



ADVANCING SUSTAINABILITY ACCELERATING GROWTH

Sustainability Report 2021

ADVANCING SUSTAINABILITY ACCELERATING GROWTH

We are advancing sustainability, making it our business by providing solutions which contribute to sustainable urbanisation and combatting climate change.

Under Vision 2030, we have put sustainability at the core of our strategy, and are accelerating growth through an asset-light model, harnessing technology and working with like-minded partners to create value for our stakeholders.

VISION

A trusted global company building a sustainable future.

MISSION

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

GROUP OVERVIEW	
Letter to Stakeholders	4
Highlights	8
Awards and Recognition	9
Global Presence	10
Group Structure	12
Sustainability Framework	13
Sustainability Management	14
Materiality	17
Material Issues	18
TCFD Disclosures	23
STRATEGIC PILLAR: ENVIRONMENTAL STEWARDSHIP	
Climate Action	27
Environmental Management	32
STRATEGIC PILLAR: RESPONSIBLE BUSINESS	
Corporate Governance and Risk Management	41
Economic Sustainability	58
Supply Chain and Responsible Procurement	62
Product Quality and Safety	66
STRATEGIC PILLAR: PEOPLE AND COMMUNITY	
Labour Practices, Talent Management and Human Rights	71
Occupational Safety and Health	82
Community Development	89
OTHER INFORMATION	
About this Report	97
GRI Content Index	98
Independent Assurance Statement	102
Independent Verification Statement	105

LETTER TO STAKEHOLDERS

GRI 2-22

» UNDER VISION 2030, WE HAVE PLACED SUSTAINABILITY AT THE CORE OF OUR STRATEGY, INCLUDING BOTH RUNNING OUR BUSINESS SUSTAINABLY AND MAKING SUSTAINABILITY OUR BUSINESS.



LOH CHIN HUA Chief Executive Officer

DEAR STAKEHOLDERS,

Despite the continuing impact of the COVID-19 pandemic as well as growing geopolitical tension, the past year saw increasing global focus on sustainability, especially climate change. At the international level, the United Nations Climate Change Conference (COP26) culminated in the Glasgow Climate Pact, which reinforced the goal of limiting global warming to 1.5°C compared to pre-industrial levels. In Singapore, the government announced in February 2022 its plans to raise the country's carbon tax from 2024, as well as achieve net zero emissions by or around mid-century. At the regulatory level, the Singapore Exchange also introduced amendments to its Listing Rules, including its Sustainability Reporting Guide, to give greater focus to climate-related risks and opportunities, as well as diversity.

As a company committed to sustainability, Keppel is heartened to see the growing

consensus on the urgency of climate action, and we are working with stakeholders to contribute to the global sustainability agenda.

SUSTAINABILITY AT THE CORE OF OUR STRATEGY

As part of Keppel's Vision 2030, we have put sustainability at the core of the Company's strategy. This includes both running our business sustainably and making sustainability our business through providing solutions that contribute to sustainable urbanisation and combatting climate change. We are working with partners to support the achievement of the United Nations Sustainable Development Goals (SDGs), and have incorporated 10 of the SDGs as a supporting framework to guide our sustainability strategy.

In October 2021, Keppel took a significant step forward in our climate ambition by announcing the Group's target to halve our Scope 1 and Scope 2 carbon emissions by

2030, compared to 2020 levels, and achieve net zero by 2050. Achieving this goal will require us to take a carbon-constrained mindset in how we run our business, as well as how we evaluate the kinds of business we will enter, avoid or exit.

Since 2020, we have supported the work of the Task Force on Climate-related Financial Disclosures (TCFD), and have started implementing its recommendations to better assess and articulate the financial impact of climate-related risks and opportunities on our business. In 2021, we conducted a high-level assessment of the vulnerability of 50 of the Group's key assets to physical climate risks, including water stress, floods, hurricanes and sea level rise. Based on the findings, our business units are considering possible mitigation or adaptation measures to be taken, where necessary.

We have also progressively enhanced our sustainability-related governance and processes. In April 2022, Keppel's Board of Directors announced our new Board Sustainability and Safety Committee to further sharpen the Group's focus on sustainability. Earlier this year, we also announced the appointment of our first Chief Sustainability Officer to coordinate and drive the Group's sustainability efforts.

In 2021, the Group achieved an 8.6% reduction in absolute Scope 1 and Scope 2 carbon emissions compared to our 2020 baseline. The Group's efforts to reduce waste generation and water consumption also led to a 27% weighted average reduction in waste intensity, and a 4% weighted average reduction in water intensity, relative to our 2019 baseline.

MAKING SUSTAINABILITY OUR BUSINESS

We have always seen sustainability not as a cost, or just through the lens of corporate social responsibility, but also as a source of business opportunities. Keppel has long been involved in providing solutions that drive sustainable development, including leading the Singapore Consortium in the development of the Sino-Singapore Tianjin Eco-City since 2008, as well as providing waste management and water treatment solutions, among others.

In line with Vision 2030, we are simplifying Keppel's business and sharpening the focus of our portfolio on sustainable urbanisation solutions. In April 2022, we signed definitive agreements on the proposed combination of Keppel Offshore & Marine (Keppel O&M) and Sembcorp Marine, as well as the resolution of Keppel O&M's legacy rigs. This brings together two leading offshore & marine (O&M) companies to create a premier player,

well positioned to address the challenges and opportunities in the evolving O&M sector and the energy transition. Earlier, in March 2022, Keppel Telecommunications & Transportation also entered into an agreement to divest Keppel Logistics to Geodis International SAS, which would allow Keppel Logistics to scale up and accelerate growth as part of a global leader in the transport and logistics sector.

At the same time, we are expanding the Group's presence in areas such as renewables, clean energy, decarbonisation, environmental solutions and sustainable urban renewal. With growing international momentum around climate action and many countries and companies making net zero pledges, we see many opportunities in these growth areas, where the Group has strong capabilities and proven track records, and where we can work with our partners and customers to contribute to a cleaner and greener world.

In 2021, the Group saved around 1,087,185 GJ of energy through our energy efficiency initiatives and the cumulative green initiatives implemented at Keppel Land's Green Mark-certified developments. These energy savings are equivalent to about 82% of the Group's total energy consumption for the year, and translate to estimated cost savings of about \$73 million and avoidance

» We have announced our commitment to halve the Group's Scope 1 and 2 carbon emission by 2030, compared to 2020 levels, and achieve net zero by 2050.



Keppel is well-placed to provide compelling solutions that can help to advance sustainable development and climate action. (In picture: Artist's impression of climate-resilient nearshore urban developments or "floating cities", which Keppel Land is exploring in collaboration with other Keppel business units.)

LETTER TO STAKEHOLDERS

»» Since the start of the pandemic, Keppel has disbursed about \$5.5 million to the fight against COVID-19, in Singapore and overseas.

of approximately 123,000 tonnes of carbon dioxide equivalent (tCO₂e) in emissions.

With many older commercial buildings requiring upgrade and retrofitting, we see strong demand for sustainable urban renewal in Singapore and the Asia Pacific region. A prime example of how we gave a new lease of life to an older building is Keppel Bay Tower, where Keppel Corporation is headquartered. Leveraging technology and renewable energy, Keppel Land upgraded the 20-year-old office building and turned it into Singapore's first BCA Green Mark Platinum (Zero Energy) commercial building in 2020. The building has since been divested to Keppel REIT, adding to its quality portfolio of prime office buildings. Such urban renewal efforts not only make good business sense, but also contribute toward reducing waste and supporting the circular economy.

Other solutions in the Group are also contributing to avoided emissions. In 2021, Keppel Infrastructure's operation of two Waste-to-Energy (WTE) plants in Singapore, both held under Keppel Infrastructure Trust, resulted in approximately 3,741,000 tCO₂e in net avoided emissions, taking into account avoided emissions from methane that would otherwise have been emitted from the decomposition of organic waste at landfills,

emissions that would have arisen from the equivalent fossil-fuel generated electricity from power plants in Singapore, as well as emissions from the incineration process.

In addition, we are making steady progress towards our target of growing our portfolio of renewable energy assets to 7 GW by 2030. As at end-2021, we have announced renewables projects with a total capacity of 1.1 GW. This includes the acquisition of a majority stake in leading solar energy platform, Cleantech Renewable Assets, by Keppel Corporation together with Keppel Asia Infrastructure Fund (KAIF) and a co-investor of KAIF. To accelerate our growth in renewables, we will not only pursue greenfield developments, but will also explore opportunities to acquire stakes in established renewable energy platforms, together with co-investors.

In support of Singapore's Green Plan 2030, we are exploring the import of renewable energy to Singapore, developing electric vehicle charging infrastructure, and continuing to expand our district cooling services.

Keppel is also studying other low-carbon solutions, including carbon capture, utilisation and storage, and developing new energy value chains such as green

ammonia and hydrogen, to meet the burgeoning global demand for clean energy.

Leveraging our capabilities in urban and infrastructure development as well as floating structures, we are also exploring greener solutions such as energy-efficient floating data centre parks, as well as climate-resilient nearshore urban developments, or "floating cities", which can address the impact of rising sea levels.

STRENGTHENING CORPORATE GOVERNANCE

We firmly believe that strong corporate governance, compliance and risk management provide the foundation for a sustainable business. In 2021, we continued to take steps to improve the Group's compliance measures, including rolling out the ISO 37001 Anti-Bribery Management System across business units. We also strengthened the Group Cyber Security Governance structure and established the Keppel Cyber Security Centre to better protect Keppel from cyber risks.

In 2021, the Group achieved our zero-fatality target across our global operations and saw improvements in our Total Recordable Injury Rate, Accident Frequency Rate and Accident Severity Rate. We also received 18 awards at the Workplace Safety and Health Awards during the year. We will continue to work hard to further improve our safety performance.

PEOPLE-FOCUS

We are committed to building an organisation where employees are engaged and motivated to give their best. I am pleased to report that in the 2021 Global Employee Engagement Survey, the Group achieved a strong overall engagement score of 84%, higher than Mercer's global average of 80%. Some 88% of Keppelites also indicated that they were proud to work for Keppel.

Keppel respects and upholds the fundamental principles of human rights. We value and respect all employees, and our hiring policies ensure equal employment opportunities for all. We are committed to diversity, including gender diversity. Women currently occupy about 30% of senior management and managerial positions in the Group. In 2021, the average base salary of female employees was 91% that of male employees. For women in senior management positions, it was 102% of their male counterparts.

To develop a skilled and competent workforce and help employees reach their full potential, we invest in training and development programmes. We have also stepped up the use of digital learning platforms to empower staff to take charge of their learning. In 2021, we achieved our target of 20 training hours per employee.



 Keppel has announced renewables projects with a total capacity of 1.1 GW, including the acquisition of a majority stake in leading solar platform Cleantech Renewable Assets. (In picture: One of Cleantech's assets in Singapore)



Mr Desmond Lee (centre), Minister for National Development and Minister-in-charge of Social Services Integration, Mr Danny Teoh (right), Chairman of Keppel Corporation and Mr Loh Chin Hua (left), CEO of Keppel Corporation, together with Keppel Volunteers and members of the community, planted 50 trees at Labrador Nature Reserve on 7 November 2021 to mark the launch of the Keppel Coastal Trail.

Migrant workers are an important part of Keppel's workforce, especially in the O&M sector. As part of our continuing efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agencies in 2021 to require them to abide by the Dhaka Principles for Migration with Dignity going forward. To detect any possible unfair employment practices, such as delays in salary payments, Keppel O&M conducts periodic interviews with foreign workers employed by resident contractors to assess their well-being.

STEPPING UP COMMUNITY INVESTMENTS

Keppel believes in doing good as we do well, and we aim to deliver lasting social, economic and environmental benefits to the communities where we operate. We do this through charitable donations, community investments and commercial initiatives that contribute to building a more resilient and inclusive society, as well as staff volunteerism. In 2021, the Group spent \$4.6 million on social investments, including \$2.4 million disbursed through Keppel Care Foundation. Despite restrictions imposed by COVID-19, I am proud that Keppel Volunteers around the world were able to continue serving the community, including through virtual platforms, and achieved over 12,000 hours of community service during the year.

Since the start of the pandemic, Keppel has disbursed about \$5.5 million to the fight against COVID-19, in Singapore and overseas. In 2021, new initiatives included a \$300,000 donation to the Digital for Life Fund set up by

the Infocomm Media Development Authority to help low-income seniors, who have become more isolated during the pandemic, to be more connected with their communities using digital tools, and a donation of 150 laptops to the Ministry of Social and Family Development's Community Link initiative to support home-based learning by students from lower-income families. Keppel also donated VND7.4 billion to support COVID-19 relief efforts in Vietnam.

To promote environmental conservation, Keppel pledged to donate \$1 million to the Garden City Fund to support the development of the Keppel Coastal Trail at Labrador Nature Reserve in Singapore. The Trail builds on Keppel's earlier commitment to donate \$3 million to support the planting of 10,000 trees over five years in Singapore's parks and nature reserves, as part of NParks' OneMillionTrees movement. About half of the 10,000 trees will be planted at Labrador Nature Reserve. Together with the new Keppel Coastal Trail, these efforts will strengthen the ecological and climate resilience of the nature reserve, and raise public awareness of the role of coastal forests in mitigating the impact of climate change and rising sea levels.

SUPPORTING THE UN GLOBAL COMPACT

Since 2018, Keppel Corporation has been a signatory of the United Nations Global Compact, the world's largest corporate sustainability initiative promoting sustainable business practices, and we affirm our support of the Global Compact's

10 principles on human rights, labour, environment and anti-corruption.

We are encouraged by the domestic and international recognition Keppel has received for our sustainability performance, including retaining the triple-A rating in the MSCI ESG rating, winning the Singapore Corporate Governance Award 2021 (Big Cap) at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2021, and being named Apex Winner in the Sustainable Business category of the Singapore Apex Corporate Sustainability Awards 2021.

I would like to thank our many partners, customers, investors and stakeholders for their trust and support for Keppel amidst a volatile global environment. I would also like to express my deepest appreciation to the many dedicated Keppelites around the world who are contributing actively to our sustainability journey.

We will continue to work with all stakeholders towards a sustainable future.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Loh Chin Hua".

LOH CHIN HUA
Chief Executive Officer
12 May 2022

HIGHLIGHTS

MSCI ESG RATINGS	GOVERNANCE	ECONOMIC VALUE
 AAA Retained the highest AAA rating in the Morgan Stanley Capital International (MSCI) ESG ratings in December 2021. Ranked among the top 8% of global industrial conglomerates, based on environmental, social and governance (ESG) criteria, in the MSCI All Country World Index.	 Winner Of the Singapore Corporate Governance Award 2021 (Big Cap) at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2021.	 \$9.49b Of economic value generated for our stakeholders.
CARBON EMISSIONS	EMISSIONS INTENSITY	ENERGY SAVINGS
 Net Zero Committed to halve the Group's Scope 1 and Scope 2 emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. Achieved 8.6% reduction in absolute Scope 1 and Scope 2 emissions from 2020 baseline.	 38.2% Average reduction in carbon emissions intensity from our 2010 baseline achieved by operations in Singapore and overseas.	 \$73m In estimated cost savings from energy efficiency initiatives implemented in 2021 and from Keppel Land's Green Mark-certified developments.
EMPLOYEE ENGAGEMENT	TRAINING & DEVELOPMENT	SAFETY
 84% Overall engagement score, higher than Mercer's global average of 80%.	 20 hrs Of training per employee globally.	 Zero Fatality Achieved across our global operations, with improvements in Total Recordable Injury Rate, Accident Frequency Rate and Accident Severity Rate.
SUPPLY CHAIN	SOCIAL INVESTMENTS	VOLUNTEERISM
 99.92% Of new qualified suppliers were screened in accordance with environmental, social and governance criteria.	 \$4.6m Invested in support of worthy causes.	 >12,000 hrs Of community service, exceeding our target of 10,000 hours.

AWARDS AND RECOGNITION

MSCI World ESG Leaders Index

Keppel Corporation has retained the highest triple-A rating in the MSCI environmental, social and governance (ESG) ratings¹. The Company has held the triple-A rating since February 2021. Keppel Corporation is ranked as a leader, and among the top 8% of global industrial conglomerates, based on ESG criteria, in the MSCI All Country World Index (ACWI), MSCI's flagship global equity index, which covers more than 2,800 constituents. Keppel Corporation is a constituent on the MSCI ACWI and World ESG Leaders Indexes, and has been included on the MSCI ESG Leaders Indexes since 2014.



Euronext Vigeo World 120

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



Securities Investors Association (Singapore) Investors' Choice Awards

Keppel Corporation was conferred Winner of the Singapore Corporate Governance Award 2021 (Big Cap) at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2021. The Singapore Corporate Governance Award aims to encourage public listed companies to adopt high levels of corporate governance and sustainability practices. In 2021, the Award was revamped to include sustainability disclosures in its scoring methodology.



iEdge Sustainability Indices

Keppel Corporation continued to be listed among the top 10 constituents of the iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index in 2021. The iEdge SG ESG Indices are composed of SGX-listed companies that meet minimum sustainability reporting requirements and are considered ESG leaders with established and leading ESG practices. Keppel Corporation is also an index constituent of the iEdge Singapore Low Carbon Indices, which track Singapore or globally-listed companies domiciled or incorporated in Singapore based on carbon intensity performance.



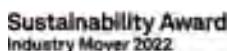
FTSE4Good Index Series

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



S&P Global Sustainability Yearbook

Keppel Corporation was included in S&P Global's Sustainability Yearbook 2022, achieving the Industry Mover Award for the Industrial Conglomerates category. The Yearbook showcases the best performing companies in terms of financially material ESG metrics. In 2021, S&P Global assessed 7,554 companies in 61 industries, with 716 sustainability leaders selected for the Yearbook. Keppel scored among the top 15% in the industry.



Singapore Apex Corporate Sustainability Awards

Keppel Corporation was named Apex Winner in the Sustainable Business category of the Singapore Apex Corporate Sustainability Awards 2021. The award was conferred by Global Compact Network Singapore, the local chapter of the United Nations Global Compact, the world's largest corporate sustainability initiative.

