Sembcorp's wind asset located in Henan Province, China

Sustainability Report

Our Sustainability Framework GRI 3-2

Energy companies play a transformative role in an inclusive energy transition. Our Sustainability Framework reflects material sustainability factors imperative for us to focus on and manage well, to drive improved performance and impact.

Material Sustainability Factors	Why This is Material	Sustainability Aspects	2023 Performance[1]
Climate Action	We acknowledge the scientific consensus that human activities have led to increased greenhouse gas (GHG) emissions and its resulting impact on the planet. As an energy company, we face climate and environmental risks that could potentially impact our bottom line. Conversely, we also have opportunities to drive the growth and development of low-carbon solutions to enable the global energy transition.	**Decarbonisation** **Resource Management**	**Absolute GHG Emissions (Scope 1 and 2)**: 10.5 million tCO_2e (2023); 2.7 million tCO_2e (2030 Target); Net-zero Emissions (2050 Target) **GHG Emissions Intensity**: 0.29 tCO_2e/MWh (2023); 0.15 tCO_2e/MWh (2028 Target) **Gross Installed Renewable Energy Capacity**: 9.4GW (2023); 25GW (2028 Target)
Empowering Lives	Our communities and employees enable the success of our business. Uplifting communities helps build goodwill and promotes local development, while advancing the capabilities of our employees supports our transformation and growth.	**Workforce Transformation** **Community Engagement and Investment**	**Number of Employees Upgraded**: 720 (2023); 500 (2023 Target) **Operations with Community Development Programmes**: 89% (2023); 100% (Ongoing Target)
Resilient Business	In today's dynamic global and macroeconomic environment, we believe that a resilient business requires a robust framework that identifies, manages and mitigates current and emerging risks. These risks include corruption, non-compliance with laws, as well as health and safety. A resilient business undergirds our transformation plan and targets.	**Health and Safety** **Risk Governance**	**Work-related Fatalities**: 1 Employee (2023); 0 (Ongoing Target) **Integrated Assurance Framework Implementation Across Key Markets**: 100% (2023); 100% (Ongoing Target) **Employee Completion of Anti-bribery and Corruption Training**: 100% (2023); 100% (Ongoing Target)

[1] For details and additional context on the data presented, please refer to the corresponding sections in this report

Our Approach to Sustainability

Reporting Framework

The Global Reporting Initiative (GRI) Standards are widely recognised as a framework for sustainability reporting. Our Sustainability Report has been prepared with reference to the GRI Universal Standards 2021, Singapore Exchange Limited (SGX) Listing Rules 711A and 711B, Practice Note 7.6 Sustainability Reporting Guide and SGX Core Environmental, Social and Governance (ESG) Metrics. Our climate-related financial disclosures, which are mandatory with effect from financial year 2023, are guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as well as the CDP Climate Change programme. Our previous Sustainability Report was published in March 2023.

Materiality GRI 2-14 | 3-1

Our materiality assessment process takes guidance from the GRI Standards. Our material sustainability factors are reviewed and endorsed by our Senior Leadership Council (SLC) and the Board of Directors annually.

Stakeholder engagement and relationships are ongoing and dynamic, and closely tied to the context of our partnerships. In recognition of this, we first identified our key stakeholders and their relevant relationship holders within Sembcorp. We then engaged with the relationship holders with the aim of capturing insights into stakeholders' sustainability issues, concerns, and expectations. The responses were aggregated and analysed, and the results indicate that our current material factors and aspects found on pages 42 and 43 remain relevant and crucial to our businesses. We will continue to monitor emerging aspects and trends identified through our engagement process. The material factors and aspects were validated and approved by the board.

Reporting Scope GRI 2-2 | 2-3

Our report provides information on Sembcorp and its subsidiaries and covers the period from January 1 to December 31, 2023.

It excludes operations, joint ventures, partnerships and associates where Sembcorp does not have management and / or operational control, with the exception of GHG emissions data. We report our emissions in accordance with the GHG Protocol using an equity share approach.

New acquisitions and subsidiaries are given one year upon completion to integrate their reporting systems with the Group. Their data will be included in the report once a calendar year of data is available.

Data pertaining to entities divested during the year is excluded from our report. In January 2023, we successfully concluded the sale of Sembcorp Energy India Limited (SEIL), which operates two coal-fired plants, via a deferred payment note. With effect from 2023, the proportional emissions of SEIL will be accounted for and reported under Scope 3 (Category 15 – Investments). Other data sets pertaining to SEIL are not included in this report.

Assurance GRI 2-5

We have engaged DNV Business Assurance Singapore Pte. Ltd. (DNV) to undertake an independent limited assurance of the sustainability information in our report. The Assurance Statement can be found on pages 72 to 75.

Supporting the Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) were adopted by the UN in 2015 as a global development framework that seeks to end poverty, protect the planet and bring about peace and prosperity. The scale and ambition of the SDGs mean they cannot be achieved by governments alone, and require the collective effort of businesses, organisations and society. Sembcorp believes in playing its part to help meet these goals.

In line with our strategic focus as a provider of sustainable solutions, we have adopted SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) as our priority SDGs. Our strategic targets support these SDGs. We recognise that the SDGs are a holistic framework for sustainable development and will continue to manage other relevant areas to maximise positive impacts while minimising negative ones.

For more information on how we support SDGs 7 and 13, please refer to the Supporting UN Sustainable Development Goals section on Our Approach to Sustainability webpage.

Sustainability Governance

GRI 2-9 | 2-12 | 2-13 | 2-14

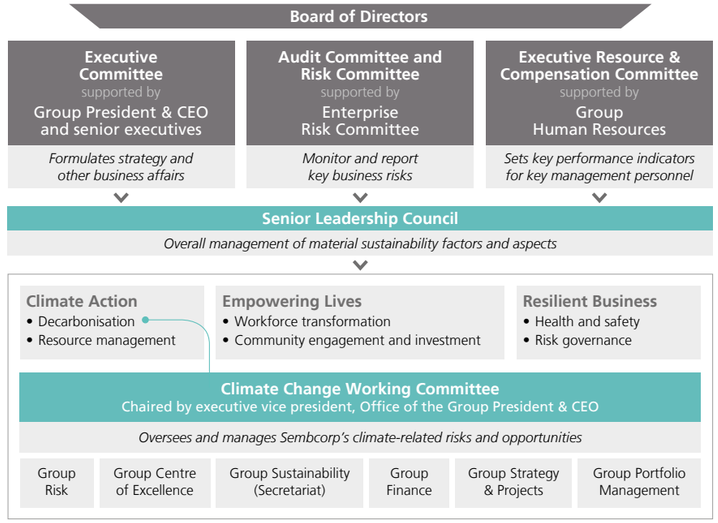
Sembcorp's Board of Directors oversees the business affairs of the Group. The board provides leadership on Sembcorp's overall strategy, which takes into consideration its material sustainability factors.

The following board committees provide oversight on sustainability and climate change matters:

- **Executive Committee**
  Provides oversight and supervision of the Group's strategy and business affairs, including its Climate Action Plan

- **Audit Committee (AC) and Risk Committee (RC)**
  Endorse the Group's policies, guidelines and systems to manage risks including climate-related risks. Report to the board on the adequacy and effectiveness of the Group's internal controls and risk management systems

- **Executive Resource & Compensation Committee (ERCC)**
  Sets remuneration framework, reviews and endorses key performance indicators (KPIs) of our key management personnel, including sustainability and climate-related indicators



For more information on the roles and responsibilities of the board, please refer to the Corporate Governance Statement on pages 76 and 77.

Board statement
Sembcorp's Board of Directors is collectively responsible for the long-term success of the company. The board considers sustainability as part of its business and strategy. It has determined Sembcorp's material ESG factors and exercises oversight in the management and monitoring of its material factors and priorities.

Sembcorp's SLC and Enterprise Risk Committee (ERC) provide strategic direction for managing sustainability-related matters. The committees are chaired by our Group President & CEO and comprise senior executives who are accountable for the management of Sembcorp's material sustainability factors.

The SLC convenes twice a month. Sustainability-related performance and updates are presented to the SLC regularly. Climate-related risks are monitored as part of our ERC platform. The Group Sustainability division leads the integration of sustainability matters for the company and reports to the group chief financial officer.

For more information on our governance of climate-related matters, please refer to the Decarbonisation section on page 46.

Sustainability-linked Performance Incentives

ESG KPIs are a part of the annual performance scorecard of our senior executives. These include GHG emissions intensity and gross installed renewable energy capacity.

For more information on our performance against targets, please refer to the 2023 Performance on page 43.

Memberships, Associations and Ratings GRI 2-28

We participate in industry and trade associations that support the sustainability agenda. Our Group President & CEO serves as Vice Chair, Asia, World Energy Council.

For more information on our memberships and associations, please refer to the Climate-related Financial Disclosures on page 54.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Supporter of the Financial Stability Board's TCFD

CPLC CARBON PRICING LEADERSHIP COALITION SINGAPORE

A member of the Carbon Pricing Leadership Coalition Singapore since 2020

Participation in sustainability ratings

CDP DISCLOSURE INSIGHT ACTION

Maintained CDP Climate Change score of "B" in 2023. A "B" score signifies that the company is taking coordinated action on climate issues

MSCI ESG RATINGS AA
CCC | B | BB | BBB | A | AA | AAA

Received a rating of AA in the MSCI ESG Ratings[1] assessment in 2024

GRI 2-3

Sustainability contact
We welcome feedback on our sustainability factors and reporting at sustainability@sembcorp.com

[1] The use by Sembcorp Industries 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 Sembcorp Industries 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

Our ESG Priorities: Climate Action

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

Why this is material

The energy sector contributes to almost 40% of global emissions[1]. Decarbonisation of this sector is critical to reducing GHG emissions and limiting global warming. We recognise our role in driving the collective transition towards a lower-carbon economy.

Our approach

The drive to decarbonise is our focus and priority. In 2023, we refreshed our brown to green transformation strategy and set targets to accelerate our renewables growth and further lower emissions intensity by 2028.

For more information on our climate targets, please refer to the Climate Action Plan section on Our Approach to Sustainability webpage.

Emissions performance and impact are integrated and tracked on various enterprise platforms including our Integrated Assurance Framework (IAF), annual budget planning as well as investment approval process. This brings about alignment of resources and attention towards achieving our goals. We work with like-minded partners to grow our renewable energy capacity and explore new decarbonisation technologies. We also apply digital tools and engineering excellence to operate our plants optimally.

We recognise the interlinkage and impact of climate change on biodiversity and have established an early detection process to assess environmental and social risk. Our environmental and social risk screening process is integrated into our investment approval process, and key risks are assessed to inform investment decisions.

For more information on our climate-related risks and opportunities, please refer to the Climate-related Financial Disclosures on pages 60 and 61.

Our frameworks and policies

- Climate Action Plan
- Group Health, Safety, Security and Environment (HSSE) Policy Statement
- Group Internal Carbon Pricing Framework

Reference frameworks

- The Paris Agreement
- GHG Protocol
- TCFD recommendations
- Science Based Targets initiative (SBTi) criteria

Our governance

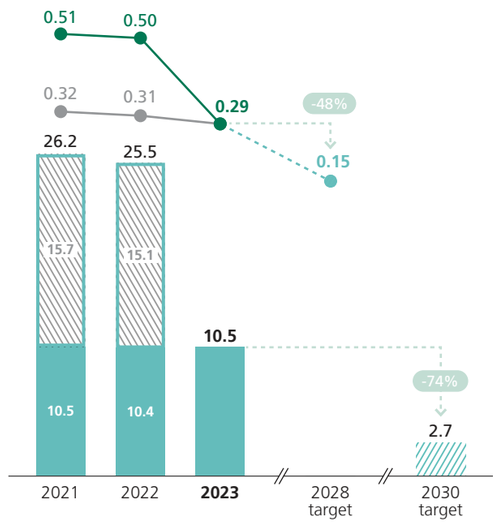
Sembcorp's Climate Change Working Committee (CCWC) oversees the development of plans, processes and reports that address the Group's climate-related risks and opportunities. Its role includes reviewing and developing policies and frameworks, assessing risks and opportunities, setting targets and implementing relevant initiatives, as well as facilitating reporting and performance disclosure. This committee is chaired by the executive vice president, Office of the Group President & CEO and supported by Group Sustainability as secretariat. The committee meets at least twice a year and provides updates to our ERC, as well as the board's RC.

