is a collaboration among private sector players to promote Singapore as a water technology hub. It provides a forum for collaboration among members on emerging business opportunities and new technologies, and also serves as an important link to the international water network.

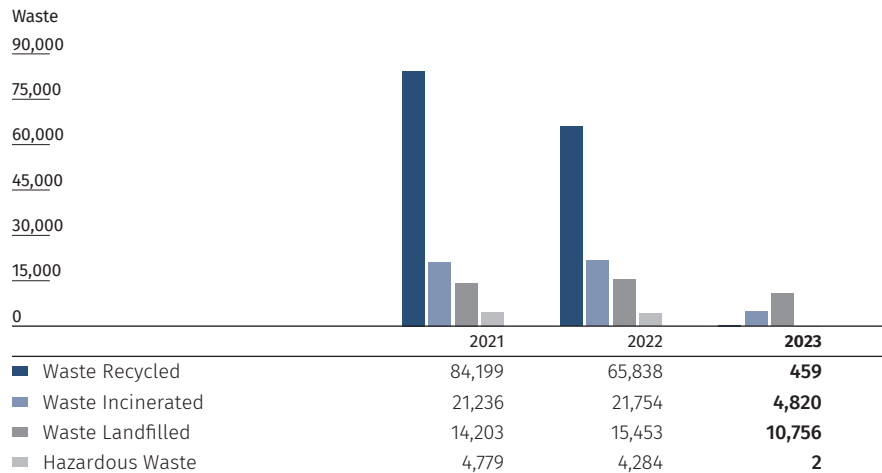
Keppel also contributes to enhancing access to clean water in its corporate social responsibility efforts. Keppel’s Living Well initiative has provided over 53,000 people in villages across Vietnam and India with access to clean drinking water from the launch of the programme in April 2022 up to the end of 2023. Further details can be found on page 84 of this report.

### EFFLUENTS

GRI 303-2 | 303-4

We are committed to manage, reduce and recycle effluents so as to minimise their discharge. We have a programme to manage all sources of trade effluents generated from our operations and activities.

### WASTE GENERATED (tonnes)



Effluents from our operations are monitored, treated and discharged into water courses or sewerage systems in accordance with the environmental discharge limits and effluent standards in the countries of operation. Any non-compliance is immediately addressed and rectified.

Keppel’s Infrastructure and Real Estate Divisions’ developments in Singapore utilise appropriate earth control measures to ensure that the discharged water contains a lower amount of total suspended solids than the legal allowable limit of 50 mg/litre. Where possible, such developments adopt Singapore’s national water agency PUB’s ‘Active, Beautiful, Clean Waters’ principles, which aim to reduce runoffs and improve the quality of waterbodies.

At Marina at Keppel Bay, the use of various mechanisms, such as a reticulated vacuum sewer pump-out system, ensures that sewage from vessels is not discharged into the water.

### WASTE

GRI 306-1 | 306-2 | 306-3 | 306-4 | 306-5

Keppel strives to use natural resources efficiently, implement sound waste management to minimise waste

generation, increase opportunities for reusing and recycling, as well as treat and dispose waste responsibly where other options are not practicable. We are also committed to reducing hazardous waste. Hazardous waste generated is handled, stored and disposed in a manner that adheres to best practices and meets local regulatory requirements.

In 2023, a total of 16,037 tonnes of waste was generated, a 78% reduction from 74,147 tonnes generated in the base year of 2019. The reduction was mainly due to the divestment of KOM.

In 2020, Keppel had set a target to reduce its weighted average waste intensity by 10% by 2030, compared to the 2019 baseline. Following the divestment of KOM which previously accounted for more than 90% of Keppel’s total waste in 2022, Keppel’s waste profile has changed significantly, rendering the earlier waste intensity reduction target irrelevant. Our Real Estate Division’s retail assets now account for 90% of Keppel’s waste. As such, we have set a waste intensity<sup>1</sup> reduction target of 10% by 2030 from the 2023 base

<sup>1</sup> Waste Intensity is defined as waste tonnage per Gross Floor Area (GFA), excluding recycled waste and waste diverted from landfill/incineration.  
<sup>2</sup> The GHG conversion factors for direct (Scope 1) emissions, as well as Global Warming Potential Values used are based on BEIS GHG Conversion Factors for Company Reporting. The GHG conversion factors for indirect (Scope 2) emissions are based on the Electricity Grid Emission Factors for 2022 from EMA, supplemented by CH<sub>4</sub> and N<sub>2</sub>O factors from International Energy Agency (IEA). For other overseas regions, 2021 grid emission factors from the IEA were used.  
<sup>3</sup> Emissions data from KOM was excluded for the full year, as it had been divested in February 2023. If KOM’s emissions were included until February 2023, Keppel’s total Scope 1 and 2 emissions would be 64,931 tCO<sub>2</sub>e, or a 62.3% absolute reduction from our 2020 baseline.  
<sup>4</sup> Emissions data from Keppel Prince Engineering only includes Scope 2 emissions, as Scope 1 emissions data was not available at the time of preparation of this Sustainability Report.

year, for Real Estate Division's retail assets. We plan to achieve this by reducing waste generation at source, promoting recycling, and increasing the diversion of waste from incineration and landfills through measures such as food waste digestion. For example, Keppel implemented a food waste digester at i12 Katong in Singapore in 2023 to encourage tenants to segregate their food waste. We plan to progressively adopt such technologies in our overseas retail malls.

To divert waste away from landfill, our Real Estate Division has also committed to recycle at least 75% of the construction/demolition waste generated on site, for its development projects in Singapore and overseas, where possible.

In 2023, Keppel recycled 459 tonnes of refuse. Waste recycled includes paper, cardboard and plastic shrink wraps. The marked 99% decrease from the 65,838 tonnes of waste recycled in 2022 was due to the divestment of KOM.

M1 has introduced new True 5G Eco SIM card holders which are half in size, thereby reducing plastic use for SIM card holders by 50%. It is also progressively replacing SIM cards that are made from Polyvinyl Chloride (PVC) with those made from recycled materials. In addition, M1 provides 5G eSIM in Singapore, allowing users to activate a mobile plan without using a physical SIM card. M1 also ensures the proper disposal of e-waste generated from its operations. Items such as laptops, monitors, cables and other telecommunications equipment are collected and processed by accredited e-waste collectors.

In 2023, Keppel's total hazardous waste fell more than 99.9% to 2 tonnes compared to 4,284 tonnes in the preceding year, following the divestment of KOM. Hazardous waste

in 2023 comprised mainly grease and waste oil generated from our district cooling operations, and by-products from our desalination operations. All hazardous waste were disposed by licensed toxic waste collectors.

In land-scarce Singapore, refuse is incinerated at WTE plants to reduce the volume of waste and to remove harmful substances before disposal at the landfill. Heat from the incineration of waste is recovered to produce electricity. Incineration is preferable to landfilling, as the direct burial of waste produces significant amounts of methane, a GHG. WTE plants therefore contribute considerably to avoided emissions that might otherwise have occurred from direct landfilling.

### CARBON EMISSIONS

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

#### Carbon Emissions Reduction<sup>2</sup>

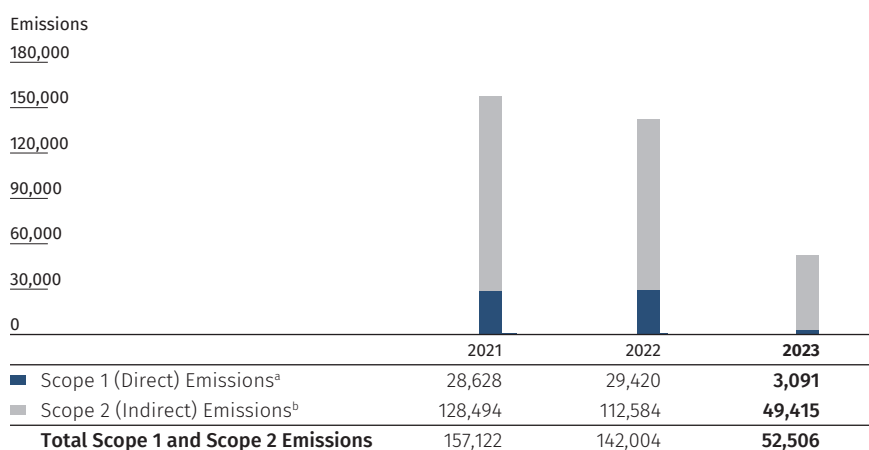
In 2014, Keppel set a target to achieve a 16% improvement in carbon emissions intensity from 2020 business-as-usual levels, in line with national targets which the Singapore Government had announced in 2009. This target was achieved and surpassed by 2020.

In support of the Paris Agreement, Singapore announced in 2015 its intended nationally determined contribution of reducing GHG emissions intensity by 36% from 2005 levels by 2030. In line with the government's commitment, Keppel set a long-term target of a 28.8% reduction in carbon emissions intensity from 2010 levels by 2030 for our global operations. This target was also met and surpassed by end-2021.

In view of the progress achieved in reducing emissions intensity, Keppel announced its absolute carbon emissions reduction targets in October 2021, with the commitment to halve its Scope 1 and Scope 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero Scope 1 and Scope 2 emissions by 2050. The target is in line with the Paris Agreement's goal to limit global temperature increase to 1.5°C compared to pre-industrial levels.

In 2023, Keppel achieved an absolute reduction of 69.5%<sup>3</sup> in Scope 1 and Scope 2 emissions<sup>4</sup> from the 2020 baseline of 172,282 tCO<sub>2</sub>e to 52,506 tCO<sub>2</sub>e. Total direct (Scope 1)

#### SCOPE 1 AND SCOPE 2 CARBON EMISSIONS (tCO<sub>2</sub>e)

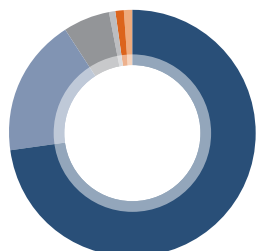


<sup>a</sup> Mainly from fuels and refrigerants.

<sup>b</sup> Use of purchased electricity, heating and cooling.

## Climate Action and Environmental Management

## SCOPE 3 EMISSIONS



Scope 3 Categories Relevant to Keppel	2023 Emissions (tCO <sub>2</sub> e)
Purchased goods and services	1,102,908
Capital goods	5,098
Fuel- and energy-related activities	73,797
Upstream transportation and distribution	26,271
Waste generated from operations	10,759
Business travel	5,169
Employee commute	3,502
Upstream leased assets	1,014
Use of sold products	4,369,877
End-of-life treatment of sold products	9,360
Downstream leased assets	59,344
Investments	348,882
<b>Total</b>	<b>6,015,981</b>

emissions from the use of fuels and refrigerants across Keppel was 3,091 tCO<sub>2</sub>e, registering a 93% decrease from 42,476 tCO<sub>2</sub>e in 2020. Indirect (Scope 2) emissions from electricity use, purchased heating and cooling was 49,415 tCO<sub>2</sub>e in 2023<sup>1</sup>, a 62% reduction compared to 129,806 tCO<sub>2</sub>e in 2020. Given the good progress achieved, we are confident of getting to our net zero Scope 1 and 2 emissions target well ahead of 2050.

Keppel tracks and reports on all relevant categories of Scope 3 emissions. Keppel's Scope 3 emissions amounted to 6,015,981 tCO<sub>2</sub>e in 2023, slightly lower year-on-year. 73% of Keppel's Scope 3 emissions currently arises from Category 11 (Use of Sold Products). This is due mainly to the sale of natural gas by Keppel, including to the Keppel Merlimau Cogen Plant (KMC), which is 51% owned by Keppel Infrastructure Trust (KIT)<sup>2</sup>. Natural gas currently forms around 95% of the fuel mix needed for power generation in Singapore. As Singapore's power grid decarbonises, we expect these Scope 3 Category 11 emissions to reduce accordingly. In the meantime, Keppel is contributing to decarbonising the grid through initiatives such as renewable energy importation and the development

of Singapore's first hydrogen-ready power plant.

Apart from Category 11, emissions from Category 1 (Purchased Goods and Services) and Category 15 (Investments) accounted for about 18% and about 6% of Keppel's total Scope 3 emissions respectively. The other Scope 3 categories make up the remaining 3% of Keppel's total Scope 3 emissions. We will continue to work with our supply chain and portfolio of investments to improve energy efficiency and reduce emissions wherever possible.

Where possible, Keppel's operating divisions have set Scope 3 reduction targets in line with their respective sectoral contexts and unique capabilities. Keppel's Real Estate Division and M1 have announced Scope 3 targets that were validated by the Science-Based Target Initiative (SBTi). The Real Estate Division has committed to reduce its Scope 3 emissions from purchased goods and services by 20% per square metre by 2030 from a 2020 base year, while M1 has adopted the Information and Communication Technology sector guidance and committed to reduce its Scope 3 emissions from purchased goods and services, capital goods

and upstream leased assets by 42% by 2030 from a 2020 base year.

All the listed REITs and business trust managed by Keppel have set carbon emission reduction targets and are actively monitoring their progress towards them. The private funds that Keppel manages are progressively tracking the Scope 1 and 2 carbon emissions of their assets. Keppel will also explore setting targets for new private funds which are aligned with net zero by 2050. These measures will contribute towards reducing Keppel's Category 15 (Investments) emissions.

Since end-2018, Keppel's corporate office at Keppel Bay Tower has been fully powered by renewable energy. In addition, Keppel also acquired carbon credits<sup>3</sup> to offset its Scope 3 emissions from business travel and employee commuting totalling 647 tCO<sub>2</sub>e, thus allowing our corporate office to achieve carbon neutrality for the year.

**Non-GHG Air Emissions**

GRI 305-7

Non-GHG air emissions including NO<sub>x</sub>, SO<sub>x</sub> and particulate matter are generated mainly by Keppel's energy and environmental assets which are held under KIT<sup>4</sup>.

<sup>1</sup> In accordance with the GHG Protocol of reporting Scope 2 emissions using market- and location-based approaches, the figure reported here uses a market-based method, and includes the reduction in emissions from the purchase of Renewable Energy Certificates (RECs).

<sup>2</sup> 100% of the gas sold by Keppel Gas, a subsidiary of Keppel's Infrastructure Division, to KMC for power generation is reported under Keppel's Scope 3, Category 11 (Use of Sold Products). KIT, which is a separately listed business trust managed by Keppel, accounts for the emissions arising from KMC's power generation under KIT's Scope 1 using an equity approach, based on KIT's 51% stake in KMC. Keppel does not separately disclose the emissions arising from its 49% stake in KMC under Keppel's Scope 3 Category 15 (Investments), in order to avoid double-counting, since these emissions have already been covered under Category 11, as aforementioned.

<sup>3</sup> The purchased carbon credits support a renewable hydropower project in Sumatra, Indonesia.

<sup>4</sup> Details of KIT's non-GHG air emissions including NO<sub>x</sub>, SO<sub>x</sub> and particulate matter are reported in KIT's Annual Report 2023, which is available at [www.keppelinfrastructure.com](http://www.keppelinfrastructure.com)



## ENVIRONMENTAL DATA

GRI 2-4

	2021	2022	2023
<b>GLOBAL OPERATIONS</b>			
<b>Energy</b>			
GRI 302-1			
Total energy consumption	1,322,897	1,186,473	522,280
Direct energy consumption (GJ)	203,543	203,371	20,101
Indirect energy consumption (GJ)	1,119,354	983,102	502,179
– Non-renewable	1,015,632	858,849	386,263
– Renewable	103,722	124,253	115,916
<b>Carbon Emissions</b>			
GRI 302-2   305-1   305-2   305-3   305-5			
Total Scope 1 and Scope 2 GHG emissions <sup>a</sup>	157,122	142,004	52,506
Direct (Scope 1) GHG emissions (tCO <sub>2</sub> e)	28,628	29,420	3,091
Indirect (Scope 2) GHG emissions <sup>b</sup> (tCO <sub>2</sub> e)	128,494	112,584	49,415
Other indirect (Scope 3) emissions (tCO <sub>2</sub> e)	2,941,163	6,111,610	6,015,981
<b>Water</b>			
GRI 303-3   303-5			
Total water withdrawal <sup>c</sup>	21,227,438	16,388,211	2,138,669
Water withdrawal from third-party water			
– Potable water (m <sup>3</sup> )	1,398,247	1,561,654	1,006,247
– NEWater (m <sup>3</sup> )	1,450,718	1,679,392	1,132,422
Water withdrawal from ground water <sup>d</sup> (m <sup>3</sup> )	420,473	445,165	–
Water withdrawal from seawater <sup>d,e</sup> (m <sup>3</sup> )	17,958,000	12,702,000	–
Total water withdrawal from all areas with water stress <sup>f</sup> (m <sup>3</sup> )	20,168,600	16,099,103	236,091
Recycled water used <sup>g</sup> (m <sup>3</sup> )	64	205	–
<b>Effluents</b>			
GRI 303-2   303-4			
Total water discharge <sup>c</sup>	21,227,438	16,388,211	2,138,669
To third-party water (m <sup>3</sup> )	3,269,438	3,686,211	2,138,669
To seawater (m <sup>3</sup> )	17,958,000	12,702,000	–
Total water discharge to all areas with water stress <sup>f</sup> (m <sup>3</sup> )	20,168,600	16,099,103	236,091
<b>Waste</b>			
GRI 306-1   306-2   306-3   306-4   306-5			
Total waste generated	124,317	107,329	16,037
Total waste recycled (tonnes)	84,199	65,838	459
Total waste disposed	35,339	37,207	15,576
– Incinerated (tonnes)	21,236	21,754	4,820
– Landfilled (tonnes)	14,203	15,453	10,756
Hazardous waste directed to disposal			
– Third-party disposal (tonnes)	4,779	4,284	2

<sup>a</sup> For entities that were divested during the year, unless otherwise specified, we take into account the emissions up to the point of divestment where possible.

<sup>b</sup> In accordance with GHG Protocol, Scope 2 emissions can be calculated using market-based and location-based methods. In 2023, our Scope 2 emissions was 49,415 tCO<sub>2</sub>e using the market-based method, and includes the reduction in emissions from the purchase of RECs. Using the location-based method, our Scope 2 emissions was 65,831 tCO<sub>2</sub>e.

<sup>c</sup> Total amount of water withdrawn is estimated to be the same as total amount of water discharged into third-party water (eg. national sewerage systems).

<sup>d</sup> There is no withdrawal from ground water and seawater in 2023, following the divestment of KOM.

<sup>e</sup> Figures exclude water withdrawn from seawater for treatment at Keppel Marina East Desalination Plant, which started operations in June 2020, to produce potable water for public consumption.

<sup>f</sup> Areas of water stress across the Company's areas of operations were measured based on the World Resources Institute's Aqueduct tool. This includes assets located in China and Indonesia.

<sup>g</sup> There is no significant use of recycled water. This excludes the use of NEWater.

## Climate Action and Environmental Management

### Avoided Emissions

Keppel provides diverse solutions that contribute to decarbonisation and help our customers and communities drive down or avoid carbon emissions. In 2023, the WTE plant that we operate in Qatar, the upgrade of the KMC Plant, our district cooling systems in Singapore, Green Mark-certified projects and green data centres resulted in about 1.07 million tCO<sub>2</sub>e in net avoided emissions<sup>1</sup>.

Keppel's WTE technology has been deployed in many landmark waste management projects around the world. Keppel's Infrastructure Division operates the Senoko WTE plant and the Keppel Seghers Tuas WTE plant in Singapore<sup>2</sup>.

Keppel also designed, built and operates the Domestic Solid Waste Management Center (DSWMC) in Qatar. The DSWMC treated 696,000 tonnes of waste in 2023, of which 481,000 tonnes of refuse-derived fuel was incinerated, emitting approximately 294,000 tCO<sub>2</sub>e from the treated flue gas as part of the energy recovery process. In contrast, if this amount of waste treated by the DSWMC had been landfilled directly, it could have resulted in total landfill emissions<sup>3</sup> from methane of 1,011,000 tCO<sub>2</sub>e. In addition, the facility generated 244,000 MWh of electricity, which translates into an avoidance of 99,000 tCO<sub>2</sub>e emissions which would otherwise have arisen from power plants running on fossil fuels. Combining the avoided emissions from landfill and electricity production, the net impact in terms of avoided emissions is 816,000 tCO<sub>2</sub>e per annum.

WTE technology can hence make a significant contribution to decarbonisation efforts through the avoided emissions that could have arisen from direct landfills. This is especially relevant in jurisdictions such as Qatar, where direct landfilling is one of the means of managing waste.

Keppel is a strong operator with a track record for engineering, developing and operating specialised assets, including KMC, a 1,300 MW Combined Cycle Gas Turbine power plant in Singapore. In 2022, the internal components of KMC's gas turbine were upgraded with new cooling technologies and advanced materials to improve its Combined Cycle Power Plant efficiency and performance. The upgrade enables the gas turbine to operate at higher firing temperatures, enabling the Combined Cycle Power Plant to deliver more power with the same amount of fuel. This upgrade is the first in Southeast Asia and is estimated to contribute up to 8,000 tCO<sub>2</sub>e of avoided emissions in 2023, compared to the emissions prior to the upgrade.

Another contributor to avoided emissions is Keppel's district cooling business. Keppel is the largest DCS developer and service provider in Singapore. In 2023, Keppel DCS' operations in Singapore contributed 3,000 tCO<sub>2</sub>e in avoided emissions compared with standalone retail cooling systems.

At Keppel's Real Estate Division, the total energy savings that can be achieved from all its BCA Green Mark (or its equivalent)-awarded projects, including completed projects and those currently under development, is over 308 million kWh per annum, compared to code-compliant buildings. This is equivalent to the amount of energy required to power about 62,000 homes<sup>4</sup> in Singapore for a year. This translates to annual cost savings of almost \$94 million for the buildings' owners<sup>5</sup> and users, and an avoidance of over 128,000 tCO<sub>2</sub>e in carbon emissions.