Workplace Safety and Health Awards

The Keppel Group was conferred 18 awards at the Workplace Safety and Health (WSH) Awards 2021 organised by Singapore's Ministry of Manpower and the WSH Council. The Group received accolades in the following categories: Safety and Health Award Recognition for Projects Awards, WSH Performance Awards, WSH Innovation Awards and WSH Awards for Supervisors.



Community Chest Awards

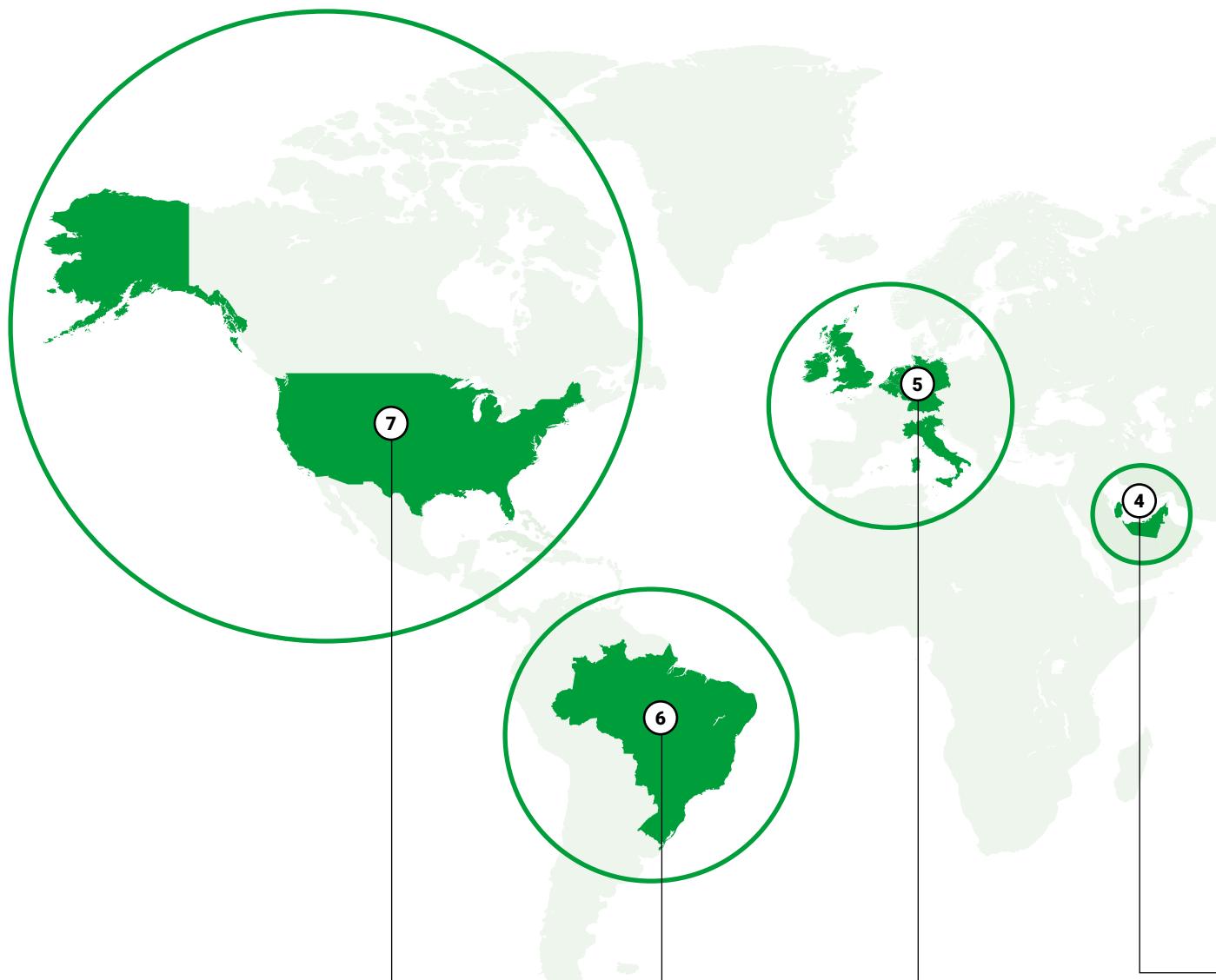
Keppel Corporation was conferred the Charity Platinum Award by the Community Chest in recognition of Keppel's significant donations to Community Chest.



¹ The use by Keppel Corporation of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Corporation 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.

GLOBAL PRESENCE

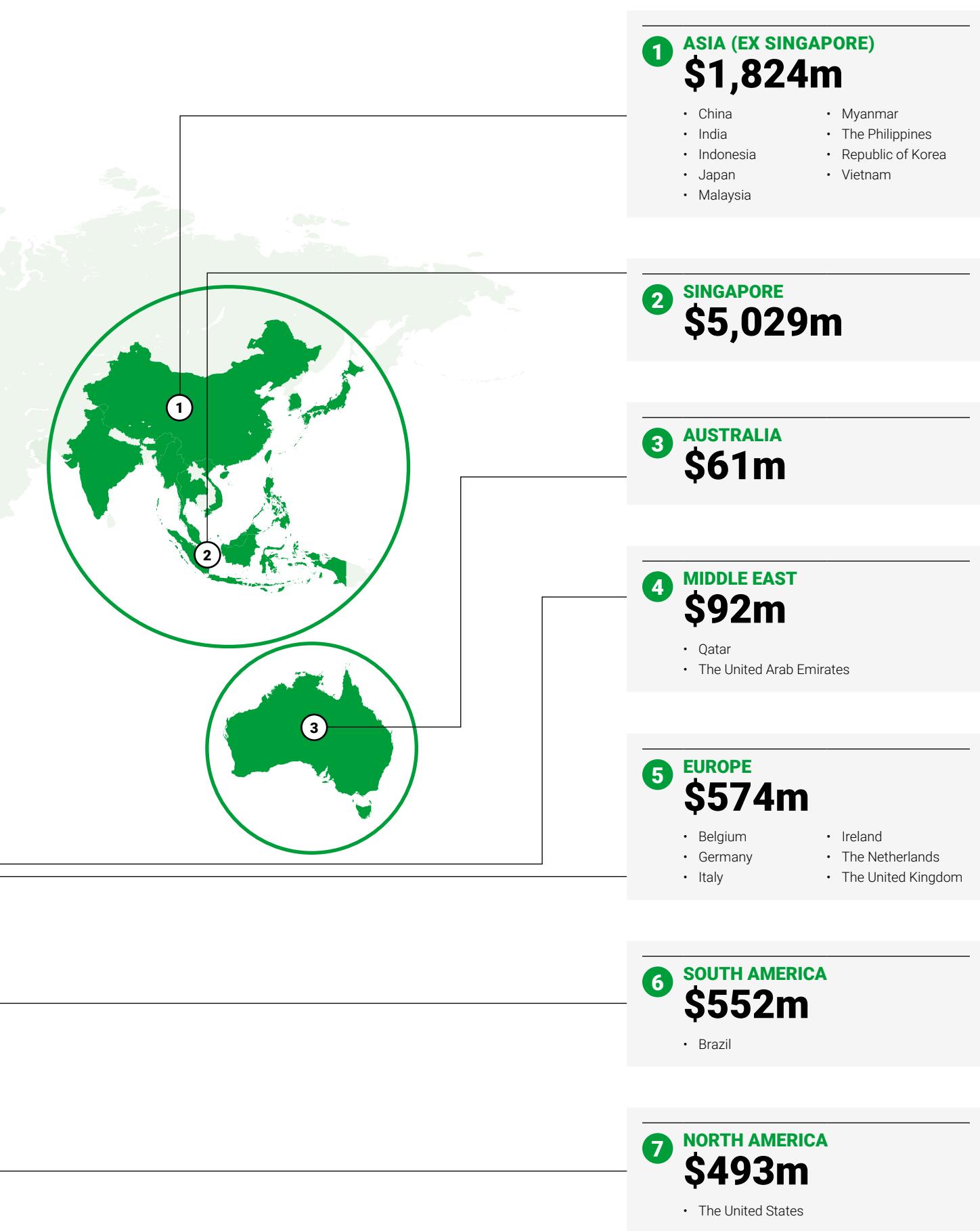
GRI 2-1 | 2-6



TOTAL FY 2021 REVENUE

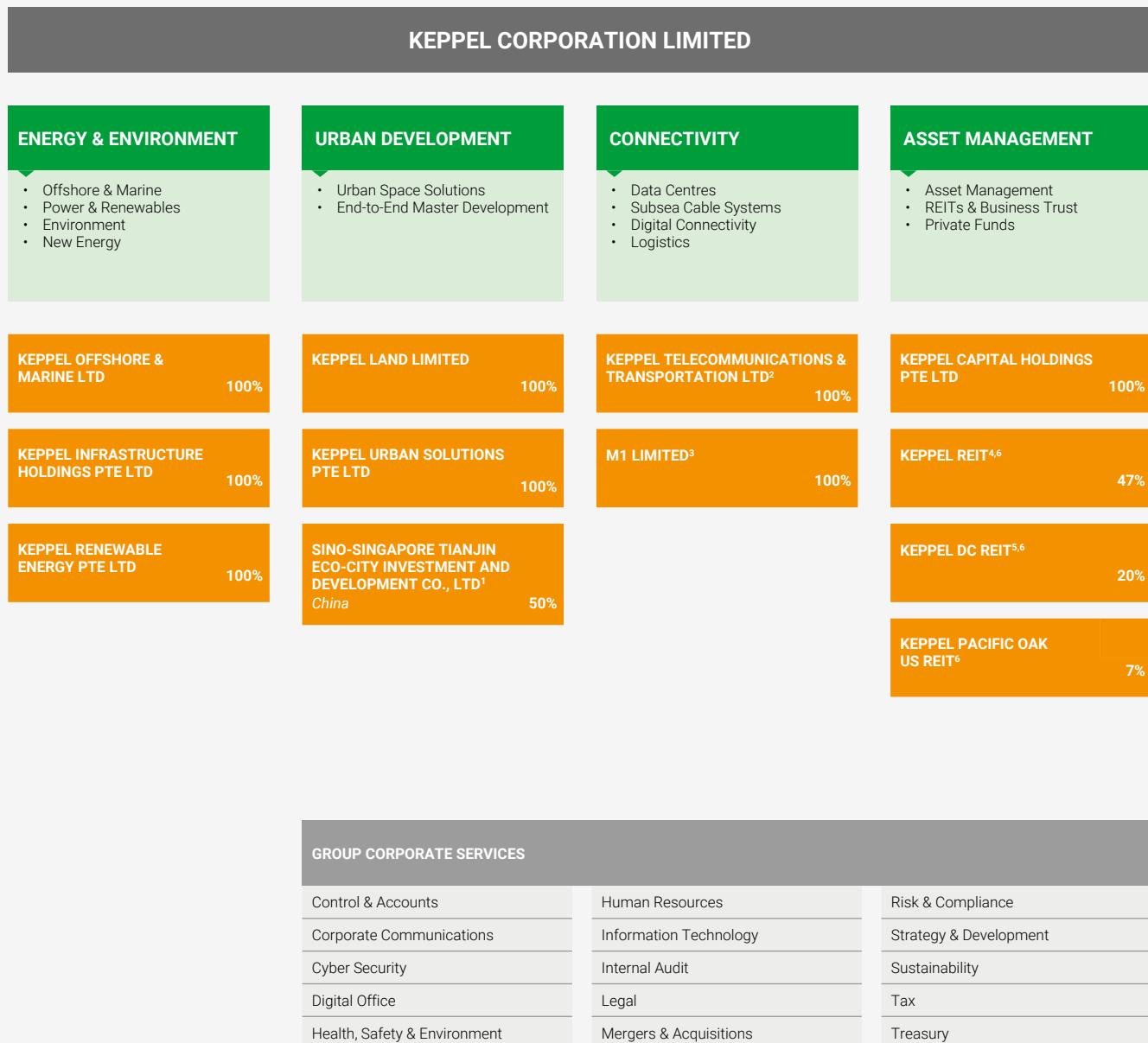
\$8.6b

Markets outside of Singapore contributed about 42% of the Group's revenue for FY 2021.



GROUP STRUCTURE

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



Notes:

- Owned by a Singapore Consortium, which is in turn 90%-owned by the Keppel Group.
- Owns 70% of Keppel Data Centres Holding Pte Ltd, with Keppel Land Limited owning the remaining 30%.
- Owned by Keppel Telecommunications & Transportation Ltd (19%), and Konnectivity Pte Ltd (81%), which is in turn 80%-owned by the Keppel Group.
- Owned by Keppel Land Limited (40%) and Keppel Capital Holdings Pte Ltd (7%).
- Owned by Keppel Telecommunications & Transportation Ltd (19.6%) and Keppel DC REIT Management Pte Ltd (0.4%).
- Public listed company.

Updated as at 25 February 2022. This Group Structure illustrates the key business units of Keppel Corporation Limited. A complete list of significant subsidiaries, associated companies and joint ventures is available in Note 40 of the Notes to Financial Statements in Keppel Corporation's Annual Report 2021.

SUSTAINABILITY FRAMEWORK

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



STRATEGIC PILLAR: ENVIRONMENTAL STEWARDSHIP

As part of Keppel's Vision 2030, we have set targets to halve the Group's Scope 1 and Scope 2 carbon emissions by 2030 from 2020 levels and achieve net zero by 2050, as well as reduce our water and waste intensity.

We are also making sustainability our business by providing solutions that contribute to sustainable development and climate action. We are refocusing the Company's portfolio on sustainable urbanisation solutions, through evaluating the fit with Keppel's Vision, Mission and ESG goals as well as the risks and opportunities associated with climate change.

We are expanding the Group's involvement in renewables, clean energy and decarbonisation solutions, and have committed to grow the Group's renewable energy portfolio to 7 GW by 2030.

Material ESG issues:

- Climate Action
- Environmental Management



STRATEGIC PILLAR: RESPONSIBLE BUSINESS

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

We are driving collaboration across the Group, promoting innovation and harnessing technology to seize opportunities to provide sustainable urbanisation solutions.

We also work with stakeholders in our value chain to enhance their sustainability performance.



STRATEGIC PILLAR: PEOPLE AND COMMUNITY

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

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

We have committed up to 1% of the Group's net profit to support worthy causes.

Material ESG issues:

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

GROUP OVERVIEW**SUSTAINABILITY MANAGEMENT**

GRI 2-9 | 2-12 | 2-28

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

OUR STRATEGY

In 2021, Keppel continued to accelerate the execution of Vision 2030, our long-term roadmap to grow and transform Keppel as an integrated business providing solutions for sustainable urbanisation. We made significant progress across our different goals – asset monetisation, business transformation, driving integration and improving earnings.

Importantly, Keppel also deepened its commitment to sustainability, in terms of both how we run our business, and making sustainability our business, by providing solutions that contribute to sustainable development and combatting climate change. We see Keppel playing a significant role in helping businesses and communities become more sustainable through the solutions that we provide, including renewables, clean energy, decarbonisation solutions, and sustainable urban renewal, among others.

The Board determines the material environmental, social and governance (ESG) factors, oversees the management and monitoring of the material ESG factors, and takes them into consideration in the determination of the Company's strategic direction and policies.

BOARD STATEMENT ON SUSTAINABILITY

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

Keppel Corporation Board of Directors

Sustainability issues, including climate change, are regularly discussed by the Board which meets six times a year, and as warranted by circumstances. In 2021, the Board also approved Keppel's carbon emissions reduction targets, which were announced in October 2021.

In April 2022, the Board announced the establishment of a Board Sustainability and Safety Committee with effect from 1 May 2022 to provide even greater focus on sustainability matters. The committee will meet at least

four times a year, and its roles include reviewing the Company's sustainability strategy and material ESG factors; ensuring that the Group has in place an effective governance structure for sustainability matters; reviewing the processes for identifying, assessing and managing climate-related risks and opportunities; overseeing the adoption of and progress towards the Company's sustainability goals and targets; and overseeing the Company's health, safety and environmental (HSE) performance, among others.



Keppel is well-placed to play a significant role in helping businesses and communities become more sustainable through the solutions we provide, including renewables, clean energy, decarbonisation solutions, and sustainable urban renewal (in picture), among others.

At the management level, sustainability issues are driven by the Management Executive Committee¹, chaired by Mr Loh Chin Hua, CEO of Keppel Corporation, and whose members comprise the Group's senior management. The committee, which meets once a month, oversees the Group's strategy and performance, including sustainability issues.

In addition, we have a Group Sustainability Working Committee comprising representatives from across the Group, which executes, monitors and reports on the Group's sustainability efforts. In February 2022, Keppel announced the appointment of a Chief Sustainability Officer (CSO) with effect from 1 March 2022. The CSO coordinates and drives the Group's sustainability efforts, including chairing the Group Sustainability Working Committee. He is supported by a new Group Sustainability department, which has been established to focus on sustainability issues.

MEMBERSHIPS IN ASSOCIATIONS

GRI 2-28

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

- United Nations (UN) Global Compact as a Signatory, and Global Compact Network Singapore as a member. We are committed to the 10 principles of the Global Compact and support the UN Sustainable Development Goals;
- Singapore Institute of Directors to promote the professional development of directors and corporate leaders and uphold the highest standards of corporate governance and ethical conduct;
- Securities Investors Association (Singapore) to engage the investment community and promote good corporate governance;
- Singapore National Employers Federation to promote excellence in employment practices;
- Workplace Safety & Health (WSH) Council to build industry capabilities to better manage WSH and promote safety and health at work;
- The Institute of Policy Studies to support the analysis and discussion of public policy in Singapore;
- Singapore Institute of International Affairs to deepen understanding and forge stronger partnerships between countries in the region;
- GRI Singapore as a member of the Founding Consortium to support companies in ASEAN with relevant services and training to manage and report their most material ESG impacts; and
- Singapore Low Carbon Network as an inaugural member. The network is an initiative by PricewaterhouseCoopers Singapore to build capability and share knowledge in achieving a low carbon Singapore.

KEPPEL GROUP'S SUSTAINABILITY MANAGEMENT STRUCTURE



MATERIAL ESG FACTORS



¹ Formerly by the Group Sustainability Steering Committee.