The ERC and RC meet quarterly to review and enhance the effectiveness of the Group's IAF, including its risk management plans, systems, processes and procedures. The committees regularly review group-wide risks including climate-related risks. The ERCC supports the inclusion of sustainability-linked KPIs and targets such as GHG emissions intensity and gross installed renewable energy capacity for key management personnel.

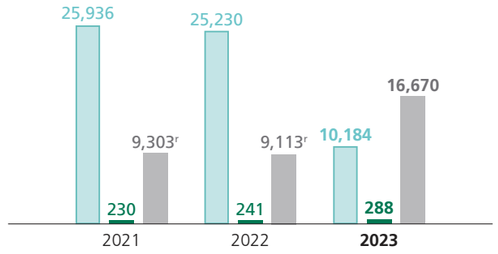
Our performance

- Our gross installed renewable energy capacity[2] grew from 6.8GW in 2022 to 9.4GW in 2023. As at December 31, 2023, our global energy portfolio mix, based on gross installed capacity, stands at 43% gas and related services and 57% renewable energy.
- GHG emissions intensity[3] reduced to 0.29 tonnes of carbon dioxide equivalent per megawatt-hour (tCO_2e/MWh) and absolute GHG emissions (Scope 1 and 2) reduced to 10.5 million tCO_2e mainly due to the divestment of SEIL[4]. The reduction in GHG emissions intensity was also driven by an increase in renewable energy generation.
- Scope 3 emissions[5] increased by 83% to 16.7 million tCO_2e mainly due to the inclusion of proportional emissions of SEIL under Category 15 – Investments.
- We maintained our CDP Climate Change score of "B" in 2023.
- In 2023, over 70 environmental and social risk screenings have been conducted for potential investment projects.

Absolute GHG Emissions (Scope 1 and 2) *(million tCO_2e)* **and Emissions Intensity** *(tCO_2e/MWh)*

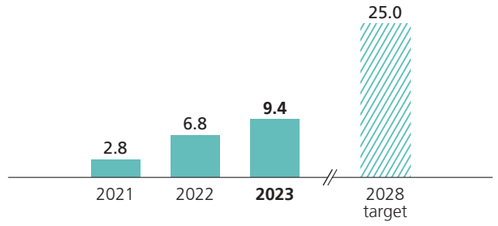


Absolute Scope 1, 2 and 3 GHG Emissions *(kilo tCO_2e)*



r We restated our Scope 3 (Category 11 – Use of sold products) emissions for 2022 and 2021 due to the inclusion of a stream of gas purchased and sold in Singapore

Gross Installed Renewable Energy Capacity *(GW)*



Sustainable finance: annual update 2023

In August 2021, Sembcorp launched its Sustainable Financing Framework (SFF). DNV provided a second party opinion, confirming alignment of the framework with the Sustainability-linked Bond Principles 2020 and Sustainability-linked Loan Principles 2021.

The framework outlines three KPIs – KPI 1: GHG emissions intensity, KPI 2: GHG absolute emissions and KPI 3: Gross installed renewable energy capacity[2]. The sustainability-linked loans and sustainability-linked bond issuances cover KPI 1 and KPI 3 and the performance of both KPIs have been externally reviewed by DNV. In 2023, we met the target for KPI 1 ahead of the target year of 2025. For KPI 3, we have achieved 9.4GW of gross installed renewable energy capacity[2], which is close to the target of 10GW by 2025. Our gross renewable energy capacity installed, secured or under construction, including acquisitions pending completion, stands at 12.9GW as at December 31, 2023.

For more information on SFF, Second Party Opinion and Independent Limited Assurance Report, please refer to the Sustainable Financing section on Creating Shareholder Value webpage.

Performance against Sustainability Performance Targets (SPTs) as at December 31, 2023

KPIs	2020 Baseline	2023 Performance	2025 SPTs
KPI 1: GHG emissions intensity *(tCO_2e/MWh)*	0.54	0.29	0.40
KPI 3: Gross installed renewable energy capacity[2] *(GW)*	2.6	9.4	10.0

1 World Energy Outlook 2023 report

2 Gross installed renewable energy capacity refers to gross capacity of the plant at commercial operation date (in megawatt alternating current for wind and solar, and in megawatt-hour for energy storage) as specified in the grid connection agreement or as permitted (assumes 100% ownership of the facility). Figure excludes acquisitions pending completion and projects secured or under construction

3 GHG emissions intensity refers to the Group's total GHG direct emissions (Scope 1) from its activities, indirect emissions (Scope 2) from its energy consumption and biogenic emissions from bioenergy feedstocks, divided by total energy generated and purchased, as calculated using an equity share approach for all operations in accordance with the GHG Protocol

4 The sale of SEIL, which operates two coal-fired plants, was completed in January 2023

5 Indirect (Scope 3) GHG emissions reported are for our most relevant and material categories: Fuel- and energy-related activities (Category 3), Use of sold products (Category 11), and Investments (Category 15)

Our ESG Priorities: Climate Action

Resource Management GRI 3-3 | 302-3

Why this is material

As a leading provider of energy, water and urban development solutions, our business activities consume resources such as fuel and water, and generate waste. Our commitment to sustainability demands that we take strong stewardship in the use of such increasingly scarce resources and in our management of waste.

Our approach

We seek to produce more with less. We drive energy efficiency and water use reduction through operational optimisation and deployment of digital solutions to monitor and optimise asset performance. Effluent discharge is managed in compliance with relevant local environmental laws and regulations.

For waste management, we adopt the principles of prevent, reduce, reuse, recycle and recover. We seek to implement solutions that support a circular economy in our operations and that of our customers.

Our frameworks and policies

- Group HSSE Policy
- Sembcorp Environmental Reporting Standard
- Sembcorp Environmental Management Standard

Reference frameworks

- International Organisation for Standardisation (ISO) 14001[1]
- ISO 50001

Our governance

The Group Centre of Excellence (GCOE) division oversees resource management. The management of this aspect is guided by the Sembcorp Environmental Management Standard. GCOE together with the Group HSSE division ensures the compliance of this standard through internal audits. Regular updates to the SLC include both quarterly updates on emissions intensity and monthly updates on plant performance.

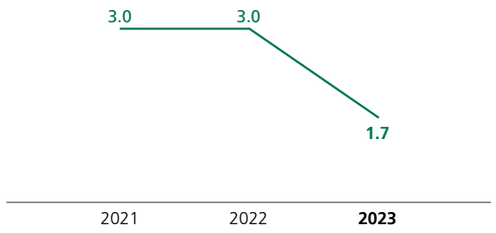
Our performance

The energy intensity[2] of our energy generating assets decreased to 1.7 gigajoules per megawatt-hour (GJ/MWh) in 2023.
The decrease is mainly due to the divestment of SEIL.

For more information on our energy optimisation projects, please refer to the Climate-related Financial Disclosures on page 62.

For more information on our energy, water and waste performance data, please refer to the Performance Indicators section on page 64.

Energy Generating Assets *(GJ/MWh)*



[1] For the coverage of sites certified, please refer to the Memberships, Certifications and Ratings section on Our Approach to Sustainability webpage

[2] For computation of energy intensity, we take into account fuel, electricity and heating consumed by energy generating assets

Our ESG Priorities: Empowering Lives

Workforce Transformation GRI 3-3 | 404-1

Why this is material

In the fast-evolving energy transition landscape, employees equipped with the right competencies and experience position us to capture opportunities while meeting the energy needs of our stakeholders securely, accessibly and affordably.

Our approach

Our Talent Management Framework undergirds our approach to building a workforce to advance the energy transition. We leverage Sembcorp Academy, a fully integrated blended learning platform, to accelerate people development and scale learning and skill-building. Our digital-forward approach, coupled with bite-sized learning modules, enables our workforce to access learning at their own pace, style and preference, anytime and anywhere. We also enable employee professional growth through job rotations, on-the-job training programmes and various project assignments to broaden their depth and breadth of experience.

Our Upskill initiative provides our employees and partners with access to a comprehensive range of sustainability-related modules via Sembcorp Academy. It is mandatory for all employees to complete sustainability-related courses relevant to their jobs. Our Upgrade initiative supports eligible employees through a formal certification programme. Both these initiatives holistically promote the development of workforce skills competencies for Sembcorp and the energy sector.

Our frameworks and policies

- Code of Conduct
- Talent Management Framework
- Learning and Development Policy
- Diversity and Inclusion Policy
- Whistleblowing Policy
- Employee Grievance Handling Policy

Reference frameworks

- UN Universal Declaration of Human Rights
- Singapore's Tripartite Guidelines on Fair Employment Practices

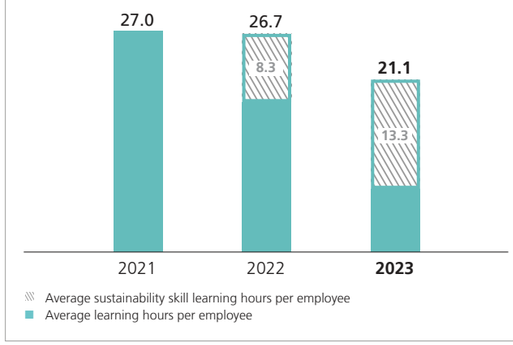
Our governance

The Group Human Resources division oversees talent management and development, as well as employee total rewards and its related frameworks. These frameworks were shared with and approved by the board's ERCC. The Group Human Resources division also manages human rights and labour standards related topics.

Our performance

- In 2023, we achieved an average of 21.1 learning hours per employee, of which 63% comprised sustainability skill learning hours[3]. Sustainability skill learning hours per employee increased by 60% from 2022, arising from the mandatory requirement for sustainability-focused learning relevant to job functions.
- In 2023, a total of 720 employees have been upgraded through formal certifications, surpassing our 2023 target to upgrade 500 employees.

Average Learning Hours *(hours per employee)*



[3] A sustainability skill module provides practical training for employees, enabling them to undertake work for a sustainable product line or service, or develop skills to embed sustainability in their existing functions. Modules include topics such as Wind Resource Assessment and Site Identification for wind project engineers, as well as Green and Sustainable Financing Fundamentals for finance division employees

Our ESG Priorities: Empowering Lives

Community Engagement and Investment GRI 3-3 | 201-1 | 413-1

Why this is material

Uplifting our communities helps build goodwill and promotes local development, which will support the ongoing acceptance of our continued operations, business growth and energy transition goals.

Our approach

Our community investment strategy strives to advance SDG 7 (Affordable and Clean Energy), which aims to ensure access to affordable, reliable, sustainable and modern energy. At Sembcorp, we endeavour to make the energy transition an inclusive one. For communities with no direct access to green technologies and capabilities, we seek to provide them with the support to enable their access to sustainability programmes. Our local market operations are well-placed to understand the needs of the community and forge partnerships with local stakeholders. As such, our market teams manage community assessments, engagement programmes and contributions locally, while aligning with group strategic frameworks and guidelines.