At our Data Centre and Networks Division, we proactively manage our environmental impact which enables us to improve resource

efficiency, reduce costs and support the global climate change agenda. The total energy savings that can be achieved from four BCA Green Mark Platinum-awarded data centre projects in Singapore is over 272 million kWh per annum, compared to the BCA Green Mark Certified Level. This translates to annual cost savings of almost \$82.8 million in energy costs, and an avoidance of over 114,000 tCO<sub>2</sub>e in carbon emissions.

In 2023, Keppel engaged Carbon Trust, a global climate consultancy, to estimate the avoided emissions in 2022 arising from the operations of Keppel's WTE and DCS facilities in Singapore and Qatar using the Avoided Emissions Framework developed by Carbon Trust. Taking reference from Carbon Trust's estimation and guidance, we have further refined our baselines and assumptions to provide even more precise estimates of the avoided emissions arising from Keppel's solutions.

### MATERIALS

Raw materials such as steel, sand, wood, cement and glass are used mainly by Keppel's Real Estate Division in its operations. We have put in place a target to increase the amount of green materials<sup>6</sup> used to 50% by 2030, and to use green concrete and steel certified with at least the Singapore Green Building Council's 4-ticks rating, or its equivalent, by 2030.

Our Real Estate Division is also implementing Sustainable Urban Renewal initiatives and shifting its focus from traditional property development to rejuvenating existing buildings through asset retrofit and incorporating new technologies and smart solutions to make them more relevant and efficient. Its pivot to sustainable urban renewal will contribute to circularity and reducing embodied carbon from business activities.

<sup>1</sup> The concept of avoided emissions is that a solution (product or service) enables the same function to be performed with significantly less GHG emissions.

<sup>2</sup> In Singapore, waste is legally required to be incinerated. Hence, Keppel is not reporting on the avoided emissions that could have arisen from direct landfill.

<sup>3</sup> Based on methodology from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

<sup>4</sup> Based on the average energy consumption of a five-room Housing and Development Board flat, which is 409 kWh/month. Source: SP Services.

<sup>5</sup> These include real estate projects developed by Keppel which have been completed and handed over to homeowners, or divested to third parties.

<sup>6</sup> Green materials include green-labelled materials/products that are certified by recognised environmental organisations such as the Singapore Green Building Council (SGBC), the Singapore Environment Council (SEC) and the Forest Stewardship Council (FSC), which are low in emissions or have recycled content.

<sup>7</sup> A significant fine refers to a monetary sanction above US\$10,000 that was paid during the financial year.

<sup>8</sup> As at end-2023, Keppel's Real Estate Division has a total of 97 BCA Green Mark awards across its properties in Singapore and overseas, compared to 92 in 2022.



Keppel's proven WTE technology enables effective solid waste management and energy recovery, and also helps cities avoid methane emissions which might arise if the waste was sent directly to landfills. (In picture: The Domestic Solid Waste Management Center designed, built and operated by Keppel in Qatar.)



The upgrade of the Keppel Merlimau Cogen is estimated to contribute up to 8,000 tCO<sub>2</sub>e of avoided emissions in 2023, compared to the emissions prior to the upgrade.

## COMPLIANCE

GRI 2-27

Keppel complies with environmental regulations wherever it operates. There were no significant fines<sup>7</sup> for non-compliance with environmental laws and regulations imposed on Keppel by the Singapore or overseas authorities in 2023.

## TRAINING

Keppel provides regular training for directors and employees on sustainability issues. As at end-2023, all Directors on Keppel's Board have attended sustainability training courses mandated by the Singapore Exchange.

Other training provided for employees include understanding the impact of our business activities on the environment and how they can contribute to providing solutions that help to advance sustainable development and climate action, as well as the latest developments on sustainability reporting.

With investors and global stakeholders placing a premium on strong ESG performance, there has been an increased emphasis on ESG-related training for employees at Keppel's fund managers for private funds and listed entities. Training is provided through internal platforms such as the annual Keppel Learning Festival as well as tapping external resources such as the UN Global Compact Academy to expand ESG-related training opportunities.

Keppel's Real Estate Division is also strengthening green capabilities among employees through courses on sustainability and green building technology. As at end-2023, about 36% of project and property managers in Keppel's Real Estate Division in Singapore have been trained and equipped with green certifications including the Green Mark Accredited Professionals, Green Mark Accredited Professionals (Facilities Management) and Green Mark Advanced Accredited

Professionals, or have undergone the Singapore Certified Energy Manager programme. This ensures that Keppel's project and property managers have the relevant expertise in sustainable design processes, and can promote integrated designs and enhance the environmental performance of its buildings<sup>8</sup>.

During the year, our Infrastructure Division also provided energy efficiency and energy management system training to raise awareness on energy consumption and its reduction.

In addition, carbon management workshops were conducted for Keppel's suppliers. Topics covered include Keppel's Environmental Sustainability Policy and Code of Conduct for Suppliers, carbon measurement and decarbonisation strategies, including the use of digital tools that can help with carbon footprint management.

## Spotlight

## NATURE AND BIODIVERSITY

There is growing recognition of the importance of understanding nature and biodiversity-related risks and their potential impacts on businesses and communities.

At the United Nations Biodiversity Conference in December 2022, 196 countries agreed to the Kunming-Montreal Global Biodiversity Framework to halt and reverse nature loss by 2030. In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations which provide a framework to help companies identify, assess, manage, and where appropriate, disclose their nature-related risks and opportunities.

Keppel operates mainly in urban areas and most of our activities and assets have limited direct impact on nature. Nevertheless, Keppel has identified nature and biodiversity-related risks as emerging risks to be monitored and managed. Continued deterioration of nature and biodiversity loss can potentially have longer term impacts on the communities that Keppel operates in, and on Keppel's supply chains. In addition, nature-related disclosures may increasingly be included in regulatory requirements, while stakeholders, including investors and customers, may also pay growing attention to how Keppel is managing its nature-related risks and opportunities.

Keppel's Environmental Sustainability Policy includes our commitment to practise good stewardship of the natural environment by protecting biodiversity and avoiding deforestation. We avoid disruption to sites containing critical biodiversity by applying the necessary mitigating measures when operating in or near such areas. We avoid deforestation as far as possible and, where unavoidable, will replant trees to achieve net-zero deforestation.

### Incorporating TNFD's Recommendations

Keppel has been monitoring and disclosing our carbon emissions, wastewater discharge, water withdrawal and waste generation, which are included in TNFD's core global metrics.

We will further study the recommendations of TNFD, including assessing their applicability to Keppel's business and how they can be implemented in an appropriate manner. We will also continue to monitor emerging regulatory requirements and international best practices regarding nature and biodiversity, and further refine Keppel's policies accordingly.

### Assessing Environmental Impact

Keppel conducts location-specific Environmental Impact Assessments (EIA) for major development projects to determine and mitigate the potential impact of any new development on the environment.

EIA is a requirement for Keppel's infrastructure projects, and they are implemented based on local environmental regulations in the different territories where we operate. In 2023, an assessment of the potential environmental impacts associated with the construction and installation of the Keppel Sakra Cogen Plant was conducted. The plant is located in the Sakra sector of Jurong Island in an area zoned for industrial activity. The EIA was published in August 2023, and views and feedback were sought from the public. The EIA report as well as Keppel's response to the feedback received can be found at Keppel's website.

Keppel, together with other partners, is also developing the Bifrost Subsea Cable system, a multiple fibre paired, high-capacity submarine cable system that connects Singapore directly to the west coast of North America. Environmental impact as well as environmental and social due diligence assessments were conducted for each landing and for the subsea cable route to evaluate the project's performance against the respective jurisdictions' regulatory requirements, and action plans were developed to address any gaps identified. These include mitigation measures and development of processes to reduce any impacts on nature and biodiversity such as the use of horizontal directional drilling and redirecting cables to alternate routes to avoid impacts to sensitive areas.

Keppel's Real Estate Division conducts EIA for all new developments in Singapore and overseas with site areas greater than 10,000 square metres (sm). In addition, for all project sites covered under the division's environmental management system, contractors are required to conduct EIA, covering potential negative environmental impacts such as biodiversity disturbance, regardless of the size of the site, prior to construction. Appropriate measures will be implemented to prevent and/or mitigate significant environmental impacts that have been identified. For sites that are larger than 10,000 sm and with significant fauna/flora, both EIA and Biodiversity Impact assessments will be conducted.



This focus on environmental protection is reflected in many of Keppel's projects. For instance, Marina at Keppel Bay in Singapore was designed and constructed such that seawater can flow through the entire marina during the change of tides, thereby bringing nutrients and plankton that are essential for marine life and coral growth into the marina. Corals were also cultivated and transplanted to the area to enrich its marine biodiversity. To protect this natural ecology, vessels berthed at the marina are provided with pump-out facilities so that sewage from the vessels is not discharged into the waters. Boat owners are also encouraged to use biodegradable washing liquids when cleaning their vessels.

### **Sustainable Urban Renewal**

One of the growth areas that Keppel is focusing on is Sustainable Urban Renewal (SUR), which involves retrofitting and repurposing existing older buildings. Compared to new construction, SUR reduces the impact on the environment, is more cost effective, and contributes to the circular economy. SUR is less invasive to nature and biodiversity, and avoids additional embodied carbon emissions that might have otherwise arisen from the use of new construction materials such as concrete and steel. Keppel also introduces green features such as green walls, roof gardens, and plants as part of its sustainability and asset enhancement initiatives. We are also committed to recycling at least 75% of the construction/renovation waste arising from such SUR projects, as part of our efforts to contribute to a circular economy.

Separately, Keppel has launched the Sustainable Urban Renewal Fund (KSURF) to capture opportunities in this area. KSURF has a "brown-to-green" strategy which aims to decarbonise and enhance older commercial buildings and turn them into sustainable, future-proofed real estate, thus extending the lives of existing buildings, reducing resource use



Marina at Keppel Bay was designed to accommodate the natural flow of water in the area, allowing both marine and coral life to flourish.

and impacts on nature, and contributing to global sustainable development efforts.

### **Environmental Conservation and Outreach Programmes**

Keppel also supports various environmental conservation and outreach programmes. Initiatives undertaken in recent years include collaborating with the National Parks Board (NParks) and the Garden City Fund to restore a freshwater wetland habitat at Singapore Botanic Gardens; supporting the planting of 10,000 trees over five years (2021-2025) in Singapore's parks and nature reserves as part of NParks' OneMillionTrees Movement to help improve Singapore's urban environment and enhance its national resilience against climate change; and supporting the development of the Keppel Coastal Trail at Labrador Nature Reserve.

The Keppel Coastal Trail aims to safeguard core habitats and critically endangered native species in the nature reserve, as well as raise public awareness of the role of coastal forests in mitigating the impact of climate change and rising sea levels.

Keppel also supports various other nature and biodiversity-related programmes including the Singapore Botanic Gardens Seed Bank, a research and education facility that focuses on conserving plant species by preserving the seeds and germplasm of plants in Southeast Asia. Keppel also supports the Singapore Environment Council's flagship School Green Awards programme, which encourages students to become responsible and innovative advocates of the environment.

# CORPORATE GOVERNANCE

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets

- Enhance board diversity in terms of skills, experience, gender and age.
- Enhance sustainability governance.



### 2023 Performance

- Appointed one new independent director with wealth of experience in alternative private fund investments, whose appointment serves to further accelerate Keppel's transformation to be a leading global alternative real asset manager with deep operating capabilities.
- Conducted sustainability training for directors and senior management.
- All directors have undergone Singapore Exchange (SGX)-mandated sustainability training.
- Set up Sustainability-Linked Financing Framework to further tap green/sustainable finance leveraging Keppel's ESG credentials.
- Ranked in 98th percentile in the Singapore Governance and Transparency Index 2023.



### 2024 Targets

- To consider and align the optimum size and skills matrix of the Board in light of Keppel's new business direction as a global asset manager and operator, with a focus on candidates with specialisations in asset management and infrastructure know-how, while being mindful of the various pertinent diversity factors such as gender, age, race/ethnicity and nationality.
- Enhance sustainability governance.



### Longer Term Targets

- Enhance board diversity in terms of skills, experience, gender, age, race/ethnicity and nationality.
- Enhance sustainability governance.



The long-term sustainability of Keppel’s business is underpinned by our core values, and driven at the highest level of the organisation through strong corporate governance and proactive engagement with stakeholders.

Good corporate governance starts with a company’s Board of Directors, who play a crucial role in ensuring transparency, accountability, optimal performance, and good processes and practices in the company.

Keppel’s Board is led by Chairman Mr Danny Teoh, who takes a leading role and works with the other directors and senior management to set the right ethical and behavioural tone in Keppel’s drive to achieve and maintain a high standard of corporate governance.

To assist the Board in the discharge of its oversight function, various board committees, namely the

Audit, Board Risk, Nominating, Remuneration, and Board Sustainability and Safety Committees, have been constituted with clear written terms of reference.

All the board committees are actively engaged and play an important role in ensuring good corporate governance within Keppel.

More details on Keppel’s corporate governance practices and adherence to the principles of the Code of Corporate Governance 2018 are available on pages 72 to 110 of Keppel’s Annual Report 2023.

**INDEPENDENT DIRECTORS**

75%

9 out of 12 Directors are Independent Directors.

**BOARD TENURE**

83%

Of the Directors have less than 9 years of tenure.

**FEMALE REPRESENTATION**

25%

Female directors on the Board.

# RISK MANAGEMENT AND REGULATORY COMPLIANCE

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets

- Continue to develop risk management and compliance frameworks to proactively mitigate and manage key risks, and avoid regulatory issues.
- Develop Keppel-wide key risk indicators for top risks to better quantify and assess risks.
- Strengthen risk and compliance culture through targeted training, communication and Keppel-wide initiatives.
- Develop Ethics and Compliance Culture Advancement programme for implementation across Keppel.
- Continue to implement ISO 37001 Anti-Bribery Management System across Keppel.
- Enhance climate change risk assessment and management.



### 2023 Performance

- Enhanced risk assessments to include macro-economic and topical risks.
- Refreshed risk profile where key risks and key risk indicators were reviewed and updated quarterly.
- Established Suspicious Transaction Reporting Framework to strengthen Anti-Money Laundering controls across Keppel.
- Enhanced annual e-training modules to include Anti-Money Laundering and Personal Data Protection.
- Implemented Compliance Culture programme.
- Passed annual ISO 37001 external surveillance audits/maintained ISO 37001 certification across all in-scope entities.
- Completed financial impact assessment of climate-related physical risks for key assets and commenced quantitative impact assessment of climate-related transition risks.



### 2024 Targets

- Optimise and enhance risk management and compliance frameworks by leveraging technology tools to be more pre-emptive and risk intelligent.
- Refresh Keppel-wide key risk indicators for top risks to better identify and mitigate risks.
- Review and enhance Keppel's Sanctions Compliance Framework processes.
- Develop Anti-Money Laundering and Counter-Terrorism Financing (AML-CTF) Policy to set baseline AML-CTF requirements and processes for Keppel's business.
- Elevate awareness of risk and compliance through targeted communications, awareness, training and Keppel-wide initiatives.
- Maintain ISO 37001 Anti-Bribery Management System certification across in-scope entities.
- Conduct quantitative scenario analysis of potential financial impact of climate-related transition risks.



### Longer Term Targets

- Implement technology and data analytics to support governance, risk and compliance processes.
- Continue sharpening our risk assessments and mitigation for climate-related physical risks, and keep abreast with policy and regulatory requirements arising from climate-related transition risks.





The tone for risk management and regulatory compliance is driven from the top and resonates with our employees at every level. We are vigilant and determined to build a disciplined and sustainable company.

Keppel adopts a balanced approach to risk management to optimise returns while considering their impact on corporate sustainability. Managing risks effectively is an integral part of the way in which Keppel develops and executes its business strategies. It is grounded in the belief that a balanced risk-reward methodology is the optimal approach. This applies to all aspects of Keppel's business, and particularly, its commitment to environmental, social and governance issues and Keppel's commitment to deliver long-term value to our stakeholders.

External and internal audits of the risk management process are conducted annually as part of the ISO 37001 assessment framework. Risk criteria is also incorporated in the investment risk assessment of all projects reviewed by the Investments and Major Projects Action Committee.

In 2023, we enhanced our risk assessments to include macro-economic and topical risks; tracked risks related to Keppel's transformation and enhanced measures to manage key transformation-related risks; established a Suspicious Transaction Reporting Framework to strengthen Anti-Money Laundering controls across Keppel; established Artificial Intelligence (AI) Governance and Data Governance frameworks to manage the rising risks associated with the use of AI within Keppel, and to promote standards on how data is used, managed and protected; as well as conducted financial impact assessment of climate-related physical risks for key assets across different climate scenarios.

More details on Keppel's risk management and regulatory compliance approach, frameworks and practices are available on pages 111 to 120 of Keppel's Annual Report 2023.

#### CLIMATE-RELATED RISKS

## Risk Management

Completed quantitative scenario analysis of climate-related physical risks, and commenced quantitative scenario analysis of climate-related transition risks.

#### RISK MANAGEMENT FRAMEWORKS

## AI & Data Governance

Established AI Governance and Data Governance frameworks to manage the rising risks associated with the use of AI, and to promote standards on how data is used, managed and protected.

# SUPPLY CHAIN MANAGEMENT

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets

- Screen 100% of new suppliers in accordance with environmental, social and governance (ESG) criteria.
- To have 100% of all qualified suppliers endorse the Keppel Supplier Code of Conduct (SCOC).
- Continue to track all relevant categories of Scope 3 carbon emissions.



### 2023 Performance

- Screened 100% of new suppliers in accordance with ESG criteria<sup>1</sup>.
- About 99.6% of qualified suppliers endorsed the SCOC or had their own codes of conduct which met Keppel's requirements.
- Expanded tracking of Scope 3 emissions to cover all categories, including those which are relevant to Keppel's suppliers.
- Launched digital supply chain risk management platform to screen our suppliers and enhanced ESG considerations in supply chain management.



### 2024 Targets

- Screen 100% of new suppliers in accordance with ESG criteria.
- To have 100% of all qualified suppliers endorse the Keppel SCOC.
- Continue to track all relevant categories of Scope 3 carbon emissions.



### Longer Term Targets

- Screen 100% of new suppliers in accordance with ESG criteria.
- To have 100% of all qualified suppliers endorse the Keppel SCOC.
- To have 100% of technology suppliers governed by the Keppel Technology Vendor Risk Management Policy<sup>2</sup>.

<sup>1</sup> This refers to suppliers who provide goods and services or works amounting to \$10,000 or more per Purchase Order, with certain exclusions such as procurement related to general administration.

<sup>2</sup> The Policy supplements Keppel's technology policies and procedures on the engagement and management of technology outsourcing risks and details the requirements for engaging vendors for all technology-related products.





## We work closely with stakeholders in our supply chain to positively influence their sustainability performance.

### OVERVIEW

GRI 3-3

Keppel contracts Singapore and overseas suppliers for our various business operations. We recognise the importance of responsible supply chain management and sustainable procurement in managing risks, building operational resilience, minimising financial risk, as well as ensuring business continuity.

We are committed to building a resilient, responsible and diversified supply chain, including through integrating ESG criteria in the selection, monitoring and assessment of our suppliers. We also actively engage our suppliers to encourage the adoption of sustainable and responsible business practices, minimise negative ESG impacts and manage risks across our supply chains.

Around 90% of Keppel's suppliers are based in Asia, with the remaining based in Europe, the Middle East and the Americas. Each platform and division monitors the number and type of suppliers it engages,

as well as the spend value and geographical spread. As part of our Business Continuity Management processes, Keppel has supplier diversification programmes in place to prepare for any major supply chain disruptions that may arise.

### REPORT BOUNDARY

GRI 3-3

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

### MANAGEMENT APPROACH

GRI 3-3

#### Supply Chain Committee

The Supply Chain Committee is chaired by the Executive Director of Operations Excellence at Keppel's Infrastructure Division and its members include the Chief Sustainability Officer and staff across Keppel's platforms and divisions, with relevant knowledge, skills, and experience in supply chain and/or procurement and sustainability related issues.

### SUPPLIER SCREENING

# 100%

Of new suppliers screened in accordance with ESG criteria.

### SUPPLIER CODE OF CONDUCT

# 99.6%

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

## Supply Chain Management

The Supply Chain Committee drives and monitors Keppel's sustainability efforts and performance in key aspects of supply chain management. It has oversight over the implementation of our supplier ESG programme to identify, assess and plan corrective measures in relation to the sustainability of our supply chain.

It supports management's ESG efforts to promote sustainability mindsets and best practices among suppliers, green our supply chain by reducing carbon emissions associated with Keppel's suppliers where possible, as well as monitor that suppliers adhere to high ESG standards, including business conduct, human rights, health and safety, and environmental management.

The Committee meets at least four times a year and reports regularly on its progress in the above areas to the Sustainability Working Committee, and to the Management Executive Committee, where relevant.

### Key Priorities

Key priorities of our supply chain management strategy include evaluating the track record of suppliers, aligning suppliers to the ESG criteria and ethical practices set out in Keppel's SCOC<sup>1</sup>, and ensuring product quality and cost optimisation.

We adhere to local content requirements, where applicable, and are committed to strengthen our base of local suppliers in countries where we operate. In doing so, we support economic growth, generate employment opportunities, build capacities of the workforce in these countries, while potentially reducing carbon emissions related to the transportation of goods and services.

We have also expanded our tracking of Scope 3 carbon emissions to cover the emissions generated by our supply chain<sup>2</sup>, and are working with our suppliers and portfolio of investments to improve energy efficiency and reduce emissions, where possible.

### ESG Integration in Supply Chain Management Strategy

GRI 308-1 | 414-1

We have woven ESG objectives into our supply chain management strategy as part of our supplier selection and retention process.