SUSTAINABILITY MANAGEMENT

STAKEHOLDER ENGAGEMENT

GRI 2-29

Regular engagement with our stakeholders helps us refine our material areas of focus, as well as identify and manage our positive and negative impacts.

We have applied the reporting principles from the GRI Standards, whereby stakeholders are defined as individuals or groups that have interests that are affected, or could be affected, by an organisation's

activities, and an interest is defined as something of value to an individual or group, which can be affected by the activities of an organisation. Stakeholders can have more than one interest.

OUR STAKEHOLDERS



EMPLOYEES

Significance

People are our most valuable asset. We are committed to employee well-being, workplace health and safety, and investing in the training and development of our employees to help them reach their full potential. We adopt merit-based recruitment practices and emphasise diversity and inclusiveness.

Key Topics & Concerns

Vision, strategy and direction; innovation; productivity; collaboration; talent management; people development.

Engagement Platforms

Annual employee engagement surveys; regular townhalls and other engagement programmes; continuous training and development; mentorship programmes.

Our Response

Read more about how we manage our global workforce on pages 71 to 81.



CUSTOMERS

Significance

Customer satisfaction is crucial to the success of our businesses. We are committed to continually improving our products and services to better meet customers' needs, including through harnessing insights from customer engagement.

Key Topics & Concerns

Product quality & safety; Health, Safety and Environment (HSE) excellence.

Engagement Platforms

Regular meetings; ongoing communication via different channels; regular customer satisfaction surveys.

Our Response

Read more about how we engage customers on pages 66 to 70.



GOVERNMENTS

Significance

Governments shape the business environments in which we operate. Policies and regulations can affect how businesses are run and also create new opportunities. We track topics of concern to governments and regulatory bodies wherever we operate, and seek to not only comply with, but also support the policies of national and regional governments.

Key Topics & Concerns

Opportunities for collaboration and investment; sharing of industry best practices; setting industry benchmarks.

Engagement Platforms

Periodic visits and meetings; industry forums; support for national and regional initiatives.

Our Response

Read more about how we create value for governments on pages 58 to 61, and collaborate with governments to enhance industry standards and support workforce development on pages 79 and 86.



SHAREHOLDERS & INVESTORS

Significance

Shareholders play an important role in the financing and governance aspects of our business. Our Investor Relations Policy sets out the principles that the Company abides by to ensure a level playing field and help shareholders and prospective investors make well-informed decisions.

Key Topics & Concerns

Business strategy and direction; economic performance.

Engagement Platforms

Regular conference calls; shareholder meetings; briefings to retail shareholders; facility visits; results briefings and business updates; ongoing email and phone communications.

Our Response

Read more about how we engage the investment community on pages 44 and 45 of the Company's Annual Report 2021.



SUPPLIERS

Significance

Strong, effective relationships with our suppliers give our businesses strategic and operational advantages. By effecting stringent procurement processes and a supplier code of conduct, we aim to encourage our suppliers to adopt more sustainable practices.

Key Topics & Concerns

Compliance; HSE excellence; fair treatment; responsible procurement practices.

Engagement Platforms

Regular meetings by project managers and HSE teams with key subcontractors and suppliers; regular site visits by management.

Our Response

Read more about how we work with suppliers to influence their sustainability performance on pages 62 to 65.



LOCAL COMMUNITIES

Significance

As active members of our communities, we aim to contribute towards their well-being. We engage community leaders to develop impactful programmes that drive community development. We also proactively engage local communities which may be impacted by our operations to gather feedback and communicate mitigating measures.

Key Topics & Concerns

Community investments; donations to charitable and environmental causes; volunteer programmes; impact assessment and mitigation.

Engagement Platforms

Public communications; periodic meetings; community outreach initiatives; communication with local communities on upcoming construction works.

Our Response

Read more about how we collaborate with community partners to support social and environmental causes on pages 89 to 96.

MATERIALITY

GRI 3-1 | 3-2

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

Keppel Corporation conducts a comprehensive materiality assessment, supported by an external consultant, once every five years, or more frequently if required. In the intervening years, the review of material ESG factors is conducted each year by the Group

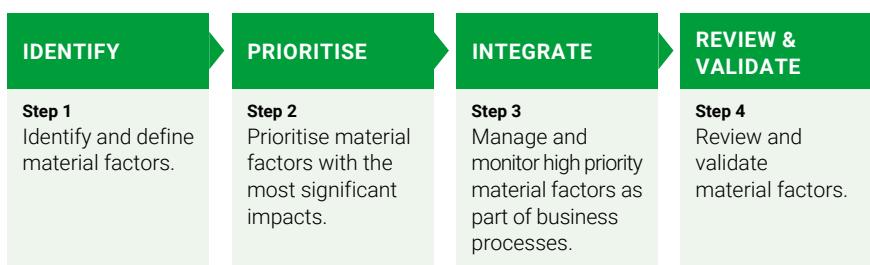
Sustainability Steering¹ and Working Committees and approved by the Board.

The Company last conducted a comprehensive materiality assessment, supported by an independent consultant, in 2019. This involved

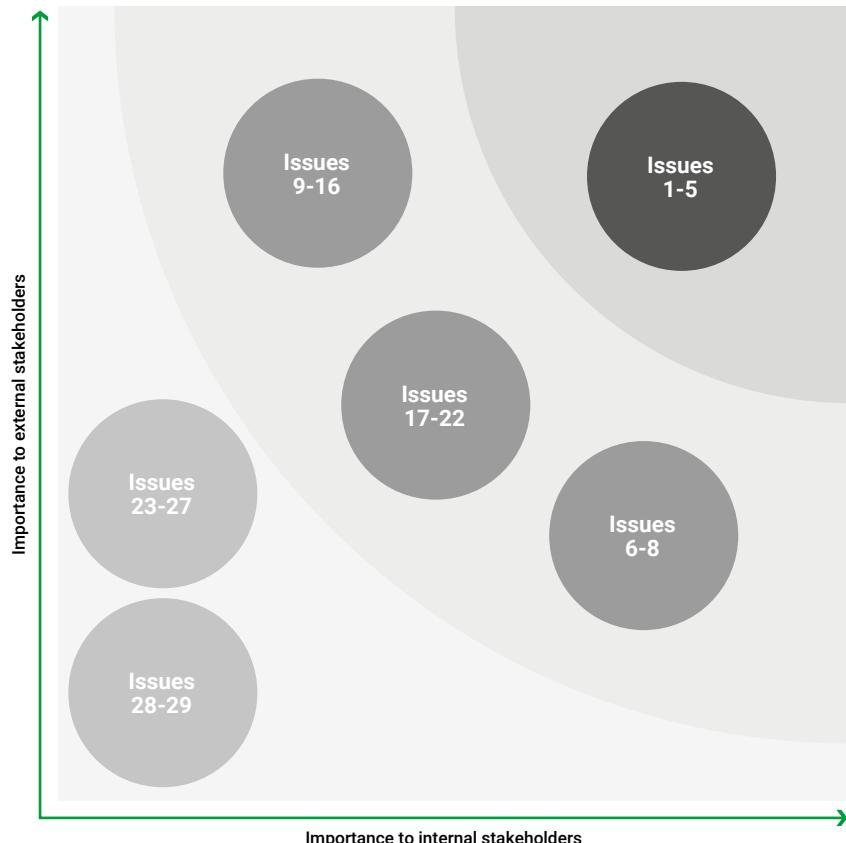
surveys, workshops and extensive interviews with internal and external stakeholders, an assessment of long-term global trends, and an internal review of our businesses. The ESG factors defined were prioritised in a matrix, and an updated set of nine material ESG factors was adopted and grouped under the three strategic pillars of Environmental Stewardship, Responsible Business as well as People and Community. The nine material factors are listed on pages 18 to 22.

For 2021, a review of the material ESG factors was conducted by the Board as well as the Group Sustainability Steering and Working Committees, taking into account emerging trends, regulations as well as risks and opportunities in the short, medium and long term², and the nine material ESG factors were deemed to remain relevant.

We plan to conduct a comprehensive materiality assessment in 2022 taking into account the Group's business transformation and refocused portfolio as we accelerate the execution of Keppel's Vision 2030.



MATERIALITY MATRIX



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

Legends

- Business Practices
- Environment
- Labour
- Communities

Ranking of material issues in terms of relative importance to stakeholders

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

¹ The roles played by the Group Sustainability Steering Committee have been taken over by the Management Executive Committee with effect from April 2022.

² Short (1-year), medium (3-5 years), long-term (more than 5 years).

MATERIAL ISSUES

GRI 3-2 | 2-23 | 2-24

The three key strategic thrusts under Keppel's sustainability framework are (1) Environmental Stewardship; (2) Responsible Business; and (3) People and Community, with Keppel's nine material ESG issues organised under each of these pillars.

The table below highlights Keppel's strategy and the key actions taken to address the risks and opportunities related to each material ESG issue. While all material ESG issues are important, we have identified the issues of Climate Action, Corporate Governance & Risk Management, and Labour Practices, Talent Management & Human Rights, as being the issues which can have the greatest impact on our business and the generation of long-term value, as well as where the Company can have the biggest impact.

We are committed to the international sustainable development agenda, and leverage collaboration and partnership to support the achievement of the United Nations Sustainable Development Goals (SDGs). We have incorporated 10 of the SDGs as a supporting framework to guide our sustainability strategy. The table below indicates how Keppel contributes to the SDGs across our material ESG issues.

Material Issues

CLIMATE ACTION

Approach

Climate change is one of the most severe challenges facing humanity. Physical risks can lead to stranded assets, higher operating costs and business disruptions, while transition risks such as policy, legal, technological and market changes may pose financial and reputational risks.

Keppel strongly supports efforts by the international community and the Singapore Government to address climate change. We have placed sustainability at the core of our strategy. We are committed to run our business sustainably, as well as provide solutions which help our communities and customers reduce carbon emissions and get to net zero.

We recognise climate change as a key strategic risk under our risk assessment framework, and are taking steps to better understand and address climate-related risks, while also seizing opportunities created by the growing global focus on climate action. We are refocusing the Group's portfolio on sustainable urbanisation solutions, including through evaluating the fit with Keppel's Vision, Mission and ESG goals, and the risks and opportunities associated with climate change. Keppel also contributes to climate action through its corporate social responsibility and public engagement efforts.

Highlights

Keppel has committed to halve its Scope 1 and Scope 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050.

Since 2020, Keppel has adopted an evolutionary shadow carbon pricing policy to evaluate major investment decisions, in order to contribute to climate action, mitigate climate-related risks, prepare for tougher climate legislation and higher carbon prices, and avoid stranded assets. We will continue to review and refine our shadow carbon price in response to changes in Singapore and international carbon tax regimes.

Keppel has set a target to grow its renewable energy portfolio to 7 GW by 2030, and has announced renewables projects with a total capacity of 1.1 GW as at end-2021.

Many of the Group's new business pursuits and research and development (R&D) efforts in the past year were in renewables, clean energy, decarbonisation and environmental solutions. These include the acquisition of a majority joint venture stake in Cleantech Renewable Assets, a leading solar energy platform, by Keppel Corporation together with a Keppel Capital consortium; exploring the import of renewable energy to Singapore; developing electric vehicle charging infrastructure; securing Singapore's first Energy-as-a-Service contract; and studying the feasibility of developing an Asia-Pacific green ammonia supply chain.

The iconic Keppel Marina East Desalination Plant (KMEDP), Singapore's first large-scale, dual-mode desalination plant, was officially opened in February 2021, contributing to Singapore's water security amidst increasing rainfall uncertainty caused by climate change. In June 2021, KMEDP was named 'Desalination Plant of the Year' at the Global Water Awards 2021.

Keppel Offshore & Marine (Keppel O&M) continued to seize opportunities in renewables and gas solutions, which made up 39% of its orderbook as at end-2021.

The built environment is a significant contributor to carbon emissions. Keppel Land is contributing to climate action through developing smart and sustainable offices of the future, including the Keppel Towers redevelopment, which garnered the Building and Construction Authority of Singapore's (BCA) Green Mark Platinum (Super Low Energy) award in 2021 for its innovative and green features.

Keppel Data Centres is also looking into reducing the carbon footprint of its data centres, including the use of zero-carbon energy alternatives such as hydrogen to power its data centres, as well as the development of energy-efficient floating data centres that use seawater for cooling.

Keppel is also contributing to nature-based solutions to climate change by supporting environmental initiatives such as the National Parks Board's OneMillionTrees movement. Keppel committed \$3 million to support the planting of 10,000 trees over five years in parks and nature reserves in Singapore. In May 2021, a tree planting event was held to commemorate the start of this pledge.

In November 2021, Keppel further pledged to donate \$1 million to support the development of the Keppel Coastal Trail at Labrador Nature Reserve. The Trail will help safeguard core habitats and critically endangered native species in the nature reserve, as well as enhance public awareness of the role of coastal forests in mitigating the impact of climate change and rising sea levels.

Supporting SDGs



Material Issues**ENVIRONMENTAL MANAGEMENT****Approach**

We are committed to minimising our environmental impact and are focused on sustainable management and efficient use of natural resources. We aim to reduce the Group's carbon emissions, reduce waste generation through resource efficiency, recycling and reuse of natural resources, as well as reduce water intensity through active monitoring and water-efficiency programmes.

Highlights

We have set high-impact sustainability goals and are committed to long-term targets to reduce our carbon emissions, as well as water and waste intensity.

Beyond setting Scope 1 and Scope 2 carbon emissions reduction targets, we have conducted a high-level screening of our Scope 3 emissions and continue to progressively expand the coverage to relevant categories. We will work with the Group's portfolio of investments and supply chain to improve energy efficiency and reduce emissions where possible.

Keppel has also committed to achieving a 10% reduction in waste intensity and 20% reduction in water consumption intensity by 2030 from 2019 levels.

We have laid out a roadmap to contribute to global decarbonisation efforts. This includes refocusing our portfolio on sustainable urbanisation solutions; greening our properties; lowering the emissions intensity of our infrastructure assets; purchasing and using renewable energy where possible; reducing the carbon footprint of our data centres; investing in clean, new businesses; greening urban cooling; advancing the circular economy through Keppel's proprietary technologies; and investing in sustainability-related innovation.

Supporting SDGs**CORPORATE GOVERNANCE & RISK MANAGEMENT**

Keppel Bay Tower, where Keppel Corporation is headquartered, was certified by BCA as Singapore's first Green Mark Platinum (Zero Energy) commercial building. Since the end of 2018, Keppel Corporation's corporate headquarters in Singapore has been powered by renewable energy. We also acquired carbon credits to offset Scope 3 emissions from business travel and employee commuting, thus allowing our corporate office at Keppel Bay Tower to achieve carbon neutrality for its operations since 2020.

Keppel Seghers is developing the Hong Kong Integrated Waste Management Facility (IWMF) and the Tuas Nexus IWMF in Singapore, in joint ventures with industry partners. Both IWMFs utilise Keppel Seghers' proprietary SIGMA combustion control, moving grates technology and boiler design to provide superior waste combustion and energy recovery.

Approach
 We believe that commitment to good corporate governance is essential to the sustainability of the Company's businesses and performance, and recognise that non-compliance with laws and regulations may pose financial and reputational risks.

We are committed to being an effective, accountable and transparent institution, and will conduct ourselves according to the highest ethical standards and comply with all applicable laws and regulations wherever we operate. Our tone on regulatory compliance is clear and consistently reiterated from the top management levels of the organisation. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

As part of risk management, Keppel has robust business continuity plans in place to safeguard against different strategic risks, including sustainability and climate change-related risks.

Highlights
 With COVID-19 continuing to impact the global economy in 2021, Keppel continued to have robust business continuity plans in place, allowing the Group to operate effectively, despite the impact of the pandemic and various measures implemented to curb its spread.

Reflecting Keppel's zero tolerance for fraud, bribery, corruption and violation of laws and regulations, we have continued to enhance our compliance measures, including rolling out the ISO 37001 Anti-Bribery Management System across business units. Apart from Keppel O&M and the Singapore entities of Keppel Land and Keppel Data Centres which have achieved ISO 37001 certification, Keppel Infrastructure and the overseas entities of Keppel Land (China, Vietnam and Indonesia) also achieved certification in 2021.

In 2021, Keppel continued to adopt an effective and balanced approach to risk management to optimise returns, while taking into consideration business risks and corporate sustainability. We focused on cyber security, in view of the increased risks of cyber attacks. We also enhanced the monitoring of climate-related risks across business units, in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Supporting SDGs

In recognition of Keppel's strong corporate governance and sustainability practices, the Company won the Singapore Corporate Governance Award (Big Cap) at the Securities Investors Association (Singapore) Investors' Choice Awards 2021, and was named Apex Winner at the Singapore Apex Corporate Sustainability Awards 2021. Keppel also retained the highest AAA rating in the Morgan Stanley Capital International (MSCI) ESG ratings in December 2021.

MATERIAL ISSUES

Material Issues

ECONOMIC SUSTAINABILITY

Approach

Keppel is committed to ensuring economic sustainability and creating value for its stakeholders. We view sustainability both as a corporate responsibility and a source of business opportunities. Guided by Keppel's Vision 2030, we are growing our business as a provider of solutions for sustainable urbanisation, and in so doing, we are driving economic development, and contributing to the well-being of communities wherever we operate.

Highlights

Keppel's business operations generate employment, opportunities for suppliers, products and services for customers, tax revenues for governments and dividends for shareholders. Through the solutions that we develop and operate, we are contributing to infrastructure and urban development, enhancing connectivity and sustainable development.

We have set targets to invest in sustainability-linked innovation, and are tapping our engineering nous to explore greener solutions such as energy-efficient floating data centre parks, as well as climate-resilient nearshore urban developments, or "floating cities", which can mitigate the impact of rising sea levels.

Supporting SDGs



SUPPLY CHAIN & RESPONSIBLE PROCUREMENT

Approach

We recognise the importance of supply chain risk management and sustainable procurement, and are committed to building a resilient and diversified supply chain. We also recognise that a company's supply chain can have significant environmental and social impacts. To this end, we work closely with our suppliers to make a positive impact on their sustainability performance.

Highlights

All our suppliers are qualified in accordance with our requisition and purchasing policies, screened based on ESG criteria, and expected to sign and abide by Keppel's Supplier Code of Conduct, which is publicly available on our website.