Our frameworks and policies

- Code of Conduct
- Group Community Investment Guidelines
- Group Community Investment and Sponsorship Compliance Policy
- Group Community Grievance Management Policy
- Group Know-your-counterparties Policy

Reference frameworks

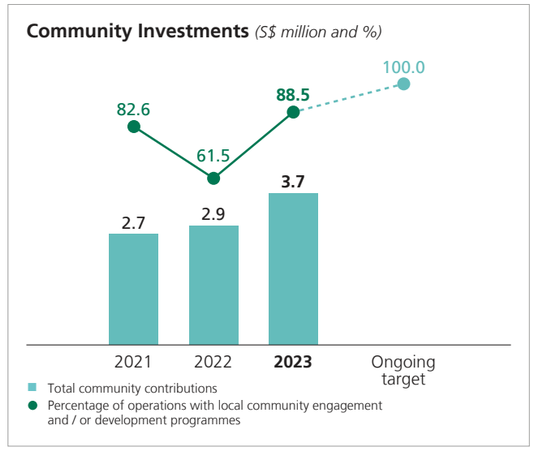
- AA1000 Stakeholder Engagement Standard
- Business for Societal Impact Framework and Guidance

Our governance

The Group Sustainability division oversees community-related matters. For operations located in rural communities, our dedicated community relations teams engage with local stakeholders to understand their needs. Proposed initiatives undergo a counterparty due diligence assessment conducted by the Group Ethics and Compliance division. Global community investment meetings are held to communicate policies and align community investment plans.

Our performance

- In 2023, Sembcorp contributed S$3.7 million in cash and in-kind donations to charities and community initiatives globally:
  - Over S$2.6 million were mandatory[1] contributions, of which 7% were invested in SDG 7-aligned projects.
  - Over S$1 million were voluntary[2] contributions, of which 54% were invested in SDG 7-aligned projects.
  - Over S$14,000 were leveraged[3] contributions, benefitting a range of charitable causes.



- Our contributions towards SDG 7-aligned projects since 2022 made the following impact in 2023:
  - Deployment of 238 kilowatt-peak of renewable energy capacity for over 30 community facilities.
  - Generation of 108,000 kilowatt-hours of solar energy, which is equivalent to our community partners avoiding approximately 90,000 kilogram of carbon dioxide equivalent of GHG emissions[4].

- 88.5% of our operations supported charities and communities through local community engagement and / or development programmes in 2023. We stay committed to meeting our 100% target.

[1] Mandatory contributions are community activities that we undertook in response to the requirements of law, regulation or contract

[2] Voluntary contributions are community activities which we voluntarily undertook

[3] Leveraged contributions are contributions raised through our employee-matched funding programmes

[4] Avoided emissions are calculated based on the methodology set out by the UN Framework Convention on Climate Change: Clean Development Mechanism, the latest available emissions factors from the respective host country and the actual 2023 generation of the respective solar power systems

Our ESG Priorities: Resilient Business

Health and Safety GRI 3-3 | 403-1 | 403-9 | 403-10

Why this is material

The nature of our operations involves exposure to health and safety risks, where any lapse in protocols could result in direct or indirect impact on our employees, communities, contractors and customers. It is why we are committed to having a robust health and safety management system that is supported by strong implementation and monitoring, to mitigate any risk of unintended impact on people, minimise operational disruptions and improve business resilience.

Our approach

We recognise the right to life, health and safe working conditions, and are committed to reducing health and safety risks in our operations. We believe that most incidents are preventable. It is our responsibility to ensure that our employees are equipped with the right skills and tools to work safely. We also require our contractors to comply with our health and safety requirements to prevent and manage health and safety risks. Our Group HSSE management system is internally audited and conforms to the relevant Occupational Health and Safety Assessment Series and ISO Standards, and applies to all employees. We expect our contractors, vendors and suppliers working within or at project sites outside our facilities to conform to our Group HSSE management system.

Our frameworks and policies

- Group HSSE Policy
- Group HSSE Management Framework

Reference frameworks

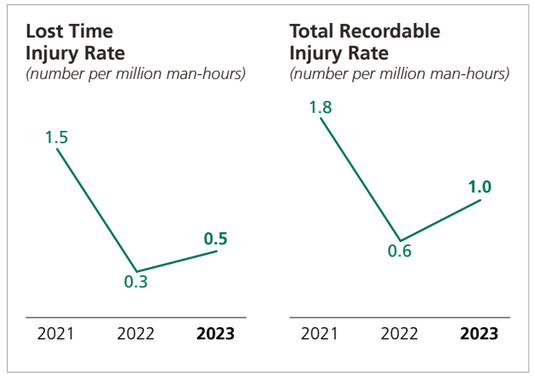
- ISO 45001[5]
- International Association of Oil and Gas Producers (IOGP) Global Safety Performance Indicators
- US National Institute for Occupational Safety and Health (NIOSH) Guidelines

Our governance

The Group HSSE division oversees occupational health and safety matters. The management of health and safety is primarily guided by the Group HSSE Management Framework. Every quarter, the board (via the RC) and the SLC receive updates that include the review of Sembcorp's health and safety performance and targets, report of relevant health and safety incidents as well as any regulatory updates and highlights of key initiatives.

Our performance

Regrettably, there was one incident of work-related fatality which occurred at one of our project sites in Indonesia during the year. A thorough investigation has been carried out, following which corrective measures have been implemented to prevent recurrence. Additionally, there was an increase in lost time injury rate and total recordable injury rate, attributed to an increase in the number of minor injury cases and an overall decrease in man-hours worked. We have instituted targeted initiatives to enhance the identification and mitigation of unsafe conditions or actions at our operations and project sites.



[5] For the coverage of sites certified, please refer to the Memberships, Certifications and Ratings section on Our Approach to Sustainability webpage

Our ESG Priorities: Resilient Business

Risk Governance GRI 3-3 | 205-2

Why this is material

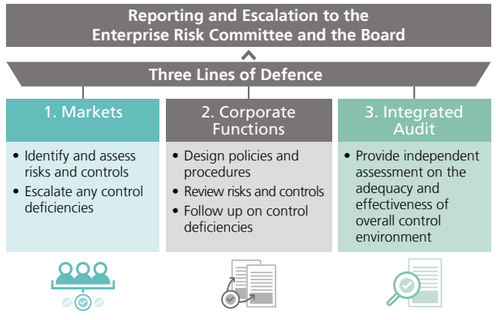
In today's complex and volatile operating landscape, the range of risks that businesses are exposed to is dynamic. Having robust risk governance is instrumental in protecting and strengthening our business resilience.

Our approach

The Group Risk division drives IAF processes, which include quarterly reporting of key risks. Our market teams conduct a quarterly review of their key risks including, climate-related risks, using a likelihood-impact matrix, and provide performance updates to the respective corporate functions.

Principal risks of the Group are identified and accountability is established with the relevant risk owner and coordinator. The risk description, drivers and consequences are determined by risk owners. Key risk indicators and risk appetite are set to facilitate monitoring of risk status.

Sembcorp's IAF



Our enterprise-wide compliance programme is designed to ensure compliance with our anti-bribery and corruption (ABC) policy and includes counterparty due diligence. Our zero-tolerance stance towards bribery and corruption is regularly communicated to employees through email circulars and e-learning programmes to increase awareness.

For more information on our principal risks and our approach to managing them, please refer to the Corporate Governance Statement on pages 87 and 88.

Our frameworks and policies

- Integrated Assurance Framework
- Code of Conduct
- Group Conflict of Interest Policy
- Whistleblowing Policy
- Group Investment Approval Policy
- Group Data Protection Policy
- Group Anti-bribery and Corruption Policy
- Group Gifts, Entertainment and Travel Policy
- Group Know-your-counterparties Policy
- Group Third Party Representative Anti-bribery and Corruption Due Diligence Policy

Reference frameworks

- SGX Rulebook Practice Guide 9
- Singapore Code of Corporate Governance 2018
- Committee of Sponsoring Organisations of the Treadway Commission: Enterprise Risk Management Framework 2017
- ISO 31000: Risk management
- ISO 27001: Information technology
- National Institute of Standards and Technology's Cybersecurity Framework

Our governance

Our risk management strategy and the IAF are set in place by our Board of Directors and supported by the RC and AC. The RC reviews the effectiveness of the IAF, including its risk management plans, systems, processes and procedures quarterly. The Group Integrated Audit division provides independent assurance to the RC and AC on the adequacy and effectiveness of our risk management, financial reporting processes, and internal control and compliance systems.

For more information on the roles and responsibilities of the board committees, please refer to the Corporate Governance Statement on pages 77 and 78.

Our performance

- 100% of our key markets[1] implemented the IAF in 2023.
- 100% of our employees[2] received ABC training.
- 100% of our employees[2] acknowledged compliance to the Code of Conduct in 2023.

[1] Coverage follows the reporting scope of this Sustainability Report

[2] Refers to employees as at October 31, 2023. New hires are given more time to complete ABC training and to acknowledge compliance to the Code of Conduct as part of their onboarding

Climate-related Financial Disclosures

The disclosures in this report seek to comply with the Singapore Exchange's mandate for climate reporting for the energy industry commencing financial year 2023. The report follows the recommendations of the TCFD, and complements the information set forth in our Annual and Sustainability Reports. This report should be read together with the Decarbonisation section of our Sustainability Report. To avoid the duplication of information, references to the relevant sections are provided.

Climate-related financial information has been included in Note B4 in the Notes to the Financial Statements on page 142.

Given that the disclosures arising from TCFD recommendations involve emerging practice in the assessment and analysis of climate-related risks and opportunities with information based on current expectations, estimates, projections and assumptions; caution should be exercised when interpreting the information provided.

The scenarios used in this report are largely derived from assumptions in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and the Network for Greening the Financial System (NGFS). These scenarios are hypothetical constructs and should not be mistaken for forecasts or predictions. Accordingly, there is no assurance that the scenario modelling or assessments presented in this report are indicative of the actual climate-related impacts on Sembcorp's businesses.

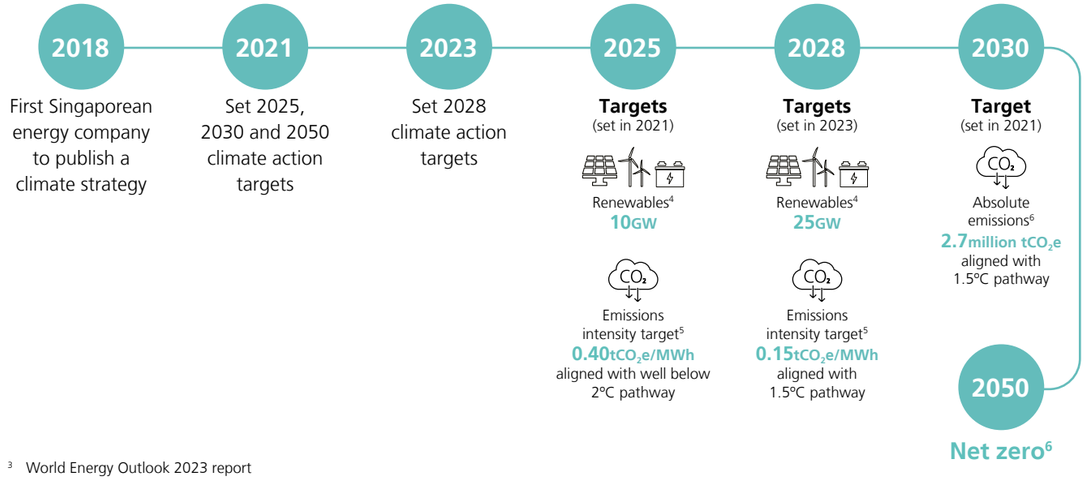
In this report, limited assurance is provided for the metrics disclosures available in our Sustainability Report. This includes metrics such as GHG emissions and renewables capacity, which are reported and externally assured in accordance with the GRI Standards as part of our sustainability reporting disclosures.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance	Risk Management	Strategy	Metrics and Targets
Disclose the organisation's governance around climate-related risks and opportunities	Disclose how the organisation identifies, assesses and manages climate-related risks	Disclose the actual and potential financial impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities
Refer to page 54	Refer to page 55	Refer to pages 56–63	*Refer to page 63*

Our Climate Roadmap and Journey

The energy sector contributes to almost 40% of global emissions[3], making it a pivotal player in combatting climate change and enabling the global energy transition. At Sembcorp, we are committed to supporting Asia's shift to a clean and responsible energy future for all.