All suppliers are qualified in accordance with our requisition and purchasing policies, and are screened based on business relevance as well as ESG criteria including business conduct, human rights, health and safety, labour practices and environmental management. Under our supplier evaluation process, suppliers may be excluded from contracting if they do not meet the minimum ESG requirements.

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

In 2023, 99.6% of qualified suppliers endorsed the SCOC or have their own code of conduct which met Keppel's requirements. The remaining 0.4% comprised five suppliers which could not endorse the SCOC due to their respective company policies. The relevant division's Compliance Team conducted further due diligence and assessed that these five suppliers have met Keppel's requirements and were fit to be appointed, even though they could not endorse the SCOC.

### OUR SUPPLY CHAIN

GRI 2-6

Keppel's asset managers under our Fund Management and Investment platforms engage subcontractors to ensure smooth operations and maintenance of the assets owned by the Company's listed REITs, business trust or private funds. The supply chain also includes mechanical and electrical equipment suppliers for data centres, as well as property and facility management companies that provide building management, physical security, technical maintenance and routine cleaning services.

Keppel's Infrastructure Division engages consultants, system integrators, equipment manufacturers and suppliers, and subcontractors for the construction of plants and facilities and for the provision of environmental technology, Energy-as-a-Service integrated solutions and new energy solutions. The division also purchases raw materials, such as feedstock to power the co-generation plant for our Power & Renewables business. In addition, we procure goods and services for the operations and maintenance of our different plants and facilities.

Keppel's Real Estate Division engages consultants, contractors, and interior design firms to provide architectural and engineering design, construction and interior design services for its new developments as well as existing properties. As a manager of real estate assets, it also employs facility management companies to service its commercial buildings.

Keppel's Data Centres and Networks Division engages external contractors for the construction of new data centre facilities, and employs facility technician companies for regular equipment maintenance. It also engages suppliers of submarine communication network solutions and services to

<sup>1</sup> The SCOC is found on Keppel's website ([www.keppel.com](http://www.keppel.com)). It is also available in Chinese and Vietnamese languages.

<sup>2</sup> Details of our Scope 3 emissions are available on page 40 of this report.

<sup>3</sup> Tier-1 suppliers refer to suppliers that directly supply goods, materials and/or services to the Company. Non-Tier-1 suppliers provide their products and services through Tier-1 suppliers to the Company. Significant suppliers are those that have significant business relevance to Keppel, or have substantial risks of negative ESG impacts, or a combination of both. Keppel does not have any significant non-Tier-1 suppliers.



perform works from design and engineering to installation, maintenance and support in the development of robust and reliable subsea optical cable systems.

M1 engages suppliers to support its provision of telecom equipment and services, terminals and devices, Information and Communications Technology solutions, software and computer hardware products, as well as cable installation. More than 90% of these suppliers are based in Singapore, which is M1's primary market. Following the acquisition of digital solutions provider Glocomp Systems in 2022, M1 has also expanded its regional footprint to Malaysia.

**SUPPLIERS ESG SCREENING**

**Significant Tier-1 Suppliers**

Keppel has a total of about **1,500** Tier-1 suppliers, of which about **650** are significant suppliers. They account for **75%** of total spend<sup>3</sup>.

Significant suppliers are suppliers that have significant business relevance to Keppel, or have substantial risks of negative ESG impacts, or a combination of both. Keppel assesses the significance of suppliers based on various factors including cumulative order value and volume, single order value and volume, as well as business criteria such as component criticality and substitutability of products or services. Identifying significant suppliers enables us to better focus our efforts on improving ESG practices and performance in our supply chain.

We have developed an audit framework since 2019 to identify and manage ESG risks among our suppliers, especially our significant suppliers. Risks are assessed based on country, sector and product-specific risk perspectives in areas including business ethics, human rights, health and safety, as well as the country's environmental regulatory framework.

**Ethixbase Supply Chain Risk Management Platform**

In 2023, we started engaging a third-party supply chain risk management platform, Ethixbase360 ESG Explore, to facilitate the screening of new and existing suppliers and conduct supplier desk assessments.

The screening, which is based on Ethixbase's methodology, includes criteria such as ESG risk factors, from environmental practices, carbon emissions, bribery and corruption, and human rights violations, to non-compliance with Health, Safety and Environmental (HSE) laws and regulations.

In addition, Keppel has in place an enterprise resource system which provides procurement managers across the Company with visibility on suppliers that have been qualified by other platforms and divisions, as well as those which have been terminated. Purchasing practices towards suppliers are regularly reviewed to ensure alignment with the SCOC and to meet ESG considerations requirements.

**Adherence to Business Ethics**

Keppel's suppliers are required to conduct their business operations in an ethical and responsible manner with respect to legal compliance, anti-corruption, fair competition, confidentiality of information, accurate record keeping and management of conflicts of interests.

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

**Upholding Human Rights**

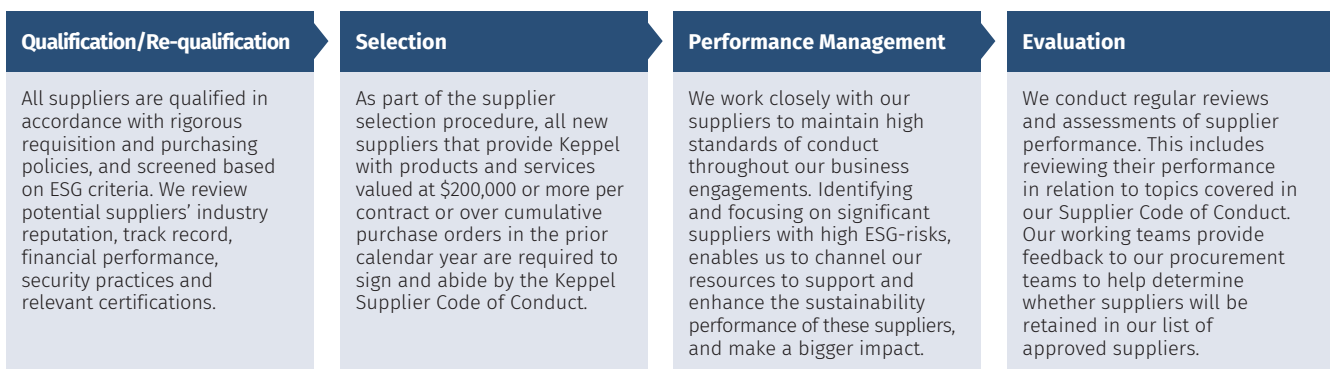
Suppliers are expected to respect and uphold fundamental human rights in their operations, based on the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work as well as the United Nations (UN) Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. These provisions are included in Keppel's SCOC.

**Effective HSE Management Systems**

Suppliers must comply with our platforms and divisions' industry-specific HSE requirements, and have effective HSE management systems in place to identify, manage and reduce risks and impacts.

In assessing the sustainability risks of potential suppliers, we review suppliers'

**SUPPLIER SELECTION AND ASSESSMENT PROCESS**



## Supply Chain Management

industry reputation, track record, financial performance, security practices and certifications, with a preference for suppliers with certifications for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and OHSAS 18001 Occupational Health and Safety (OHS) assessment series or ISO 45001 OHS Management System or the equivalent. OHS criteria are also included in procurement and contractual requirements.

### SUPPLIERS ASSESSMENT AND DEVELOPMENT

GRI 308-2 | 403-7 | 414-2

#### Supplier Assessment

In 2023, a total of about **650** suppliers were assessed for sustainability risks, all of which were significant suppliers.

**4** suppliers were assessed to have negative impacts such as contravention of the Workplace Safety and Health Act and mosquito breeding at a worksite. Keppel worked with these suppliers on corrective action plans.

**100%** or all four suppliers agreed with the corrective action plans and have implemented the plans.

The assessment of supplier risks and conduct of due diligence measures undertaken by Keppel are ongoing processes which take place throughout the life cycle of the buyer-supplier relationship. This includes desk assessment, on-site internal audits as well as external audits as part of the ISO 14001 assessment framework.

Suppliers of Keppel's Infrastructure Division are required to furnish their risk assessments in relation to HSE risks, as well as establish and implement appropriate measures to mitigate and/or prevent significant impacts.

Suppliers of hazardous substances or flammable materials are required to have appropriate emergency response plans. It ensures that suppliers have the relevant certifications and licenses as required under the laws in the respective countries of operation before they are appointed. For example, Singapore-registered suppliers of goods and services are required to have a minimum of Level 2 and Level 3 bizSAFE<sup>1</sup> certifications respectively.

Keppel's Infrastructure Division also conducts annual supplier performance evaluation as part of its supplier due diligence process. The procurement team works closely with the supplier to implement a preventive and corrective action plan where improvements are deemed necessary.

Keppel's Real Estate Division has in place a five-step supply chain management process that covers the whole life cycle of its projects from the initiation and design development stages to subsequent construction and operation stages. For all project sites covered under its environmental management system, contractors are required to conduct environmental impact assessment based on activities at the project site prior to construction. The assessment covers potential negative environmental impacts, including depletion of resources, biodiversity disturbance as well as air, water and noise pollution. Contractors are required to establish and implement appropriate measures to mitigate and/or prevent significant environmental impacts.

Keppel's Real Estate Division also conducts annual site visits and internal audits as part of its supplier due diligence process. Site audits, which focus mainly on HSE compliance, are conducted in all the respective countries where we operate. When lapses are identified, the project team works closely with contractors

to implement corrective action plans and preventive measures.

Findings obtained during on-site HSE assessments are categorised according to high, medium and low risk levels, with expected timelines to rectify the findings immediately, within one month and within three months respectively. Corrective actions and improvement plans taken at these sites include immediate servicing and replacement of faulty equipment parts; improvement of chemical loading areas with better floor/hump marking to prevent slips, trips and falls; and proper housekeeping such as prompt removal of concrete debris from the working platform.

Regular safety briefings which include risk assessment and safe work procedure topics are conducted for all on-site staff, supervisors and workers. Daily Tool Box meetings are also held to inform workers about approved Permit to Work areas. In addition, a clause stating that any violation of personal protection equipment requirements will result in an immediate ban from the site has been included in contractors' safety induction training for all new staff.

#### Human Rights

In 2024, Keppel embarked on an assessment of human rights risks relevant to the supply chains of Keppel's Singapore-based business, supported by an external consultant. The methodology of the assessment is based on the UN Guiding Principles on Business and Human Rights which stipulate that businesses should identify and assess any actual or potential adverse human rights impacts. The assessment aims to help identify the most significant human rights risks and opportunities, and consider possible mitigating actions, where necessary, to address the risks<sup>2</sup>. The outcome of the assessment will be disclosed in Keppel's Sustainability Report 2024.

<sup>1</sup> bizSAFE is a nationally recognised capability building programme designed to help companies in Singapore build workplace safety and health capabilities.

<sup>2</sup> The assessment takes into account potential human rights issues in our supply chain operations such as child and forced labour, freedom of association, collective bargaining, women's rights, working conditions, indigenous people's rights and modern slavery.

Keppel is committed to ensuring the well-being of its migrant workers. For example, all operating divisions have regular interactions with the migrant workers hired by our contractors, and look out for their well-being. Keppel's Data Centres and Networks Division also provides QR codes at both construction and operational sites for migrant workers to provide feedback.

Keppel's Real Estate Division ensures that its suppliers are not involved in unethical labour practices such as child labour by incorporating a human rights clause on the prohibition of child labour in all of its health and safety specifications to contractors; specifying minimum requirements on workers' living conditions in contract documents; setting up joint supervision accounts with contractors of its projects in China to ensure timely payment of workers' salaries; and conducting monthly and quarterly walkabouts at worksites in Singapore and overseas respectively to ensure that contractors comply with HSE and human rights requirements. In 2023,

management walkabouts were conducted at 32 project sites and completed buildings in Singapore and overseas.

### **SUPPLIER DEVELOPMENT AND CAPACITY BUILDING**

In 2023, as part of its efforts to build capacity and enhance sustainability performance within our supply chain, Keppel continued to collaborate with Global Compact Network Singapore to conduct a series of carbon management workshops for Keppel's suppliers from small- and medium-sized enterprises (SMEs). Topics covered include carbon measurement and decarbonisation strategies, including the use of digital tools for carbon footprint management. The workshops, which are fully funded by Keppel, are targeted at senior personnel from Keppel's SME suppliers who have decision making authority on sustainability matters in their respective organisations. A total of 42 employees from more than 40 supplier companies, or about 6% of significant suppliers, were trained in 2023.

In addition, forums and dialogue sessions with suppliers and contractors are held regularly to brief them on Keppel's ESG policies, processes and requirements to ensure alignment between Keppel's SCOC and the respective codes of conduct of our suppliers and contractors, share experiences, and communicate our expectations regarding suppliers' performance. Our operating divisions also have incentive programmes that reward and recognise contractors with exemplary HSE performance. Multiple communication channels including face-to-face briefings at worksites, virtual meetings and regular email broadcasts are also used to proactively reach out to our suppliers and contractors.

At the same time, internal stakeholders including Keppel's procurement staff, are kept updated on their roles in the supplier ESG programme during the Company's Supply Chain Committee meetings as well as through regular internal communications. Training was also provided in early 2024 for employees on the screening of suppliers based on ESG criteria.



Keppel provides carbon management training for its suppliers and partners to help enhance their sustainability performance.

# HUMAN CAPITAL MANAGEMENT

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets

- Conduct engagement surveys to track and enhance employee engagement.
- Promote diversity, equity and inclusion in the workplace.
- Achieve an average of at least 20 hours of learning per employee globally.



### 2023 Performance

- Achieved strong engagement score of 86% in Global Employee Engagement Survey, higher than the score of 84% in 2022 and above Mercer’s global norm of 80%.
- 89% of our staff are proud to work for Keppel.
- Females represent about 37% of senior management and managerial positions in Keppel. The average salaries, including cash incentives, of women at the senior management and management levels were 109% and 99% those of their male counterparts respectively.
- Unveiled new Diversity, Equity and Inclusion (DEI) Policy to promote DEI in Keppel’s workplace.
- Achieved more than 23 hours of learning per employee globally.



### 2024 Targets

- Conduct engagement surveys to track and enhance employee engagement.
- Continue to promote DEI in the workplace.
- Achieve an average of at least 20 hours of learning per employee globally.



### Longer Term Targets

- Build an agile and collaborative workforce, with experience across platforms, divisions and geographies, to propel the Company towards its Vision 2030 goals.
- Strengthen people capabilities through driving a proactive learning culture and growing digital readiness.
- Promote DEI in the workplace through various initiatives.





We are committed to fair employment practices, upholding human rights principles and investing in people development.

#### OVERVIEW

GRI 3-3

People are our most valuable asset and are fundamental to Keppel's performance.

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

We are committed to building an organisation where employees are engaged and motivated to give their best. We place strong emphasis on attracting and developing a deep talent pool, as well as building an agile and collaborative workforce, with experience across our business segments and geographies, to ensure that we have the necessary skillsets to enable Keppel's growth and

propel the Company towards its Vision 2030 goals.

Keppel respects and upholds the fundamental principles of human rights and is committed to diversity, including gender diversity, equity and inclusion. We also strive to strengthen our people capabilities through driving a proactive learning culture, growing digital readiness and promoting the holistic well-being of our employees, including mental health, through various programmes.

#### REPORT BOUNDARY

GRI 3-3

The data reported in this section takes into account significant subsidiaries and associated companies in which Keppel has a stake of 51% or more.

Our total workforce was 5,696 across 15 countries as at end-2023. This comprises full-time and part-time permanent employees, and excludes the workforce of our contractors.

#### GLOBAL RANKINGS

## One of the World's Best Employers

Ranked one of the World's Best Employers 2023 by Forbes and the World's Best Companies 2023 by TIME magazine.

#### EMPLOYEE ENGAGEMENT SCORE

## 86%

Achieved strong engagement score amidst transformation, higher than the score of 84% in 2022 and above Mercer's global norm of 80%.

# Human Capital Management

## MANAGEMENT APPROACH

GRI 3-3

### Fair Employment

We adopt fair employment practices and comply with local labour regulations across our global operations, including minimum wage laws, where such laws apply.

We are a Human Capital Partner of the Human Capital Partnership Programme, a tripartite initiative that brings together exemplary employers in Singapore who have progressive employment practices and are firmly committed to developing their human capital. We endorse Singapore’s Tripartite Guidelines on Fair Employment Practices and are a signatory of the Employers’ Pledge of Fair Employment Practices. We are also a signatory of the Singapore Business Federation’s Sustainable Employment Pledge.

Globally, about 953 people were hired in 2023, of which 66% were males and 34% females.

### Hiring from Local Communities

We believe that hiring from local communities enhances our ability to understand local needs and strengthens our capabilities on the ground. We also develop talents locally to assume management positions. Across Keppel, 93% of our senior management and 86% of our employees are citizens or permanent residents of the countries in which they work.

### Internal Mobility

We promote internal mobility, where employees are encouraged to take charge of their careers and seek internal opportunities to develop their skills and career tracks. In 2023, 24.9% of the open positions were filled by internal candidates.

To help employees manage the transitions that may arise from organisational changes, we provide employees with career transition support. For example, human

resource teams organise one-on-one meetings with staff to understand their career aspirations before redeploying them to suitable roles. Transitional assistance such as career coaching, training programmes and training funds are also provided to employees to upskill and reskill them.

Keppel does not discriminate against age and where applicable, we support re-employment beyond the statutory retirement age. In Singapore, eligible employees are offered post-retirement employment opportunities, in line with the Singapore Tripartite Guidelines on the Re-employment of Older Employees. As at end-2023, there were a total of 35 re-employed staff in Keppel, of whom 10 were re-employed in 2023.

### Employment-related Policies

Keppel’s employment-related policies and guidelines are available to employees in multiple languages such as English, Chinese and Vietnamese.

## 2023 RECOGNITION FOR HR PRACTICES

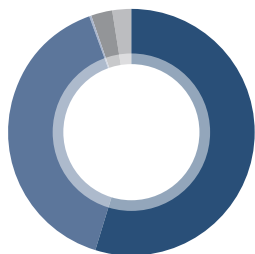
Keppel was listed among the World’s Best Employers in 2023:

<p><b>TIME MAGAZINE</b> World’s Best Companies</p>	<p><b>FORBES</b> World’s Best Employers</p>	<p><b>THE STRAITS TIMES</b> Singapore’s Best Employers</p>
<p><b>TIME magazine’s inaugural list of the World’s Best Companies in 2023</b> Recognises companies for strong performance in areas of employee satisfaction, revenue growth and sustainability.</p>	<p><b>Forbes’ World’s Best Employers (7th annual edition)</b> Recognises global companies that offer exciting work and a positive environment.</p>	<p><b>The Straits Times’ Singapore’s Best Employers 2024</b> Top 250 firms were shortlisted based on an independent study of the attractiveness of hundreds of Singapore-based organisations based on employee assessments.</p>
<p><b>TOP EMPLOYERS INSTITUTE</b> Top Employer</p>	<p><b>GREAT PLACE TO WORK</b> Best Workplaces</p>	<p><b>EXCELLENCE IN LEARNING AND DEVELOPMENT</b> Silver</p>
<p><b>Top Employer in Singapore and China</b> Certified by the Top Employers Institute, a global authority which recognises leading employers with progressive people practices, for the 5th and 2nd consecutive year respectively.</p>	<p><b>Great Place to Work Institute’s list of Best Places to Work in Vietnam and Singapore</b> Keppel’s Real Estate Division in Vietnam was listed among Vietnam’s Best Workplaces in 2023, while AsiaPac Technology was among Singapore’s Best Workplaces in 2023 and 2024.</p>	<p><b>HR Excellence Awards 2023 Singapore</b> Clinched Silver Award for Excellence in Learning and Development.</p>

## OUR GLOBAL WORKFORCE

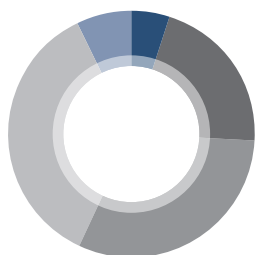
GRI 2-7 | 405-1

### DISTRIBUTION BY REGION



	No. of Employees	%	Employees (%)		Senior Management <sup>b</sup> (%)	
			Local Hires <sup>a</sup>	Foreigners	Local Hires <sup>a</sup>	Foreigners
● Singapore	3,127	55	81	19	92	8
● Australia & Asia (excluding Singapore)	2,265	40	98	2	97	3
● Americas	9	0	100	0	100	0
● Middle East	168	3	0	100	0	100
● Europe	127	2	86	14	100	0
<b>Total</b>	<b>5,696</b>	<b>100</b>	<b>86</b>	<b>14</b>	<b>93</b>	<b>7</b>

### DISTRIBUTION BY SEGMENT



	No. of Employees	%	Employment Type (%)	
			Permanent	Contract
● Fund Management and Investment Platforms	287	5	89	11
Operating Platform				
● – Infrastructure	1,175	21	75	25
● – Real Estate	1,784	31	93	7
● – Connectivity	2,036	36	98	2
● Centralised Functions <sup>c</sup>	414	7	91	9
<b>Total</b>	<b>5,696</b>	<b>100</b>	<b>91</b>	<b>9</b>

### DISTRIBUTION BY NATIONALITY



	No. of Employees	%	Share of Senior Management, Managerial and Executive Positions <sup>b</sup> (%)
● Singapore	2,103	37	84
● America	12	0	100
● China	915	16	62
● India	280	5	73
● Vietnam	508	9	75
● Others	1,878	33	43
<b>Total</b>	<b>5,696</b>	<b>100</b>	

## RETURN TO WORK RATE<sup>d</sup>

GRI 401-3

### OF EMPLOYEES POST MATERNITY/PATERNITY LEAVE

	No. of Employees who took maternity/paternity leave in 2023		Employees who returned after maternity/paternity leave in 2023 (%)	
	Singapore	Global	Singapore	Global
<b>Total</b>	<b>95</b>	<b>44</b>	<b>98.9</b>	<b>97.7</b>
Female	45	17	97.8	94.1
Male	50	27	100	100

<sup>a</sup> Local hires are defined as citizens or permanent residents of the country in which they work.