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

Supporting SDGs



PRODUCT QUALITY & SAFETY

Approach

We drive innovation and exercise due care and diligence in the design, construction and operation of our products and provision of services, to ensure they meet the highest standards of quality and do not pose hazards to customers and users.

Highlights

We continue to drive innovation both at the Group level and within individual business units to improve product quality. Innovative projects launched in 2021 include The Reef at King's Dock, an iconic condominium project in Singapore, which features a floating deck to raise awareness of marine biodiversity and conservation. M1 is also providing its customers with made-to-measure offerings supported by its digital transformation, as well as 5G-powered digital solutions for enterprises, such as the suite of intelligent solutions deployed at Marina at Keppel Bay in conjunction with the launch of M1's 5G Standalone network, that leverage 5G to improve efficiency while providing better services for customers.

In terms of product safety, we carefully consider the health and safety impact of our products across their different life-cycle stages, starting from design and development to use and handling. We have also established robust Quality Assurance programmes to ensure our products meet customers' specifications and all applicable regulatory requirements. For major projects developed by the Group, we carry out regular quality, health and safety reviews before they are handed over to our customers.

Supporting SDGs



We are committed to act on feedback from our customers and also regularly engage customers to drive continuous improvement. For instance, Keppel Land has in place a Public Communications Plan (PCP) to gather feedback and communicate mitigating measures, wherever possible, to minimise inconvenience to residents living near its developments which are undergoing construction. It works with its contractors to proactively inform residents of any upcoming construction works in the vicinity during the design and construction stage of its new developments as well as obtain feedback from them. In 2021, the PCP was conducted for The Reef at King's Dock project and Keppel Towers redevelopment project in Singapore.

Material Issues**LABOUR PRACTICES, TALENT MANAGEMENT & HUMAN RIGHTS****Approach**

People are our most valuable asset and are fundamental to Keppel's performance. Building an agile and collaborative workforce with experience across divisions and geographies, as well as strengthening people capabilities through driving a proactive learning culture and growing digital readiness are important in propelling the Company towards its Vision 2030 goals.

We believe that having a workplace that is committed to fair employment practices, upholding human rights principles, investing in people development and promoting staff well-being is key to building an organisation where employees are engaged and motivated to give their best.

We respect the fundamental principles set out in the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. Our stance on human rights is articulated in the Keppel Group Human Rights Policy while our stance on diversity and inclusion is articulated in our Corporate Statement on Diversity and Inclusion. Both statements are publicly available on our website.

Highlights

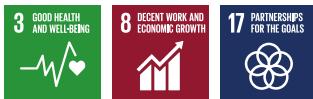
Keppel's hiring policies ensure equal employment opportunities for all. We are also committed to nurturing and developing our employees, maintaining good industrial relations and fostering a conducive work environment.

In 2021, as part of the Group's succession planning, talent development and strategic workforce planning, leadership renewal was announced in a few key business units and an extensive talent mapping exercise was carried out.

We continue to actively engage staff to help ensure that they feel connected and motivated amidst COVID-19 and work-from-home arrangements. Since the start of the pandemic, Keppel has harnessed IT collaborative tools to facilitate effective telecommuting and virtual townhalls to engage staff. Other events such as virtual team-building activities and activities that promote healthy lifestyles were also organised to promote employee well-being. The Group achieved an Employee Engagement Score of 84% in 2021, about 6% above Mercer's Singapore average, and 4% above Mercer's global average.

To build a workplace where our employees can learn, grow and fulfil their potential, we launched various new initiatives in 2021. These include a Global Learning Festival to foster a positive learning culture, and an International Career Week to equip employees with skills to develop their careers. In 2021, the Group achieved an average of 20 hours of training per employee.

Migrant workers are an important part of Keppel's workforce, especially in the offshore & marine sector. As part of Keppel O&M's continuing efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agencies in 2021 to require them to abide by the Dhaka Principles for Migration with Dignity¹ going forward.

Supporting SDGs

¹ The Dhaka Principles are a set of human rights-based principles that aim to protect the rights of migrant workers, including the provision of clear and transparent worker contracts and no charging of recruitment fees.



The Reef at King's Dock, which was well received by homebuyers, incorporates myriad smart and sustainable features throughout the development's units and public spaces.

MATERIAL ISSUES

Material Issues

OCCUPATIONAL HEALTH & SAFETY

Approach

Providing a safe and healthy work environment for all stakeholders is fundamental to our commitment to conducting business responsibly. We are also strong advocates for safety and health in the broader community, and champion national and industry initiatives to raise standards and drive innovation in these areas.

Highlights

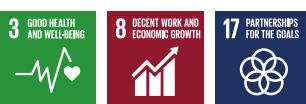
Keppel achieved its zero-fatality target for its global operations in 2021, and saw improvements across its Total Recordable Injury Rate, Accident Frequency Rate and Accident Severity Rate. The Group also clinched 18 awards at the Singapore Workplace Safety and Health Awards 2021.

In 2021, we continued our Safety Digital Transformation journey by digitalising most of the existing manual safety processes such as reporting hazards and applying for permit-to-work. When sufficient data is collected, data analytics will be conducted to sharpen our efforts in proactive accident prevention.

Other key safety initiatives implemented in 2021 include leveraging technology such as data analytics and artificial intelligence to gather data and provide real-time insights of risk patterns; rolling out Design for Safety guidelines to major developments; and sharpening our focus on empowering our employees and stakeholders to speak up and intervene when they encounter unsafe behaviours.

As COVID-19 continued to spread globally in 2021, safeguarding the health and safety of our employees, customers and stakeholders remained a top priority. To this end, Keppel continued to implement robust safe management measures in accordance with government regulations. The measures implemented include split-team arrangements, regular inspections to ensure safe management measures are maintained, health monitoring through Antigen Rapid Testing, regular disinfection of high touch-points and enhanced cleaning procedures.

Supporting SDGs



COMMUNITY DEVELOPMENT

Approach

We firmly believe that the Company does well when the community does well. Through collaboration with our stakeholders, we mobilise and share knowledge, as well as financial and human resources to uplift lives and support the achievement of the SDGs. We also encourage and promote effective public-private and civil society partnerships through the sponsorship and support of community initiatives, as well as thought leadership and dialogue platforms.

Highlights

Since the start of the COVID-19 pandemic, Keppel has disbursed about \$5.5 million to provide support to communities affected by the pandemic in Singapore and overseas.

COVID-19-related assistance announced in 2021 include a \$300,000 donation to the Digital for Life Fund set up by the Infocomm Media Development Authority to help connect seniors affected by the pandemic, as well as a donation of 150 new laptops to the Ministry of Social and Family Development's Community Link initiative to support home-based learning by students from lower-income families. In addition, Keppel donated \$120,000 to Willing Hearts, a volunteer-run soup kitchen for underprivileged and needy communities in Singapore. Keppel Volunteers have been regularly contributing at Willing Hearts, and will continue to do so over the next three years.

Beyond Singapore, Keppel also contributed to communities overseas. Keppel announced VND7.4 billion of assistance to support COVID-19 relief efforts in Vietnam, including vaccination efforts and providing medical supplies to local hospitals in affected regions.

In 2021, the Group invested a total of \$4.6 million¹ in social investment spending, including \$2.4 million disbursed through the Keppel Care Foundation, the Group's philanthropic arm. Keppel Care Foundation has disbursed over \$50 million in support of worthy community causes since its establishment in 2012.

Apart from financial support, Keppel staff also volunteered their time and services to contribute to the community. Despite restrictions imposed by COVID-19, Keppel Volunteers contributed more than 12,000 hours of community work in 2021, exceeding the target of 10,000 hours for the year.

Supporting SDGs



¹ The \$4.6 million includes voluntary contributions from the Keppel Group's directors, senior management and staff to support COVID-19 relief efforts.

TCFD DISCLOSURES

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

» WE SUPPORT THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD), AND HAVE VOLUNTARILY INCORPORATED ITS RECOMMENDATIONS IN OUR REPORTING FRAMEWORK SINCE 2020 TO BETTER ARTICULATE CLIMATE-RELATED RISKS AND OPPORTUNITIES THAT HAVE A FINANCIAL IMPACT ON OUR BUSINESSES.

In this section, we describe how we identify, assess, and manage climate-related risks and opportunities, with reference to the four key pillars recommended by TCFD. References to other sections of this Report have been made to provide more details.

Recommended Disclosure	Keppel's Approach	Page Reference
GOVERNANCE		
Describe the board's oversight of climate-related risks and opportunities.	The Board determines the material ESG factors, oversees the management and monitoring of the material ESG factors, and takes them into consideration in the determination of the Company's strategic direction and policies.	Sustainability Management: pages 14 to 15
Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability issues, including climate change, are regularly discussed by the Board which meets six times a year, and as warranted by circumstances. In 2021, the Board approved Keppel's carbon emissions reduction targets, which were announced in October 2021.	
	In April 2022, the Board announced the establishment of a Board Sustainability and Safety Committee (BSSC) with effect from 1 May 2022 to provide even greater focus on sustainability matters. The committee will meet at least four times a year. Its roles include reviewing the Company's sustainability strategy and material ESG factors; ensuring that the Group has in place an effective governance structure for sustainability matters; reviewing the processes for identifying, assessing and managing climate-related risks and opportunities; overseeing the adoption of and progress towards the Company's sustainability goals and targets; and overseeing the Company's health, safety, and environmental (HSE) performance, among others. The BSSC also reviews the Group's sustainability reporting and sustainability-related disclosures.	
	At the management level, sustainability issues are driven by the Management Executive Committee ¹ , chaired by Keppel Corporation's Chief Executive Officer (CEO), and whose members comprise the Group's senior management. The committee, which meets once a month, oversees the Group's strategy and performance, including sustainability and climate-related issues.	
	In addition, we have a Group Sustainability Working Committee, chaired by Keppel's Chief Sustainability Officer (CSO) and comprising representatives from across the Group, which executes, monitors and reports on the Group's sustainability efforts.	
	The CSO coordinates and drives the Group's sustainability efforts. He is supported by a new Group Sustainability department, established in March 2022, which focuses on sustainability including climate-related issues.	
	To embed sustainability throughout the Company and ensure accountability, environmental sustainability targets have been included in the performance appraisal of senior management ² across the Group, including both annual remuneration and long-term incentives. Environmental sustainability targets, including carbon emissions reduction, make up 7.5% of the Company's performance scorecard.	

¹ Formerly by the Group Sustainability Steering Committee.

² This includes Keppel Corporation's CEO, Chief Financial Officer (CFO) as well as the CEOs and senior management of Keppel's business units.

TCFD DISCLOSURES

Recommended Disclosure	Keppel's Approach	Page Reference
STRATEGY		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Keppel's sustainability strategy involves both running our business sustainably, and making sustainability our business by providing solutions that help governments and our customers get to net zero and contribute to climate action.	Climate Action: pages 27 to 31
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	We have set absolute carbon emissions reduction targets in line with the 1.5°C scenario. We are also increasing our focus on climate-related risks and opportunities associated with climate change over the short-term (1 year), medium-term (3-5 years) and long-term (more than 5 years).	Physical and Transition Risks: page 57
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We recognise that physical risks such as extreme weather conditions can cause damage to property and infrastructure and lead to stranded assets, higher insurance costs as well as business disruptions. Higher operating costs may also be incurred due to flood protection, damage recovery as well as higher cooling and heating needs.	Climate Change Mitigation and Adaptation Measures: pages 30 and 31
	As the world progressively transits to a lower-carbon economy, transition risks such as policy, legal, technological and market changes may also pose varying levels of financial and reputational risks.	
	At the same time, climate change will also create new business opportunities. We have been pivoting our business towards solutions that contribute to sustainable urbanisation. These include renewables, decarbonisation and clean energy solutions, green buildings and data centres, sustainable urban renewal, district cooling, and waste-to-energy (WTE) solutions.	
	We are also building new energy systems and creating new business models such as Energy-as-a-Service and Real-Estate-as-a-Service to meet our customers' needs.	
	In addition, we are studying the development of an Asia-Pacific green ammonia supply chain and supply infrastructure to bring liquefied hydrogen into Singapore to power data centres, as well as solutions for carbon capture, utilisation and storage (CCUS), as medium and long-term initiatives.	
	The Group is actively pursuing opportunities to provide solutions which can mitigate climate-related risks. Leveraging our technology and capabilities, we are exploring greener solutions such as energy-efficient floating data centre parks, as well as climate-resilient nearshore urban developments, or "floating cities", which can address the threat of rising sea levels.	
	To ensure that the Group's projects fulfil stringent green building rating standards, such as the Building and Construction Authority of Singapore's (BCA) highest Green Mark Platinum standard, Keppel Land incurs up to an additional 4% green premium in construction costs. As at end-2021, Keppel Land has incurred about \$180 million ¹ cumulatively on green building expenditure and has a total of 89 BCA Green Mark-certified properties in Singapore and overseas.	
	To strengthen Keppel's resilience and mitigate against transition risks such as tougher climate legislation and higher carbon prices, Keppel has implemented an evolutionary shadow carbon price (SCP) in the evaluation of all major investment decisions. The SCP allows us to better understand the carbon footprint of our business activities and factor in the possible impact of future carbon prices as well as avoid potential stranded assets, while encouraging the adoption of mitigation measures and technologies, and channel investments towards initiatives and innovations that benefit the environment. We implemented the SCP in 2020, starting at US\$20 per tonne of carbon dioxide equivalent (tCO ₂ e), to be progressively increased to US\$50/tCO ₂ e over time. We will continue to review and refine our shadow carbon price in response to changes in Singapore and international carbon tax regimes.	
	The Group is also leveraging its green credentials and sustainability efforts to tap green and sustainability-linked financing to support new investments. Since 2019, the Group has collectively secured about \$2.7 billion in green and sustainability-linked financing facilities.	
	To further strengthen the climate resilience of our businesses, the Group is embarking on a quantitative scenario analysis in 2022 to identify the possible financial impacts of physical climate risks on the Company's key assets. The exercise aims to determine key changes in the probability of events for different time periods (2030, 2050 and 2070) as well as Shared Socioeconomic Pathways (SSP) of 1·2·6, 2·4·5 and 5·8·5 ² .	

¹ Green building expenditure is based on the cumulative amount incurred since 2008.

² Shared Socioeconomic Pathways based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, where the SSP1-2·6 scenario has low GHG emissions and global warming of below 2°C in 2100, while SSP2-4·5 and SSP5-8·5 refer to the intermediate and very high GHG emissions scenarios respectively.

Recommended Disclosure	Keppel's Approach	Page Reference
RISK MANAGEMENT	<p>Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>Describe the organisation's processes for managing climate-related risks.</p> <p>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Risk Management: pages 53 to 57</p>
	<p>Climate change has been identified as a strategic business risk under Keppel's Enterprise Risk Management (ERM) framework. The Group's Sustainability Risk Management framework is integrated within the ERM framework and guides us in identifying, assessing and managing sustainability-related risks and opportunities. This covers climate change and environmental management considerations, as well as third-party-related risks from vendors and suppliers.</p> <p>As part of sustainability risk management, we continually assess related risks and opportunities and strengthen our organisational capabilities. Management and risk teams across business units drive and coordinate Group-wide activities and initiatives. These are facilitated by regular meetings to cascade risk policies or standards, and ensure that pertinent risks, including climate-related risks, are identified, assessed and mitigated in a timely manner. A key part of the process is the management of risks using the five-step method:</p> <ol style="list-style-type: none"> 1. Identify – understand business strategy and identify risks; 2. Assess – assess risk levels based on impact and likelihood of occurrence; 3. Mitigate – develop action plans to mitigate risks; 4. Communicate – implement and communicate action plans; and 5. Monitor – review and monitor risks. 	
	<p>Underlying the five-step method is a detailed risk definition and reporting framework for risk oversight by the Board and management. We also continually improve our risk processes, taking reference from the latest industry developments and best practices.</p>	
	<p>In 2021, the Group completed a high-level physical risk assessment which evaluated the potential impact of seven climate-related hazards – sea level rise, heatwave, water stress, flood, wildfire, coldwave and hurricane – on 50 key assets globally. Scenarios used are based on Representative Concentration Pathway (RCP) 2.6, RCP 4.5 and RCP 8.5³, and with projections for 2030 and 2050. These assets include commercial buildings, residential projects and townships, data centres as well as water and waste management plants. Based on the findings, our business units are considering possible mitigation or adaptation measures to be taken, where necessary.</p>	<p>Physical and Transition Risks: page 57</p>
	<p>Beyond managing climate-related risks and opportunities under the ERM framework, our key business units are certified to the ISO 14001 Environmental Management Systems standard, which guides how we identify, manage, monitor and control environmental issues.</p>	<p>Environmental Management: pages 32 to 40</p>
	<p>Keppel Infrastructure and the data centres that we operate in Singapore are also certified to the ISO 50001 Energy Management Systems standard, which guides us in reducing energy consumption, carbon footprint and costs by promoting sustainable energy usage.</p>	
	<p>At the business unit level, various policies and systems are also in place to ensure that all ESG-related risks and opportunities are assessed and addressed adequately. For instance, Keppel Land has a Carbon Management Plan which outlines the initiatives and programmes to reduce carbon emissions, and a set of Responsible Design Values for all of its new developments in Singapore and overseas to deliver the best standards in sustainability, liveability, quality and aesthetics.</p>	

³ Based on the Representative Concentration Pathways (RCP) GHG concentration trajectory adopted by the IPCC, where RCP 2.6 is a pathway that limits global warming to below 2°C, while RCP 4.5 and RCP 8.5 are intermediate and worst-case climate change scenarios.



To mitigate water stress, the Group continued to strengthen its water conservation efforts through initiatives such as promoting water-saving practices, adopting water efficient technologies and equipment, implementing process improvements and investing in water infrastructure.