[3] World Energy Outlook 2023 report

[4] Gross installed renewable energy capacity refers to current capacity of the plant at commercial operation date (in megawatt alternating current for wind and solar, and in megawatt-hour for energy storage) as specified in the grid connection agreement or as permitted (assumes 100% ownership of the facility). Figure excludes acquisitions pending completion and projects secured or under construction

[5] GHG emissions intensity refers to the Group's total GHG direct emissions (Scope 1) from its activities, indirect emissions (Scope 2) from its energy consumption and biogenic emissions from bioenergy feedstocks, divided by total energy generated and purchased, as calculated using an equity share approach for all operations in accordance with the GHG Protocol

[6] 2030 and 2050 targets cover the Group's absolute Scope 1 and Scope 2 emissions

Climate-related Financial Disclosures

The journey from brown to green holds its own set of operational challenges, particularly in markets that are deeply entrenched in fossil fuel infrastructure and power purchase agreements. As we scale down our fossil fuel usage, access to reliable and affordable renewable energy as well as low-carbon feedstock must be expanded to meet the needs of industry and individuals. Our existing gas assets remain crucial in meeting the energy demands of Asia. Our highly contracted position on these assets provide steady and predictable cash flow to fuel the growth of our Renewables business, as we manage the gas portfolio to support Asia's energy needs.

Our 2028 and 2030 GHG emissions targets are aligned with the Paris Agreement 1.5°C pathway. They were developed using the Science-based Target initiative's (SBTi) guidance and tools for the power sector.

We are taking significant steps to be a key player in the journey towards a low-carbon future. We are expanding our renewable energy portfolio and investing in energy storage and battery technology to support the continued growth of renewables deployment. We remain committed to exploring low-carbon alternatives to gas including the production and turbine-firing of hydrogen and its derivatives.

For more information on our Climate Action Plan, please refer to the Climate Action Plan section on Our Approach to Sustainability webpage.

Governance

TCFD recommendations

- Describe board's oversight of climate-related risks and opportunities
- Describe management's role in assessing and managing climate-related risks and opportunities

In 2023, we presented our refreshed strategic plan and climate action targets to the board. These included:

- Our 2028 targets for renewable energy and GHG emissions intensity
- The transition plan to meet our climate action targets
- Renewables and other decarbonisation-related opportunities
- The Group's five-year financial plan

Key topics discussed in our Climate Change Working Committee (CCWC) meetings during the year included the approach and methodology for climate transition and physical risk scenario analysis as well as our Scope 3 emissions inventorisation. The committee also reviewed our 2028 climate action target setting and transition plan.

Our engagement with stakeholders is aligned with our position to support decarbonisation and a low-carbon economy. Our Group President & CEO serves as Vice Chair, Asia, World Energy Council, a UN-accredited global energy body that convenes diverse interests from across the full energy ecosystem.

Our key executives and businesses are part of relevant industry and sector associations including:

- Sustainable Energy Association of Singapore
- Masyarakat Energy Terbarukan Indonesia, Indonesia Renewable Energy Society
- Wind Independent Power Producers Association, India
- India Wind Power Association
- Sustainable Projects Developers Association, India
- Energy UK
- Hydrogen UK
- Electricity Storage Network
- Association of Decentralised Energy

For more information on the governance of our sustainability and climate-related matters, please refer to the Sustainability Governance and Decarbonisation sections on pages 44 to 46.

Risk Management

TCFD recommendations

- Describe the organisation's processes for identifying, assessing and managing climate-related risks
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

The list of potential climate-related risks and opportunities was developed as part of our first climate strategy exercise in 2017. The risk factors were established taking into account nationally determined contributions (NDCs), which may support carbon pricing mechanisms and lends momentum to the adoption of clean technology.

The CCWC reviews, updates and prioritises the risks, taking into consideration the business, operational and regulatory environment. Potential financial impact and likelihood of occurrence are assessed to identify the top climate-related risks. The financial impact of top risks is then mapped against the financial materiality threshold of our Integrated Assurance Framework (IAF) and subsumed under the IAF for monitoring.

For more information on how we identify, assess and integrate climate-related risks in the IAF, please refer to the Risk Governance section on page 52 and the Corporate Governance Statement on page 88.

Table 1: Our climate-related risks managed through the IAF

TCFD climate-related risks	Our key risks	Management approach
Policy risk *from increasing carbon pricing*	Carbon exposure	Sembcorp is subject to national policies and regulations that impose a price on carbon on its gas and related energy assets in Singapore and the UK. To manage carbon exposure risk, we assess our GHG emissions (absolute and intensity) against our emissions reduction targets and report its progress to the management. We also apply an internal market-specific shadow carbon price[1] under different climate scenarios on our new investments and existing operations to evaluate potential financial implications associated with carbon pricing regulations.
Legal risk *from exposure to litigation*	Regulatory compliance – license to operate	Legal risks arising from non-compliance with applicable environmental laws and regulations may impact our licence to operate. We continuously monitor regulations and track compliance. Any incident of non-compliance is reported to management.
Technology risk *from transition to lower-carbon systems disrupting gas and related energy systems*	Strategic competition and relevance	Climate-related technology risks may arise from the failure to identify and adopt disruptive innovation that could impact our gas and related services business. We manage these risks by identifying new technologies as well as collaborating with academia partners and industrial associations to research and test new technologies.
Market risk *from shift in supply and demand for certain commodities, products and services*	Commodity volatility	*For more information on our management approach on commodity volatility risks, please refer to the Corporate Governance Statement on page 87.*
Physical risk *from increased severity of extreme weather events and rising sea levels and temperatures*	Investment governance, project execution and operations	Sembcorp's assets may be impacted by acute and chronic physical risks. These risks may arise from increased severity and frequency of extreme weather, as well as rising sea levels and temperatures. This may lead to financial losses arising from operational disruptions of our assets. Infrastructure resilience is part of our asset design specifications, and our assets are designed and built in line with industry standards. We manage these risks by conducting physical risk assessment of our critical assets using a third-party risk analytics platform and reviewing the effectiveness of their mitigation and adaptation plans based on local market intelligence. To further mitigate such risks, we insure our assets appropriately.

[1] Our internal carbon pricing tool was developed by an external consultant and is updated annually based on internationally recognised standards for carbon pricing, global climate scenarios and insights on local carbon pricing regulations

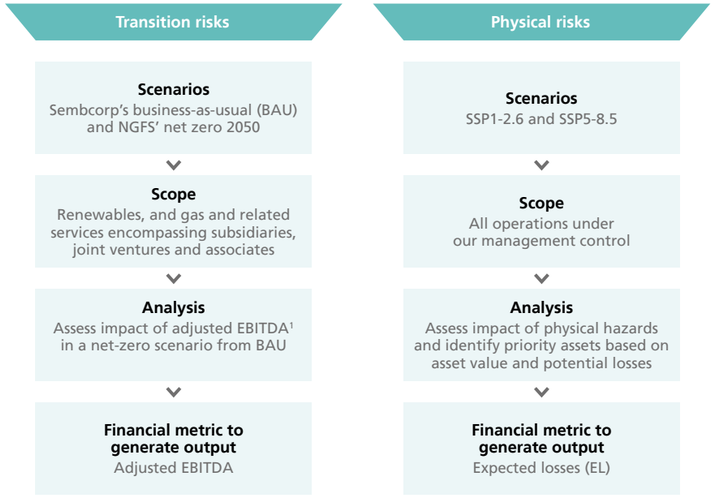
Climate-related Financial Disclosures

Strategy

TCFD recommendations

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning
- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Figure 1: Our approach to climate scenario analysis



Climate scenario analysis

Scenario analysis is a dynamic exercise that serves to envision potential future outcomes, rather than predict the future. It is with this approach that we conducted our climate scenario analysis for our transition and physical risks to assess the resilience of our portfolio and operations.

To quantify the potential financial impact of the climate transition risks and opportunities, we adopted scenarios and key assumptions developed by the NGFS. NGFS scenarios take reference from IPCC AR6 and provide country level forecasts of macroeconomic variables covering our key markets as outlined in Table 2.

In assessing our physical risk, we adopted the Representative Concentration Pathways (RCPs) scenarios considered in the IPCC AR6, including the pairing of Shared Socioeconomic Pathways (SSPs) scenarios as outlined in Table 3. The SSPs include projections of population and economic growth, as well as technological and geopolitical trends, whereas the RCP set out pathways for GHG concentrations and the amount of warming that may occur by the end of the century. Further information on our scenario selection process is provided in the transition and physical risk resilience sections that follow.

Table 2: Overview of NGFS scenarios and key assumptions[2]

Category	Transition risk scenarios	Ambition level	Policy reaction	Technology change	Carbon dioxide removal	Regional policy variation
Orderly	1. Net Zero 2050	<1.5°C	Immediate & smooth	Fast	Medium-high use	Medium
	2. Below 2°C	1.6°C	Immediate & smooth	Moderate	Medium-high use	Low
Disorderly	3. Divergent Net Zero	1.4°C	Immediate but divergent	Fast	Low-medium use	Medium
	4. Delayed Transition	1.6°C	Delayed	Slow / Fast	Low-medium use	High
Hot house world	5. National Determined Contributions (NDCs)	2.6°C	NDCs	Slow	Low-medium use	Medium
	6. Current Policies	>3°C	None	Slow	Low use	Low

Table 3: Overview of the five scenarios considered in IPCC AR6[3]

Physical risk scenarios	Ambition level	Emissions increase	Description
1. SSP1-1.9 *Most optimistic scenario*	1.4°C	Very low	• The world takes on a more sustainable pathway • Emissions rapidly decline to net zero by about 2050 and become negative after
2. SSP1-2.6 *Relatively optimistic scenario*	1.8°C	Low	• Emissions decline to net zero by about 2075 and become negative after • Increase in coastal flooding, increased risk of extreme heat and other climate change impacts
3. SSP2-4.5 *Middle-of-the-road scenario*	2.7°C	Intermediate	• Slow progress to achieve Sustainable Development Goals and emissions remain high until 2050 • Post 2060, visible catastrophic events including heat waves once every five years
4. SSP3-7.0 *Dangerous scenario*	3.6°C	High	• Economic growth and social progress stalls while emissions rise to double the current amount by 2100 • Destruction of marine ecosystems, receding coastlines and severe consequences for human life
5. SSP5-8.5 *"Avoid at all costs" scenario*	4.4°C	Very high	• The world doubles down on fossil fuel extraction and emissions rise to double the current amount by 2050 • Lethal heat waves, extreme precipitation events, severe hurricanes, drought, and changes in water supply

Transition risk resilience

Our purpose of conducting scenario analysis for transition risk seeks to assess the resilience of our business against ambitious and immediate climate policies. We seek to understand the impact on our gas and related services portfolio, as well as how these policies might be positive for our renewables portfolio.

Our transition risk scenario analysis is integrated into our annual corporate budget exercise, which sets out business and financial plans for up to five years ahead, to 2028.

We selected our internal BAU as baseline and adopted the net zero 2050 scenario from NGFS to assess the impact on our adjusted EBITDA for our renewables, and gas and related services portfolios. The parameters used to define our BAU include evolving regulatory environment, market outlook, as well as current and future energy demand.