<sup>b</sup> Senior management is defined as individuals at the top management level. They generally head departments or entities and may have Profit and Loss responsibilities. Managerial refers to individuals at the middle management level, one tier below senior management, while executives include employees below the managerial level excluding non-executives and industrial/general staff.

<sup>c</sup> Centralised functions comprise the following departments: Corporate Communications; Corporate Secretariat; Cyber Security; Data and Digital; Information Technology; Finance; Health, Safety and Environment; Human Resources; Internal Audit; Legal; Mergers & Acquisitions; Risk and Compliance; Sustainability; Tax; Transformation & Innovation; and Treasury.

<sup>d</sup> Figures on maternity and paternity leave comprise data from the following countries where data is available: Singapore, China, the United States and Vietnam.

## Human Capital Management

## EMPLOYEE DEMOGRAPHICS

GRI 2-7 | 405-1

## BY GENDER (%)

	Female	Male
<b>Overall</b>	<b>40</b>	<b>60</b>
<b>By Region</b>		
Singapore	42	58
Australia & Asia (excluding Singapore)	42	58
Americas	22	78
Middle East	6	94
Europe	25	75
<b>By Segment</b>		
Fund Management and Investment Platforms	54	46
Operating Platform		
– Infrastructure	16	84
– Real Estate	52	48
– Connectivity	38	62
Centralised Functions	58	42
<b>By Employment Type</b>		
Permanent	42	58
Contract	29	71
Full-time	18	82
Part-time	58	42
<b>By Management Level</b>		
Senior Management	24	76
Managerial	38	62
Executive	43	57
Non-Executive	44	56
Industrial/General	7	93
<b>By Function</b>		
Revenue-generating functions <sup>a</sup>	35	65
STEM-related <sup>b</sup>	27	73

## BY AGE GROUP (%)

	<30 years old	30 to 39 years old	40 to 49 years old	50 years old & above
<b>Overall</b>	<b>12</b>	<b>36</b>	<b>23</b>	<b>29</b>
Fund Management and Investment Platforms	14	46	14	26
Operating Platform				
– Infrastructure	10	33	25	32
– Real Estate	12	37	15	36
– Connectivity	15	35	30	20
Centralised Functions	10	34	20	36

## BY EDUCATIONAL QUALIFICATION (%)

	Post-graduate	Bachelor's Degree	Post Secondary/ Pre-Uni/ Vocational	Secondary & below
<b>Overall</b>	<b>10</b>	<b>43</b>	<b>27</b>	<b>20</b>
Fund Management and Investment Platforms	22	68	10	0
Operating Platform				
– Infrastructure	7	32	42	19
– Real Estate	9	33	22	36
– Connectivity	8	51	28	13
Centralised Functions	18	57	22	3

<sup>a</sup> Includes business development, commercial, engineering, fund management, project development and marketing-related functions.

<sup>b</sup> Science, Technology, Engineering and Mathematics-related.

## COMPENSATION &amp; BENEFITS

GRI 201-3 | 401-2 | 404-3

Keppel subscribes to a pay-for-performance philosophy. Opportunities for advancement, promotion, recognition, compensation, training and other conditions of employment are provided based on merit.

Performance reviews are conducted for all permanent and fixed-term contract employees annually<sup>1</sup>. Regular feedback and performance conversations are held on an ongoing basis between employees and their reporting managers, to complement performance reviews.

Keppel uses a management by objective process<sup>2</sup> and comparative rankings<sup>3</sup>, where relevant. We also incorporate a multidimensional performance appraisal approach when assessing if employees meet company and department objectives through feedback from their peers, direct reports, and other employees, where applicable.

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

In line with the Singapore Government's pro-family legislation, eligible female employees are entitled to eight weeks of paid maternity leave. This may be extended by an additional eight weeks. Eligible male employees are entitled to four weeks of paid paternity leave starting from 1 January 2024.

Eligible working parents in Singapore are entitled to up to six days of paid childcare leave annually. Under our Flexible Benefit Programme, employees can claim for child-related expenses such as maternity, paediatric and preschool or childcare expenses. Employees with newborns also qualify for a top-up to their Flexible Benefit spending account. Lactation facilities are available in the workplace for nursing employees.

We also provide flexible working hours, work-from-home and part-time working



arrangements, subject to mutual agreement between the staff and their respective Heads of Departments, for employees who need to manage work and personal commitments.

Standard working hours for all employees are below the maximum standard working time of 48 hours per week as outlined by the International Labour Organisation (ILO) convention. The working hours are stated in employment contracts and/or relevant human resource policies.

Keppel adheres to the respective social security contribution or pension plan obligations of the countries in which we operate. In Singapore, Keppel and its employees make monthly contributions to the employees' Central Provident Fund accounts in accordance with the prevailing regulations. Keppel's entities and employees in China make monthly contributions to China's social security system. In Indonesia, Keppel and its employees also make monthly contributions to the Workers' Social Security system<sup>4</sup>.

## HUMAN RIGHTS

### Human Rights Commitment

We respect and uphold the fundamental principles set out in the United Nations (UN) Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Our approach to human rights is guided by the UN Guiding Principles on Business and Human Rights. Keppel is a participant of the UN Global Compact and is committed to the Compact's 10 universal principles, which include principles on human rights and labour practices.

Our commitment to human rights is supported by Keppel's Code of Conduct, which sets the tone in relation to Keppel's stance against discrimination and harassment on any basis. Our stance on human rights is articulated in Keppel's Human Rights Policy. Both of these documents are publicly available on our website<sup>5</sup>.

We have zero tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in all of our operations.

## NEW HIRES

GRI 2-7 | 401-1 | 405-1

### BY REGION

	No. of Employees	%
<b>Total</b>	<b>953</b>	<b>100</b>
Singapore	541	56.8
Australia & Asia (excluding Singapore)	396	41.6
Americas	1	0.1
Middle East	3	0.3
Europe	12	1.2

### BY GENDER & AGE GROUP

	Gender (%)		Age Group (%)			
	Female	Male	<30 years old	30 to 39 years old	40 to 49 years old	50 years old & above
<b>Overall</b>	<b>34</b>	<b>66</b>	<b>33</b>	<b>41</b>	<b>20</b>	<b>6</b>
Fund Management and Investment Platforms	43	57	25	44	20	11
Operating Platform						
– Infrastructure	21	79	31	40	19	10
– Real Estate	42	58	38	40	19	3
– Connectivity	28	72	33	44	18	5
Centralised Functions	62	38	26	32	30	12

### BY MANAGEMENT LEVEL

	%
<b>Total</b>	<b>100</b>
Senior Management	0.6
Managerial	15.4
Executive	53.3
Non-Executive	26.6
Industrial/General	4.1

### BY NATIONALITY

	%
<b>Total</b>	<b>100</b>
Singapore	32.0
America	0.4
India	7.0
China	9.0
Others	51.6

### OPEN POSITIONS (%)

	2020	2021	2022	2023
Percentage of Open Positions filled by internal candidates	15.9	17.0	19.0	<b>24.9</b>

<sup>1</sup> The performance appraisal system includes assessment of the employee's compliance with Keppel's Core Values and Code of Conduct.

<sup>2</sup> Pre-defined and measurable goals are set jointly by employees and their line managers at the start of the year, systematically followed upon throughout the year, and performance assessed against the goals at the end of the year.

<sup>3</sup> Employees' performance is reviewed against those of their peers in the same group/team.

<sup>4</sup> The Workers' Social Security system in Indonesia refers to the BPJS Ketenagakerjaan/BP Jamsostek.

<sup>5</sup> Keppel's Code of Conduct and Human Rights Policy can be found at [www.keppel.com](http://www.keppel.com)

## Human Capital Management

## TURNOVER

GRI 2-7 | 401-1

## BY TOTAL TURNOVER &amp; TURNOVER RATE

	2020	2021	2022	2023
Employee Turnover	1,923	2,856	2,820	763
Voluntary Turnover Rate <sup>a</sup> (%)	10.9	17.8	14.7	13.4
Involuntary Turnover Rate <sup>b</sup> (%)	–	10.8	5.3	5.3
Total Turnover Rate (%)	–	28.6	20.0	18.7

	Voluntary Turnover Rate <sup>a</sup> (%)	Total Turnover Rate (%)
<b>Total</b>	<b>13.4</b>	<b>18.7</b>
<b>By Region</b>		
Singapore	8.1	9.8
Australia & Asia (excluding Singapore)	5.0	8.6
Americas	0.0	0.0
Middle East	0.2	0.2
Europe	0.1	0.1
<b>By Gender</b>		
Female	5.8	8.1
Male	7.6	10.6
<b>By Age Group</b>		
<30 years old	3.2	3.9
30 to 39 years old	5.6	7.3
40 to 49 years old	3.2	4.5
50 years old & above	1.4	3.0
<b>By Management Level</b>		
Senior Management	0.2	0.3
Managerial	2.1	3.4
Executive	6.4	8.3
Non-Executive	3.9	6.0
Industrial/General	0.8	0.7
<b>By Nationality</b>		
Singapore	5.3	6.4
America	0.0	0.0
China	1.0	3.2
India	0.5	0.6
Brazil	0.0	0.0
Others	6.6	8.5

<sup>a</sup> The voluntary 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.

<sup>b</sup> In 2023, the involuntary turnover rate was 5.3%, of which 2.3% was due to retirement.

GENDER PAY<sup>c</sup>

GRI 405-2

## BY EMPLOYEE CATEGORY (%)

	Average Female to Male Base Salary (%)	Average Female to Male Base Salary + Cash Incentives (%)
Senior Management	95	109
Management	94	99
Non-management level	95	101

<sup>c</sup> Data excludes non-executive and industrial/general staff.

We oppose discrimination on any basis, including age, gender, ethnicity, nationality, religion, marital status, pregnancy status, caregiving responsibilities, mental health conditions or disability.

Keppel also supports the elimination of any exploitive labour practices through its policies, planning and administration of employment practices. Opportunities for recruitment, placement, training compensation, advancement and other conditions of employment are provided purely based on merit.

We provide training for all employees on non-discrimination and anti-harassment in the workplace as part of the annual training and declaration of Keppel's policies including Keppel's Code of Conduct.

Our suppliers are also required to abide by the Keppel Supplier Code of Conduct, which holds them accountable for responsible labour practices in their operations, including prohibiting the use of forced labour and child labour, respecting employees' freedom of association, as well as providing fair compensation and equal opportunity.

In 2024, Keppel embarked on an assessment of human rights risks relevant to the supply chains of Keppel's Singapore-based business. The assessment aims to identify the most significant human rights risks and opportunities, and possible mitigating actions, where necessary, to address the risks. The outcome of the assessment will be disclosed in Keppel's Sustainability Report 2024.

## Human Rights Due Diligence, Risk Assessment and Risk Mitigation

GRI 2-16

Keppel's Whistle-Blower Policy encourages the reporting of suspected reportable conduct by establishing clearly defined and centralised processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

The whistle-blower reporting channel, which is available publicly on our website as well as on our global intranet, is widely communicated and made accessible to all stakeholders. Any issues raised through the whistle-blowing channel, including human rights, discrimination and harassment issues, are thoroughly investigated. Details of our whistle-blower reporting mechanism and investigation process can be found on page 107 of our Annual Report 2023.

In 2023, there were four reported incidents of breaches to our Code of Conduct which relate to workplace discrimination, that were made via the whistle-blower channel globally. These were referred to the respective platforms/divisions for review and investigation. Remedial actions including counselling, coaching or dismissal may be taken, where relevant, for all confirmed grievances and complaints. All the reported incidents were followed up upon and none of the cases were substantiated.

As part of the due diligence process to proactively identify potential human rights issues, including discrimination and harassment risks, channels such as regular conversations or feedback sessions between employees and their reporting managers, and annual performance review sessions, are in place to allow employees to raise their concerns. Keppel also has a Grievance Handling Policy which outlines that employees can raise any work or employee-related issues to the Company.

The reporting of any discrimination and harassment incident goes

through a defined escalation process. We have an Investigation Procedure Manual which sets out the investigation protocols including the methodology for initiating and conducting investigations into suspected misconduct<sup>1</sup>. The Internal Audit investigation team conducts independent investigations, in consultation with the Investigation Advisory Committee<sup>2</sup>, with oversight from the Audit Committee. Appropriate disciplinary action, including counselling, training, suspension or termination of employment, will be taken in the event that an employee is found to have violated the rules set out in the Code of Conduct.

For operations where contractors employ migrant workers, our operating divisions will pay particular attention to ensure that the well-being and human rights of migrant workers are looked after. More details on steps taken by our divisions to safeguard the well-being of migrant workers can be found on pages 54 to 55.

To continuously enhance our human resources practices, including those related to human rights, we participate in the certification programme organised by the Top Employers Institute, a global authority on people practices.

## COLLECTIVE BARGAINING

GRI 2-30

Unions are our partners and we place great emphasis on maintaining harmonious and collaborative relationships with them. Of our global workforce that are eligible for union representation, approximately 92.4% are union members who are covered

by collective agreements. This is approximately 15.8% of our global workforce.

Subjects covered in collective bargaining agreements include health and safety, remuneration, benefits, working hours, training, career development, work-time flexibility, employability and life-long learning, stress management as well as equal opportunities.

We ensure appropriate employee representation in collective bargaining, including working closely with the unions to explain changes to collective agreements, get buy-in and clarify any concerns that employees may have.

For employees who are not covered by collective agreements, Keppel determines their working conditions and terms of employment based on collective agreements that cover its other employees, or on employment legislations.

Recognising that unions serve as effective channels for raising grievance including those related to equal remuneration, discrimination and harassment, we work closely with unions to identify and address grievances cases. Guidelines are in place for the appropriate management of grievance cases. For unionised entities, employee grievances are resolved according to the grievance handling protocol spelt out in the respective agreements.

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

<sup>1</sup> Includes bribery, corruption, fraud and misconduct such as dishonest or criminal acts, breach of laws and regulations, unethical conduct including discrimination and harassment, reprisal against a whistle-blower, or any other conduct which may cause financial or non-financial loss to Keppel or damage to Keppel's reputation.

<sup>2</sup> The Investigation Advisory Committee comprises representatives from Human Resource, Legal, as well as the Risk and Compliance departments, or other persons (internal or external) that the Audit Committee Chairman deems appropriate.

## Human Capital Management

## DIVERSITY, EQUITY &amp; INCLUSION

GRI 406-1

## DEI Policy

We are committed to creating an environment that celebrates diversity and promotes inclusion to create a Keppel for all. We value all individuals regardless of age, gender, ethnicity, nationality, religion, marital status, pregnancy status, caregiving responsibilities, mental health conditions or disability.

In 2023, we unveiled a new Keppel-wide Diversity, Equity and Inclusion (DEI) Policy<sup>1</sup>. All new staff are informed about the DEI policy as part of their introduction to the Company.

Our hiring policies ensure equal employment opportunities for all. Our employment statistics, which are reviewed regularly, illustrate the diversity of our workforce. As at end-2023, 40% of our employees are female. In addition, females represent about 37% of our senior management and managerial positions in Keppel.

Across our global operations, female employees are fairly compensated based on merit, skills and relevant experience for comparable roles. In 2023, the overall average salary including cash incentives, of female employees was 83% that of male employees.

For female employees at senior management, management and non-management levels, it was 109%, 99% and 101% respectively, compared to their male counterparts.

To promote diversity, equity and inclusion in the workplace, DEI elements are incorporated into Keppel's leadership and performance management workshops. An inaugural Global Inclusion Festival was held in October 2023, which included an introduction to our new Senior Living project in China that provides an inclusive environment and community for the aging population, as well as a fireside chat where Keppelites shared

their views and experiences in building inclusive workplace environments.

## TRAINING &amp; TALENT DEVELOPMENT

GRI 404-1 | 404-2

We empower employees through learning and development programmes that help them realise their full potential. In 2023, the global average number of training hours per employee was more than 23 hours, higher than our target of 20 hours.

The global average amount invested per full-time employee on training and development was close to \$300 in 2023. Digital learning was provided to complement classroom training.

To cater to different learning styles and needs, bite-sized on-demand

learning is also made available through LinkedIn Learning. A digital library of over 16,000 courses covering a wide range of topics is available to employees through this platform, including risk management, digital transformation, compliance, health and safety and sustainability.

## Talent Mapping

As Keppel embarked on reorganisation to fast-track our transformation to become a global asset manager and operator, a talent mapping exercise was conducted to assess our current capabilities and identify critical skillsets needed to drive and execute Vision 2030. Staff development, redeployment and recruitment decisions were made using insights gathered from the exercise.

## TRAINING &amp; TALENT DEVELOPMENT

GRI 404-1

## TRAINING HOURS PER EMPLOYEE (hrs)

	2020	2021	2022	2023
Global	19.0	20.0	24.9	23.1
Singapore	18.2	18.0	23.4	22.4

## AVERAGE TRAINING HOURS PER EMPLOYEE (hrs)

	2022	2023
<b>By Gender</b>		
Male	25	26
Female	25	21
<b>By Age Group</b>		
<30 years old	33	31
30 to 39 years old	25	26
40 to 49 years old	25	31
50 years old & above	20	9
<b>By Management Level</b>		
Senior Management	32	18
Managerial	29	33
Executive	24	27
Non-Executive	24	13
<b>By Nationality</b>		
Singapore	32	24
Asia (excluding Singapore), Middle East & Europe	18	23
Americas	31	13

## TRAINING COST PER EMPLOYEE (\$)

	2022	2023
Global	292	293

<sup>1</sup> Keppel's DEI Policy is available at [www.keppel.com](http://www.keppel.com)



### People Analytics

Our People Analytics dashboard facilitates timely and data-driven decision making on human capital matters. For example, attrition data for high potential and high performing employees is compared against attrition data for the general population to help assess the effectiveness of our retention efforts for the most critical employee groups. Senior management, who are pending retirement, are tracked at least five years before they reach the legal retirement age so that succession planning efforts can start early.

We also harness technology which allows us the flexibility to scale up as needed and deploy human capital resources more efficiently.

Keppel leverages a data-driven approach in the recruitment and selection of candidates under the Keppel Associate Programme. Potential candidates go through a series of cognitive psychometric tests, a customised work behaviour assessment for early careers and a video interview. Candidates with the highest scores are shortlisted for a final panel interview with management before offers are made to selected candidates.

### Employee Development Programmes

We empower our employees with knowledge, expertise and agility

to enhance Keppel’s capabilities as a global asset manager and operator.

Our Keppel Learning Academy platform comprises four Centres of Learning with employee development programmes. They are conducted in partnership with industry experts and higher learning institutes such as the National University of Singapore, the Nanyang Technological University and INSEAD.

#### Employee Development Programmes

Keppel’s employee development programmes have enhanced employees’ skills and provided business benefits. For example, staff who have attended the Keppel ACES programme have put into action an idea brainstormed during the design thinking course to develop a mobile application for Marina at Keppel Bay to enhance user experience, streamline operations and reduce manpower expenditure. The data analytics as well as visualisation courses under the programme have also enabled employees to process and present data more quickly and effectively, while the chatbot development course has enabled a project team to build an internal chatbot which delivers on-demand responses to queries, thereby improving work efficiency.

The programmes aim to increase Keppel’s learning outreach globally, increase digital readiness, ensure that Keppelites are Vision 2030 ready, and build a high-performance team culture. These are:

- **Keppel 101** which seeks to strengthen employees’ foundation in areas such as safety, compliance and risk management;
- **Keppel ACES** which focuses on digital transformation and topics relating to Artificial Intelligence, Culture and Cloud, Emerging Technologies, as well as Science and Solutions.
- **Keppel Leadership Essentials** which builds soft skills and leadership capabilities through programmes on leadership, Emotional Intelligence and general business skills; and
- **Keppel Specialists** which builds functional technical skills in areas such as human resource and financial competency to address business needs.

In May 2023, Keppel held a Global Learning Festival, which covered topics such as asset management, sustainability, business resilience and digitalisation. Over 6,000 learning hours were clocked during the festival.

Our platforms and divisions also organised various learning and development initiatives specific to their area of work.



More than 3,000 Keppelites around the world participated in the Global Learning Festival 2023.

## Human Capital Management

### Leadership and Career Development Programmes

We are committed to developing future leaders and managers by equipping them with skills and capabilities, and inspiring them to give their best and drive sustainable growth for our business. We offer a diverse range of leadership and development programmes that are regularly refreshed to suit Keppel’s evolving needs.

The Keppel Associate Programme (KAP), a two-year management associate programme, offers high-potential fresh graduates with varied opportunities for leadership development through a series of job rotations and structured learning. High-performing management associates who exhibit the potential to take on leadership positions in the organisation will be invited to join the Keppel Young Leaders programme after graduating from the KAP.

Employees under the Keppel Young Leaders programme, which is Keppel’s platform to nurture young

talents, are given opportunities to lead high-impact projects, with guidance from senior management across Keppel.

Leadership development initiatives were also conducted at the platforms and division levels. For example, 43 leaders across Singapore, China and Vietnam went through 360 degree assessment and coaching interventions in 2023, as part of leadership development and succession planning efforts to heighten their self-awareness and bridge their developmental gaps. In addition, M1 conducted a workshop on coaching skills for 85 leaders and managers.

As part of our employees’ career development, Keppel supports internal job rotation for employees who have been in their current roles for at least two years. In addition, Keppel’s Employee Development Scheme co-sponsors eligible permanent employees who aspire to upgrade themselves on programmes including professional certifications, post-graduate diplomas and master’s degrees.