TCFD DISCLOSURES

Recommended Disclosure	Keppel's Approach	Page Reference
METRICS AND TARGETS	<p>We have committed to halve our absolute Scope 1 and Scope 2 carbon emissions by 2030 from 2020 levels by 2030, and achieve net zero by 2050. The target is in line with the Paris Agreement's goal to limit global temperature increase to 1.5°C compared to pre-industrial levels.</p> <p>We have laid out a climate action roadmap to achieve our emissions reduction goals and contribute to global decarbonisation efforts. We measure and report our GHG emissions in accordance with the GHG Protocol, using the operational control approach.</p>	Climate Action: pages 27 to 31
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	In 2021, the Group achieved an absolute reduction of 8.6% in Scope 1 and Scope 2 emissions to 157,122 tCO ₂ e from our 2020 baseline of 171,884 tCO ₂ e. Scope 1 emissions was 28,628 tCO ₂ e, down 31.9% from 42,046 ¹ tCO ₂ e in 2020. Scope 2 emissions also dropped to 128,494 tCO ₂ e in 2021 ² .	Environmental Management: pages 32 to 40
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Keppel's Scope 3 emissions was 2,941,163 tCO₂e in 2021. We currently cover 10 out of 15 categories of Scope 3 emissions, and are working to expand our coverage to include the remaining 5 categories. We will also work with our supply chain and portfolio of investments to improve energy efficiency and reduce emissions wherever possible.</p> <p>On top of the Group-wide carbon emissions reduction target, Keppel encourages its business units to pursue even higher standards wherever possible, in line with their respective sectoral contexts and unique capabilities.</p>	
	<p>Keppel Land has set GHG emission reduction targets in accordance with the Science-Based Targets Initiative (SBTi). It has committed to reduce its absolute Scope 1 and Scope 2 emissions by 100%, and Scope 3 emissions from purchased goods and services by 20% per square metre, by 2030 from its 2020 base year.</p> <p>M1 will be adopting the Information and Communication Technology (ICT) Sector Guidance to set SBTi emissions reduction targets in line with the 1.5°C pathway. In addition, Keppel Data Centres aims to achieve net zero Scope 1 and Scope 2 emissions for all its new data centre assets in Singapore by 2030.</p> <p>We have also set Group-wide targets to reduce our water and waste intensity by 20% and 10% respectively from 2019 levels by 2030, as well as grow our portfolio of renewable energy assets to 7 GW by 2030.</p>	

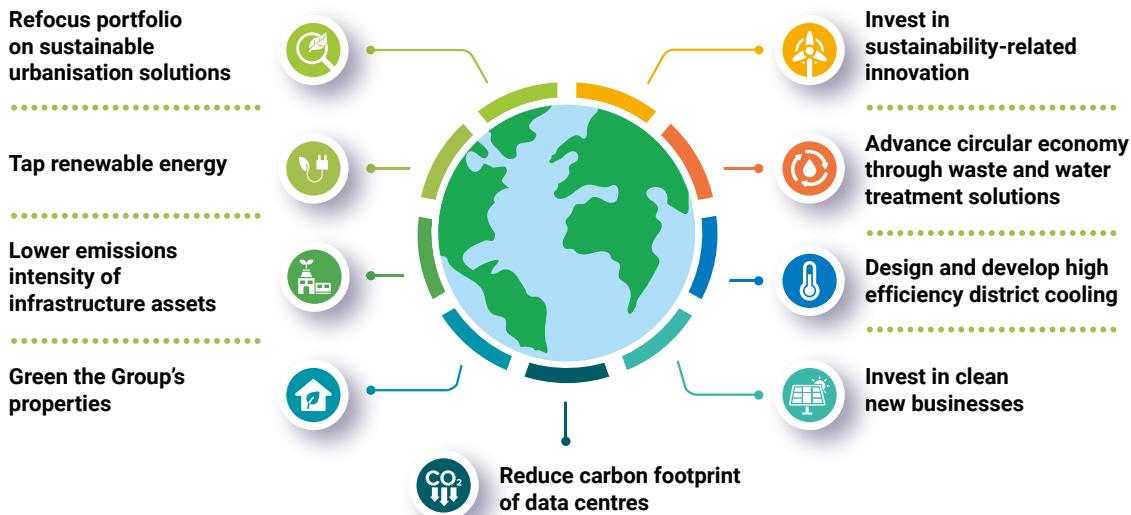
KEPPEL'S CARBON EMISSIONS REDUCTION TARGET




Halve Scope 1 & 2 emissions by 2030 and achieve net zero by 2050,

in line with goal of limiting global warming to 1.5°C above pre-industrial levels

►► Climate Action Roadmap:



¹ Scope 1 emissions for 2020 was restated due to the inclusion of additional information from M1 which were not reported previously.

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

CLIMATE ACTION



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

Continue to improve carbon emissions intensity from our 2010 baseline.

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

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

Conclude climate risk assessment of key assets.

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

2021 PERFORMANCE

Achieved a 38.2% average reduction in carbon emissions intensity from 2010 baseline.

Achieved 8.6% reduction in absolute Scope 1 and Scope 2 emissions from 2020 baseline.

Announced target to halve Scope 1 and Scope 2 emissions by 2030 from 2020 levels and achieve net zero by 2050.

Expanded tracking of Keppel's Scope 3 emissions from 4 to 10 categories.

Achieved 4% weighted average reduction in water intensity from 2019 baseline.

Achieved 27% weighted average reduction in waste intensity from 2019 baseline.

Completed physical climate risk assessment of 50 of the Group's key assets.

Formalised and implemented shadow carbon pricing in the evaluation of all major investment decisions.

2022 TARGETS

Work towards absolute Scope 1 and Scope 2 emissions reduction target.

Progressively expand coverage to include all 15 categories of Scope 3 emissions.

Continue implementing recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Enhance and expand climate risk assessment by conducting scenario analysis to assess the financial impact of physical climate risks on the Group.

Work towards water and waste reduction targets.

LONGER TERM TARGETS

Halve Scope 1 and Scope 2 emissions by 2030 and achieve net zero by 2050.

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

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

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

CLIMATE ACTION

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

OVERVIEW

GRI 3-3

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

At the United Nations Climate Change Conference in Glasgow, the international community adopted the Glasgow Climate Pact which comprised a range of agreements, including strengthened efforts to build resilience to climate change, curb greenhouse gas (GHG) emissions and provide the necessary finance for both.

In 2020, Singapore enhanced its 2030 Nationally Determined Contribution and submitted its 2050 long-term low-emissions development strategy under the Paris Agreement to the United Nations Framework Convention on Climate Change. Singapore aimed to peak its emissions around 2030, halve the emissions from its 2030 peak by 2050, and achieve net zero emissions as soon as viable in the second half of the century. This was followed by the launch of the Singapore Green Plan 2030 in March 2021 as a whole-of-nation movement to

advance Singapore's national agenda on sustainable development.

In February 2022, the Singapore Government further announced its plans to achieve net zero emissions by or around mid-century and that Singapore's carbon tax will be raised progressively from \$5 per tonne of emissions currently to \$25 per tonne in 2024 and 2025, and \$45 per tonne in 2026 and 2027, with a view to reach \$50 to \$80 per tonne by 2030.

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

As part of Keppel's Vision 2030, we are sharpening the focus of our portfolio on sustainable urbanisation. New investments are subject to shadow carbon pricing while existing assets are put through climate risk assessment. We have set high-impact sustainability goals and publicly committed to long-term targets to reduce our Scope 1 and Scope 2 emissions, as well as waste and water intensity.

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

REPORT BOUNDARY

GRI 3-3

The boundaries for the material topics of climate action and environmental management include the Group's major subsidiaries in Singapore and overseas operations in which the Group has operational control. This includes Keppel Offshore & Marine (Keppel O&M), Keppel Infrastructure, Keppel Land, Keppel Telecommunications & Transportation, M1 and Keppel Capital.

Our approach, reporting boundaries and calculation methodology in accounting for GHG emissions are aligned with the requirements of the operational control approach under the GHG Protocol. We account for 100% of Scope 1 and Scope 2 emissions from operations over which we have operational control. For assets that



 The Group is actively exploring opportunities in low-carbon energy such as renewable energy and liquefied hydrogen, among other areas.



 Keppel is providing decarbonisation solutions for the energy and environmental sectors to help our customers and governments drive down carbon emissions. These include WTE technologies, district cooling solutions (pictured), and sustainable urban renewal, among others.

are considered investments¹, we report our equity share of emissions under Scope 3.

In 2021, we further expanded our tracking of Scope 3 emissions. We currently cover 10 out of the total of 15 Scope 3 categories. Our three-year environmental performance data is disclosed on pages 37 and 38.

MANAGEMENT APPROACH

GRI 3-3

We are committed to do our part to combat climate change.

We have defined the kinds of pollutive sectors we will not go into, such as coal-fired plants, the businesses we will maintain, and those which we will focus more on, such as renewables.

Keppel is pursuing opportunities in renewables and deepening its presence

in the areas of electrification, carbon-free energy alternatives and decarbonisation solutions, to expand and fortify its capabilities in low-carbon, circular economy solutions.

To scale up quickly to capture opportunities arising from global energy transition, we will seek opportunities to acquire assets and stakes in established operating platforms. We are also looking at developing solutions for carbon capture, utilisation and storage (CCUS), as well as new energy vectors, such as green ammonia and hydrogen.

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

¹ In accordance with the GHG Protocol's definition of investments, which includes equity investments (including investments in subsidiaries, associate companies and joint ventures) debt investments, project finance, managed investments and client services. Investments include our stakes in, Keppel REIT, Keppel DC REIT and Keppel Infrastructure Trust, our stakes in Almere and PCCW data centres in the Netherlands and Hong Kong respectively as well as our stakes in MET Group and Zerowaste Asia.

CLIMATE ACTION

CLIMATE CHANGE MITIGATION AND ADAPTATION

GRI 3-3 | 302-5

RENEWABLE ENERGY

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

Keppel Renewable Energy (KRE) is developing its first greenfield solar farm in Queensland, Australia. Construction is expected to commence in 2023 and be completed by end-2024. When operationally ready, the solar farm spanning more than 2,000 hectares will have a projected capacity of at least 500 MW. It will generate enough energy to power more than 142,000 average Australian homes, achieving an estimated annual reduction of 800,000 tonnes of carbon emissions compared to the power generated for the current Queensland energy grid.

KRE is also pursuing opportunities in the solar, onshore wind, offshore wind and run-of-river hydro space in Asia Pacific, with a focus on the markets of Australia, India, the Philippines, the Republic of Korea, Malaysia and Vietnam.

Keppel Corporation, together with a Keppel Capital consortium, is also acquiring a 51% stake in Cleantech Renewable Assets, a leading solar energy platform. The company has a total capacity of over 600 MW across the various stages of operations, construction, and development, with its assets located across India and Southeast Asia. In addition, Cleantech is targeting to achieve a cumulative generation capacity of 3 GW over the next five years.

To date, we have announced new renewables projects with a total capacity of 1.1 GW. As we progress towards our target of 7 GW of renewable energy assets, we would not only pursue greenfield developments, but will also explore opportunities to acquire stakes in established renewable energy platforms, together with co-investors, to accelerate our growth in renewables.

SUSTAINABLE ENERGY AND ENVIRONMENTAL SOLUTIONS

The net zero commitments made by governments and companies around the world are driving strong demand for renewables, clean energy, as well as decarbonisation and environmental solutions.

These are areas where the Group has strong capabilities and a proven track record, and where we can help our customers make the transition to net zero.

Many of Keppel Infrastructure's new business pursuits and research and development (R&D) efforts in 2021 were in these areas, including exploring the import of renewable energy into Singapore, developing electric vehicle charging infrastructure, securing Singapore's first Energy-as-a-Service contract, and studying the feasibility of developing an Asia-Pacific green ammonia supply chain.

We are also providing other decarbonisation solutions for the energy and environmental sectors to help our customers and governments drive down their carbon emissions. In addition to its proven and patented Waste-to-Energy (WTE) technologies and district cooling solutions, Keppel Infrastructure is also actively exploring decarbonisation and circular economy solutions, including CCUS, smart distributed energy resources, as well as various environmental sustainability technologies.

In February 2021, the Keppel Marina East Desalination Plant (KMEDP), Singapore's fourth desalination plant was officially opened by Singapore's Prime Minister Lee Hsien Loong. Developed by Keppel Infrastructure under the Design, Build, Own and Operate arrangement with PUB, Singapore's National Water Agency, KMEDP is Singapore's first large-scale, dual-mode desalination plant, with the ability to treat either rainwater or seawater, depending on prevailing weather conditions. The plant directly couples the ultrafiltration and reverse osmosis systems, making the process up to 15% more energy-efficient and reducing costs. The plant is capable of producing 137,000 cubic metres (m^3) of fresh drinking water per day, which will strengthen Singapore's water supply resilience in the face of the effects of climate change on weather conditions. In 2021, KMEDP was named 'Desalination Plant of the Year' at the Global Water Awards.

We are currently modernising the existing gas turbines at Keppel Merlimau Cogen, a 1,300 MW combined cycle gas turbine power plant, to increase their efficiency and abate up to around 50 million kilowatt hour equivalent of carbon emissions each year. The upgrade will be completed later this year.

OFFSHORE RENEWABLES AND CLEAN ENERGY SOLUTIONS

Keppel O&M has announced that it would exit the offshore rig building business after completing its existing uncompleted rigs and is increasingly pivoting towards renewables and gas solutions, which made up 39% of Keppel O&M's net orderbook as at end-December 2021. Keppel O&M provides design and construction solutions across the value chain of offshore wind farms, such as wind turbine foundations, substation platforms, as well as installation and support vessels.

Keppel O&M continued to strengthen its position in the offshore renewables sector. In 2021, Keppel O&M successfully completed its first two offshore wind substations for customer Ørsted, which will be deployed in the Greater Changhua 1 & 2a offshore wind farms in Taiwan. Keppel O&M is currently undertaking integrating and commissioning works for the two offshore substations on-site, and the projects are expected to be delivered in 2022. Reflecting the strong partnership, Keppel O&M signed a global framework agreement with Ørsted in 2021 to potentially undertake future offshore substation projects. In addition, Keppel O&M secured contracts for two offshore wind topsides and a wind turbine installation vessel upgrading project during the year.

In 2021, Keppel O&M was awarded the Singapore Maritime Institute-Maritime and Port Authority of Singapore Joint Call for Proposal in harbour craft electrification and is leading a coalition to develop a comprehensive electric vessel supply chain in Singapore. Keppel O&M is developing the Floating Living Lab (FLL), a first-of-its-kind floating launchpad for the development and test bedding of sustainable marine solutions in Singapore, which will be used to testbed the electric vessel charging infrastructure. In addition, the FLL will facilitate the use of renewable energy such as solar energy in the charging infrastructure.

SUSTAINABLE DESIGN

In line with our mission of providing solutions for sustainable urbanisation, the Group considers environmental factors during the planning and design as well as operational phases of our projects. For all project sites covered under the scope of Keppel Land's environmental management system, contractors are required to conduct an environmental impact assessment based on



 Keppel Data Centres is exploring the development of the world's first energy efficient Floating Data Centre Park to meet the expanding needs of the digital economy while freeing up valuable land.

activities at the project site prior to construction. The assessment covers potential negative environmental impacts, including depletion of resources, biodiversity disturbance, as well as air, water and noise pollution. Contractors are required to establish and implement appropriate measures to mitigate and/or prevent significant environmental impacts that have been identified.

Keppel Land has also set the benchmark for all its new Singapore developments and overseas commercial projects to be certified to the Building and Construction Authority of Singapore's (BCA) Green Mark Gold^{PLUS} standard, or its equivalent, and for all overseas residential developments to be certified to the BCA Green Mark Gold Standard, or its equivalent. All newly acquired completed commercial buildings are also required to be certified to the BCA Green Mark Gold standard, or its equivalent, within two years¹.

To date, Keppel Land has garnered a total of 89 BCA Green Mark awards across its properties in Singapore and the region, including one Platinum (Zero Energy), one Platinum (Super Low Energy) and 16 Platinum awards. The total estimated

reduction in energy consumption from all of its BCA Green Mark-awarded projects, when they are fully completed, will be over 280 million kilowatt hours (kWh) per annum, which is equivalent to the amount of energy required to power about 58,000 homes² in Singapore for one year. This translates to cost savings of about \$65 million annually. This is in addition to total annual water savings of about 2.7 million m³ and annual carbon emissions reduction of about 115,000 tonnes.

Keppel Land is improving its retail offerings and shaping them into future-ready, smart and sustainable retail hubs. The retail mall in Seasons City in Sino-Singapore Tianjin Eco-City, China, which opened in September 2021, features a range of smart applications and a cloud-based service platform which offers personalised and convenient shopping experiences. Keppel Land also collaborated with M1 to transform i12 Katong in Singapore into a 5G-enabled mall, complete with energy- and water-efficient features.

GREEN DATA CENTRES

As a leading provider of data centre solutions, Keppel continues to push the envelope for the holistic design and

development of more energy-efficient and greener concepts, such as floating data centres, which we plan to launch in 2022, subject to regulatory approval.

We are exploring the centralisation of utilities to help decarbonise data centres by reducing energy intensity and powering them with green electrons. This involves deploying the Group's proven district cooling systems (DCS) to cool data centres, as well as providing reliable sources of green energy for the assets.

By aggregating energy loads across several buildings, Keppel's DCS facilities can greatly reduce the overall capacity requirements and costs for cooling larger scale developments, achieving up to 40% in energy savings compared to standalone systems. We are also exploring the procurement of renewables, and zero-carbon energy alternatives including hydrogen to power the data centres.

It is estimated that Keppel's centralised utilities platform can potentially improve the Power Usage Effectiveness of data centres by as much as 20-30%.

¹ Keppel Land's environmental targets apply to all projects where it has a majority stake and/or operational control.

² Based on the average energy consumption of a five-room Housing and Development Board flat, which is 412 kWh/month. Source: SP Services.

ENVIRONMENTAL MANAGEMENT

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

MANAGEMENT APPROACH

GRI 3-3

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

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

Our stance on environmental sustainability is articulated in our Environmental Sustainability Policy, which is available on our corporate website. We are committed to improving our environmental performance and have integrated environmental sustainability considerations into our major business and investment decisions, as well as the Company's performance scorecard

and the performance appraisal of senior management across the Group.