Scope / assets tested	• Renewables, and gas and related services segments which collectively contribute to more than 87% of our adjusted EBITDA[1] • Only include subsidiaries, joint ventures and associates in China, India, Singapore, the UK and Vietnam
Financial metric	Adjusted EBITDA[1] is a measure of our operating performance from all our subsidiaries, joint ventures and associates
Scenarios selected	Sembcorp's BAU and the net zero 2050 scenario. The net-zero scenario represents the highest ambition level and aligns to our existing (2028, 2030 and 2050) targets towards a 1.5°C pathway
Time horizon	The 2030 time horizon aligns to our strategic climate action target, and is the closest match to our current business planning time horizon of 2028
Assumptions	• Include all our energy generation assets – ongoing operations, growth projections, and concession expiry • Operations with build-to-operate power plants are excluded as the capacity payments are undergirded by long-term Purchase Power Agreements (PPAs) as well as pass-through terms, for which the stress test variables are unlikely to impact

[1] EBITDA: earnings before interest, tax, depreciation and amortisation, where adjusted EBITDA = reported EBITDA + share of results of associates and joint ventures, net of tax

[2] NGFS Climate Scenarios Database – Technical Documentation V3.1. The latest available version will be used at the time of conducting our scenario analysis

[3] Adapted from the IPCC AR6 Synthesis Report

Climate-related Financial Disclosures

Strategy *(cont'd)*

Given that our financial data inputs were up to 2028, we used 2028 data as forecast for 2030, and conducted stress testing of our adjusted EBITDA.

Our transition risk analysis focuses on the potential impact of carbon policies and other related changes arising from energy transition in our key markets. The NGFS variables considered in stress testing include energy demand, carbon price, fuel price and electricity price.

The net-zero scenario presents opportunities for the renewables segment in 2030 on the assumption that governments establish policies in support of ambitious NDCs commitments in our key markets. Our strategy to grow our renewables portfolio is aligned with this view.

Our gas-fired plants generate revenue from energy sales in contracted and merchant markets. The downside is mainly due to the decrease in demand of gas-fired electricity in a net-zero scenario. As mentioned earlier, our build-to-operate assets have been excluded from this stress test, as they are undergirded by long-term PPAs which also include carbon cost pass-through terms.

Overall, our group adjusted EBITDA is expected to increase in a net-zero scenario with our key strategic focus to grow renewables and low-carbon technologies in our key markets.

The assessment and prioritisation of opportunities are under the ambit of Group Strategy & Projects and Group Centre of Excellence divisions, and presented as part of our 2024 to 2028 strategy and targets at Investor Day 2023.

For more information on our opportunities and strategy, please refer to Investor Day 2023 webpage.

Figure 2: Transition scenario analysis methodology

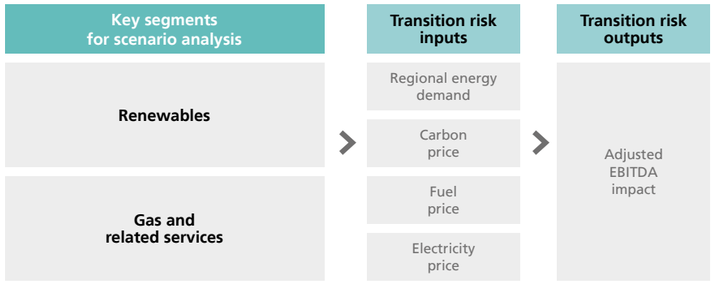
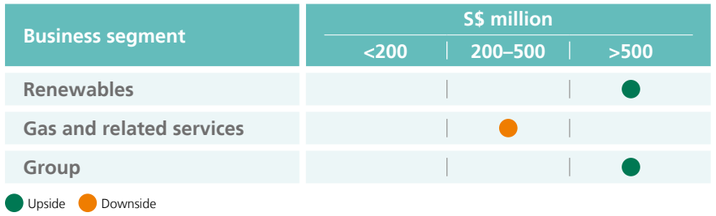


Figure 3: Adjusted EBITDA impact in 2030 in a net-zero scenario from BAU



Physical risk resilience

In assessing physical risk, we seek to understand the hazards and consequent vulnerability that our assets are exposed to across various geographies.

Global warming has resulted in increased severity of extreme weather events. However, there is uncertainty surrounding the degree of warming in future and its associated implications.

Scope / assets assessed	All operations under our management control in Bangladesh, China, India, Myanmar, Oman, Singapore, UAE, the UK and Vietnam. Assets that are not under our management control have been excluded
Financial metric	Annual expected loss, which represents the potential losses from extreme weather events multiplied with the probability of occurrence
Scenarios selected	• SSP1-2.6 reflects a low-emissions and optimistic scenario with temperature rise below 2°C • SSP5-8.5 reflects a worst case and high-emissions scenario which would result in extreme weather events
Time horizon	Baseline (2020), 2030 and 2040 were selected as they provide a forecast of physical risk in the medium and long term. These time horizons reflect the operational lifetime of our assets, and support our resilience planning
Prioritisation criteria	• Most vulnerable / exposed assets • Asset value

We used a third-party risk analytics platform to conduct physical risk assessment for our assets in low- and high-emissions scenarios. However, climate models may not capture some of the risk exposure resulting in underestimation or overestimation. Therefore, we corroborate the outputs at baseline with historical events to inform our assessment. The impact from physical risk is dependent on asset type, location, mitigation measures adopted and host governments' national resilience masterplan.

Following our previous physical risk screening exercise in 2018, we conducted a second physical risk screening of our assets under management control across various geographies in 2023. We used a third-party physical risk analytics platform to assess exposure of our individual assets to physical climate hazards.

The data parameters provided as inputs to this platform included geocoordinates, asset value and asset type. This provided outputs on the assets' risk exposure to flood, storm surge, extreme precipitation, drought, heat wave, wildfire and extreme wind conditions. We then aggregated the asset level outputs to present the portfolio risk level for a baseline (2020), 2030 and 2040 time horizons. Table 4 summarises the portfolio view of our inherent physical risk exposure without any mitigation measures.

Table 4: Inherent physical risk exposure of our portfolio across time horizons without mitigation measures

Key physical hazards	2020	2030	2040
Flood and storm surge	Low	Low	Low
Daily wind extreme	Low	Low	Low
Wildfire	Low	Low	Low
Drought	Moderate	Moderate	Moderate
Heat wave	Moderate	Moderate	High
Extreme precipitation	Moderate	High	High

After ascertaining exposure of our portfolio to physical hazards, we prioritised the risks by asset value and expected loss. Table 5 sets out the key physical hazards, their potential impact on our priority assets' operations and the mitigation measures. From this shortlist, we adopted a screening filter using the probability of a hazard as measured by return periods[1]. We finally corroborated our top physical hazards, i.e. flood and storm surge, and extreme precipitation with historical weather events, where available. Refer to Table 6 for details on our top physical risks.

At portfolio level, floods due to extreme precipitation present the most immediate concern in the medium term. We are cognisant of these risks and incorporate infrastructure resilience considerations in our asset design specifications, designing them in line with industry standards. We strive to ensure adequate flood protection for assets located in the most susceptible zones, and will further assess the resilience of our vulnerable assets and strengthen the existing mitigation measures where required.

Table 5: Potential impact to our priority assets and respective mitigation measures

Key physical hazards	Potential impact	Mitigation measures
Flood and storm surge	• Business interruption from extreme weather events may result in revenue loss	• In our combined power and desalination plants where there were past incidence of flood and storm surge, shore walls and storm water canals have been constructed to prevent water ingress
Extreme Precipitation	• Property damage from extreme weather events may require repairs and construction, resulting in increased expenditure	• For the solar power project exposed to this hazard, we have constructed bund walls to mitigate potential impact from flood events
Drought	• Disruption in operations due to the lack of water may result in revenue loss and / or higher expenditure	• All of our energy generation assets identified as being exposed to drought conditions in the medium term draw their water from the sea
Heat wave	• Increased cooling costs and reduced productivity due to heat waves may result in higher expenditure	• We actively monitor ambient / seawater temperature and assess impact on our gas-fired assets. The cooling load will be adjusted to manage incidents of increased temperatures

[1] Return periods are a metric that describes how likely a hazard event will occur

Climate-related Financial Disclosures

Strategy *(cont'd)*

Our top climate-related risks and opportunities

Our top risks and opportunities as well as associated potential financial impact are detailed in Tables 6 and 7. We refer to the time horizons below to assess the impact from our climate-related risks and opportunities.

- Short-term: Up to five years
- Medium-term: Six to 10 years
- Long-term: Up to 30 years

Table 6: Our top climate-related risks

Policy risk: Increasing carbon prices **Impact:** Short-, medium- and long-term	
Description	Arising from the growing importance and influence of the UN Conference of the Parties, governments are implementing country-level strategies to reduce emissions and support the transition to a low-carbon economy. Under the Paris Agreement, every party is required to outline and communicate their post 2020 actions known as their NDCs. Two-thirds of all submitted NDCs consider the use of carbon pricing through international trading of emissions, offsetting mechanisms, carbon taxes, and other approaches to achieve their emission reduction targets. In Singapore and the UK, our gas and related energy assets are subject to carbon pricing regulations including Singapore's carbon tax, the UK's emissions trading scheme[1] and carbon price support[2]. The increasing carbon prices pose inherent risk to our operating costs. In 2023, the financial impact was approximately S$52.2 million[3] in the form of cost of compliance. We expect carbon prices to rise and consequently the financial impact to increase as well.
Strategy and management approach	In our key markets, we monitor the regulatory framework and conduct risk-based scenario analysis on BAU, 2°C and 1.5°C scenarios. We apply an internal carbon price to evaluate carbon exposure and financial impact of carbon pricing regulations on our gas and related energy assets. The impact from current and emerging regulation is mitigated with the change-in-law provision of existing utilities and electricity contracts with our customers, allowing some level of carbon tax cost pass-through to customers.

Physical risk: Extreme weather events such as flood and storm surge, and extreme precipitation **Impact:** Short-, medium- and long-term	
Description	Sembcorp's assets may be impacted by acute and chronic physical risks. These risks may arise from increased severity and frequency of extreme weather events such as flood and storm surge, drought, wildfire, extreme precipitation, extreme wind conditions and heatwaves. This may lead to financial losses arising from operational disruptions of our assets. As explained in the physical risk resilience section, flood and storm surge, and extreme precipitation present the most immediate concern for our top priority assets in the medium term. In particular, our Middle East and Vietnam assets which are situated near the sea are assessed to be at higher risk. Based on historical events in the region where these assets are, there is a possibility of such events which may result in financial impact of approximately S$9.8 million in the form of property damage and loss of revenue.
Strategy and management approach	To mitigate sea and / or storm water ingress, we have constructed shore walls and storm water canals for our assets in Middle East. We have also constructed bund walls around our Vietnam assets exposed to flood and storm surge. We will continue to assess and monitor any potential risks. The assets are also covered by insurance in the event of future storm surge and / or flood events. The cost to reduce the impact from such events was approximately S$1.6 million.