### EMPLOYEE ENGAGEMENT

#### Employee Engagement Survey

To better understand what motivates employees and support the Company’s transformation efforts, we have been conducting engagement surveys since 2009. In the Keppel Global Employee Engagement Survey 2023, we achieved a strong response rate of 97% from a sample size of over 4,880 employees. Keppel achieved an engagement score of 86%, 2 percentage points higher year-on-year, and higher than Mercer’s global norm of 80%.

#### Keppel Global Employee Engagement Survey 2023

Keppel’s Global Employee Engagement Survey includes aspects related to employee engagement including job satisfaction and sense of purpose, happiness at work and work stress management. 89% of our staff are proud to work for Keppel, 88% feel that their work is meaningful, 87% feel that they are treated with respect, and 87% feel that staff actively deal with and solve problems.

Leadership Programmes	Objectives	Impact
<b>Advanced Leaders Programme</b>	An executive development programme which aims to widen Keppel’s bench strength by developing senior leaders individually and collectively as a group. It was designed in partnership with INSEAD and delivered by the school’s resident faculty.	As at end-2023, about 100 senior leaders have undergone the programme since its inception in 2017. The programme deepened their knowledge in areas which are pertinent in driving business performance, as well as sharpened their interpersonal skills and leadership styles to be inspirational and influential leaders. Ideas generated from the programme were also reviewed for feasibility of implementation in respective platforms and divisions.
<b>Emerging Leaders Programme</b>	A leadership development programme which aims to groom high-potential, early-career employees to take on senior level roles. It was developed in collaboration with the Nanyang Technological University’s Nanyang Business School.	As at end-2023, 127 emerging leaders have attended the programme since its inaugural session in 2017.  The programme honed employees’ strategic leadership capabilities and skills, and reinforced their understanding of Keppel’s business strategy.
<b>People Manager Essentials</b>	A programme which aims to equip people managers with team management skills. It takes on a blended learning approach that comprises self-paced online content and instructor-led modules.	As at end-2023, more than 180 people managers have attended the programme since its inception in 2016. Participants engaged in experiential activities and group discussions on topics including change management, leadership styles, team performance evaluation, building inclusion and communication and feedback strategies.



In the Keppel Global Employee Engagement Survey 2023, 89% of our staff indicated that they are proud to work for Keppel.

### Employee Engagement Initiatives

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

The annual Global Keppelites Forum, a Company-wide townhall, was held in February 2023. During the session, Keppel's CEO Mr Loh Chin Hua shared with employees insights into the Company's growth and transformation plans, and how the Company had evolved over the years

to remain competitive and relevant in a changing world. This was followed by a panel discussion in which senior management responded to queries by Keppelites from around the world.

### Employee Well-being

Keppel promotes various aspects of employees' well-being, guided by a 'WE CARE' framework<sup>1</sup>.

Keppel has designated the months of June and October every year as the Physical Well-being Month and the Mental Well-being Month respectively. In 2023, sports and health initiatives held include a Global K'Steps Challenge to clock a target of

200 million walking steps as a Company. The response was highly positive and employees eventually clocked a total of 217 million steps. Mindfulness talks, health-related webinars and workshops to raise awareness about mental health issues were also held to promote better workplace stress management. In addition, Keppel has an Employee Assistance Programme<sup>2</sup> in place to provide mental health support and professional help to employees and their dependents.

Keppel also celebrates Appreciation Month in August with a series of activities to thank employees for their contributions to the Company.

<sup>1</sup> Keppel's 'WE CARE' framework focuses on promoting various aspects of employees' well-being, including physical and mental well-being, as well as those related to financial, career, social, environmental, sense of purpose, emotional and intellectual development.

<sup>2</sup> Under Keppel's Employee Assistance Programme, employees and their eligible dependents can seek professional help on stress-related issues, in full confidentiality, from qualified and trained third-party counsellors, where applicable.

# HEALTH AND SAFETY

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets

- Continue to execute our Zero Fatality Strategy and achieve zero workplace fatalities across our global operations.
- Continue to strengthen safety culture, including empowering the workforce to speak up on safety.
- Conduct Global Safety Time Out (GSTO) to reinforce the safety message from top management.
- Continue deployment of safety digital transformation.
- Conduct training to upgrade the skills of line and Health, Safety and Environment (HSE) staff on Keppel's Root Cause Analysis (RCA) methodology.



### 2023 Performance

- Achieved zero fatalities in 2023.
- Over 300 site visits and inspections were carried out, which included safety engagement visits by the Board Sustainability and Safety Committee and senior management.
- Conducted GSTO in August to reinforce the 'Speak Up for Safety' message.
- Deployed digital platform across Keppel's operations including the implementation of electronic permit-to-work system.
- Conducted Keppel RCA training for Singapore and overseas participants to prevent recurrence of similar incidents.



### 2024 Targets

- Continue to execute our Zero Fatality Strategy and achieve zero workplace fatalities across our global operations.
- Conduct GSTO to reinforce the safety message from top management.
- Promote and reinforce awareness of physical and mental well-being of employees.
- Continue to drive digital transformation and enhance intervention through data analytics.
- Enhance workforce competency through skills upgrading and training.



### Longer Term Targets

- Maintain zero workplace fatalities across our global operations.
- Operate workplaces that are safe, productive and smart, leveraging technologies and digital innovation.
- Apply Design for Safety (DfS) for all major development projects in and outside of Singapore.





We are committed to providing safe and healthy workplaces, and ensuring high safety standards for our products and services.

#### OVERVIEW

GRI 3-3

Safety is an integral part of sustainability. Keppel places the highest priority on the health and safety of people and the protection of assets and the environment, in the pursuit of our purpose of creating solutions for a sustainable future.

We believe in a building proactive safety culture and advocate for continuous improvements in health and safety standards, both in our operations and in the broader community. We work closely with stakeholders, including our contractors, subcontractors, suppliers, regulators and industry associations, to maintain high standards of health and safety.

We are committed to set HSE improvement targets and monitor progress through performance management, audits and periodic

reviews; comply with the legal requirements of the countries in which we operate; promote well-being and maintain a safe and healthy working environment for all stakeholders; provide adequate resources and training for our workforce; and adopt a systematic approach in our HSE management system to enable continuous performance improvement.

We are also committed to ensure high safety standards for our products and services to safeguard community and customer well-being.

#### REPORT BOUNDARY

GRI 3-3

The boundary for the material factor of health and safety includes Keppel's major subsidiaries in Singapore and overseas in which Keppel has operational control over occupational health and safety (OHS).

#### SAFETY PERFORMANCE

# Zero fatalities

Achieved zero fatalities across global operations.

#### SAFETY AWARDS

# 2 awards

Received two Workplace Safety and Health Performance Awards (Silver) at the WSH Awards 2023 organised by Singapore's Ministry of Manpower and the WSH Council.

**MANAGEMENT APPROACH**

GRI 3-3

**Zero Fatality Strategy**

We focus on strengthening our frameworks and management systems as well as promoting a culture of HSE ownership across our operations. Our approach to HSE management is guided by Keppel’s Zero Fatality Strategy.

**HSE Policy**

Our stance on HSE is articulated in our HSE Policy, which applies to all employees and contractors. We are committed to improving our HSE performance, and continuous efforts are taken to strengthen the safety culture across Keppel through leveraging technology, providing regular training, as well as reviewing and improving safety processes.

**Key Safety Principles**

Keppel’s operations are guided by five key safety principles.

1. Every incident is preventable.
2. HSE is an integral part of our business.

3. HSE is a line responsibility.
4. Everyone is empowered to stop any unsafe work.
5. A strong safety culture is achieved through teamwork.

**Keppel HSE Framework**

The Keppel HSE framework articulates our HSE vision and its alignment with our values, safety principles, as well as policies and objectives, in order to drive the HSE agenda and achieve leading HSE performance across our operations.

**HSE Roundtable**

The effectiveness of our management approach is reviewed annually at the HSE Roundtable where senior management across our platforms and divisions share insights and best practices, and exchange ideas to improve HSE performance. In 2023, feedback arising from the HSE Roundtable was incorporated into the HSE Work Plan for 2024. Keppel’s HSE journey and progress were also shared during the 2023 Keppel Safety Convention.



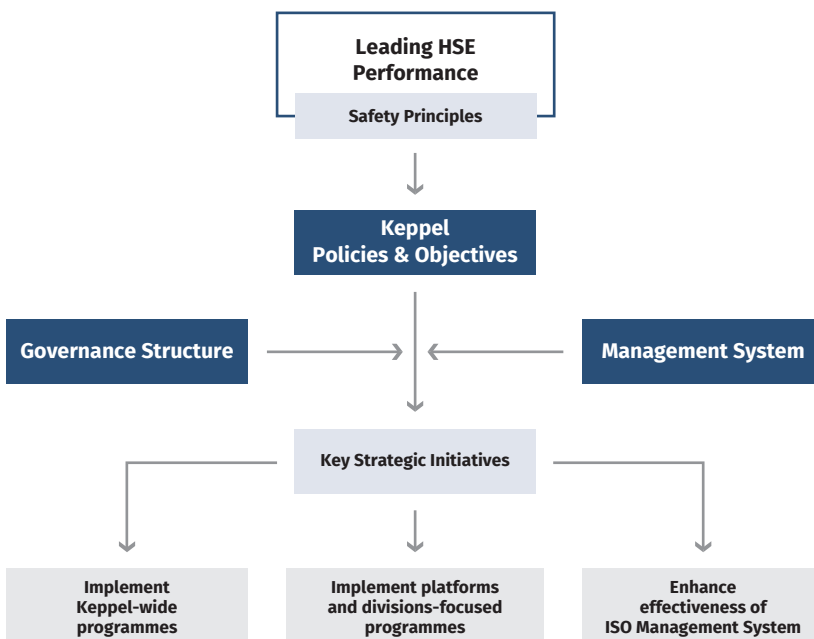
Key initiatives which have been implemented in line with the Zero Fatality Strategy include:

- Setting the tone from the top; Directors and senior management ‘walk the talk’ on site;
- Establishing a global standard across Keppel for managing High Impact Risk Activities (HIRA);
- Implementing a standardised incident investigation and Root Cause Analysis technique;
- Setting individual safety key performance indicators (KPIs) as well as including safety as an important KPI within Keppel’s performance scorecard;
- Cascading Keppel’s safety KPIs from top management to all frontline managers;
- Holding Global Safety Time Out<sup>1</sup> sessions across Keppel’s operations annually;
- Applying Design for Safety (DfS) guidelines to all major development projects;
- Implementing 3-month look-ahead for high risk activities for early intervention;
- Holding safety stand down before the festive season to enhance safety awareness and vigilance; and
- Incorporating mental and physical health programmes into the ‘Healthier Workers, Safer Workforce’ vision<sup>2</sup>.

<sup>1</sup> Since 2017, Keppel worksites around the world have been participating in the Global Safety Time Out, an annual event and platform to reinforce Keppel’s commitment to safety, and remind employees and contractors to continue to strengthen the safety culture and reinforce the importance of safety at the workplace through the sharing of safety messages and best practices.

<sup>2</sup> This vision is in line with the Ministry of Manpower and the WSH Council’s Total WSH approach, which takes an integrated approach to managing employees’ safety, health and well-being in the workplace.

**HSE FRAMEWORK**





**BOARD & MANAGEMENT OVERSIGHT**

The Board Sustainability and Safety Committee (BSSC) was established in 2022 to sharpen Keppel’s focus on sustainability. The role of the former Board Safety Committee was subsumed under the terms of reference of the BSSC. The BSSC is chaired by Keppel’s non-executive and non-independent director, Mr Teo Siong Seng. The BSSC plays a proactive role in reviewing material changes in Keppel’s HSE risk profile, and oversees the management of significant HSE risks and strategic plans, such as Keppel’s Zero Fatality Strategy as well as the digital transformation of HSE processes.

The BSSC leads efforts to implement initiatives and improve performance with the support of the HSE department.

In 2023, Keppel’s BSSC conducted safety visits to Keppel South Central and the Singapore Integrated Waste Management Facility as part of its efforts to raise HSE awareness and to engage the workforce. Over 300 site visits and inspections were also carried out by management across Keppel’s worksites globally.

HSE targets are embedded in the annual performance appraisal and remuneration of Keppel’s management via a scorecard system.

**HSE MANAGEMENT SYSTEMS**

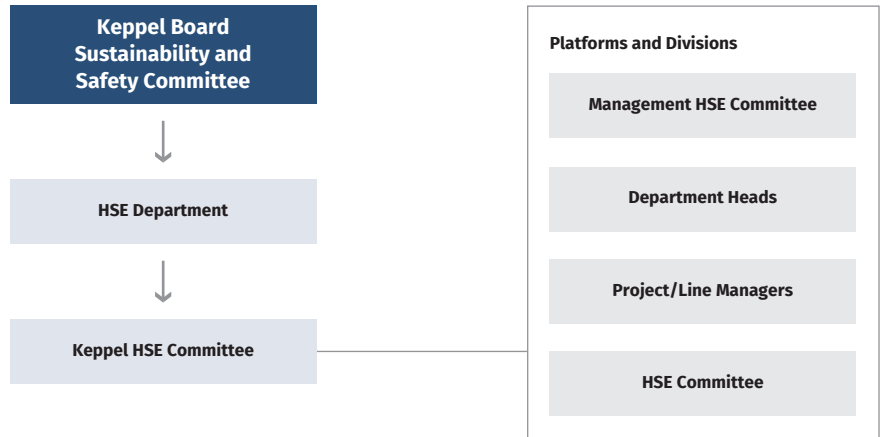
GRI 403-1 | 403-8

Keppel strives to achieve HSE certifications for in-scope entities in line with global best practices.

We had successfully migrated to the ISO 45001 OHS Management Systems from OHSAS 18001 in 2020. The ISO 45001 certification provides a robust set of processes for improving HSE standards in global supply chains. As at end-2023, all of our workers are covered under OHS management systems, of which more than 90% are covered under the ISO 45001 OHS Management Systems.

All employees and contractors at the worksites where Keppel has operational control are covered by Keppel’s HSE management systems. All employees and third-party suppliers and contractors are

**HSE STRUCTURE**



expected to abide by the Keppel HSE Policy, which places the highest priority on the health and safety of people and the protection of assets and the environment.

Our HSE management systems are routinely audited by both independent certification bodies as well as internal audit teams. For instance, our Infrastructure Division’s inspection for Safety Assurance for Everyone (ISAFE) audits ensure that policies and management systems are adhered to, and that HSE standards across operations are aligned.

**HAZARD IDENTIFICATION, RISK ASSESSMENT & RISK MANAGEMENT**

GRI 403-2

We establish and implement procedures to identify, assess and mitigate HSE hazards in our operations across Keppel.

Our operational and HSE teams conduct periodic workplace inspections and internal audits. Training is conducted to equip HSE personnel with the skills to effectively manage HSE risks. Union workers and subcontractor representatives are invited to participate in meetings where the identification of hazards, assessment



Over 10,000 employees, partners and subcontractors from across Keppel’s global operations participated in Keppel’s annual Global Safety Time Out in 2023.

# Health and Safety

Key HSE Initiatives in 2023 
Sharpened our strategic focus on empowering our workforce to be more engaged and to speak up on safety.
Leveraged technology such as data analytics and artificial intelligence to gather data and provide real-time insights of risk patterns.
Continued to roll out DfS guidelines to major developments overseas.
Continued to execute our Zero Fatality Strategy to achieve zero workplace fatalities across our global operations.
Enhanced workforce safety awareness through pre-festive season safety stand-down.
Carried out over 300 site visits and inspections, including safety engagement visits by BSSC and senior management.
Deployed electronic permit-to-work system.
Raised HSE standards through unannounced safety inspections.

of risks and the application of control measures are discussed.

Findings from our risk assessments are factored into facility requirements, training programmes and operational controls.

We operate workplaces that are safe, productive and smart by leveraging technologies and digital innovation. We utilise a cloud-based platform to record HSE processes such as hazards reporting, HSE inspections and audits, as well as permit-to-work applications. Users can also access e-learning modules and keep track of their training progress. The integrated platform captures and utilises these data to provide predictive analyses to identify safety hazards.

To protect workers from potential health hazards, programmes on hearing and respiratory protection were implemented at sites with higher risk levels. To prevent noise-induced hearing loss, employees with exposure to noise are required to wear hearing protection gear and are screened at annual audiometric tests.

All Keppel operational entities also have procedures in place to monitor and investigate any occurrences of occupational disease at their sites based on their respective countries' regulatory requirements.

### HEALTH & SAFETY IMPACT OF PRODUCTS & SERVICES

Care is taken to ensure the responsible and safe design and management of our products. Appropriate health and safety assurance is carried out across the various stages of the product life cycle, from design and development, through distribution and supply, to the product's ultimate end-of-life.

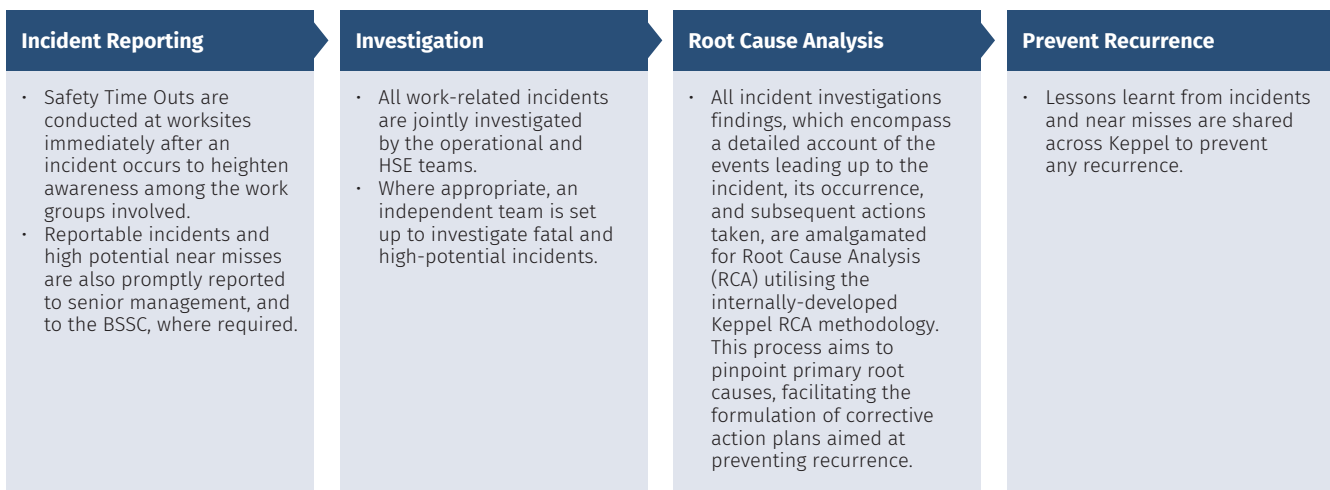
#### Design for Safety

DfS guidelines are mandated for all major development works in Singapore under the Ministry of Manpower's Workplace Safety and Health (WSH) DfS regulations. Keppel has extended the DfS to its overseas projects since 2022. We work closely with relevant stakeholders such as architects, engineers and consultants to reduce design risks at their source as well as promote safer design solutions over the entire project life cycle. As at end-2023, all major developments in Singapore and overseas have applied the DfS guidelines.

## Incident Reporting & Investigation

GRI 403-2

In accordance with the Keppel HSE Policy, all incidents and near misses have to be reported and investigated so that lessons could be learned and shared to prevent any recurrence.





## Product Quality and Safety

Keppel's operating divisions are responsible for the quality and safety of their respective products and services.

Our infrastructure plants comply with the Singapore Standards' SS 593 Code of Practice for Pollution Control, while the water treatment plants comply with the Singapore Environmental Public Health (Water Suitable for Drinking) (No.2) Regulations 2019 and the World Health Organisation Guidelines for Drinking-water Quality standards.

Keppel's Real Estate Division has developed and adopted Responsible Design Values for all its new developments in Singapore and overseas, to deliver the best standards in liveability, quality, aesthetics and sustainability. This includes Design for Quality as well as DfS, to ensure that quality and safety principles are incorporated into designs right from the start of each project. Universal Design (UD) principles are also adopted for new developments, wherever possible, to ensure that all users can live, work and play safely in a friendly and barrier-free environment. DfS and UD principles will also be progressively implemented at all existing projects in Singapore and overseas.

Keppel's data centres in Singapore are certified to the Singapore Standards' SS 507 ICT for Information and Communications Technology disaster recovery services, the ISO 24762 ICT Disaster Recovery Management standards and the Monetary Authority of Singapore's Threat and Vulnerability Risk Assessment.

M1's base stations comply with the Infocomm Media Development Authority's (IMDA) radiation limit and meet the safety radiation guidelines set for the general public. M1 also conducts quarterly Net Promoter Score (NPS) surveys with its customers. It achieved an NPS score of 41 in 2023, above its 2023 target of 25.

## ENGAGING STAKEHOLDERS

GRI 2-28 | 403-4 | 403-5 | 403-7

Keppel recognises the importance and impact of HSE on both our internal and external stakeholders, including our contractors, subcontractors, customers, suppliers, regulators and industry associations. These include:

- Reducing the risks of injury, illness or death to workers;
- Preventing financial impact and property damage occurring from workplace safety incidents;
- Increasing worker productivity;
- Improving product quality; and
- Enhancing corporate reputation.

We work closely with our stakeholders to raise awareness and maintain high HSE standards through initiatives including continuous training for workers, involvement in various industry associations to improve industry HSE standards and strengthening safety culture among workers.

We track the impact of our initiatives in improving HSE standards among our stakeholders using metrics such as fatal injury rate, Lost Time Injury Frequency Rate (LTIFR), Accident Frequency Rate (AFR), Accident Severity Rate (ASR), and occupational disease frequency rate, amongst others. Details of these metrics can be found on page 75.

### HSE Training for Workers

We empower and train our stakeholders to ensure that all personnel are updated on HSE measures and best practices, including migrant workers who are part of our workforce. Our subcontract workers undergo the same HSE training as our employees. In 2023, we invested more than \$1.6 million in enhancing HSE-related infrastructure, upgrading systems and building knowledge and skillsets across the Keppel.