The Group's carbon reduction strategy is driven by the Management Executive Committee¹, which is chaired by the CEO of Keppel Corporation. An Energy Efficiency Committee recommends targets for the Group, evaluates the effectiveness of our carbon management efforts, as well as monitors and reports on performance. The committee comprises representatives from business units, many of whom are certified energy managers.

To date, 68% of our operational units are certified to the ISO 14001 Environmental Management Systems standard, which guides how we identify, manage, monitor and control environmental issues. External and internal environmental audits are conducted annually as part of the ISO 14001 assessment framework.

The data centres that Keppel Data Centres operates in Singapore are certified under

the SS 564 Singapore Standard for Green Data Centres and the ISO 50001 Energy Management Systems standard. Keppel Infrastructure is also ISO 50001 certified. The ISO 50001 standard helps organisations reduce energy consumption, minimise carbon footprint and reduce costs by promoting sustainable energy usage.

The offshore vessels and ships that Keppel Offshore & Marine (Keppel O&M) builds comply with all six technical annexes² of the international convention for the prevention of pollution from ships (MARPOL 73/78) which is the main international convention covering prevention of pollution of the marine environment by ships.

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

ENERGY

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

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

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

In 2021, the Group consumed 203,543 gigajoules (GJ) of direct energy and 1,119,354³ GJ of indirect energy including renewable energy, compared to 311,985 GJ of direct energy and 1,141,813⁴ GJ of indirect energy in 2020. The reduction was due mainly to lower energy consumption at Keppel O&M, reflecting both its efforts to enhance energy efficiency as well as reduced activities at a few overseas yards. Energy intensity for 2021 was 153.38 GJ/\$million revenue.

Our Singapore operations consumed 133,386 GJ of direct energy and 701,667 GJ of indirect energy in 2021, compared to 133,890 GJ of direct energy and 623,393⁵ GJ of indirect energy in 2020. The data includes direct energy used in activities carried out by both employees and contractors at our worksites.

INTERNATIONAL STANDARDS FRAMEWORK AND PLAN-DO-CHECK-ACT MODEL FOR ENVIRONMENTAL MANAGEMENT





 Keppel Bay Tower is the first commercial building in Singapore to be certified by the BCA as a Green Mark Platinum (Zero Energy) building. PV panels installed on the roof of the building can generate an energy yield of about 100,000 kWh per annum.

IMPROVING ENERGY EFFICIENCY

GRI 302-4 | 302-5

The Group is estimated to have saved 1,087,185 GJ⁶ of energy from its energy efficiency initiatives in 2021 and through cumulative green initiatives implemented at Keppel Land's Green Mark-certified developments. The total energy savings is equivalent to about 82% of the Group's total energy consumption in 2021, which translates to estimated cost savings of about \$73 million⁷ and an avoidance of approximately 123,000 tCO₂e in emissions⁸.

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

Examples of initiatives undertaken in 2021 include:

- Optimisation of chilled water system at Keppel DHCS' plants at Biopolis, Mediapolis, Changi Business Park and Woodlands Wafer Fab Park in Singapore, which achieved energy savings of 11,510,000 kWh;
- Implementation of various energy efficient systems at the Keppel Towers redevelopment and chiller optimisation at IFC Tower 2 in Jakarta, Indonesia that will yield annual energy savings of 6,380,000 kWh during their operational phases;
- Upgrading to LED lightings and high bay lamps at Keppel Logistics' warehouses in Singapore which yielded total annual energy savings of 23,800 kWh.

¹ Formerly by the Group Sustainability Steering Committee.

² The six technical annexes are: Annex I – Regulations for the Prevention of Pollution by Oil; Annex II – Regulations for the Control of Pollution by Noxious Liquid Substances in Bulk; Annex III – Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form; Annex IV – Prevention of Pollution by Sewage from Ships; Annex V – Prevention of Pollution by Garbage from Ships; and Annex VI – Prevention of Air Pollution from Ships.

³ For entities that were divested during the year, we take into account the emissions up to the point of divestment.

⁴ The indirect energy used in the Group's global operations in 2020 was restated due to re-classification of emissions for Keppel DHCS, Keppel Land, M1 and the Group's data centres.

⁵ The indirect energy used in the Group's Singapore operations in 2020 was restated due to re-classification of emissions for Keppel DHCS, Keppel Land, M1 and the Group's data centres.

⁶ The 1,087,185 GJ in energy savings comprise savings from the reduced usage of fossil fuels, such as diesel, and a reduction in electricity consumed. The amount of savings in absolute terms is the difference in consumption before and after the implementation of an energy efficiency project. The savings are converted to energy equivalent in GJ based on the corresponding energy conversion factors for fossil fuels and electricity published in the United Kingdom's Department for Business, Energy & Industrial Strategy (BEIS) GHG Conversion Factors for Company Reporting, where 1 kWh = 0.0036 GJ and 1 tonne of diesel = 42.86 GJ. A significant proportion of the savings are achieved through cumulative green initiatives implemented at Keppel Land's Green Mark certified developments, upon completion of these initiatives.

⁷ The electricity conversion factor used is based on BEIS GHG Conversion Factors for Company Reporting, where 1 kWh = 0.0036 GJ. The estimated monetary savings is calculated based on the average electricity tariff rates in 2021 as published by SP Group, where 1 kWh = \$0.2429.

⁸ The electricity savings in carbon dioxide equivalent was estimated by multiplying the energy savings in kWh with the Electricity Grid Emission Factors for 2020 from Singapore's Energy Market Authority (EMA), where 1 kWh = 0.4080 kg CO₂.

STRATEGIC PILLAR: ENVIRONMENTAL STEWARDSHIP

ENVIRONMENTAL MANAGEMENT

ENERGY EFFICIENCY

1,087,185 GJ

Of projected energy savings through energy efficiency initiatives in 2021 and through cumulative green initiatives implemented at Keppel Land's Green Mark-certified developments, translating to estimated cost savings of about \$73 million.

EMISSIONS REDUCTION

38.2%

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

The total cost of energy efficiency measures amounted to about \$11.4 million in 2021. This included capital investment of about \$9.2 million in green building expenditure for two Building and Construction Authority of Singapore (BCA) Green Mark-certified properties in Singapore and overseas in 2021, as well as \$2.2 million in operational energy saving measures.

RENEWABLE ENERGY

In 2021, Keppel's renewable energy consumption increased significantly by 129% year-on-year to 103,722 GJ. The Group strives to use renewable energy where possible to reduce its Scope 2 emissions.

Keppel Bay Tower became the first commercial building in Singapore to be certified by the BCA as a Green Mark Platinum (Zero Energy) building in 2020. The installation of an assembly of photovoltaic (PV) panels spanning over 400m² on the roof of the 18-storey Keppel Bay Tower, as well as its six-storey podium block, was completed in March 2021 and can generate an energy yield of about 100,000 kWh per annum.

Keppel O&M has an installation of PV panels spanning 52,800 m² on the rooftops of its shipyards. In 2021, these panels generated approximately 8.8 million kWh of renewable energy which helped to reduce emissions from yard operations.

Keppel FELS Brasil has also purchased Renewable Energy Certificates (RECs) for all of its Scope 2 emissions in Brazil. These certificates amounted to about 16.9 million kWh of renewable energy sourced through local power purchase agreements.

WATER

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

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

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

We recognise the risks of water scarcity and included water stress as one of the key risks in our risk assessment exercise in 2021 on the vulnerability of the Group's key assets to the physical impact of climate change. Based on the findings of the assessment, the respective business units are considering possible mitigation/adaptation actions to be taken, where necessary.

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

The World Resources Institute's (WRI) Aqueduct tool is used to measure the levels of water stress across the Group's areas of operations. To mitigate water stress, the Group continued to strengthen its water conservation efforts through initiatives such as promoting water-saving practices, adopting water-efficient technologies and equipment, as well as implementing process improvements and investing in water infrastructure, such as the Keppel Marina East Desalination Plant (KMEDP), to improve Singapore's water security.

We have also set a Group-wide water intensity reduction target of 20% by 2030 from 2019 levels¹, to reduce water stress and water related-impacts. For 2021, the Group achieved a weighted average reduction of 4% in water intensity compared to its 2019 baseline.

Water withdrawal by the Group includes potable water (water from local catchment and imported water), NEWater (treated wastewater from sewage), ground water and seawater. The Group withdrew 21,227,438 cubic metres (m³), higher than 16,827,075² m³ in 2020, due mainly to increased seawater withdrawal for yard operations, such as ballasting. This does not include 20,143,742 m³ of water that was withdrawn and treated by KMEDP to provide potable water for public consumption.

The total water discharged by the Group in 2021 was 21,227,438 m³. This includes 3,269,438 m³ of water discharged to third-party sources such as national sewerage systems. Another 17,958,000 m³ of water was discharged back into the sea after ballasting and vessel cooling.

EFFLUENTS

GRI 303-2 | 303-4

We are committed to manage, reduce and recycle effluents so as to minimise their discharge. Keppel has an effective programme to manage all sources of trade effluents generated from its operations and activities.

All effluents are monitored, treated and discharged into water courses or sewerage systems in accordance with



 Keppel Land collaborated with M1 to transform i12 Katong in Singapore into a 5G-enabled mall, complete with energy- and water-efficient features.

the environmental discharge limits and effluent standards in the countries of operation. Any non-compliance is immediately addressed and rectified.

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

At Marina at Keppel Bay, the marina incorporates the latest in green technology and features a reticulated vacuum sewer pump-out system to ensure that sewage from vessels is not discharged into the water.

WASTE

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

The Group strives to use natural resources efficiently, implement sound waste management to minimise waste generation,

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

To strengthen our commitment towards waste management, the Group has set a waste intensity reduction target of 10% by 2030 from its 2019 baseline³. For 2021, we achieved a weighted average reduction of 27% in waste intensity compared to the baseline.

Waste is segregated at our offices, plants and yards to promote reuse and recycling. Used papers from our offices as well as scrap metals and damaged equipment recovered from our shipyards are sent for recycling. The grits used for blasting at the shipyards are recycled and reused for subsequent blasting activities until the end of their reusable life span. Once the lifespan of the grits is due, it is disposed as hazardous waste.

Waste recycled include ferrous scrap, grits, plastic stretch wrap, paper and other office consumables. In 2021, the Group recycled 84,199 tonnes of refuse, a 30% increase from 64,688 tonnes of waste recycled in 2020.

In land-scarce Singapore, refuse is incinerated at Waste-to-Energy (WTE) plants to reduce the volume of waste and to remove harmful substances before disposal at the landfill. Heat from the incineration of waste is recovered to produce electricity. Incineration is preferable to landfilling in Singapore and many other countries, as the direct burial of waste produces significant amounts of methane, a GHG.

Keppel Infrastructure operates the Senoko WTE Plant and the Keppel Seghers Tuas WTE Plant in Singapore. These WTE plants reduced the methane which could otherwise have been released from landfills. In addition, the WTE plants generated 419,000 MWh of electricity in 2021, resulting in total net avoided emissions of 3,741,000 tCO₂e. Read more about the avoided emissions from WTE plants operated by Keppel in Singapore on page 40.

¹ Water Intensity reduction target applies to all of the Group's operational units.

² Figure was restated due to the exclusion of water withdrawal from river water and seawater for treatment at the Keppel Marina East Desalination Plant to produce potable water for public consumption.

³ Waste Intensity reduction target applies to all of the Group's operational units.

ENVIRONMENTAL MANAGEMENT

The Group is also committed to avoiding or minimising the use of hazardous materials in our activities or products that may end up as waste materials.

In line with our efforts to proactively manage the environmental impact of our operations, the Group started tracking data on hazardous waste generated from 2020. The bulk of hazardous waste is in the form of spent oil (lubricant/hydraulic), empty paint containers and scraps produced by the maintenance and servicing activities at our shipyards. Such waste generated is handled, stored and disposed to licensed waste collectors in a manner that adheres to best practices and meets local regulatory requirements. A total of 4,779 tonnes of hazardous waste was generated in 2021, all of which was disposed by licensed toxic waste collectors. This is a reduction of 12% from 5,456 tonnes in 2020. Keppel will continue to work towards reducing hazardous waste.

EMISSIONS

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

CARBON EMISSIONS REDUCTION¹

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

In support of the Paris Agreement, Singapore announced in 2015 its intended nationally determined contribution of reducing GHG emissions intensity by 36% from 2005 levels by 2030. In line with the government's commitment, Keppel set a long-term target of a 28.8% reduction in carbon emissions intensity from 2010 levels by 2030 for our global operations².

As at end-2021, our operations in Singapore and overseas have achieved a 38.2% average reduction in carbon emissions intensity

from our 2010 baseline, exceeding the Group's target.

Given the good progress achieved in reducing emissions intensity, Keppel announced its absolute carbon emissions reduction targets in October 2021, with the commitment to halve the Company's Scope 1 and Scope 2 carbon emissions from approximately 172,000 tCO₂e in 2020 to 86,000 tCO₂e by 2030, compared to 2020 levels, and achieve net zero Scope 1 and Scope 2 emissions by 2050. The target is in line with the Paris Agreement's goal to limit global temperature increase to 1.5°C compared to pre-industrial levels. We will hereafter transition to reporting on the Group's progress towards achieving its absolute emissions reduction targets.

In 2021, the Group achieved an absolute reduction in Scope 1 and Scope 2 emissions of 8.6% from its 2020 baseline, from 171,884 tCO₂e to 157,122 tCO₂e. Total direct (Scope 1) emissions from the use of fuels across the Group was 28,628 tCO₂e, registering a 31.9% decrease from 42,046³ tCO₂e in 2020. The decrease was due mainly to reductions at Keppel Logistics, as well as lower energy consumption at Keppel O&M. Indirect (Scope 2) emissions from electricity use was 128,494 tCO₂e in 2021⁴, slightly lower than the 129,838 tCO₂e in 2020.

Apart from Scope 1 and Scope 2 emissions, Keppel has been tracking Scope 3 emissions since 2019, and has progressively expanded its coverage. We currently cover 10 out of 15 categories of Scope 3 emissions. These include emissions from purchased goods and services, capital goods, fuel- and energy-related activities not included in Scope 1 or Scope 2, waste generated in operations, business travel, employee commuting, use of sold products, downstream leased assets and investments. Emissions from franchises is not relevant for Keppel.

Keppel's Scope 3 emissions amounted to 2,941,163 tCO₂e in 2021. The year-on-year increase was due to continuing efforts to expand our coverage of Scope 3 emissions. We will continue to expand our tracking of Scope 3 emissions to cover all relevant categories. We will also work with our supply chain and portfolio of investments⁵ to improve energy efficiency and reduce emissions wherever possible.

Since end-2018, Keppel Corporation's corporate office at Keppel Bay Tower has been fully powered by renewable energy. In addition, the Group also acquired carbon credits to offset its Scope 3 emissions from business travel and employee commuting totalling 47 tCO₂e, thus allowing our corporate office to achieve carbon neutrality for the year. The purchased carbon credits support a renewable hydropower project in Sumatra, Indonesia, which contributes towards the achievement of the Sustainable Development Goals.

NON-GHG AIR EMISSIONS

GRI 305-7

Non-GHG air emissions including NOx, SOx and particulate matter are generated by Keppel's energy and environmental assets which are held under Keppel Infrastructure Trust (KIT), a separately listed business trust managed by the Keppel Group. Details of these emissions are reported in KIT's Annual Report 2021.

Spray painting and blasting are part of our shipyards' operations and are conducted in dedicated blasting and painting halls which are controlled work environments. Dust collectors are installed in these halls to minimise dust pollution. The filters are subjected to regular inspection and maintenance, and the quality of the air emitted is tested annually to ensure it complies with environmental regulatory limits.

¹ The GHG conversion factors for direct (Scope 1) emissions, as well as Global Warming Potential Values used are based on BEIS GHG Conversion Factors for Company Reporting. The GHG conversion factors for indirect (Scope 2) emissions are based on the Electricity Grid Emission Factors for 2020 from EMA. For other overseas regions, 2019 grid emission factors from the International Energy Agency were used. The GHG emission Scopes 1, 2 and 3 are as defined by the GHG Protocol, where Scope 1 refers to emissions from company owned and operated facilities, machines, vehicles, etc. The primary sources of energy consumed on site by our operations are diesel, liquefied petroleum gas, naphtha, piped natural gas. Scope 2 refers to emissions from the generation of purchased electricity consumed by the company. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. We are progressively expanding the coverage of our Scope 3 emissions to cover all relevant categories.

² In calculating emissions intensity reductions, each business division first computes its base year (ie. 2010) emissions intensity using a normalising factor relevant to its business activity. The total emissions intensity reduction is the difference in the Group's average emissions intensity between the base year and the current year in which the data is reported. The normalisation factors for our business divisions are based on their key activities and industry best practices. They are as follows: gross floor area in square metres for office and retail premises, million man-hours for Keppel O&M and Keppel Logistics, refrigeration tonnes hour for district heating and cooling plants, kilowatt hour of IT power for data centres, and revenue for M1. The baseline year used in the intensity calculations of newly acquired assets is based on the earliest year that such data is available.

³ Scope 1 emissions for 2020 was restated due to the inclusion of additional information from M1 which were not reported previously.

⁴ In accordance with GHG Protocol of reporting Scope 2 emissions using market- and location-based approaches, the figure reported here uses a market-based method, and includes the reduction in emissions from the purchase of Renewable Energy Certificates (RECs).

⁵ For assets where Keppel does not have operational control, the associated emissions are reported as part of our Scope 3 emissions, under the investments category. Investments include our stakes in Keppel REIT, Keppel DC REIT and Keppel Infrastructure Trust, our stakes in Almere and PCCW data centres in the Netherlands and Hong Kong respectively, as well as our stakes in MET Group and ZeroWaste Asia. The data does not include our stake in two separately listed associates, Floatel International and Dyna-Mac Holdings, as the information was not publicly available at the time of publication of this Sustainability Report.