[1] An emissions trading scheme usually works on the 'cap and trade' principle where a cap is set on the total amount of certain GHGs that can be emitted by sectors covered by the scheme. Within this cap, participants receive free allowances and / or buy emission allowances at auction or on the secondary market which they can trade with other participants as needed

[2] The carbon price floor was introduced on April 1, 2013 and is capped at £18/tCO_2 as at December 31, 2023. It affects the fossil fuel-based electricity generation market in the UK by increasing the cost they face for each tonne of carbon dioxide emitted

[3] The figures may be subject to change upon mandatory external audit post-publication of this report

Table 7: Our top climate-related opportunities

Products and services: Deployment of renewable energy solutions **Impact:** Medium- and long-term	
Description	Intensifying geopolitical tensions have led to a marked shift from globalisation, leading to significant momentum for renewables growth in response to growing demands for energy security and resilience. At COP28, over 100 countries pledged to triple the world's renewable energy capacity and double energy efficiency by 2030. The projected growth in the renewables market across China, India and Southeast Asia amounts to over 1,300GW over the next five years[4]. This trend would generate positive impact for our business as we support the global energy transition. Sembcorp aims to grow its gross installed renewable energy capacity to 25GW by 2028. As at December 31, 2023, our gross installed renewable energy capacity grew to 9.4GW. Net profit before exceptional items from the Renewables segment grew to S$200 million. In 2023, the renewable energy generated is equivalent to approximately 9.0 million tCO_2e emissions avoided[5].
Strategy and management approach	We have a five-year (2024–2028) cumulative growth investment plan of S$10.5 billion to grow our gross installed renewable energy capacity to 25GW by 2028. In 2023, we utilised S$1.3 billion[6] to develop and grow our renewable energy portfolio. *For more information on our key developments and performance in the Renewables segment, please refer to the Operating and Financial Review section on pages 25 to 30.*

Products and services: Deployment of decarbonisation solutions **Impact:** Short-, medium- and long-term	
Description	Over 140 countries have committed to achieving net zero by the middle of the century, with global net-zero commitments covering almost 90% of global emissions[7]. Solutions such as green power import, green fuels as well as renewable energy certificates and carbon credits will be increasingly relevant and in demand as the world transits to a low-carbon economy. Sembcorp is well-positioned to capture opportunities in these markets. In 2023, we announced our investment in a 600MW hydrogen-ready energy generation asset as well as the potential development of offshore wind power import to Singapore. We have established partnerships for the potential development of ammonia-fired energy generation assets, as well as green piped hydrogen into Singapore. We also set up our hydrogen business unit with the aim to source and secure low-cost green hydrogen and ammonia. These solutions will position us for growth beyond 2028.
Strategy and management approach	We have a five-year (2024–2028) cumulative growth investment plan of S$1.4 billion to expand our decarbonisation solutions offerings. In 2023, our efforts were focused on establishing our low-carbon alternatives business and GoNetZero™, our carbon management solutions business, to support future growth under our Decarbonisation Solutions segment. *For more information on our strategic collaborations, please refer to the Media Releases section on the News and Insights webpage.*

[4] GlobalData (October 2023)

[5] Avoided emissions are calculated based on the methodology set out by the UN Framework Convention on Climate Change: Clean Development Mechanism, the latest available emissions factors from the respective host country and the actual 2023 generation data

[6] S$1.3 billion consists of S$0.6 billion in capital expenditure and S$0.7 billion in equity investment

[7] UN Net Zero Coalition

Climate-related Financial Disclosures

Strategy *(cont'd)*

Refreshed strategy

In November 2023, we announced our refreshed set of targets for 2028 at our Investor Day.

Our targets

- By 2028, grow gross installed renewables capacity to 25GW
- By 2028, halve emissions intensity to 0.15tCO_2e/MWh from 2023 levels
- By 2030, reduce absolute emissions by 74% (from 2023 levels) to 2.7 million tCO_2e
- By 2050, deliver net-zero emissions

In line with our strategic plan, we also reaffirmed our commitment towards SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

In addition to our transformation plan, we actively manage our operational emissions from existing assets by implementing optimisation initiatives. Our global energy and water facilities undertook nine energy optimisation projects that led to a reduction of close to 9,000MWh of electricity consumed. This is equivalent to over 6,400tCO_2e emissions avoided or taking over 1,200 cars off the road for a year[1].

Key actions

Grow renewables

- Grow gross installed renewable energy capacity to 25GW by 2028

Reduce emissions

- Expiry of concession (gas-fired assets)
- Manage our gas portfolio for value
- Implement optimisation projects to improve efficiency

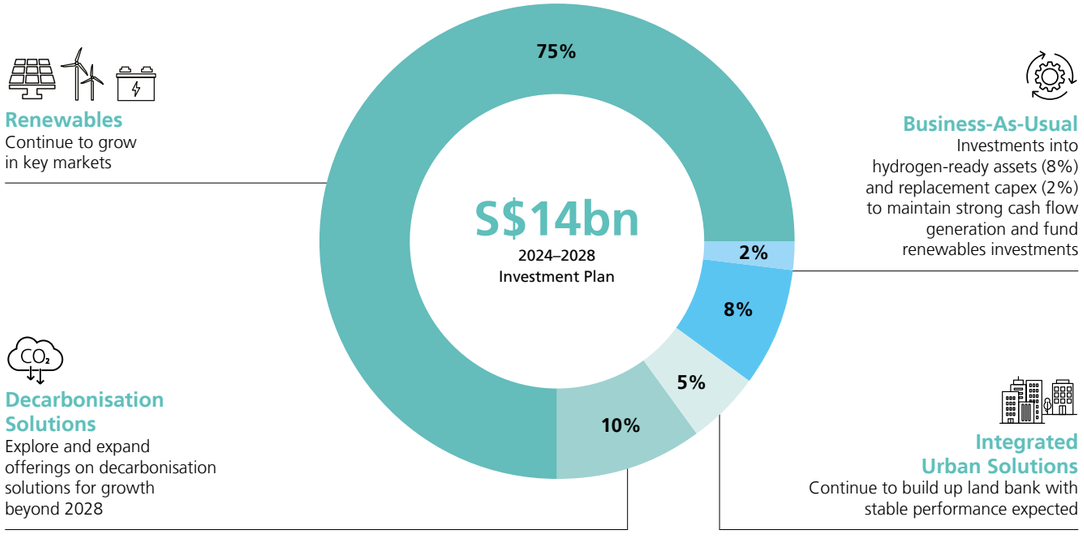
Invest in low-carbon initiatives

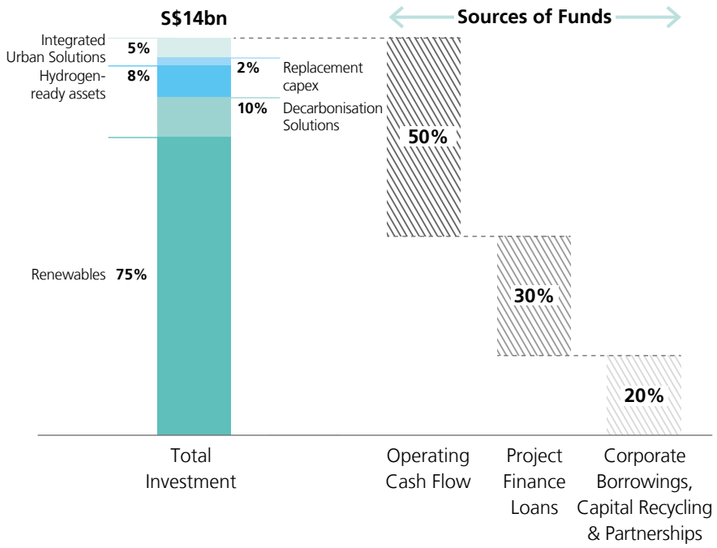
- Renewables imports
- Low-carbon technology for electricity generation
- Low-carbon feedstock: explore use of green hydrogen and / or ammonia in our generation assets

Financial planning 2024–2028

Capital allocation

Our total five-year investment plan is projected to be S$14 billion. Of this, 75% is expected to be invested in renewable energy to support the growth of our renewables capacity to achieve 25GW by 2028. Another 10% of the investment will be allocated to exploring and expanding our decarbonisation solutions including green hydrogen and ammonia projects, power imports and carbon management solutions.





Access to capital

In 2021, we issued our inaugural S$400 million green bond and S$675 million sustainability-linked bond where proceeds were used to enable the Group's strategic transformation plan. In accordance with our Green Financing Framework and Sustainable Financing Framework, Sembcorp and its subsidiaries have secured S$4.7 billion[2] of borrowing facilities as at December 31, 2023, of which S$3.3 billion are outstanding borrowings. Half of our targeted capital needs for the next five years will be funded by operating cash flows. The remaining will come from corporate debt and / or capital recycling out of certain assets through partnerships.

For more information on our Green and Sustainable Financing Frameworks and issuances, please refer to the Fixed Income section on the Creating Shareholder Value webpage.

Acquisitions and divestments

In January 2023, we completed the sale of SEIL, which operates two coal-fired plants totalling 2.6GW in India.

In 2023, we announced the acquisitions of renewable energy assets in China, India and Vietnam totaling 765MW.

As of February 2024, the Group has 13.8GW of gross renewable energy capacity installed, secured or under construction, including an acquisition pending completion.

Direct cost

In our existing operations, we have integrated a carbon budget assessment as part of our annual financial budget and forecast exercise. The output of this assessment provides market-specific GHG emissions and carbon cost forecast. This forecast forms the basis for the setting of the market's emissions intensity targets, as well as provides an estimate of the financial impact of our carbon exposure.

Metrics and Targets

TCFD recommendations

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

For more information on our climate-related metrics and targets in line with our brown to green transformation plan, please refer to our performance in the Decarbonisation section on page 46 and 47.

For more information on other environmental metrics, please refer to the Performance Indicators section on page 64.

[1] Car avoidance figures are calculated using the United States Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator

[2] Values are derived using December 2023 month-end closing exchange rates

Performance Indicators

Climate Action

	Unit	2023	2022	2021	GRI
Decarbonisation					
GHG emissions[1]					
Scope 1 emissions[2]	$ktCO_2e$	**10,183.9**	25,229.9	25,936.3	305-1
Biogenic emissions[3]	$ktCO_2$	**563.3**	543.0	502.2	305-1
Scope 2 emissions[4]	$ktCO_2e$	**288.1**	241.3	229.9	305-2
Scope 3 emissions[5]	$ktCO_2e$	**16,669.8**	9,112.6[r1]	9,303.1[r1]	305-3
Category 3 – Fuel- and energy-related	$ktCO_2e$	**2,559.9**	4,087.1	4,344.1	
Category 11 – Use of sold products	$ktCO_2e$	**3,571.8**	5,025.5[r1]	4,959.0[r1]	
Category 15 – Investments	$ktCO_2e$	**10,538.1**	–	–	
GHG emissions intensity[6]	tCO_2e/MWh	**0.29**	0.50	0.51	305-4
Atmospheric emissions					305-7
Nitrogen oxides (NOx)	*kt*	**1.8**	16.8	21.6	
Sulfur oxides (SOx)	*kt*	**0.5**	48.6	49.7	
Renewables capacity					
Gross installed renewable energy capacity[7]	*GW*	**9.4**	6.8	2.8	Non-GRI
Resource management					
Energy					
Total energy consumption within Sembcorp[8]	*PJ*	**75.5**	170.9	180.2	302-1
Total energy consumption within energy generating assets	*PJ*	**54.6**	151.4	159.6	
Energy intensity of our energy generation assets[9]	*GJ/MWh*	**1.7**	3.0	3.0	302-3
Water					
Water consumption within Sembcorp					303-5
All areas (total)	*ML*	**18,582.8**	56,280.4	52,224.0	
Stressed areas	*ML*	**10,601.0**	49,284.8	40,428.1	
Freshwater consumption intensity for energy generating assets[10]	m^3/MWh	**0.21**	0.13	–	Non-GRI
Waste					
Waste generation within Sembcorp	*kt*	**141.2**	2,696.6	2,391.6	306-3
Non-hazardous waste	*kt*	**92.1**	2,650.8	2,354.3	306-3
Ash	*kt*	**56.8**	2,615.9	2,307.2	
Operations and maintenance waste	*kt*	**0.7**	3.1	3.8	
Sludge	*kt*	**29.9**	30.3	42.6	
Others	*kt*	**4.7**	1.5	0.7	
Hazardous waste	*kt*	**49.1**[11]	45.8	37.3	306-3
Operations and maintenance waste	*kt*	**18.1**	18.5	14.5	
Ash	*kt*	**14.1**	10.8	9.7	
Sludge	*kt*	**15.6**	16.0	12.7	
Oil and chemical waste	*kt*	**0.9**	0.3	0.4	
Electronic waste	*kt*	**0.01**	0.03	0.03	
Others	*kt*	**0.5**	0.2	0.0	

Measurement units:

$ktCO_2e$: kilotonnes of carbon dioxide equivalent

$ktCO_2$: kilotonnes of carbon dioxide

tCO_2e/MWh: tonnes of carbon dioxide equivalent per megawatt-hour

kt: kilotonnes

GW: gigawatt

PJ: petajoules or 1,000,000 GJ

GJ/MWh: gigajoule per megawatt-hour

ML: megalitres or $1000m^3$

m^3/MWh: cubic metres per megawatt-hour

'–': Data not available / disclosed

1 GHG and biogenic emissions data is reported using an equity share approach. Atmospheric emissions data is reported using an operational control approach. Formulas and emission factors used are from:

- i Baseline Emission Factors of China's Regional Power Grid
- ii Central Electricity Authority of India
- iii Energy Market Authority, Singapore
- iv Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Chinese Chemical Manufacturers
- v International Energy Agency 2023
- vi IPCC Guidelines for National Greenhouse Gas Inventories
- vii UK Department for Environment, Food and Rural Affairs GHG Conversion Factors for Company Reporting 2023
- viii Financed emissions standard by the Partnership for Carbon Accounting Financials

2 Direct (Scope 1) GHG emissions data covers entities that produce GHGs from fossil fuel combustion in our Gas and Related Services and Integrated Urban Solutions segments. The data excludes emissions from our anaerobic wastewater treatment plants and maintenance and servicing equipment. With effect from January 2023, the proportional emissions of SEIL will be accounted for under Scope 3 (Category 15 – Investments)

3 Biogenic emissions from the combustion of biomass are reported separately, in line with GRI Standards

4 Energy indirect (Scope 2) GHG emissions include location-based data for all our Integrated Urban Solutions, Gas and Related Services, Renewables and Decarbonisation Solutions segments. In Singapore, our operations purchase energy from our own assets; to avoid double counting, the emissions resulting from these have been accounted for under Scope 1 GHG emissions

5 Indirect (Scope 3) GHG emissions reported are for our most relevant and material categories: Fuel- and energy-related activities (Category 3), Use of sold products (Category 11), and Investments (Category 15)

r1 We restated our Scope 3 (Category 11 – Use of sold products) emissions for 2022 and 2021 due to the inclusion of a stream of gas purchased and sold in Singapore

6 GHG emissions intensity refers to the Group's total GHG direct emissions (Scope 1) from its activities, indirect emissions (Scope 2) from its energy consumption and biogenic emissions from bioenergy feedstocks, divided by total energy generated and purchased, as calculated using an equity share approach for all operations in accordance with the GHG Protocol

7 Gross installed renewable energy capacity refers to current capacity of the plant at commercial operation date (in megawatt alternating current for wind and solar, and in megawatt-hour for energy storage) as specified in the grid connection agreement or as permitted (assumes 100% ownership of the facility). Figure excludes acquisitions pending completion and projects secured or under construction

8 Total energy consumption within Sembcorp is calculated using fuel consumption (natural gas, waste, biomass, fuel oil, diesel and petrol) + energy purchased for consumption + self-generated electricity (renewables) – total energy sold

9 Energy intensity is calculated using energy consumed (within the organisation) as the numerator (GJ), and gross energy generated (MWh) as the denominator

10 Freshwater consumption intensity for energy generating assets is calculated using total freshwater consumption as the numerator, and total energy generated as the denominator. Freshwater includes municipal water supply, surface water and groundwater; and excludes seawater

11 Total does not add up as they are rounded to the nearest decimal place

Empowering Lives

	Unit	2023	2022	2021	GRI
Workforce transformation[12]					
Employment					
Number of employees	*number*	**5,063**	5,619	5,633	2-7
Male	*number* | %	**3,980** | **78.6**	4,579 | 81.5	4,646 | 82.5	
Female	*number* | %	**1,083** | **21.4**	1,040 | 18.5	987 | 17.5	
Breakdown of employees by age group[13]					405-1
<30 years	%	**15.6**	14.0	15.9	
30–49 years	%	**60.0**	60.2	57.6	
≥50 years	%	**24.5**	25.7	26.5	
Percentage of Females					405-1
Senior management[14]	%	**21.0**	20.0	23.4	
Board of directors	%	**20.0**	11.1	10.0	
New hires	*number* | %	**1,069** | **21.5**	911 | 16.2	823 | 14.6	401-1
New hires by gender[15]					401-1
Male	%	**20.6**	15.3	14.1	
Female	%	**24.8**	20.6	16.0	
New hires by age group[15]					401-1
<30 years	%	**43.1**	36.3	29.1	
30–49 years	%	**20.9**	16.2	13.3	
≥50 years	%	**7.6**	5.3	8.7	
Employee turnover[16, r2]	*number* | %	**1,024** | **20.6**	965 | 17.2	988 | 17.3	401-1
Turnover rate by gender[17, r2]					401-1
Male	%	**21.2**	17.3	17.1	
Female	%	**18.2**	16.9	18.3	
Turnover rate by age group[17, r2]					401-1
<30 years	%	**19.0**	25.6	19.1	
30–49 years	%	**17.1**	14.9	16.6	
≥50 years	%	**28.7**	17.9	18.6	

12 Workforce transformation data relates to permanent and contract employees of Sembcorp and its subsidiaries

13 Percentages does not add up to 100% as they are rounded to the nearest one decimal place

14 Senior management is defined as employees with designation of senior vice president and above

15 New hires by gender and age group is the percentage of new hires by gender / age group over the total number of employees in the respective gender / age group category.

16 Employee turnover covers both voluntary and involuntary turnover

r2 We restated our employee turnover figures and the breakdowns by gender and by age group for 2022 and 2021 due to a system data aggregation error

17 Rate of employee turnover by gender and age group is the percentage of employee turnover by gender / age group over the total number of employees in the respective gender / age group category

Performance Indicators

Empowering Lives *(cont'd)*

	Unit	2023	2022	2021	GRI
Workforce transformation *(cont'd)*					
Training and education					
Average learning hours per employee	*hours per employee*	**21.1**	26.7	27.0	404-1
Male	*hours per employee*	**19.1**	26.4	26.8	
Female	*hours per employee*	**21.6**	27.8	27.6	
Average sustainability skill learning hours per employee[18]	*hours per employee*	**13.3**	8.3	–	Non-GRI
Number of employees upgraded[19]	*number*	**720**	–	–	Non-GRI
Community engagement and investment					
Community investments	*S$ million*	**3.7**	2.9	2.7	201-1
Operations with local community engagement and / or development programmes	%	**88.5**	61.5	82.6	413-1

Resilient Business

	Unit	2023	2022	2021	GRI
Health and safety[20]					
Work-related injuries and ill health					
Work-related fatalities	*number*	**1**	0	0	403-9
Employee	*number*	**1**	0	0	
Contractor	*number*	**0**	0	0	
High-consequence injury cases	*number*	**0**	0	0	403-9
Employee	*number*	**0**	0	0	
Contractor	*number*	**0**	0	0	
Lost work-day cases[21]	*number*	**15**	9	45	403-9
Employee	*number*	**9**	5	34	
Contractor	*number*	**6**	4	11	
Occupational diseases	*number*	**0**	0	0	403-10
Employee	*number*	**0**	0	0	
Contractor	*number*	**0**	0	0	
Fatal accident rate[22]	*per million man-hours*	**0.04**	0.00	0.00	403-9
Employee	*per million man-hours*	**0.08**	0.00	0.00	
Contractor	*per million man-hours*	**0.00**	0.00	0.00	
Lost time injury rate[23]	*per million man-hours*	**0.5**	0.3	1.5	403-9
Employee	*per million man-hours*	**0.7**	0.3	2.4	
Contractor	*per million man-hours*	**0.4**	0.2	0.7	
Total recordable injury rate[24]	*per million man-hours*	**1.0**	0.6	1.8	403-9
Employee	*per million man-hours*	**1.3**	0.6	2.8	
Contractor	*per million man-hours*	**0.8**	0.5	0.9	
Occupational disease rate	*per million man-hours*	**0.0**	0.0	0.0	403-10
Employee	*per million man-hours*	**0.0**	0.0	0.0	
Contractor	*per million man-hours*	**0.0**	0.0	0.0	
Number of man-hours worked	*million man-hours*	**28.4**	33.9	30.3	403-9
Employee	*million man-hours*	**13.0**	15.8	14.1	
Contractor	*million man-hours*	**15.4**	18.1	16.2	

Resilient Business *(cont'd)*

	Unit	2023	2022	2021	GRI
Risk governance					
IAF implementation across key markets[25]	%	**100**	100	–	Non-GRI
Total number and monetary value of significant[26] fines that were paid during the reporting period	*number | S$ thousands*	**2 | 560**[27]	6 | 9,600[28]	2 | 8,500	2-27
Operations[25] assessed for risks related to corruption	%	**100**	100	–	205-1
Employee[29] completion of anti-bribery and corruption (ABC) training	%	**100**	100	–	205-2
Confirmed incidents of corruption	*number*	**0**	0	–	205-3

'–': Data not available / disclosed

18 A sustainability skill module provides practical training for employees, enabling them to undertake work for a sustainable product line or service, or develop skills to embed sustainability in their existing functions. Modules include topics such as Wind Resource Assessment and Site Identification for wind project engineers, as well as Green and Sustainable Financing Fundamentals for finance division employees

19 Employees upgraded refers to employees who completed formal certification programmes with the support of the company

20 Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSSE Health and Safety Performance Reporting Standards. The principles adopted in our standards are consistent with the general principles of the GRI Standards, the IOGP Reporting Standards, and guidelines by the US NIOSH. Occupational health and safety data covers employees and contractors in our operational assets and assets under construction. It also includes data from administrative offices

21 Lost work-day count begins the day after the onset of the accident. "Day" refers to calendar day. It includes high-consequence work-related injuries, which refer to injuries that result in permanent disability and / or injuries that require long-term follow up such as physiotherapy treatment and where the individual is not expected to recover fully to pre-injury health status within six months

22 Fatal accident rate is defined as the number of fatalities per 100 million man-hours worked

23 Lost time injury rate is defined as the number of fatalities and lost work-day cases per million man-hours worked

24 Total recordable injury rate is defined as the number of fatalities, lost work-day cases, medical treatment cases, and restricted work cases per million man-hours worked

25 Refers to Group's operations in key markets. Coverage follows the reporting scope of this Sustainability Report

26 Refers to fines that are equal to or above S$50,000 that are paid during the financial year

27 Consists of a contribution of approximately S$485,000 by our UK waste-to-resource operations to a wildlife trust alongside a commitment to implement improvements in respect of certain internal procedures and processes which the company has completed. This is a settlement in relation to a 2021 investigation of the misclassification of bottom ash waste. The regulator concluded that there was no actual pollution arising from the misclassification. There will also be an additional recovery cost of approximately S$6,000

The remaining S$75,000 of the reported amount pertains to a fine incurred by our solid waste management operations in Singapore in 2023 due to a failure to meet contractual obligations outlined by the regulator. Remediation actions were implemented to prevent any such incident in the future

28 Consists of final tranche payment of approximately S$7.8 million pertaining to a S$44 million civil settlement arising from the discharge of off-specification wastewater by Sembcorp's 98.42% joint venture wastewater treatment company in China, as disclosed in our Annual Reports 2019, 2020, 2021 and 2022. The remaining S$1.8 million pertains to value-added tax related penalties in China

29 Refers to employees as at October 31, 2023. New hires are given more time to complete ABC training as part of their onboarding

GRI Content Index

Sembcorp Industries has reported the information cited in this GRI content index for the period January 1 to December 31, 2023 with reference to the GRI Standards.

We report all sustainability data, with the exception of GHG emissions data, using an operational control approach. All operations, joint ventures, partnerships and associates where Sembcorp does not have management and / or operational control are excluded. We report our absolute emissions and emissions intensity using an equity share approach. Data on health and safety, as well as community investments from our assets under construction is included. Data pertaining to entities divested during the year is excluded from our report.