All personnel entering any Keppel-operated site must attend a site-specific HSE induction course to be familiar with the key HSE requirements and potentially hazardous on-site activities or situations. In addition, all workers must undergo HIRA training which

## Keppel's Safety Awareness Centres

To foster a high standard of safety competence among workers, Safety Awareness Centres (SACs) have been built in Ho Chi Minh City, Vietnam; Johor Bahru, Malaysia; Jakarta, Indonesia; Tianjin and Wuxi, China as well as Bangalore, India to provide mandatory HSE training for both Keppel's and our contractors' employees.

A total of about **60,000** workers have been trained across the **6** SACs, of which about **5,500** were trained in 2023.

covers high-risk activities specific to each worksite.

Keppel's Infrastructure Division has been awarded the In-house Approved Training Organisation status by SkillsFuture Singapore, while M1 has developed HSE e-learning modules and assessments for all staff. Keppel's Real Estate Division conducts HIRA-related training using virtual reality technology in Vietnam's Safety Awareness Centre.

Keppel's Data Centres and Networks Division conducts training to foster continuous vigilance and safety awareness, so as to ensure that every individual proactively identifies and addresses potential risks in various situations. The Division also built a Safety Awareness Centre for a construction project in Singapore and conducted e-training to raise safety awareness among operational staff.

### Raising Industry Standards

To raise industry standards and stay abreast of industry best practices, Keppel's management contributes as members of the Singapore WSH (Construction and Landscape) Committee, WSH DfS Workgroup, Singapore Civil Defence Force Fire Safety Standing Committee, related industrial associations such as the Real Estate Developers Association of Singapore, as well as the Singapore Green Building Council and Green Mark Advisory Committee.

## Health and Safety

Keppel's Infrastructure Division requires all its local suppliers of goods and services to have a minimum of Level 2 and Level 3 bizSAFE certifications respectively. Our Real Estate Division requires all its main contractors for project development to have a minimum of bizSAFE Partner certification, while contractors for property management are required to attain bizSAFE Level 3 or higher<sup>1</sup>.

### Strengthening Safety Culture

With their on-the-ground experience and detailed knowledge of hazards and risks, frontline supervisors and workers play crucial roles when it comes to HSE matters. Recognising that their active involvement, feedback and inputs are vital to enhance our safety systems and processes, including risk assessment, hazard reporting and incident investigations, we continued to sharpen our focus in 2023 on engaging and empowering frontline staff to participate more actively in our HSE journey, in particular, to speak up and intervene if they encounter any unsafe behaviours and situations. We are committed to listen and act, to further enhance the culture of continuous safety improvement.

All new employees are required to undergo a safety induction course as part of their orientation programme. Staff are also regularly updated through advisories on incidents, safety legislation and training programmes via different channels.

HSE Alerts are also disseminated to share lessons learnt globally and ensure that preventive measures are taken promptly across all worksites.

In August 2023, Keppel's worksites around the world participated in the annual GSTO to reinforce our commitment to HSE, and remind employees and our contractors to continue to strengthen Keppel's HSE culture.

In 2023, close to 400 Keppelites, union members, contractors, partners and business associates participated in the annual Keppel Safety Convention, to share experiences and reaffirm their commitment to HSE. A total of 12 Keppelites were recognised for their outstanding contributions to WSH, while 21 teams were lauded for their innovative HSE solutions at the Keppel HSE Awards.

### PERFORMANCE

GRI 2-8 | 2-27 | 403-9 | 403-10

We are committed to continually improve our HSE performance by setting and reviewing targets, as well as monitoring and evaluating progress through performance management and audits.

In 2023, Keppel recorded zero fatalities. Our Accident Severity Rate (ASR) was 18 man-days lost per million man-hours, and Accident Frequency Rate (AFR) was 0.32 accidents per million man-hours in 2023<sup>2</sup>.

There was no occurrence of occupational disease at worksites in 2023, including zero cases of workers who were diagnosed with noise-induced deafness. Keppel had a total of 18 lost time incidents in 2023, of which 11 incidents involved our direct workforce and seven incidents involved our contractors. The top three incident types were:

- Slips, trips and falls;
- Caught in between objects;
- Collapse or failure of structures and equipment.

### WORKER HEALTH & WELLNESS

GRI 403-3 | 403-4 | 403-6

Keppel promotes the wellness of its workforce through programmes that address physical and mental health-related risks. In 2023, Keppel organised a Physical Well-being Month and a Mental Well-being Month in June and October respectively. Employee assistance programmes are also available to provide mental health support for employees and their dependents. Regular health talks on stress management, mental well-being and diabetes prevention, among others, are organised at various worksites.

In 2023, Keppel hosted a Total Workplace Safety and Health week where training sessions on workplace safety, physical health and mental well-being were conducted for both our employees and contractors.

It is mandatory for all workers, including contract workers, to be covered by work injury compensation insurance prior to starting work at our worksites. Across Keppel, our contractors partner clinics to provide contract workers with access to medical care.

### RECOGNITION

In recognition of its good health and safety performance, Keppel was conferred two awards at the WSH Awards 2023 organised by Singapore's Ministry of Manpower and the WSH Council.

<sup>1</sup> Contractors that have not attained bizSAFE Level 3 certification are required to provide a letter of commitment to attain the qualification within six months or within the contract period, whichever is earlier.

<sup>2</sup> Refers to a workplace accident that results in the injury of an employee who is given more than three consecutive days of medical leave or hospitalised for at least 24 hours.



In 2023, close to 400 Keppelites, union members, contractors, partners and business associates participated in the annual Keppel Safety Convention, to share experiences and reaffirm their commitment to HSE.

**PERFORMANCE**

		<b>Keppel's Workforce<sup>a</sup></b>	<b>Contractors' Workforce</b>	<b>Total</b>
<b>2023</b>	AFR <sup>b</sup> (reportable accidents per million man-hours)	0.57	0.16	0.32
	ASR <sup>b</sup> (man-days lost per million man-hours)	30	10	18
	Occupational Disease Frequency Rate	0	0	0
	Recordable work-related injuries	19	9	28
	Recordable work-related injuries rate	1.55	0.48	0.90
	Lost Time Injury Frequency	0.90	0.37	0.58
	High-consequence injuries (excluding fatalities)	0	1	1
	High-consequence work-related injuries rate (excluding fatalities)	0	0.06	0.03
	Fatal Injury Rate <sup>c</sup>	0	0	0
	Number of man-hours	12,272,424	18,787,330	31,059,753
	Average contractor manpower <sup>d</sup>	N.A.	6,523	N.A.
	Staff trained on safety	2,414	1,456	3,870
<b>2022</b>	AFR <sup>b</sup> (reportable accidents per million man-hours)	0.40	0.12	0.23
	ASR <sup>b</sup> (man-days lost per million man-hours)	183	214	202
	Occupational Disease Frequency Rate	0	0	0
	Recordable work-related injuries	47	89	136
	Recordable work-related injuries rate	1.25	1.55	1.43
	Lost Time Injury Frequency	0.45	0.57	0.52
	High-consequence injuries (excluding fatalities)	0	0	0
	High-consequence work-related injuries rate (excluding fatalities)	0	0	0
	Fatal Injury Rate <sup>c</sup>	7.64	10	9.07
	Number of man-hours	37,708,972	57,573,573	95,282,545
	Average contractor manpower <sup>d</sup>	N.A.	19,990	N.A.
	<b>2021</b>	AFR <sup>b</sup> (reportable accidents per million man-hours)	0.18	0.17
ASR <sup>b</sup> (man-days lost per million man-hours)		24	9	15
Occupational Disease Frequency Rate		0	0	0
Recordable work-related injuries		38	42	110
Recordable work-related injuries rate		1.15	1.37	1.28
Lost Time Injury Frequency		0.33	0.61	0.5
High-consequence incidents (excluding fatalities)		2	0	2
High-consequence work-related injuries rate (excluding fatalities)		0.06	0	0.02
Fatal Injury Rate <sup>c</sup>		0	0	0
Number of man-hours		33,080,478	52,624,349	85,704,827
Average contractor manpower <sup>d</sup>		N.A.	18,272	N.A.
<b>2020</b>		AFR <sup>b</sup> (reportable accidents per million man-hours)	0.32	0.24
	ASR <sup>b</sup> (man-days lost per million man-hours)	167	8	76
	Occupational Disease Frequency Rate	0	0	0
	Total Recordable Injury Rate	1.11	1.55	1.36
	Lost Time Injury Frequency	0.45	0.63	0.55
	High-consequence incidents (excluding fatalities)	41	5	46
	Fatal Injury Rate <sup>c</sup>	7.62	0	3.25
	Number of man-hours	37,812,161	50,840,374	88,652,535
	Average contractor manpower <sup>d</sup>	N.A.	17,653	N.A.

<sup>a</sup> Figures are based on the assumption of 8.75 working hours per employee per day, five days a week, and excludes public holidays and weekends.

<sup>b</sup> Accident Frequency Rate (AFR) =  $\frac{\text{No. of workplace accidents reported}}{\text{No. of man-hours worked}} \times 1,000,000$

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

<sup>c</sup> Fatal injuries per 100,000 employed persons.

<sup>d</sup> Average Contractor Manpower =  $\frac{\text{Total man-hours worked}}{\text{Total man-hours per worker per year}} \times 1,000,000$

Contractor man-hours are derived from each business division's attendance systems. The average contractor manpower is calculated based on assumption of 24 working days a month, with 10 working hours per working day.

# CONTRIBUTION TO SOCIETY

## PERFORMANCE OVERVIEW

GRI 3-3



### 2023 Targets<sup>1</sup>

- Achieve over 8,000 hours of staff volunteerism globally.
- Support programmes aligned with Keppel’s goals of caring for the underprivileged, protecting the environment and supporting education.
- Leverage Keppel’s capabilities to contribute to the communities where we operate.



### 2023 Performance

- Generated \$11.57 billion of economic value for our stakeholders, the majority of which was distributed to shareholders.
- Achieved 11,450 hours of volunteer community service globally.
- Contributed about \$4.3 million to social investment spending and industry advancement.
- Launched new CSR programmes, including supporting a new Keppel Professorship in Sustainability Solutions at the National University of Singapore, supporting SPD’s new senior care centre for persons with disabilities, and extending the Living Well programme to provide vulnerable communities in Vietnam and India with access to clean water.
- Planted around 2,000 trees as part of Keppel’s support for the OneMillionTrees Movement in Singapore.



### 2024 Targets

- Continue to create economic value for our diverse stakeholders.
- Achieve 10,000 hours of staff volunteerism globally.
- Continue to support programmes aligned with Keppel’s goals of caring for the underprivileged, protecting the environment and supporting education.
- Leverage Keppel’s capabilities to contribute to the communities where we operate.



### Longer Term Targets

- Contribute to nature-based solutions to fight climate change with the planting of 10,000 trees in Singapore over five years.
- Drive collaboration with organisations that share Keppel’s commitment to have a positive impact on our communities.

<sup>1</sup> Financial targets are addressed in Keppel’s Annual Report 2023.





We aim to create economic value for our stakeholders as a leading global asset manager and operator, and contribute to the community through supporting programmes that make a positive impact.

**OVERVIEW**

GRI 3-3

Keppel creates direct and indirect economic value for its stakeholders. Keppel’s business operations generate employment for its staff, opportunities for suppliers, products and services for its customers, and tax revenues for governments.

In addition, Keppel aims to deliver lasting social and environmental benefits to the communities where we operate, through community investments, commercial initiatives and charitable donations, in line with Keppel’s belief that when our communities thrive, we thrive.

We contribute to worthy causes that resonate with the Company’s values. These include caring for the underprivileged,

protecting the environment and supporting education.

We also support industry advancement initiatives and thought-leadership platforms which promote sustainable business practices and foster collaboration among different stakeholders. In addition, we strive to make a positive impact on the community through volunteerism and community service.

**REPORT BOUNDARY**

GRI 3-3

The reporting boundary for economic contribution to society is the same as the financial data in Keppel’s Annual Report 2023.

The boundary for other contributions to society includes Keppel’s major subsidiaries in Singapore, and overseas operations in which Keppel has management control.

**ECONOMIC VALUE GENERATED**

>\$11.5b

Of economic value generated for our stakeholders.

**SOCIAL INVESTMENT**

\$4.3m

Contributed to social investment spending and industry advancement.

**VOLUNTEERISM**

11,450 hrs

Of volunteer service by Keppelites globally.

## Contribution to Society

### MANAGEMENT APPROACH

GRI 3-3 | 413-1 | 413-2 | 415-1

Keppel is focused on delivering value to its stakeholders as a global asset manager and operator, with deep capabilities in Infrastructure, Real Estate and Connectivity. These are areas in which Keppel has strong expertise and track records, where we can both create value for investors, and contribute to global sustainable development efforts.

In addition, we commit up to 1% of the Company's recurring income to worthy causes. In 2023, Keppel invested about \$4.3 million in social investment spending and industry advancement. This includes about \$3.3 million disbursed in Singapore through Keppel Care Foundation, the Company's philanthropic arm, which is governed by its own Board of Directors. As at end-2023, the Foundation has disbursed close to \$55.6 million to worthy causes since its launch in 2012.

Beyond philanthropic giving, Keppel encourages employees to be responsible citizens. Keppel Volunteers, the Company's volunteer movement, works closely with the Foundation to drive volunteerism. To encourage volunteerism, Keppel grants employees two days of volunteer leave annually. In 2023, Keppel Volunteers around the world achieved 11,450 hours of community service.

In line with Keppel's Donations and Sponsorships Policy, we did not

make any donations or sponsorships to any political party, or politicians for any campaign and/or related purposes in 2023. There was also no spending on political lobbying, ballot measures or referendums.

Keppel supports sustainability-related industry/business associations and think tanks which are aligned with our purpose of creating solutions for a sustainable future, as well as those which promote good corporate governance and sustainable business practices. In 2023, our total support to these organisations amounted to about \$273,000. Excluding sponsorship of government-led industry exhibitions, the three largest contributions were \$30,000 to the Sustainable Energy Association of Singapore, \$23,000 to the Singapore Institute of Directors and \$20,000 to the Singapore Green Building Council.

### ECONOMIC CONTRIBUTION TO SOCIETY

GRI 201-1

#### Financial Performance

Keppel achieved a net profit of close to \$4.1 billion for 2023, due to the recognition of disposal gain of approximately \$3.3 billion from the successful divestment of Keppel Offshore & Marine (KOM). Excluding discontinued operations and the loss from distribution *in specie* of Keppel REIT units ("DIS loss"), net profit was \$996 million in 2023, 19% higher than the \$839 million in 2022. All segments were profitable with stronger year-on-year performance from Infrastructure and Connectivity.

## 2023 Financial Performance

### Net Profit

**\$4.1b**

more than quadruple of \$927 million in FY 2022.

### Recurring Income

**\$773m**

comprising 88% of net profit from continuing operations; 54% higher compared to \$503 million in FY 2022.

### Gearing

**0.90x**

at end-2023, compared to 0.78x at end-2022.

### ROE

**37.9%<sup>1</sup>**

compared to 8.1% for FY 2022.

### Total Dividend

**\$2.70**

dividend per share, comprising 34.0 cents cash dividend and \$2.36 dividends *in specie* of Sembcorp Marine shares<sup>2</sup> and Keppel REIT units<sup>3</sup>, compared to 33.0 cents per share for FY 2022.

<sup>1</sup> Excluding discontinued operations and loss from the dividend *in specie* of Keppel REIT units, ROE improved to 9.3% in FY 2023 from 7.3% in FY 2022.

<sup>2</sup> Amounted to \$2.19, rounded to the nearest two decimal places; calculated based on a division of (a) the cash equivalent amount of the dividend declared by the Company of \$3,845 million, by (b) the Company's issued and paid-up share capital as at the Record Date of 1,751,959,918 Keppel Shares (excluding treasury shares).

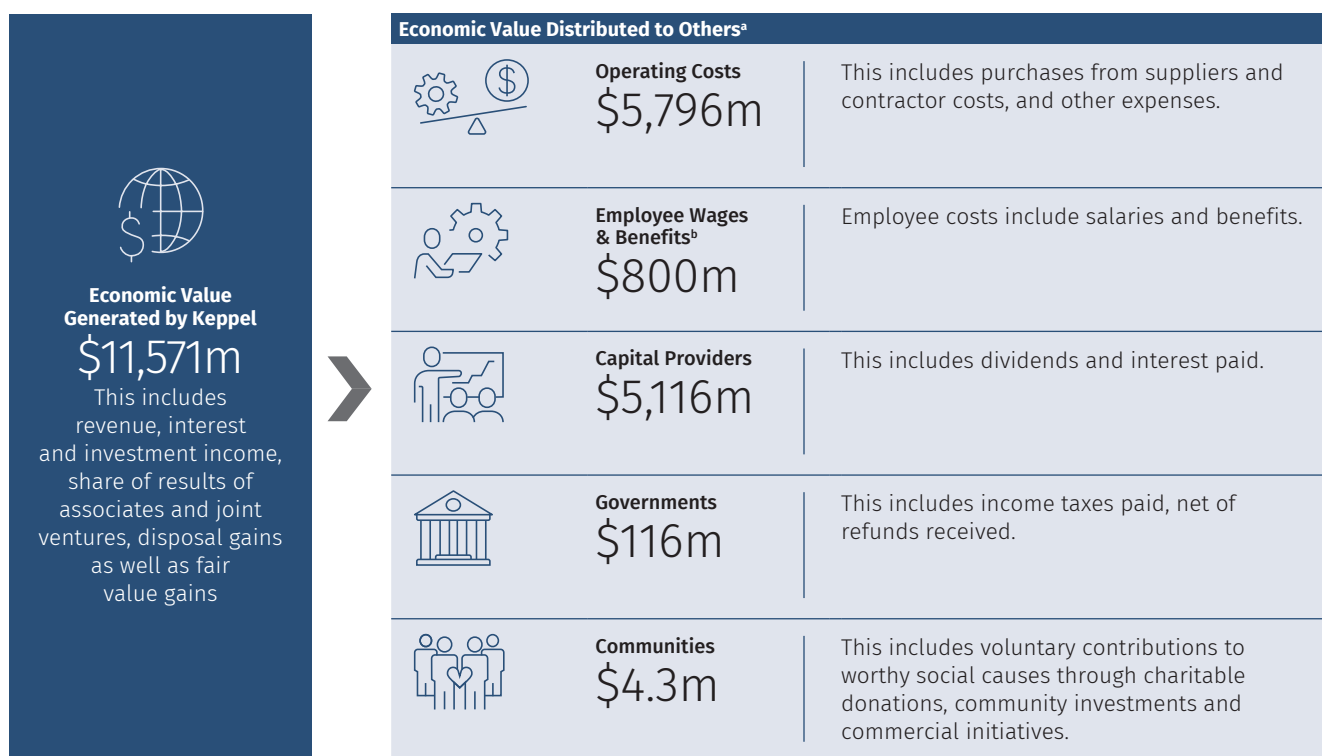
<sup>3</sup> Based on the closing market price of \$0.835 per Keppel REIT unit on 6 November 2023, the cash equivalent amount of the dividend declared by the Company was \$294 million, equivalent to \$0.167 per share.

<sup>4</sup> Excludes capitalised staff costs in stocks, work-in-progress and capital expenditure.

<sup>5</sup> The figures in this section do not take into account the headcount and staff costs of associated companies, whereby an associated company is an entity, not being a subsidiary, over which Keppel has significant influence but not control.



## ECONOMIC VALUE GENERATED AND DISTRIBUTED



<sup>a</sup> The economic value retained by Keppel was negative \$261 million due mainly to the distribution of \$4,721 million to shareholders, including the distribution *in specie* of \$4,139 million and cash dividend of \$582 million.

<sup>b</sup> Excludes capitalised staff costs in stocks, work-in-progress and capital expenditure.

### Economic Value Generated

In 2023, Keppel generated \$11,571 million of economic value for our stakeholders, which was distributed through our business operations to suppliers, contractors, subcontractors, employees, shareholders, governments and community organisations, among others. The majority of the economic value was distributed by Keppel to reward its shareholders on the back of Keppel's strong performance and reflects our confidence in the Company's growth trajectory.

### Economic Value Distributed

#### Operating Costs

In 2023, operating costs of \$5,796 million included purchases from suppliers and contractor costs, as well as other expenses.

#### Employee Wages & Benefits

In 2023, staff costs globally amounted to \$800 million<sup>a</sup> in the form of wages

and salaries, employer's contribution to Singapore's Central Provident Fund and other equivalent pension schemes in different countries, share plans, as well as other staff benefits. Keppel's average number of employees in 2023 was 12,245<sup>5</sup>. This includes employees in KOM until end-February 2023. Excluding discontinued operations, FY 2023's average headcount for continuing operations was 5,455.

#### Capital Providers

Total dividends for 2023 amount to about \$2.70 per Keppel share, as compared to \$0.33 per Keppel share in 2022. This comprises a final cash dividend of 19.0 cents per share and an interim cash dividend of 15.0 cents per share paid in the third quarter of 2023, as well as the dividends *in specie* of Sembcorp Marine (now, Seatrium) shares and Keppel REIT units amounting to \$2.19<sup>2</sup> per share and \$0.167<sup>3</sup> per share respectively.

## Contribution to Society



Keppel held a briefing for media and analysts in May 2023 on the next phase of the Company's Vision 2030 transformation to be a global asset manager and operator.

### Taxes

GRI 207-1 | 207-2 | 207-3 | 207-4

Keppel is committed to ensuring that its approach towards tax management is executed responsibly and with integrity.

Keppel's Tax department monitors and maintains oversight of Keppel's tax matters by regularly collaborating with, and closely supporting, the business and finance teams, as well as other internal stakeholders on various business undertakings to ensure that tax costs are appropriately accounted for.