ENVIRONMENTAL DATA

GRI 2-4

	2019	2020	2021
GLOBAL OPERATIONS			
Energy			
GRI 302-1			
Total Energy Consumption	1,459,235	1,453,798	1,322,898
Direct energy consumption (GJ)	291,539	311,985	203,543
Indirect energy consumption (GJ)			
– Non-renewable ^a	1,143,347	1,096,595	1,015,632
– Renewable	24,349	45,218	103,722
Carbon Emissions			
GRI 302-2 305-1 305-2 305-3 305-5			
Total Scope 1 and Scope 2 GHG emissions	172,122	171,884	157,122
Direct (Scope 1) GHG emissions ^b (tCO ₂ e)	29,564	42,046	28,628
Indirect (Scope 2) GHG emissions ^{c,d} (tCO ₂ e)	142,558	129,838	128,494
Other Indirect (Scope 3) Emissions ^e (tCO ₂ e)	1,745,032	1,909,309	2,941,163
Water			
GRI 303-3 303-5			
Total Water Withdrawal ^{f,g}	18,441,820	16,827,075	21,227,438
Water withdrawal from third-party water			
– Potable water ^h (m ³)	1,824,849	1,606,034	1,398,247
– NEWater (m ³)	2,151,839	1,387,183	1,450,718
Water withdrawal from ground water (m ³)	452,943	244,008	420,473
Water withdrawal from seawater ⁱ (m ³)	14,012,189	13,589,850	17,958,000
Total water withdrawal from all areas with water stress ^j (m ³)	NA	15,737,613	20,168,600
Recycled water used (m ³)	74	40	64
Effluents			
GRI 303-2 303-4			
Total Water Discharge ^k	18,441,820	16,827,075	21,227,438
To third-party water (m ³)	4,429,631	3,237,225	3,269,438
To seawater (m ³)	14,012,189	13,589,850	17,958,000
Total water discharge to all areas with water stress ^k (m ³)	NA	15,737,613	20,168,600
Waste			
GRI 306-1 306-2 306-3 306-4 306-5			
Non-hazardous waste diverted from disposal			
Recycled (tonnes)	41,904	64,688	84,199
Non-hazardous waste directed to disposal			
Incinerated (tonnes)	32,243	20,806	38,428
Landfilled (tonnes)	25,957	12,753	26,694
Hazardous waste directed to disposal			
Third-party disposal (tonnes)	NA	5,456	4,779

^a The energy used in 2020 and 2019 were restated due to re-classification of emissions for Keppel DHCS, Keppel Land, M1 and the Group's data centres.

^b Scope 1 emissions for 2020 and 2019 were restated due to the inclusion of additional information from M1 that were not reported previously.

^c Scope 2 emissions for 2020 and 2019 were restated due to re-classification of emissions for Keppel DHCS, Keppel Land, M1 and the Group's data centres.

^d In accordance with GHG Protocol of reporting Scope 2 emissions using market-based and location-based methods, our Scope 2 emissions using the market-based method was 128,494 tCO₂e in 2021, and includes the reduction in emissions from the purchase of RECs. Using the location-based method, our Scope 2 emissions was 130,433 tCO₂e in 2021.

^e Scope 3 emissions for 2021 include emissions from purchased goods and services, capital goods, fuel- and energy-related activities not included in Scope 1 or 2, waste generated in operations, business travel, employee commuting, use of sold products, downstream leased assets and investments. Emissions from franchises are not relevant for Keppel. Scope 3 emissions increased in 2021 due to expanded coverage of Scope 3 emissions.

^f Total water withdrawal for 2020 excludes water withdrawn from river water and seawater for treatment at the Keppel Marina East Desalination Plant (KMEDP) which started operations in June 2020, to produce potable water for public consumption.

^g Total amount of water withdrawn is the same as total amount of water discharged into third-party water (i.e. national sewerage systems) with negligible amounts of water consumed.

^h Figures for 2020 and 2019 were restated due to reclassification of ground water withdrawal.

ⁱ Total water withdrawal for 2020 was restated due to the exclusion of water withdrawn from seawater for treatment at KMEDP.

^j Figure excludes water withdrawn from river and seawater for treatment at KMEDP. Areas of water stress across the Group's areas of operations were measured based on the World Resources Institute's (WRI) Aqueduct tool.

^k Areas of water stress across the Group's areas of operations were measured based on the WRI's Aqueduct tool.

ENVIRONMENTAL MANAGEMENT

In addition to continuously reviewing and improving our shipyards' operations to reduce emissions at source, we are also committed to providing innovative solutions which contribute to the reduction of air pollution in the industry value chain as a whole. In line with the International Maritime Organisation's (IMO) 2020 regulation to cap the sulphur content of marine fuel at no more than 0.5%, and the standards set out by the Ballast Water Management Convention, Keppel O&M

has to date retrofitted 108 exhaust cleaning scrubbers and 97 ballast water treatment systems to help its clients limit sulphur emissions from their vessels. Keppel O&M has also developed a suite of solutions in both the demand and supply of Liquefied Natural Gas (LNG) which is a cleaner fossil fuel. Keppel O&M has delivered 3 LNG bunkering vessels (LBV) to date and is currently building dual-fuel vessels such as containerships, dredgers and LBVs.

MATERIALS

Among our business units, raw materials (such as steel, sand, wood, cement, glass) and packaging materials (such as paper, cardboard, plastics) for the production or packaging of our products and services are used mainly by Keppel O&M and Keppel Land.

Steel is the primary raw material used in the fabrication of parts and construction of various offshore and marine vessels.

ENVIRONMENTAL DATA

SINGAPORE OPERATIONS

Energy

GRI 302-1

	2019	2020	2021
Direct energy consumption (GJ)	184,513	133,890	133,386
Indirect energy consumption (GJ) ^a	787,835	623,393	701,667

Carbon Emissions

GRI 302-2 | 305-1 | 305-2 | 305-3 | 305-5

	2019	2020	2021
Direct (Scope 1) emissions ^b (tCO ₂ e)	18,858	25,152	19,365
Indirect (Scope 2) emissions ^c (tCO ₂ e)	83,157	69,310	79,379

Water

GRI 303-3 | 303-5

	2019	2020	2021
Total water withdrawal ^d	17,020,085	15,578,500	19,975,508
Water withdrawal from third-party water			
– Potable water (m ³)	856,061	601,467	566,789
– NEWater (m ³)	2,151,835	1,387,183	1,450,718
Water withdrawal from seawater ^e (m ³)	14,012,189	13,589,850	17,958,000

Effluents

GRI 303-2 | 303-4

	2019	2020	2021
Total water discharge ^d	17,020,085	15,578,500	19,975,508
To third-party water (m ³)	3,007,896	1,988,650	2,017,508
To seawater (m ³)	14,012,189	13,589,850	17,958,000

Waste

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

	2019	2020	2021
Non-hazardous waste diverted from disposal			
Recycled (tonnes)	32,072	55,912	67,440
Non-hazardous waste directed to disposal			
Incinerated (tonnes)	23,216	12,753	17,826
Landfilled (tonnes)	0	329	622
Hazardous waste directed to disposal			
Third-party disposal (tonnes)	NA	4,861	3,957

^a The energy used in 2020 and 2019 were restated due to re-classification of emissions for Keppel DHCS, Keppel Land, M1 and the Group's data centres.

^b Scope 1 emissions for 2020 and 2019 were restated due to the inclusion of additional information from M1 that were not reported previously.

^c Scope 2 emissions for 2020 and 2019 were restated due to re-classification of emissions for Keppel DHCS, Keppel Land, M1 and the Group's data centres.

^d Total amount of water withdrawn is the same as total amount of water discharged into third-party water (i.e. national sewerage systems) with negligible amounts of water consumed.

^e Figure for 2020 was restated due to the exclusion of water withdrawn from river and seawater for treatment at Keppel Marina East Desalination Plant which started operations in June 2020, to produce potable water for public consumption.

Keppel O&M's shipyards have established a robust quality assurance management system with a 'getting it right the first time' philosophy to minimise any rejects and wastage of steel. In the event of any discards or rejects, such steel parts are recycled to scrap dealers and not disposed to landfill or incineration.

Keppel Land is involved in the development of residential and commercial projects. The usage of materials is considered material to Keppel Land, and it has put in place a target to increase the amount of green materials¹ used to 50% by 2030, and to use green concrete and steel certified with at least the Singapore Green Building Council's 4-ticks rating, or its equivalent, by 2030.

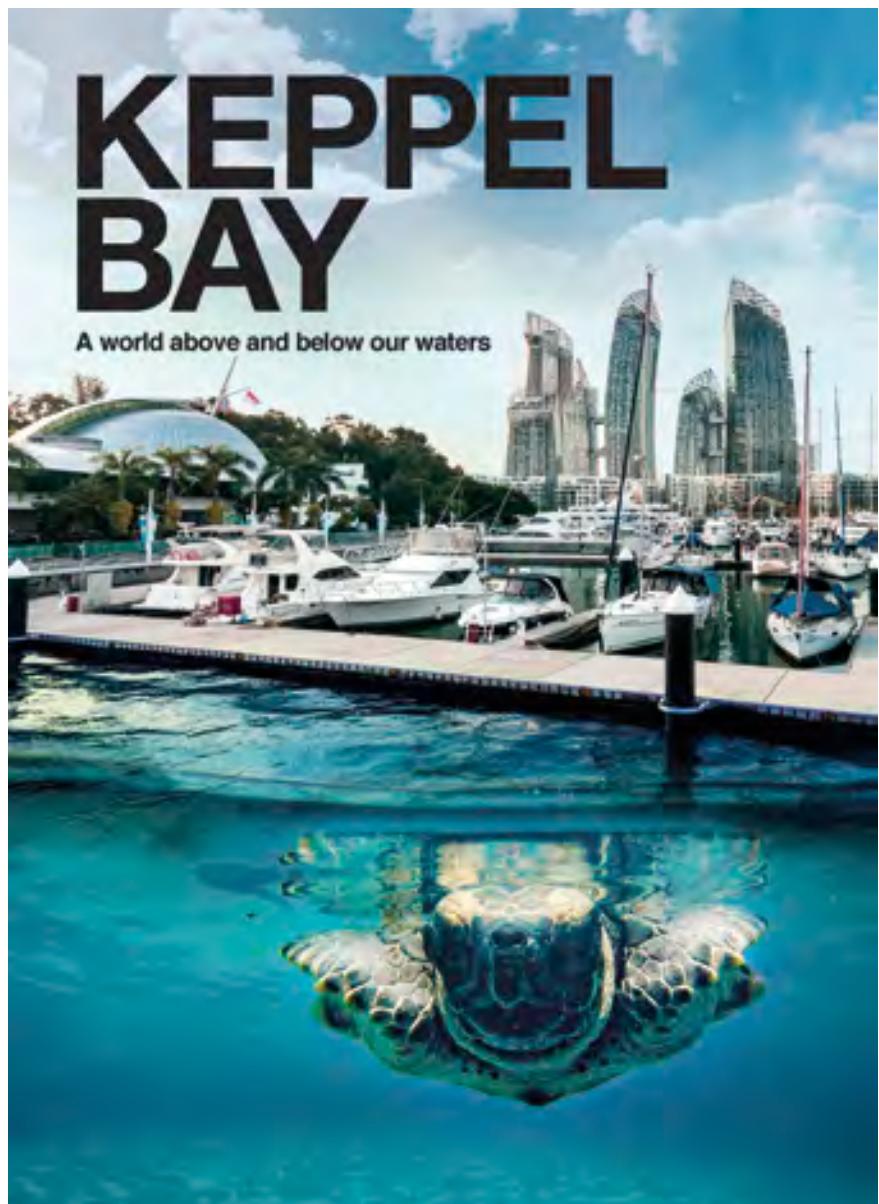
BIODIVERSITY

We strive to preserve biodiversity and maintain high standards of environmental protection to ensure a balanced and intact ecosystem where we operate.

Contractors of project sites covered under Keppel Land's environmental management system are required to conduct an environmental impact assessment which covers potential negative environmental impacts including biodiversity disturbance, prior to construction and implement appropriate measures to mitigate and/or prevent significant environmental impacts that have been identified.

During the redevelopment of the Keppel Bay sites, corals at the historic King's Dock at Keppel Bay were transplanted and Marina at Keppel Bay was constructed such that seawater could flow through the entire marina during the change of tides, thereby bringing nutrients and plankton that are essential for marine life and coral growth into the marina. To protect this natural ecology, vessels berthed at the marina are provided with pump-out facilities so that sewage from the vessels are not discharged into the waters. Boat owners are encouraged to use biodegradable washing liquids when cleaning their vessels. Fishing is also not allowed in the marina.

In addition, as part of its City Reef at Keppel Bay initiative, the marina collaborated with the Lee Kong Chian Natural History Museum to launch a series of marine life tours, named Coral Walk at Keppel Bay in April 2021. These free and guided tours are conducted monthly for the public.



In 2021, Keppel Land launched a booklet showcasing Keppel Bay's transformation over the years from a ship repair yard to the iconic waterfront development it is today, and how Keppel worked with different stakeholders to contribute to environmental conservation, both on land and in the sea.

COMPLIANCE

GRI 2-27

The Group complies with environmental regulations wherever it operates. There were no records of spillages, no sanctions pertaining to spillages and non-monetary sanctions for non-compliance with environmental laws and regulations that were administered by the Singapore or overseas authorities on the Group in 2021.

TRAINING

The Group provides regular training for employees on sustainability issues including understanding the impacts of the Company's activities on the environment and how they can contribute to providing solutions that help to advance sustainable development and climate action.

¹ Green materials include green-labelled materials/products that are certified by recognised environmental organisations such as Singapore Green Building Council (SGBC), Singapore Environment Council (SEC), Forest Stewardship Council (FSC) which are low in emissions or have recycled content.

Spotlight

Avoided emissions from WTE plants operated by Keppel in Singapore

GRI 306-1 | 306-2 | 306-4

Methane is a powerful greenhouse gas, with around 28 times the global warming potential of carbon dioxide over a 100-year period after it reaches the atmosphere¹. Although carbon dioxide has a longer-lasting effect, methane can have a greater impact on global warming in the short term. Reducing methane emissions is thus an important step in combatting climate change.

Landfills can be significant emitters of methane when organic waste decomposes. Waste-to-Energy (WTE) plants prevent long-term decomposition of organic waste and reduce methane emissions as compared to emissions that can arise from traditional landfills. In addition, WTE plants generate electricity, thus contributing to reduced emissions from power plants that generate electricity from fossil fuels.

In Singapore, recyclables are sorted and retrieved for processing to conserve resources². The remaining waste is collected and sent to WTE plants for incineration.

The incineration ash is then transported to the Semakau Landfill for landfill, while scrap metal remaining from the incineration process is sent for recycling.

Keppel Infrastructure operates two of such WTE plants in Singapore – the Senoko WTE Plant and the Keppel Seghers Tuas WTE Plant. Together, the two plants incinerated 985,000 tonnes of waste in 2021, emitting approximately 349,000 tCO₂e from the treated flue gas as part of the energy recovery process during the year. In contrast, if the amount of waste incinerated by these two plants in 2021 had been landfilled directly, it could have resulted in total landfill net emissions from methane of 3,570,000 tCO₂e (based on default figures published by the Intergovernmental Panel on Climate Change).

In addition, the two WTE plants generated 419,000 MWh of electricity, which translates into an avoidance of 171,000 tCO₂e emissions which would have arisen from fossil

fuel-generated electricity from power plants in Singapore.

Combining the avoided emissions from landfill and electricity production by the two WTE plants, the total net avoided emissions is 3,741,000 tCO₂e, more than 10 times the tCO₂e emissions from the incineration process. This illustrates how Keppel's WTE solutions are contributing to climate action through avoided emissions.

Beyond avoided emissions, Keppel Infrastructure is looking into how it can provide further treatment to extract heavy metals and pollutants from incineration fly ash and bottom ash, allowing the ash to be further reused instead of being landfilled. Keppel has acquired a stake in Zerowaste Asia, which has proprietary technology to remove heavy metals and pollutants from waste and recycles detoxified waste into materials suitable for land reclamation and construction. Through such processes, we would be able to contribute even further to the circular economy.



Keppel Seghers Tuas WTE Plant



Senoko WTE Plant

¹ Source: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), Chapter 7: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07.pdf

² Source: The National Environment Agency (NEA), Singapore, Waste Management Overview: <https://www.nea.gov.sg/our-services/waste-management/overview>

CORPORATE GOVERNANCE AND RISK MANAGEMENT



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

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

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

Strengthen Business Continuity Management (BCM) programme and practices with an increased focus on cyber security responses and emerging threats impacting business continuity.

2021 PERFORMANCE

Streamlined compliance policies and processes to strengthen integration into business process and conducted targeted training on new enhanced policies.

Conducted e-training for over 14,000 employees and directors on topics including Code of Conduct, Conflict of Interest, Anti-Bribery, Cyber Security, Data Protection and Health & Safety.

Issued guidance notes on key risk areas in investment process and assessment of project partners.

Commenced digitalisation of compliance due diligence process.

Enhanced Group BCM framework and programme, and aligned BCM processes.

Finetuned cyber incident responses through independent review of table-top exercises.

2022 TARGETS

Complete the digitalisation and streamlining of compliance processes across the Group.

Strengthen risk and compliance culture through targeted training, communication and campaigns.

Improve the BCM programme with an added focus on cyber security and enhanced threat monitoring.

Enhance risk management and compliance practices across the Group.

Conduct scenario analysis to assess financial impact of physical climate risks on Keppel's key assets.

LONGER TERM TARGETS

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

Enhance sustainability governance.

Integrate, harmonise and enhance risk and compliance policies and processes, aligning with industry best practices.

Implement technology and data analytics to support governance, risk and compliance processes.

CORPORATE GOVERNANCE AND RISK MANAGEMENT**CORPORATE GOVERNANCE**

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

OVERVIEW

GRI 3-3

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

BOARD'S CONDUCT OF AFFAIRS

GRI 3-3 | 2-9 | 2-11 | 2-12

Mr Danny Teoh is the Chairman of the Company. He was appointed as a non-executive and independent Chairman with effect from 23 April 2021 and was re-designated as non-executive and non-independent Chairman with effect from 1 January 2022 in view of him having served for more than 9 years on the Board pursuant to Rule 210(5)(d)(iii) of the SGX Listing Manual ("9-Year Rule").