✓ Assured by KPMG as part of the review of Sembcorp's financial statements. The Independent Auditor's Report can be found on pages 103 to 108.

✓ Assured by DNV as part of the independent limited assurance of the Sustainability Report 2023. The Assurance Statement can be found on pages 72 to 75.

General Disclosures

GRI standard	Disclosure reference	Description title	Disclosure	Page(s)	External assurance
GRI 1: Foundation 2021			Sustainability Report 2023	41–71	
The organisation and its reporting practices					
GRI 2: General disclosures 2021	2-1	Organisational details	Legal Name	120	✓
			Nature of Ownership and Legal Form	120	✓
			Location of Headquarters	120	✓
			Geographical Segments	127	✓
			Our Businesses		
	2-2	Entities included in the organisation's sustainability reporting	Our Approach to Sustainability: Reporting Scope	44	
			Notes to the Financial Statements: Our Group Structure	206–211	
	2-3	Reporting period, frequency and contact point	Our Approach to Sustainability: Reporting Scope	44	
			Annual Reporting Cycle		
			Published on 1 April 2024		
			Our Approach to Sustainability: Sustainability Contact	45	
			Contact Us		
	2-4	Restatements of information	Supplemental Information: Performance Indicators	65	
	2-5	External assurance	Our Approach to Sustainability: Assurance	44	
			Supplemental Information: Assurance Statement	72–75	
GRI G4 Electric utilities disclosures	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Sembcorp Industries: Power Generation Assets		
Activities and workers					
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	About Us		
			Our Businesses		
			Our Global Renewables Portfolio	4–5	
			Acquisition and Disposal of Subsidiaries	217–224	
	2-7	Employees	Supplemental Information: Performance Indicators	65	✓
Governance					
GRI 2: General disclosures 2021	2-9	Governance structure and composition	Our Approach to Sustainability: Sustainability Governance	44–45	
			Board of Directors	36–39	
			Corporate Governance Statement	76–93	
	2-10	Nomination and selection of the highest governance body	Corporate Governance Statement	76–93	
	2-11	Chair of the highest governance body	Board of Directors	36–39	
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability: Sustainability Governance	44–45	
	2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability: Sustainability Governance	44–45	
			Climate-related Financial Disclosures 2023	54	
	2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability: Materiality	44	
			Our Approach to Sustainability: Sustainability Governance	44–45	
	2-16	Communication of critical concerns	Whistleblowing Policy		
	2-17	Collective knowledge of the highest governance body	Corporate Governance Statement	76–81	
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Statement	78	
	2-19	Remuneration policies	Corporate Governance Statement	82–86	
	2-20	Process to determine remuneration	Corporate Governance Statement	82–86	
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing Policy		
Strategy, policies and practices					
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	Chairman and CEO's Statement	10–13	
	2-23	Policy commitments	Code of Conduct		
	2-27	Compliance with laws and regulations	Supplemental Information: Performance Indicators	67	✓
	2-28	Membership of associations	Memberships, Certifications and Ratings		
			Our Approach to Sustainability: Memberships, Associations and Ratings	45	
Stakeholder engagement					
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	Stakeholder Engagement		
			Corporate Governance Statement	92	
Material topics					
GRI 3: Material topics 2021	3-1	Process to determine material topics	Our Approach to Sustainability: Materiality	44	✓
			Sustainability Framework		
	3-2	List of material topics	Our Sustainability Framework	42–43	

GRI Content Index

Material Sustainability Factors

GRI standard	Disclosure reference	Description title	Disclosure	Page(s)	External assurance
Decarbonisation					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Climate Action	46	
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Climate Action Plan		
			Climate-related Financial Disclosures 2023	55–63	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our ESG Priorities: Climate Action	46–47	✓
			Supplemental Information: Performance Indicators	64	
	305-2	Energy indirect (Scope 2) GHG emissions	Our ESG Priorities: Climate Action	46–47	✓
			Supplemental Information: Performance Indicators	64	
	305-3	Other indirect (Scope 3) GHG emissions	Our ESG Priorities: Climate Action	46–47	✓
			Supplemental Information: Performance Indicators	64	
	305-4	GHG emissions intensity	Our ESG Priorities: Climate Action	46–47	✓
			Supplemental Information: Performance Indicators	64	
	305-7	Nitrogen oxides and sulfur oxides	Supplemental Information: Performance Indicators	64	✓
Non-GRI indicator	N/A	Gross installed renewable energy capacity	Our ESG Priorities: Climate Action	46–47	✓
			Supplemental Information: Performance Indicators	64	
Resource management					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Climate Action	48	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Supplemental Information: Performance Indicators	64	✓
	302-3	Energy intensity of our energy generation assets	Our ESG Priorities: Climate Action	48	✓
			Supplemental Information: Performance Indicators	64	
GRI 303: Water and effluents 2018	303-5	Water consumption	Supplemental Information: Performance Indicators	64	✓
Non-GRI indicator	N/A	Freshwater consumption intensity for energy generating assets	Supplemental Information: Performance Indicators	64	✓
GRI 306: Waste 2020	306-3	Waste generated	Supplemental Information: Performance Indicators	64	✓
Workforce transformation					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Empowering Lives	49	
GRI 2: General disclosures 2021	2-7	Employees	Supplemental Information: Performance Indicators	65	✓
GRI 401: Employment 2016	401-1	Employment	Supplemental Information: Performance Indicators	65	✓
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Our ESG Priorities: Empowering Lives	49	✓
			Supplemental Information: Performance Indicators	66	
Non-GRI indicator	N/A	Average sustainability skill learning hours per employee	Our ESG Priorities: Empowering Lives	49	✓
			Supplemental Information: Performance Indicators	66	
Workforce transformation *(cont'd)*					
Non-GRI indicator	N/A	Number of employees upgraded	Our ESG Priorities: Empowering Lives	49	✓
			Supplemental Information: Performance Indicators	66	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Supplemental Information: Performance Indicators	65	✓
Community engagement and investment					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Empowering Lives	50	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Our ESG Priorities: Empowering Lives	50	✓
			Supplemental Information: Performance Indicators	66	
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Our ESG Priorities: Empowering Lives	50	✓
			Supplemental Information: Performance Indicators	66	
Health and safety					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Resilient Business	51	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Our ESG Priorities: Resilient Business	51	
	403-9	Work-related injuries	Our ESG Priorities: Resilient Business	51	✓
			Supplemental Information: Performance Indicators	66	
	403-10	Work-related ill health	Our ESG Priorities: Resilient Business	51	✓
			Supplemental Information: Performance Indicators	66	
Risk governance					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Resilient Business	52	
			Corporate Governance Statement	76–93	
Non-GRI indicator	N/A	Integrated Assurance Framework (IAF) implementation across key markets	Our ESG Priorities: Resilient Business	52	✓
			Supplemental Information: Performance Indicators	67	
GRI 2: General disclosures 2021	2-27	Compliance with laws and regulations	Supplemental Information: Performance Indicators	67	✓
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Supplemental Information: Performance Indicators	67	✓
	205-2	Communication and training about anti-corruption policies and procedures	Our ESG Priorities: Resilient Business	52	✓
			Supplemental Information: Performance Indicators	67	
	205-3	Confirmed incidents of corruption and actions taken	Supplemental Information: Performance Indicators	67	✓

Assurance Statement

Introduction

DNV Business Assurance Singapore Pte. Ltd. ('DNV') has been commissioned by the management of Sembcorp Industries Ltd ('Sembcorp', or 'the Company', a company registered with the Accounting and Corporate Regulatory Authority, Singapore (UEN: 199802418D)) to undertake an independent limited assurance in connection with select subject matter to be included in the Company's Sustainability Report 2023 ('the Report') for the calendar year ending 31 December 2023. The Management of Sembcorp 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 select subject matter and carried out during October 2023 to March 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 Sembcorp's website for the current reporting period.

Responsibilities of the Management of Sembcorp 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. Sembcorp has stated that this Report has adopted general disclosures and selected topic-specific disclosures and company formulated disclosures related to the 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 Sembcorp 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 had 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 Sembcorp and its key stakeholders. A team of sustainability assurance specialists reviewed disclosures of selected subject matter related to the headquarters in Singapore, and selected sites of Sembcorp based on DNV's sampling plan. During the audit, we conducted the site visits to Sembcorp's Headquarter (30 Hill Street), Sakra Cogen Plant, Changi NEWater and Bedok Depot in Singapore. We performed the following activities:

- Review of the non–financial sustainability-related disclosures in this Report;
- Desk review of selected sustainability parameters for sampled entities, and discussed findings and resolved with the Group Sustainability division;
- Conducted interviews with data owners from Sembcorp to understand the key processes and controls for reporting business units' performance data;
- Carried out physical site visit at the Sembcorp's headquarter (30 Hill Street), Sakra Cogen Plant, Changi NEWater and Bedok Depot 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 aspects and sustainability context of the business; and
- 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 select subject matter for the Report for the year ended 31 December 2023 has not been prepared, in all material respects, with reference to 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 subject matter:

Materiality

The process of determining the factors that is most relevant to an organisation and its stakeholders.

The report outlines the systematic approach Sembcorp used to assess materiality, involving consultations with key stakeholders to determine the most important aspects. Further, the report prioritises sustainability aspects for reporting under three factors namely, Climate Action, Empowering Lives and Resilient Business throughout the organisation, as brought out in the section "Materiality" of the report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The report explains the process of identifying stakeholders in the section "Materiality" of the Report. Sembcorp has engaged key stakeholders through the relevant relationship holders in the Company to gather information on sustainability issues, concerns, and expectations. The feedback from stakeholders was collected, combined, and analysed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Assurance Statement

Responsiveness
The extent to which an organisation responds to stakeholder issues.
The Report outlines Sembcorp's responses and strategies related to identified material aspects and key stakeholder concerns through disclosures on management approach, governance, and policies across various sections of the Report. Further the Report also presents its non-financial performance related to the identified material aspects.
Nothing has come to our attention to believe that the Report has not met the Principle of Responsiveness for the selected performance standards.

Reliability
The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.
Sembcorp is using a combination of several data management systems to monitor, track and consolidate key sustainability disclosures across its reporting boundaries. The majority of data and information verified by us were found to be fairly accurate and reliable. Some minor data inaccuracies identified during the verification process of the sample data sets were found to be attributable to transcription, interpretation and aggregation errors. The data inaccuracies have been communicated for correction and the related disclosures were reviewed for correctness.
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 organisation and its stakeholders is reported.
The Report brings out the Company's sustainability or non-financial disclosures during the reporting year related to material factors using appropriate GRI topic-specific Standards, for its identified boundary of operations.
Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to the identified scope.

Neutrality
The extent to which a report provides a balanced account of an organisation's performance, delivered in a neutral tone.
The Report brings out disclosures related to Sembcorp sustainability performance including key concerns and challenges faced during the reporting period in a neutral tone in terms of content and presentation.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Sembcorp to us as part of our review have been provided in good faith, are true, and is 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 the Sembcorp'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[1] 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.

For and on behalf of DNV Business Assurance Singapore Pte. Ltd.

Gangwar, Vishal	Goh, Wee Hong	Astone, Antonio
Vishal Gangwar Lead Verifier Supply Chain and Product Assurance	**Wee Hong Goh** Area Manager – South East Asia Supply Chain and Product Assurance	**Antonio Astone** Assurance Reviewer DNV SCPA – Global Technical and Quality Function
Digitally signed by Gangwar, Vishal Date: 2024.03.15 18:00:13 +08'00'	Digitally signed by Goh, Wee Hong Date: 2024.03.15 18:03:20 +08'00'	Digitally signed by Astone, Antonio Date: 2024.03.15 11:18:34 +01'00'

Singapore
15 March 2024

[1] The DNV Code of Conduct is available on request from www.dnv.com