Keppel discloses its tax strategy and approach to tax risk management in jurisdictions where it is a regulatory requirement. Keppel's overall approach towards responsible tax management is guided by its broader corporate governance and risk management framework, which includes the core tax principles detailed in the table on page 81.

Keppel operates in 15 countries.

In 2023, Keppel contributed \$116 million in taxes to the various countries and tax jurisdictions in which it operates. Information on Keppel's tax payable by its various business segments in 2023 and the total tax payable to governments over a five-year period are disclosed on pages 212 and 244 respectively of Keppel's Annual Report 2023.

Keppel also participates in cooperative compliance programmes when there are suitable opportunities, such as the Singapore Goods and Services Tax (GST) Assisted Compliance Assurance Programme (ACAP). The ACAP is a compliance initiative by Singapore's tax authority, the Inland Revenue Authority of Singapore (IRAS), which was introduced for businesses to voluntarily undertake a holistic risk-based review on the robustness and effectiveness of their internal controls to manage their GST risk and enhance their GST compliance capability.



Keppel also actively participates in feedback sessions on tax-related matters organised by regulatory authorities, public accounting firms and relevant professional bodies such as the Singapore International Chamber of Commerce and the Real Estate Developers' Association of Singapore.

In addition, Keppel's Whistle-Blower Policy encourages reporting in good faith of suspected reportable business conduct, including matters that compromise the organisation's integrity in relation to tax. More information on Keppel's Whistle-Blower Policy can be found on pages 106 and 107 of Keppel's Annual Report 2023.

Keppel is mandated to file Country-by-Country Reports (CbCR) with IRAS annually<sup>1</sup>. The CbCR includes information on Keppel's global allocation of income and taxes paid in different jurisdictions and other financial data. CbCR submitted to IRAS will be provided to tax authorities of jurisdictions with which Singapore has qualifying competent authority agreements for the bilateral automatic exchange of CbCR information.

<sup>1</sup> The CbCR includes information on the key business, financial and tax information for each tax jurisdiction that Keppel operates in. It includes the name of the constituent entity and tax identification number, country of incorporation, tax jurisdiction, main business activities, number of employees, revenues, profit (loss) before tax, income tax accrued (current year) and income tax paid (on cash basis), stated capital and accumulated earnings, as well as tangible assets (other than cash and cash equivalent).

## Keppel's Core Tax Principles



Comply with all relevant tax laws, regulations and regulatory disclosure requirements across the countries and jurisdictions in which Keppel operates.

Fulfil all tax obligations, including filing tax returns accurately and in a timely manner.

Ensure that Keppel pays the right amount of taxes which are legally due in the jurisdictions where it conducts its activities.

Exercise due care and professional judgement in dealing with tax matters, including engaging external tax advisors/experts for professional advice and seeking advance ruling from the tax authorities, as appropriate.

Avoid tax positions that may lead to excessive tax risks.

Act responsibly in relation to all tax matters and do not pursue aggressive tax plans.

Utilise tax incentives that are generally offered and prescribed by relevant authorities to eligible taxpayers that undertake genuine business activities, and seek to implement these tax incentives in accordance with the relevant statutory, regulatory or administrative framework.

Cooperate with all legislative authorities in an open and transparent manner, and consistently adopt a proactive and cooperative approach to resolve any tax issues with authorities in a timely manner.

Conduct transactions and implement business arrangements or structures that are supported by genuine business purposes/commercial rationale, and that comply with the relevant tax laws.

## Contribution to Society

# IMPACT AT A GLANCE

Keppel contributes to worthy causes that resonate with the Company's values. Through engaging and nurturing communities, we contribute to building a sustainable future together.



Contributing to the OneMillionTrees Movement.



Keppel Professorship in Sustainability Solutions.



Keppel Nights, a partnership with Esplanade – Theatres on the Bay.



Donation to Willing Hearts to enhance the sustainability of its operations.



Spreading festive joy to the community.

### Donations & Sponsorships

# \$4.3m

Invested in worthy causes in 2023.

### Keppel Care Foundation

# \$55.6m

Disbursed by Keppel Care Foundation since its launch in 2012.

### Support for Education

# \$22.8m

Disbursed since 2012 to fund bond-free scholarships, academic awards, bursaries and study grants for deserving students.

### Scholarships & Bursaries

# 1,065

Bond-free scholarships, bursaries, study grants and academic awards awarded as at end-2023.

### Volunteerism

# 11,450 hrs

Of community work achieved by Keppel Volunteers in 2023.

### Volunteer Activities

# 200

Volunteer activities and initiatives carried out in 2023 in communities where we operate.

## OTHER CONTRIBUTION TO SOCIETY

### Caring for the Underprivileged

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

#### SPD@Canberra and Sheltered Workshop

In 2023, Keppel pledged \$1 million over three years to renew its collaboration with SPD, a Singapore charity supporting persons with disabilities. The renewed collaboration was unveiled in early 2024 at an event attended by Singapore's President Tharman Shanmugaratnam. Keppel's donation will support SPD@Canberra, SPD's new senior care centre, which caters to seniors with disabilities or who require rehabilitation or assistance with daily living, as well as the SPD Sheltered Workshop, which provides vocational training, therapy and employment support services to persons with disabilities.

Since 2020, Keppel Young Leaders have been supporting SPD to develop new and commercially appealing products for SPD's Sheltered Workshop. This includes an apprenticeship programme to equip trainees with the skills to craft new leather products. With Keppel's support, the SPD Sheltered Workshop revamped its e-shop in 2020 and launched an expanded line of products. By 2023, the annual sales of its online store had increased by more than 400% compared to 2020.

#### Dementia Singapore

In 2022, Keppel pledged \$1 million over three years to support Dementia Singapore (DSG), Singapore's leading social service agency specialising in dementia care, in building a dementia-inclusive community. With an ageing population, and more people expected to be impacted by dementia, the donation supports DSG in addressing the diverse needs of persons with dementia, which includes subsidising fees for daycare services for those from lower income groups, running enrichment programmes, as well as providing support and relief for persons with dementia and their caregivers. The donation is also in line with Keppel's plans to grow its involvement in the senior living sector.

Since 2022, more than 170 DSG clients have received subsidies funded by Keppel, while 1,800 persons with dementia and their caregivers have participated in the Memories Café programme, which provides a normalised café setting for people with dementia and their caregivers.

#### Willing Hearts

In 2023, Keppel donated \$315,000 to enhance the sustainability of Willing Hearts' operations. The donation was deployed to procure two electric trucks and install two electric vehicle charging points at the charity's premises. The two electric trucks donated by Keppel are used to deliver 2,000 meals to over 70 locations island wide daily.

#### NKF Dialysis Centre Supported by Keppel

Keppel Care Foundation made a \$2 million donation to the National Kidney Foundation (NKF) to support its dialysis centre, which is strategically co-located within Yishun Community Hospital and adjacent to Khoo Teck Puat Hospital. Officially opened in 2022, it is the first NKF Dialysis Centre to be integrated within a hospital compound, giving patients ease of access to care and services. It is also the first NKF dialysis centre to offer fully integrated and seamless dialysis care for both haemodialysis (HD) and peritoneal dialysis (PD) patients. As at end-2023, the centre supports about 200 HD and 130 PD patients.

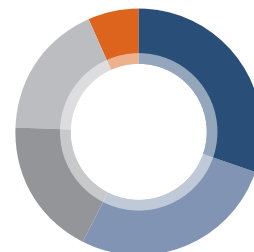
#### SHARE Programme

In Singapore, Keppel is a partner of Community Chest's SHARE, a voluntary employee payroll donation programme. As at end-2023, employees of Keppel have contributed over \$2.72 million through SHARE since Keppel started participating in the programme in 2003.

#### Poverty Alleviation in China

As part of a RMB 5 million collaboration between Keppel and the China Foundation for Rural Development (CFRD)<sup>1</sup>, Keppel funded the upgrading of kitchen facilities in selected schools in Kunming City to provide students with nutritious meals. Beyond financial support, Keppel staff also volunteered to encourage active learning among students. More than 13,000 students in China

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



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

<sup>1</sup> Formerly known as China Foundation for Poverty Alleviation.



## Contribution to Society

have benefited from Keppel's collaboration with CFRD since its inception in 2018.

### Living Well Initiative: Clean Water for Villagers in Vietnam and India

In 2022, Keppel's Real Estate Division in Vietnam collaborated with our Infrastructure Division to launch the Living Well initiative in Ben Tre to provide water filtration systems that improve access to clean drinking water for villages that have been severely affected by drought and saltwater intrusion. In 2023, Keppel expanded the Living Well project to communes in Tien Giang and Ca Mau, with the donation of water filtration systems.

In 2023, we also introduced the system to two villages in the Chikkaballapura District, near Bangalore, Karnataka in India. These regions were affected by scarcity of clean water due to saltwater intrusion.

From its launch up to end-2023, the Living Well initiative has brought clean water to over 53,000 people across Vietnam and India, and Keppel is looking into further expanding the programme.

### Environmental Protection

We work closely with partners to drive initiatives that raise awareness on environmental protection, conserve biodiversity and contribute to climate action.

### OneMillionTrees Movement

Keppel supports nature-based solutions to address climate change. In 2020, Keppel pledged to donate \$3 million to the Garden City Fund to support the planting of 10,000 trees in parks and nature reserves in Singapore over five years, as part of the National Parks Board's OneMillionTrees Movement. This helps to improve Singapore's urban environment and enhance its national resilience against climate change. As at end-2023, more than half of the 10,000 trees committed have been planted, with around 2,000 trees planted in 2023.

### Keppel Coastal Trail

Building on Keppel's support for the OneMillionTrees Movement, Keppel donated a further \$1 million to the Garden City Fund to support the development of the Keppel Coastal Trail at Labrador Nature Reserve. When completed in 2025, the Trail will allow

visitors to enjoy the coastal forest while ensuring the long-term conservation of the nature reserve. The area will be planted with native species that are suited to the coastal environment. Information boards will allow visitors to learn more about coastal and marine habitats, the native flora and fauna that can be found at beach forests and rocky shores, how the environment might change with rising sea levels, and why conserving natural coastal habitats is important for climate resilience.

### Keppel Discovery Wetlands

Established with a \$2.08 million contribution from Keppel, the Keppel Discovery Wetlands at the Singapore Botanic Gardens includes a plant collection of over 200 species, allowing visitors to enjoy a restored freshwater forest wetland in the heart of the city.

Since its launch in March 2017, the Learning Forest where the Keppel Discovery Wetlands is located has attracted about 1.79 million visitors, of which about 85,000 visited in 2023.



Keppel supports the National Kidney Foundation's initiatives to promote kidney health. (In picture: Keppel Volunteers accompanied kidney patients and participated in activities that uplift the lives of dialysis patients.)





The Living Well initiative in Vietnam and India has provided over 53,000 villagers with access to clean drinking water.

### Nature and Sustainability Tours

In 2022, Keppel pledged \$300,000 over three years to support the Nature and Sustainability Tours at Gardens by the Bay.

The programme comprises free guided walking tours of the Gardens to educate visitors about the importance and interconnectedness of the natural environment, biodiversity and climate change, as well as raise awareness on the urgency of climate action.

Since 2022, more than 6,000 people have participated in a total of more than 400 tours. The tours have been very well received by the public, with most of the tours fully booked.

### School Green Awards

In 2023, Keppel pledged \$270,000 over three years to support the School Green Awards organised by the Singapore Environment Council.

The School Green Awards serve as a platform for students to develop and showcase their environmental efforts through customised activities to enhance their understanding of the environment.

In 2023, over 300 entries were received from preschools to institutes of higher learning, engaging more than 310,000 students and teachers who submitted projects promoting environmental stewardship.

### Raising Awareness on Environmental Issues

Keppel supports various programmes that engage students to learn more about environmental issues.

Keppel's Real Estate Division launched the 'R.I.S.E. to the Challenge' programme in 2020 to raise awareness on rising sea levels and the pressing need for climate action. The first phase of the programme saw around 40 exhibitions held across schools and commercial properties within Keppel's portfolio.

Given the popularity of the programme among schoolchildren, building tenants, and the general public, a second phase was launched in 2022. It has reached out to about 340 schools and more than 680,000 students and school leaders.

An inter-school competition was also organised where students showcased climate action initiatives and environmentally friendly projects

undertaken at their schools through short videos on social media. The awards were presented to six winning schools in February 2023.

Keppel Electric collaborated with Terra SG, a regional sustainability social enterprise in Singapore, on a 'Powering a Brighter Future' roving exhibition in 2022, to educate and encourage students on combatting climate change.

Phase 2 of the exhibition was launched in 2023, and expanded to community spaces such as Tampines Hub. The two phases of the exhibition have reached out to more than 60,000 students in 42 schools.

### Singapore Botanic Gardens Seed Bank

Keppel supports Singapore Botanic Gardens' Seed Bank, which focuses on seed collection, research, processing and preserving of the seeds and germplasm of plants in Southeast Asia.

As the first Seed Bank in Singapore and Southeast Asia, it fulfils a critical need for conservation of plant diversity in our region. As at end-2023, there are around 200 species of seeds stored in the Singapore Botanic Gardens Seed Bank.

## Contribution to Society

“The Keppel Merit Award has helped me financially, allowing me to cover the cost of essential needs such as course materials, food and transportation. Most importantly, the award motivates and encourages me to keep moving on and pursue my education further.”

**YETHI TAJ S/O RAJASAYGARAN**, a 2023 Keppel Merit Award recipient from ITE.

### SCHOLARSHIPS AND BURSARIES

\$22.8m

Disbursed to date to support education.

1,065

Bond-free scholarships, bursaries, study grants and academic awards awarded as at end-2023.

### Supporting Education

Inclusive, quality education can lift communities out of poverty by enabling children and youth to create brighter futures for themselves and their families. Since its inception in 2012, Keppel Care Foundation has disbursed close to \$22.8 million to support education, including scholarships and bursaries that provide students from disadvantaged backgrounds with access to quality education at universities and institutes of higher learning.

In 2023, Keppel and the National University of Singapore (NUS) established the Keppel Professorship in Sustainability Solutions, which funds sustainability-related research, including public outreach campaigns and lectures related to sustainability. Professor Rajasekhar Balasubramanian has been appointed the inaugural Keppel Professor in Sustainability Solutions.

### Scholarships and Bursaries

In 2023, around 130 academic awards and bursaries funded by Keppel Care Foundation were disbursed to students across different institutions. A total of 1,065 students have benefitted from the scholarships, bursaries and awards since the establishment of Keppel Care Foundation in 2012.

In 2023, Keppel made a further \$500,000 donation to NUS to enhance the Keppel Bursary for Engineering in line with the rising cost of living. The top-up will

enable NUS to support more students each year. It will also raise the current value of each bursary from \$3,000 to \$5,000 per annum, which will render greater financial assistance to the recipients. In addition, the number of awarded bursaries will increase from an average of 16 students to 18 students per academic year. Since the inception of the Keppel Bursary for Engineering in 2015, a total of 142 bursaries have been awarded.

In Vietnam, Keppel’s Real Estate Division continued its support of the Nang Buoc Thu Khoa scholarship programme for the fourth consecutive year. Co-organised with local newspaper Tien Phong’s Fund for Young Talents of Vietnam, the scholarship supports top students with financial difficulties in pursuing their studies at leading universities in Vietnam. Since its inception in 2020, a total of 60 scholarships have been awarded to valedictorians of the university entrance exams.

### M1’s Diploma Programmes

M1’s wholly-owned subsidiary, AsiaPac partners the Singapore Institute of Management and the Institute of Technical Education on the Youth Academy Work-Study-Train and Work-Study diploma programmes respectively. Under the programmes, students are attached to AsiaPac to allow them to gain work experience while pursuing their studies.

### SCHOLARSHIPS AND BURSARIES IN SINGAPORE (Year of Inception)



Keppel Care Foundation Scholarship (2018)  
Keppel Merit Awards (2018)



Keppel Environmental Studies Gold Medal (2021)



Keppel Bursary at NUS (2011)  
Keppel Bursary for Engineering (2015)  
Keppel Professorship in Sustainability Solutions (2023)



Keppel Study Grant (2012)  
SIT-Keppel Gold Medals (2012)



Keppel Care Foundation-SUTD Scholarship (2015)  
Keppel Award of Excellence (2013)  
Keppel Bursary Award (2013)





Established with a \$12 million donation from Keppel, the Keppel Centre for Art Education at the National Gallery Singapore is the first art education facility of its kind in the region. In December 2023, following a four-month closure, the Centre was reopened with an entirely refreshed space, offering a world of wonder for children to learn about art through play.

### Fostering Creativity & Appreciation of the Arts

We believe that the arts inspire, contribute towards civic engagement and social cohesion, and build bridges between cultures. Through supporting the arts, we aim to stimulate the cross-fertilisation of ideas, and foster creativity and expression. This in turn makes our communities more vibrant.

#### Keppel Nights

In 2023, Keppel committed a further \$500,000 over three years to Esplanade – Theatres on the Bay to continue its support of the very popular Keppel Nights programme, which provides opportunities for students to enjoy performances at Esplanade on a fully-funded basis. In 2023, around 3,140 students from 32 schools attended 39 Keppel Nights programmes.

Over the past 10 years, Keppel Nights has enabled more than 32,000 students from more than 75 schools to enjoy arts and cultural performances presented by Esplanade.

#### Keppel Centre for Art Education

Established with a \$12 million donation from Keppel, the Keppel Centre for Art Education at the National Gallery Singapore is the first art education facility of its kind in the region. The Centre has hosted over 2 million visitors since its launch in 2015.

### We believe that the arts inspire, contribute towards civic engagement and social cohesion, and build bridges between cultures.

In December 2023, following a four-month closure to revamp the space, the National Gallery reopened the Keppel Centre for Art Education with an entirely refreshed space, offering a world of wonder for children to learn about art through play. As part of the Singapore Ministry of Education's museum-based learning programme, over 34,000 students from 152 schools visited the Keppel Centre for Art Education in 2023.

## Contribution to Society

### Contributing to Societal and Industry Advancement

GRI 2-28

Keppel's management contributes to society and to the advancement of ESG issues through their involvement in boards and other committees of tertiary institutions, industry associations, institutions of public character and other organisations.

These include Mr Loh Chin Hua, CEO of Keppel, who is on the board of trustees of the National University of Singapore; and Ms Cindy Lim, CEO, Infrastructure of Keppel, who is a board member of the Ammonia Energy Association, a global non-profit industry association that promotes the responsible use of ammonia in a sustainable energy economy, and also a council member of the ASEAN Business Advisory Council, which boosts ASEAN's efforts towards economic integration.

Other examples include the following:

- Mr Tan Swee Yiow, Chairman and Non-Executive Director of Keppel REIT Management is both a Board Director of the World Green Building Council and Honorary Advisor of the Singapore Green Building Council.
- Mr Koh Wee Lih, CEO of Keppel REIT Management, is the President of the REIT Association of Singapore, which promotes the Singapore REIT industry's growth.
- Mr Wong Wai Meng, CEO (Data Centres), Data Centres and Networks Division of Keppel, is the Chair of the Council of SGTech, the leading trade association for Singapore's tech industry.
- Mr Koh Khai Yang, Executive Director, Operations Excellence at Keppel's Infrastructure Division, chairs the Sustainable Finance Committee under the Sustainable Energy Association of Singapore. He is also a Board Treasurer at Workwell Leaders, a non-profit organisation focused on championing employee mental health and well-being.

### Advancing the Sustainability Agenda

Keppel collaborates with governments and industry partners to support knowledge sharing platforms and events that promote responsible business practices and a sustainable future.

#### World Cities Summit

Keppel has been the sole sponsor of the Lee Kuan Yew World City Prize at the biennial World Cities Summit since its inauguration in 2010 and has committed \$3.5 million to sponsor it through to 2030. The Prize is an international award that honours outstanding achievements and contributions to the creation of liveable, vibrant and sustainable urban communities around the world.

#### Doha Conference and Exhibition 2023

Keppel was a Gold sponsor at the 3rd Recycling toward Sustainability Conference and Exhibition organised by the Qatar Ministry of Municipality in Doha in May 2023. The event showcased the latest methods in waste management and energy production, amongst others.

#### Singapore International Energy Week

Keppel was a sponsor of the Singapore International Energy Week 2023, organised by Singapore's Energy Market Authority. The conference brought together policymakers, industry leaders and energy professionals to share key trends, best practices and solutions within the global energy sector.

#### SID Directors Conference

Keppel was a gold sponsor of the Directors Conference by the Singapore Institute of Directors to promote the professional development of directors and corporate leaders, and support thought leadership and benchmarking on corporate governance and directorship.

#### CleanEnviro Summit Singapore

Keppel was a sponsor of the CleanEnviro Summit 2023. The summit serves as a global platform to highlight pressing and pertinent issues about the environment such as promoting circular economy frameworks, adopting climate resilient policies and safeguarding public health standards.



## About This Report

GRI 2-3

This report focuses on Keppel's sustainability strategy and practices, namely the material environmental, social and governance (ESG) aspects of our business operations.

The report provides an overview of our management approach, priorities, targets and performance reviews in key areas. The content was defined by identifying and prioritising the Company's material ESG factors through a comprehensive materiality assessment conducted in 2022. We printed limited copies of this report to minimise environmental impact. A PDF version is available at [www.keppel.com](http://www.keppel.com)

Our stakeholders are advised to also read Keppel's Annual Report 2023, available at [www.keppel.com/annualreport2023](http://www.keppel.com/annualreport2023), for more information on the Company's business, strategy, performance and prospects.

### REPORTING PERIOD & STANDARDS

This report is published annually and covers the same period as the financial year of the Company (January to December 2023), unless otherwise stated. Our last sustainability report was published in May 2023. Where possible, we shared three-year historical information to provide a meaningful basis for comparison. Standard units of measurement have been used and conversion factors may be found in the relevant sections. All dollar values expressed are in Singapore dollars, unless otherwise stated.

Keppel Ltd. has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023, as well as the Singapore Exchange (SGX) Listing Rules 711A, 711B and Practice Note 7.6 Sustainability Reporting Guide. The GRI Standards were chosen as GRI is an internationally recognised and widely used standard for sustainability reporting, built on the concepts of impact, material topics,

human rights due diligence and stakeholder engagement.

We support the Task Force on Climate-related Financial Disclosures and have incorporated its recommendations in our reporting, to better assess and report on the impact of climate-related risks and opportunities on Keppel's business.

In addition, we are also studying the new standards issued by the International Sustainability Standards Board (ISSB) and considering how they can be incorporated, where relevant, in Keppel's sustainability disclosures.

We are a participant of the United Nations Global Compact and are committed to its 10 principles. This report serves as supplemental documentation to our Communication on Progress.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to stakeholders.

### REPORT BOUNDARY

This report covers global operations for which Keppel has management control, unless otherwise indicated<sup>1</sup>. The Company structure is provided on page 12.

The reporting boundary for financial data is the same as that of Keppel's Annual Report 2023. The reporting boundaries for our material topics are in general based on operational control. However, where different boundaries are used for specific topics due to differences in where the impacts occur, the separate boundaries will be specified in the respective sections of the report.

### INDEPENDENT EXTERNAL ASSURANCE

Keppel appointed an independent third party, DNV, to provide assurance on this report. The content was reviewed, and the accuracy and reliability of the statements were validated in accordance with DNV's VeriSustain protocol, V6.0, which is based on DNV's professional experience and international assurance best practice, including the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. The Assurance Statement is published on pages 94 to 98 of this report.

### INTERNAL REVIEW

In 2023, Keppel's Internal Audit department also conducted an internal review of the Company's sustainability reporting process in line with SGX's Listing Rules and Sustainability Reporting Guide, to further strengthen the Company's procedures and controls.

### FEEDBACK

This report demonstrates our commitment to keep our stakeholders abreast of Keppel's sustainability performance. We welcome feedback.

Tel: (65) 6270 6666

Email: [sustainability@keppel.com](mailto:sustainability@keppel.com)

<sup>1</sup> Sustainability data cited in the report is mapped against the operations of Keppel's business segments depicted on page 12 of this report, rather than the full list of legal entities and holding companies on pages 218 to 226 of Keppel's Annual Report 2023, as the latter includes investment holding companies, entities with no emissions, and project companies holding projects that may not have commenced.

# GRI Content Index



## THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS.

Our GRI Content Index specifies each of the GRI Standards disclosures included in this Sustainability Report as well as references made to our Annual Report 2023, which can be found at [www.keppel.com/annualreport2023](http://www.keppel.com/annualreport2023).

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to stakeholders.

<b>Statement of Use</b>	Keppel Ltd. has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	None

GRI Standard	Disclosure Number	Disclosure Title	Page References*	Omission			External Assurance Yes (Y)
				Requirement(s) Omitted	Reason	Explanation	
<b>General Disclosures</b>							
GRI 2: General Disclosures 2021	2-1	Organizational details	12, AR2023 (71)				Y
	2-2	Entities included in the organization's sustainability reporting	12				Y
	2-3	Reporting period, frequency and contact point	89				Y
	2-4	Restatements of information	41				Y
	2-5	External assurance	94-98				Y
	2-6	Activities, value chain and other business relationships	12, 52, AR2023 (20-21)				Y
	2-7	Employees	59-62				Y
	2-8	Workers who are not employees	75				Y
	2-9	Governance structure and composition	14, AR2023 (74, 106)				Y
	2-10	Nomination and selection of the highest governance body	AR2023 (79)				Y
	2-11	Chair of the highest governance body	AR2023 (74)				Y
	2-12	Role of the highest governance body in overseeing the management of impacts	14-15, AR2023 (74-75)				Y
	2-13	Delegation of responsibility for managing impacts	AR2023 (74-75)				Y
	2-14	Role of the highest governance body in sustainability reporting	14-15, 24, AR2023 (25)				Y
	2-15	Conflicts of interest	AR2023 (76)				Y
	2-16	Communication of critical concerns	62-63, AR2023 (107)				Y
	2-17	Collective knowledge of the highest governance body	AR2023 (80-81)				Y
	2-18	Evaluation of the performance of the highest governance body	AR2023 (106)				Y
	2-19	Remuneration policies	AR2023 (84-91)				Y
	2-20	Process to determine remuneration	AR2023 (84-91)				Y
2-21	Annual total compensation ratio		a, b, c	Confidentiality constraints <sup>^</sup>	Information is confidential <sup>^</sup>		

GRI Standard	Disclosure Number	Disclosure Title	Page References*	Omission			External Assurance Yes (Y)
				Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	4-7				Y
	2-23	Policy commitments	21-23				Y
	2-24	Embedding policy commitments	21-23				Y
	2-25	Processes to remediate negative impacts	AR2023 (107)				Y
	2-26	Mechanisms for seeking advice and raising concerns	AR2023 (107)				Y
	2-27	Compliance with laws and regulations	43, 74				Y
	2-28	Membership associations	16, 73, 88				Y
	2-29	Approach to stakeholder engagement	16-17				Y
	2-30	Collective bargaining agreements	63				Y
<b>Material Topics</b>							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	18				Y
	3-2	List of material topics	18				Y
<b>Environmental Stewardship</b>							
<b>Climate Action and Environmental Management</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 32-36				Y
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	36, 41				Y
	302-2	Energy consumption outside of the organisation	41				Y
	302-3	Energy intensity	36				Y
	302-4	Reduction of energy consumption	36				Y
	302-5	Reductions in energy requirements of products and services	36				Y
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	37				Y
	303-2	Management of water discharge-related impacts	38, 41				Y
	303-3	Water withdrawal	37, 41				Y
	303-4	Water discharge	37-38, 41				Y
	303-5	Water consumption	41				Y
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	39-41				Y
	305-2	Energy indirect (Scope 2) GHG emissions	39-41				Y
	305-3	Other Indirect (Scope 3) GHG emissions	39-41				Y
	305-4	GHG emissions intensity	39				Y
	305-5	Reduction of GHG emissions	39-40				Y
	305-6	Emissions of ozone-depleting substances (ODS)	-		Not applicable	We do not produce, import or export ODS.	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	40				Y
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	38-39, 41				Y
	306-2	Management of significant waste-related impacts	38-39, 41				Y
	306-3	Waste generated	38-39, 41				Y
	306-4	Waste diverted from disposal	38-39, 41				Y
	306-5	Waste directed to disposal	38-39, 41				Y

\* References to Keppel Ltd.'s Annual Report 2023 are expressed as 'AR2023 (page number)'. Keppel Ltd.'s Annual Report 2023 is available at [www.keppel.com/annualreport2023](http://www.keppel.com/annualreport2023).

^ We do not publicly report our annual total compensation ratio as the data is commercially sensitive and confidential.

## GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page References*	Omission			External Assurance Yes (Y)
				Requirement(s) Omitted	Reason	Explanation	
<b>Responsible Business</b>							
<b>Corporate Governance and Risk Management</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	46, 48, AR2023 (72-73, 111, 118)				Y
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	AR2023 (118, 120)				Y
	205-2	Communication and training about anti-corruption policies and procedures	AR2023 (120)				Y
	205-3	Confirmed incidents of corruption and actions taken	AR2023 (107)				Y
<b>Supply Chain Management</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	50-51				Y
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	52				Y
	308-2	Negative environmental impacts in the supply chain and actions taken	54				Y
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	52				Y
	414-2	Negative social impacts in the supply chain and actions taken	54				Y
<b>People and Community</b>							
<b>Human Capital Management</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	56-58				Y
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	61-62				Y
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	60				Y
	401-3	Parental leave	59				Y
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	64				Y
	404-2	Programmes for upgrading employee skills and transition assistance programmes	64-65				Y
	404-3	Percentage of employees receiving regular performance and career development reviews	60				Y
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	59-61				Y
	405-2	Ratio of basic salary and remuneration of women to men	62				Y
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	64				Y



GRI Standard	Disclosure Number	Disclosure Title	Page References*	Omission			External Assurance Yes (Y)
				Requirement(s) Omitted	Reason	Explanation	
<b>Health and Safety</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	68-70				Y
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	71				Y
	403-2	Hazard identification, risk assessment, and incident investigation	71-72				Y
	403-3	Occupational health services	74				Y
	403-4	Worker participation, consultation, and communication on occupational health and safety	73-74				Y
	403-5	Worker training on occupational health and safety	73				Y
	403-6	Promotion of worker health	74				Y
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54, 73				Y
	403-8	Workers covered by an occupational health and safety management system	71				Y
	403-9	Work-related injuries	74				Y
	403-10	Work-related ill health	74				Y
<b>Contribution to Society</b>							
GRI 3: Material Topics 2021	3-3	Management of material topics	76-78				Y
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	78-79				Y
	201-2	Financial implications and other risks and opportunities due to climate change	24-27				Y
	201-3	Defined benefit plan obligations and other retirement plans	60-61				Y
	201-4	Financial assistance received from government	AR2023 (155)				Y
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	AR2023 (48-51)				Y
	203-2	Significant indirect economic impacts	AR2023 (48-51)				Y
GRI 207: Tax 2019	207-1	Approach to tax	80-81				Y
	207-2	Tax governance, control and risk management	80-81				Y
	207-3	Stakeholder engagement and management of concerns related to tax	80-81				Y
	207-4	Country-by-country reporting	80-81				Y
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	78				Y
	413-2	Operations with significant actual and potential negative impacts on local communities	78				Y
GRI 415: Public Policy 2016	415-1	Political contributions	78				Y

# Independent Assurance Statement

GRI 2-5



## INTRODUCTION

DNV Business Assurance Singapore Pte. Ltd. ('DNV') has been commissioned by the management of Keppel Ltd. ('Keppel', UEN: 196800351N) to undertake an independent limited assurance in connection with selected indicators to be included in the Company's Sustainability Report 2023 ('the Report') for the calendar year ending 31 December 2023. The Management of Keppel is responsible for developing the Report. The intended users of this Assurance Statement are the Management of the Company.

## SCOPE AND BOUNDARY OF ASSURANCE

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited and reasonable assurance.

The scope of assurance is limited to a review of sustainability-related disclosures and performance data (as indicated under the 'External assurance' column in the GRI Content Index of the Report). Our assurance engagement was limited to selected indicators and carried out during October 2023 to April 2024.

The sustainability disclosures in this Report have been prepared based on the identified material sustainability factors and performance disclosures in relation to business activities undertaken by the Company for the calendar year 1 January 2023 to 31 December 2023.

The procedures performed in a limited assurance engagement vary in nature and timing and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been

obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Keppel's website for the current reporting period.

## RESPONSIBILITIES OF THE MANAGEMENT OF KEPPEL AND OF THE ASSURANCE PROVIDER

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement. The Board has oversight and is responsible for the Company's sustainability reporting. Keppel has stated that this Report has adopted general disclosures and selected topic-specific disclosures related to identified material sustainability factors.

In performing our assurance work, DNV's responsibility is to plan and perform the work to obtain assurance about whether the selected information has been prepared in accordance with the reporting requirements and to report to Keppel in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

## BASIS OF OUR OPINION

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to Keppel and its key

stakeholders. A multi-disciplinary team of sustainability and assurance specialists reviewed non-financial disclosures related to the headquarters in Singapore, and selected sites of Keppel based on DNV's sampling plan. During the audit, we conducted site visits to Keppel's headquarters and the Keppel Marina East Desalination Plant (KMEDP) in Singapore. We undertook the following activities:

- Review of the non-financial sustainability-related disclosures (as indicated by "Y" under the 'External assurance' column in the GRI Content Index published by Keppel) in this Report;
- Review of the approach to materiality determination and review of outcomes of stakeholder engagement; DNV did not have any direct engagement with external stakeholders;
- Review of information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the framework adopted by Keppel;
- Interviews with select members of the leadership team, and senior managers responsible for the management of sustainability issues and review of selected evidence to support generic disclosures. We were free to choose the interviewees, and interviewed those with overall responsibility for the programmes to deliver the medium- and long-term targets and milestones;
- Performed desk review of selected sustainability parameters for sampled entities, and discussed findings and resolved with the Sustainability Team;
- Carried out physical site visits to Keppel's headquarters and the Keppel Marina East Desalination Plant in Singapore to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy;
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritised based on risk-based approach, i.e., relevance of identified material topics and sustainability context of the business;
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.



## OPINION AND OBSERVATIONS

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information related to the selected indicators for the Report for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the GRI Standards and its reporting principles. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain and GRI Reporting Principles applicable to the disclosure of selected indicators:

### Stakeholder Inclusiveness

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report has brought out key stakeholders (i.e., employees, customers, governments, shareholders and investors, suppliers and local communities) to engage with, to build trust based on significant influence on Keppel's sustainability performance under 'Stakeholder Engagement' section of the Report. The Report also brings out the significance of each stakeholder and how Keppel interacts with the key stakeholders through various channels to assess their concerns and respond to them through various disclosures on strategies and value creation in the Report.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.*

### Materiality

*The process of determining the issues that are most relevant to an organization and its stakeholders.*

The Report highlights Keppel's approach to identifying and ranking the Company's material concerns. This is based on global environmental, social and governance (ESG) standards and considers ESG issues that could result in significant

impacts on communities, business partners, workforce and the environment, and the relative influence on stakeholders' assessment and decision making. The material topics have been clustered into six material ESG factors namely Climate Action and Environmental Management, Corporate Governance and Risk Management, Supply Chain Management, Human Capital Management, Health & Safety and Contribution to Society.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.*

### Responsiveness

*The extent to which an organization responds to stakeholder issues.*

The Report outlines the Company's reactions to identified material topics, key challenges faced and significant issues including risks faced during the reporting period through disclosures on Governance, Business Review, and strategic responses to stakeholders' concerns, to deliver shared values. Additionally, the Report details the Company's non-financial performance in relation to key material topics using selected GRI Topic Specific Standards.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.*

### Reliability

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*

Most of the performance disclosures verified at the Head Office and sampled sites, as well as through desk reviews, were determined to be accurate, reliable and traceable to their source. Despite the limited sampling, no major errors in data collection or aggregation were uncovered. We assessed the calculations and assumptions used for their appropriateness, with a focus on ensuring reliability. However, our procedures did not include

testing controls or procedures related to checking data aggregation or calculations within IT systems. Some of the data inaccuracies identified during the verification process were found to be attributable to interpretation and aggregation errors. These identified errors were communicated, and the responses and corrections made to the reported data and information were reviewed.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.*

### Completeness

*How much of all the information that has been identified as material to the organization and its stakeholders is reported.*

The Report has disclosed the Company's business model, sustainability strategies, management approach disclosures and sustainability performances against the material topics identified based on selected GRI Standards. The boundary of the Report has been explained across sections in the Report and includes the sustainability performance across global operations, subsidiaries and associated companies over which Keppel has management control for the reporting period.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.*

### Neutrality

*The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.*

The Report presents disclosures related to the Company's performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders' opinion made based on the reported data and information.

*Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.*

## Independent Assurance Statement



### LIMITATIONS

DNV's assurance engagements are based on the assumption that the data and information provided by Keppel to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of Keppel's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are

subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

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

### STATEMENT OF COMPETENCE AND INDEPENDENCE

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality

control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

### PURPOSE AND RESTRICTION ON DISTRIBUTION AND USE

This report, including our conclusion, has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

<sup>1</sup> The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com)

For and on behalf of DNV Business Assurance Singapore Pte. Ltd.

Gangwar,  
Vishal

**VISHAL GANGWAR**  
Lead Verifier  
Supply Chain and  
Product Assurance

Digitally signed by Gangwar, Vishal  
Date: 2024.04.25  
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25 April 2024, Singapore

Goh, Wee  
Hong

**WEE HONG GOH**  
Area Manager – South East Asia  
Supply Chain and  
Product Assurance

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Astone,  
Antonio

**ANTONIO ASTONE**  
Assurance Reviewer  
DNV SCPA – Global Technical  
and Quality function

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# GHG Independent Verification Statement

GRI 2-5



## INTRODUCTION

DNV Business Assurance Singapore Pte. Ltd. ("DNV") has been commissioned by the management of Keppel Ltd. ("Keppel", UEN: 196800351N) to carry out verification of Greenhouse Gases ("GHGs") emissions as part of its sustainability reporting and for the Company's Carbon Disclosure Project ("CDP") response. The verification exercise was carried out for the Company's GHG emissions for the period from 1 January 2023 to 31 December 2023. Keppel is responsible for the collection, analysis, aggregation and presentation of GHG scope 1, 2 and 3 data and information, and has adopted operational control approach for selecting the reporting boundary, based on requirements set out in World Resources Institute's GHG Protocols in Keppel's bespoke spreadsheets and UL 360 software.

This engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited and reasonable assurance. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

Our responsibility of performing this work is to the management of Keppel only and in accordance with terms of reference agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficiently true and free from misstatements. DNV disclaims any liability or

co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during October 2023 to April 2024 as part of verification of sustainability report disclosures.

## SCOPE, BOUNDARY AND LIMITATIONS OF VERIFICATION

The scope of work agreed upon with Keppel includes the following:

- Verification of the GHG emissions (Scope 1, Scope 2 and Scope 3) in accordance with the requirements of GHG Protocol of WBCSD:
  - The Scope 1 emissions arising from:
    - a. Diesel consumption in the diesel generating (DG) sets owned or operated by Keppel;
    - b. Diesel fuel consumption in owned and leased vehicles of Keppel;
    - c. Liquefied petroleum gas consumption;
    - d. Piped natural gas consumption;
    - e. Compressed natural gas consumption; and
    - f. Refrigerant loss and top up (R123, R134A, R22, R407C, R410A)
  - The Scope 2 emissions arising from use of purchased grid electricity and purchased heating and cooling;
  - The Scope 3 emissions arising from Category 1 purchased goods and services, Category 2 capital goods, Category 3 fuel and energy-related activities, Category 4 Upstream transportation, Category 5 waste generated, Category 6 business travel, Category 7 employee commute, Category 8 upstream leased assets, Category 11 use of sold goods, Category 12 end-of-life treatment of sold products, Category 13 downstream leased assets and Category 15 investments.

The organisational boundary as set out by Keppel covers the 48 sites, where Keppel has operational control. During the process of verification, we did not come across any limitations to the agreed scope of work.

## VERIFICATION METHODOLOGY

During the verification engagement, we have taken a risk-based approach, and we have verified the GHG emissions made in the Sustainability Report and assessed the robustness of the underlying data management system, information flow and controls. We carried out the following activities:

- Desk review of Keppel's reported emissions provided to us in spreadsheets to select sample sites for offsite verification.
- Verification of the Company's protocols, processes, management approach and controls related to the collection and collation of the GHG emission data based on GHG Protocol of WBCSD and UL 360 software.
- Management interaction to review data management systems of Keppel, including review of data completeness, emission factors used, and assumptions applied.
- Carried out physical site visit at Keppel's headquarters and the Keppel Marina East Desalination Plant (KMEDP) in Singapore to review the processes and systems for preparing site level sustainability data.
- Offsite verification of data aggregation systems and related evidence related to Scope 1 & Scope 2 emissions reported for sample sites i.e. Spring City, Sedona Hotel Yangon, IFC Tower 2 and, MOC; Scope 3 emissions reported for Category 1 purchased goods and services, Category 2 capital goods, Category 3 fuel and energy-related activities, Category 4 Upstream transportation, Category 5 waste generated, Category 6 business travel, Category 7 employee commute, Category 8 upstream leased assets, Category 11 use of sold goods, Category 12 end-of-life treatment of sold products, Category 13 downstream leased assets and Category 15 investments; and
- Review of feedback from Keppel on reported observations arising from onsite and offsite verification.

## GHG Independent Verification Statement



### CONCLUSION

On the basis of our verification methodology, nothing has come to our attention that would cause us to believe that the GHG emissions below are not a fair representation of Keppel's GHG Scope 1, Scope 2 and Scope 3 emissions. Some data inaccuracies identified for the sampled sites during the verification process were found to be attributable to transcription, interpretation and aggregation errors, and the errors

have been communicated for correction and corrected by Keppel.

### STATEMENT OF COMPETENCE AND INDEPENDENCE

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly

maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

DNV was not involved in the preparation of any statement or datum included in the Report except for this Verification Statement and Assurance Statement on Sustainability Report 2023.

### PURPOSE AND RESTRICTION ON DISTRIBUTION AND USE

This verification statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

Scope	Source	Tonnes of CO <sub>2</sub> e Emission (tCO <sub>2</sub> e) for 2023 – Global and Singapore Operations
Scope 1	a. Diesel consumption in the generating sets owned or operated by Keppel; b. Fuel (diesel) consumption in owned and leased vehicles of Keppel; c. Liquefied petroleum gas; d. Piped natural gas; e. Compressed natural gas; and f. Refrigerant usage – R123, R134A, R22, R407C, R410A.	3,091
Scope 2	Purchased electricity	49,415
Scope 3	Purchased goods and services, capital goods, fuel and energy-related activities, Upstream transportation & distribution, waste generated, business travel, employee commute, upstream and downstream leased assets, use of sold products, end-of-life treatment of sold products and investments	6,015,981
<b>Total (Scope 1, Scope 2 and Scope 3 emissions)</b>		<b>6,068,487</b>

For and on behalf of DNV Business Assurance Singapore Pte. Ltd.

Gangwar,  
Vishal

**VISHAL GANGWAR**  
Lead Verifier  
Supply Chain and  
Product Assurance

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**WEE HONG GOH**  
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**Edited and Compiled by**  
Sustainability and  
Corporate Communications, Keppel Ltd.

**Designed by**  
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**KEPPEL LTD.**

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