The Chairman, with the assistance of the Company Secretaries, schedules

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

Mr Till Vestring is the Lead Independent Director of the Company. He was appointed Lead Independent Director with effect from 1 November 2021 in view of Mr Teoh's re-designation. As Lead Independent Director, Mr Vestring supports the Chairman and the Board to ensure effective corporate governance in managing the affairs of the Company, provides leadership in situations where the Chairman is conflicted and facilitates communication between the Board and shareholders or other stakeholders of the Company as necessary. He is also available to shareholders and other stakeholders of the Company where they have concerns and for which their previous contact through the normal channel of the Chairman and management has failed to resolve the matter or has been inadequate or inappropriate. He is also the Chairman of Remuneration Committee ("RC") and a member of Nominating Committee ("NC").

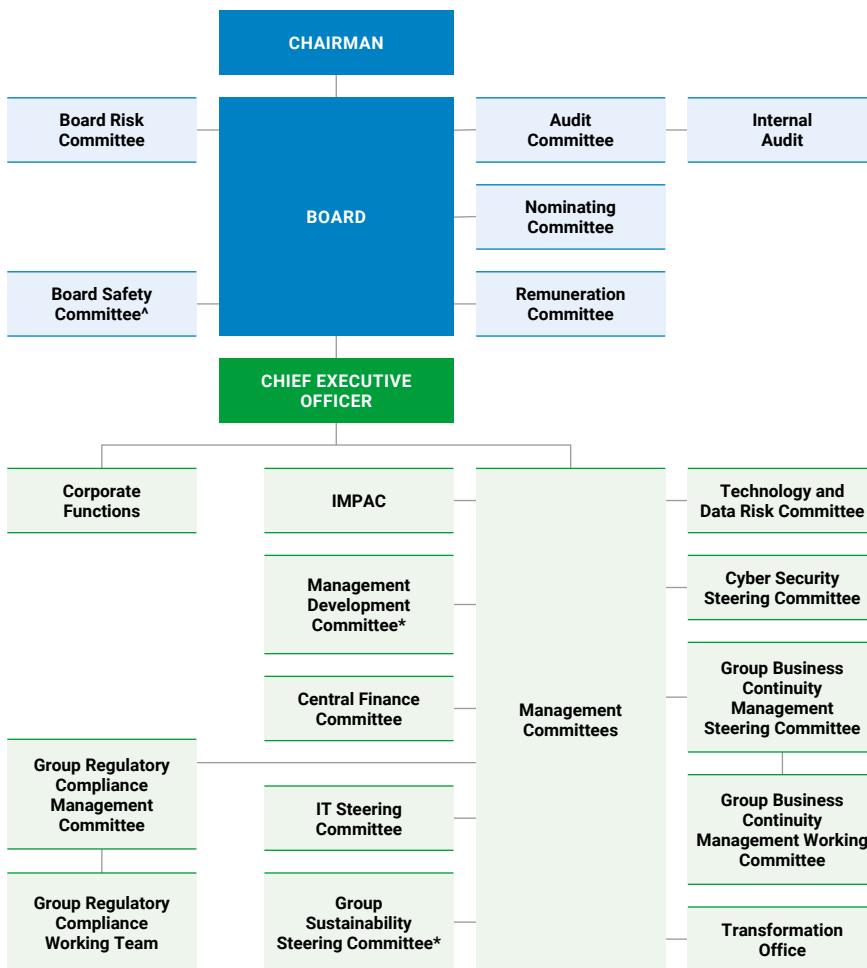
To assist the Board in the discharge of its oversight function, various board committees, namely the Audit, Board Risk, Nominating, Remuneration, and Board Safety Committees², have been constituted with clear written



As an affirmation of our continuous efforts to improve corporate governance, Keppel Corporation was conferred Winner of the Singapore Corporate Governance Award (Big Cap) at the SIAS Investors' Choice 2021.

KCL's governance structure is as follows:

GOVERNANCE FRAMEWORK 2021



^A In April 2022, the Company announced the establishment of a Board Sustainability and Safety Committee (BSSC) to provide greater focus on sustainability matters, with the role of the Board Safety Committee subsumed under the terms of reference of the BSSC. More details on the BSSC are provided on page 14.

* Subsumed under the new Management Executive Committee with effect from April 2022.

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

the respective board committees setting out their responsibilities and authority are found on pages 100 to 102 of Keppel Corporation's Annual Report 2021.

Mr Loh Chin Hua is the Chief Executive Officer ("CEO") of the Company. He, assisted by the management team, makes strategic proposals to the Board and after robust and constructive board discussion, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions. He is supported by management committees that direct and

guide management on operational policies and activities, which in FY2021 include the following committees:

1. *Investments & Major Projects Action Committee ("IMPAC")*, which guides the Group in exercising a spirit of enterprise as well as prudence to earn optimal risk adjusted returns on invested capital for its chosen lines of business, taking into consideration the relevant risks in a controlled manner;
2. *Management Development Committee³ ("MDC")*, which nominates candidates as nominee directors to the boards of each unlisted company or entity that the Company is invested in ("Investee Company") so as to safeguard the Company's investment. In respect of Investee Companies that are (a) listed on a stock exchange, (b) managers or trustee managers of any collective investment schemes, business trusts or any other trusts which are listed on a stock exchange, or (c) parent companies of the Company's core businesses, the Committee recommends the candidates for the approval of the NC. The MDC also provides inputs, guidance and direction on operational policies and human resources/organisational matters;
3. *Central Finance Committee*, which reviews, guides and monitors financial policies and activities of Group companies;
4. *Group Regulatory Compliance Management Committee ("Group RCMC")*, which articulates the Group's commitment to regulatory compliance, directs and supports the development of overarching compliance policies and guidelines, and facilitates the implementation and sharing of policies and procedures across the Group;
5. *Group Regulatory Compliance Working Team ("Group RCWT")*, which supports the Group RCMC and oversees the development and review of overarching compliance policies and guidelines for the Group, as well as reviews training and communication programmes;
6. *Keppel IT Steering Committee*, which provides strategic information technology ("IT") leadership and ensures IT strategy alignment in achieving business strategies;
7. *Group Sustainability Steering Committee³*, which sets sustainability strategy and leads performance in key focus areas;

¹ The SGX Listing Manual provides that, with effect from 1 January 2022, a director will not be independent if he has been a director for an aggregate period of more than 9 years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer.

² In April 2022, the Company announced the establishment of a Board Sustainability and Safety Committee (BSSC) to provide greater focus on sustainability matters, with the role of the Board Safety Committee subsumed under the terms of reference of the BSSC. More details on the BSSC are provided on page 14.

³ Subsumed under the new Management Executive Committee with effect from April 2022.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

8. *Technology and Data Risk Committee*, which operationalises the Technology and Data Risk Management operating standards programme that enhances the Group's safeguards, resilience and responses to cyber threats;
9. *Cyber Security Steering Committee* which guides the Group's overall cyber security vision and strategy and provides oversight on cyber security risks and initiatives to safeguard information assets and interests across the Group;
10. *Group Business Continuity Management Steering Committee ("Group BCM SC")*, which guides the effective development and implementation of a robust business continuity plan and ensures continuous improvement to enhance the Group's operational readiness through the review of Business Continuity Management ("BCM") plans and exercises.
11. *Group Business Continuity Management Working Committee ("Group BCM WC")*, which supports the Group BCM SC and coordinates with respective business units and department BCM Coordinators in developing detailed plans in the prevention, preparedness, response, continuity, and recovery of critical business functions; and
12. *Transformation Office*, which was established to drive the implementation of the Group's Vision 2030, to develop the strategic roadmap of the transformation into an integrated business providing solutions for sustainable urbanisation, and to coordinate the set of projects and initiatives across the Group.

BOARD STRATEGIC REVIEW

The Board periodically reviews and approves the Group's strategic plans. A two-day off-site Board strategy meeting is organised annually for in-depth discussions on the Group's strategy. The offsite, which includes directors as well as senior management, includes a review of the progress made, deep-dive discussions on key strategic issues, and alignment on the strategic direction going forward. It also provides a good platform for NEDs to further build their understanding of the Group and its businesses.

For FY 2021, the focus of the strategy meeting was on the progress and execution of Vision 2030, including an in-depth review of each of the four business segments (Energy & Environment, Urban Development, Connectivity and Asset Management) and

the related key projects; a review of the Group's Sustainability, Technology/Digital, and People roadmap, and alignment on key priorities to deliver Vision 2030.

AN EFFECTIVE BOARD

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

INDEPENDENCE OF DIRECTORS

The NC determines on an annual basis whether or not a director is independent. In January 2022, the NC carried out the review on the independence of each director based on the respective directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and board committees, taking into account the listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 CG Code as to the circumstances in which a director should not be deemed independent.

The assessment of the independence of the directors are set out on pages 84 and 85 of our Annual Report 2021¹.

INDEPENDENT JUDGMENT

All directors are expected to exercise independent judgment in the best interests of the Company. Based on the result of the peer assessment carried out by the directors for FY 2021, all directors have discharged this duty well¹.

CONFLICTS OF INTEREST

GRI 2-15

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

from voting in relation to conflict-related matters. On an annual basis, each director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions.

BOARD COMPETENCY & DIVERSITY

GRI 2-17

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

The Company has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives. The annual assessment is led by the NC as part of the process for appointment of new directors and Board succession planning. To help the NC identify gaps (if any) in skills, knowledge, experience and other aspects of diversity in the board composition in any given year of assessment, each member of the Board is required to complete a Board and Skills Diversity Matrix to indicate which of the list of skills, talents, knowledge, experience and other aspects of diversity (identified by the NC, and set out in the Board and Skills Diversity Matrix, as being able to contribute to the Company's strategy and business) the Board member possesses. The returns from the Board members are then consolidated into a single Board and Skills Diversity Matrix to highlight the Board's current mix of skills, knowledge, experience and other aspects of diversity and gaps therein if any. The Board will, taking into consideration the recommendations of the NC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board.

¹ Mr Olivier Blum and Mr Jimmy Ng were appointed as independent directors with effect from 1 May 2022. Accordingly, they were not part of the assessment which took place prior to their appointments.

Achievement of Qualitative and measurable Quantitative Objectives identified under Board Diversity Policy for the period of FY 2019 to FY 2021

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

Objectives	Progress
Appoint at least two additional independent directors with some of the core competencies already present on the Board, by end-FY 2020 for succession planning purposes.	Mr Tham Sai Choy was appointed as a non-executive and independent director with effect from 1 November 2019. Mr Tham was Managing Partner of KPMG, and was appointed with a view of being the successor to Mr Danny Teoh in the roles of Audit Committee Chairman and Board Risk Committee member. Mr Tham was appointed Audit Committee Chairman on 23 April 2021 and member of the Board Risk Committee on 1 February 2020.
Broaden the skillset of directors on the Board by appointing at least one director with the relevant expertise and experience that would complement those already on the Board and which would help drive the Group's strategy.	Mrs Penny Goh was appointed as a non-executive and independent director with effect from 2 January 2020. Mrs Goh was Co-Chairman and Senior Partner of Allen & Gledhill LLP, where she had for many years, headed the firm's corporate real estate practice. Mrs Goh was appointed with a view to succeeding Mr Alvin Yeo as a Board member with legal expertise and to enhance the gender diversity of the Board. Mrs Goh also succeeded Mr Alvin Yeo as a member of Audit Committee on 1 February 2020.
Improve gender diversity over a 3-year period by ensuring that at least 20% of the Board will comprise female directors by the end of FY 2021.	Mr Teo Siong Seng was appointed as a non-executive and independent director with effect from 1 November 2019 (and subsequently re-designated as non-executive and non-independent director with effect from 3 February 2021). His strong background, knowledge and experience in the China market, experience in growing businesses in frontier countries such as East and West Africa, and his knowledge and experience from serving as Chairman of the Singapore Business Federation, Honorary President of the Singapore Chinese Chamber of Commerce & Industry and as director of Business China, have enhanced the balance and breadth of skills of the Board and helped drive the Group's strategy.
	The female representation on the Board as at 31 December 2021 was 22%.

Objectives identified by the NC in January 2021, and reviewed in January 2022, for the period of FY 2022 to FY 2024

The objectives identified by the NC in FY 2021, and reviewed in January 2022, and the progress towards achieving such objectives as at 11 March 2022, are set out below:

Objectives	Progress
Size: Appoint at least three to four additional independent directors by end-FY 2023, with relevant expertise and experience that would complement those already on the Board, and which would help drive the Group's Vision 2030 strategy, and for succession planning.	Mr Shirish Apte was appointed as an independent director to the Board with effect from 1 July 2021. Mr Apte is currently the non-executive Chairman of Pierfront Mezzanine Capital (Singapore) and Fullerton India Credit Company Limited. Prior to his retirement in 2014, Mr Apte had built up 32 years of financial services experience, holding various senior roles within Citigroup, including Chairman of Asia Pacific Banking, Regional CEO of Asia Pacific, Regional CEO of Europe, Middle East & Africa, and Country Head of Citibank Poland. His responsibilities included corporate banking, investment banking and risk management.
Age and Gender: Improve age and gender diversity over a 3-year period by appointing at least one younger director (50 years old or below) and one female director by the end of FY 2024.	The NC was of the view that the Board would benefit from Mr Apte's expertise and experience on several fronts, including his ability to analyse organisational strategies, expertise in deal making and risk analysis, international experience and knowledge of, and experience and network in, India.
Skills and Experience: Improve skills and experience diversity by appointing directors with oversight and operational experience in driving (i) sustainability-as-a-business, (ii) digitalisation as a corporate strategy, (iii) private equity/asset management and/or (iv) infrastructure	-

STRATEGIC PILLAR: RESPONSIBLE BUSINESS

CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

The above objectives were approved by the Board, at the recommendation of the NC, following a review of the skills, knowledge, talents, experience and other aspects of diversity that had been identified to help drive the Group's Vision 2030 strategy and for succession planning purposes.

Vision 2030 is the Group's long-term roadmap to guide its transformation and growth as one integrated company, providing solutions for sustainable urbanisation, with sustainability at the core of the Company's strategy. Under this Vision, the Company aims to be a powerhouse of sustainable urbanisation solutions, leveraging the Company's track record and capabilities in Energy & Environment, Urban Development and Connectivity, with an Asset Management arm to fund the Group's growth, provide a platform for capital recycling, and pull the Group together to seize opportunities with an asset-light business model.

With the Vision in mind and taking into account feedback from Board members, the NC had identified the skills, knowledge, talents and experience that would help drive the strategy and assessed them against the mix of skills, knowledge, talents and experience of the Board. Following the review, the NC was satisfied that the directors, as a group, possess core competencies required for the Board and the board committees to be effective, taking into account the Company's strategy and business. However, with the focus on sustainable urbanisation solutions, being asset light, and technology under Vision 2030, the NC was of the view that the diversity on the Board could be further enhanced with the appointment of directors with oversight and operational experience in driving (i) sustainability-as-a-business, (ii) digitalisation as a corporate strategy, (iii) private equity/asset management and/or (iv) infrastructure.

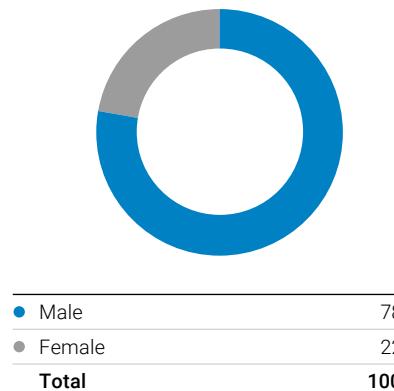
Aside from skill diversity, the NC also reviewed other aspects of diversity such as gender, tenure, age, race/ethnicity and country of origin/nationality/cultural background and was satisfied that the Board and the board committees comprise directors who as a group provide an appropriate balance and mix of skills, knowledge, talents, experience, and other aspects of diversity. Nevertheless, for succession planning and to further

Skills, Knowledge, Talents and Experience

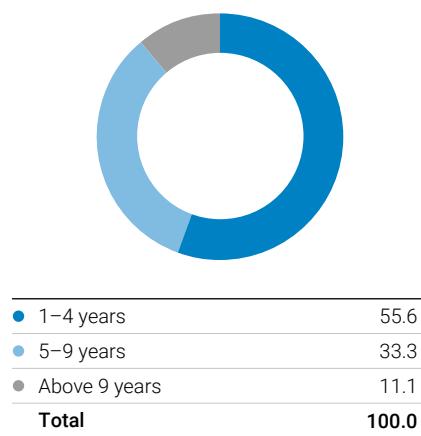
- Finance/Accounting
- Risk Management
- Sustainability
- Digital/Technology
- Mergers & Acquisitions
- Corporate Finance
- Management
- Human Resource
- Legal
- Strategic planning experience
- Customer-based experience or knowledge
- Industry Knowledge – Energy & Environment
- Industry Knowledge – Urban Development
- Industry Knowledge – Connectivity
- Industry Knowledge – Asset Management
- International Perspective
- Regional Experience

OTHER ASPECTS OF DIVERSITY (AS AT 31 DECEMBER 2021)

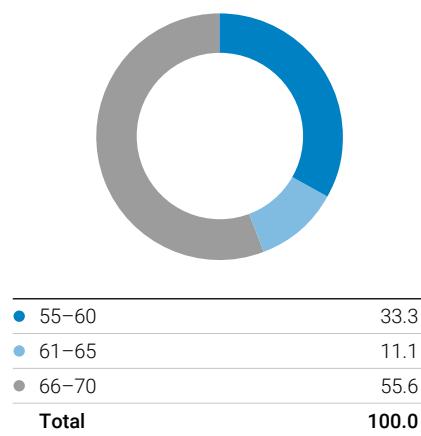
GENDER (%)



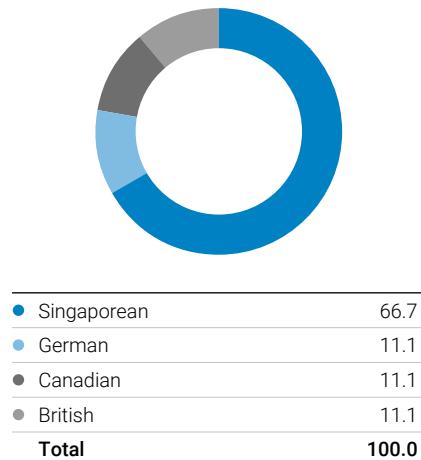
TENURE (%)



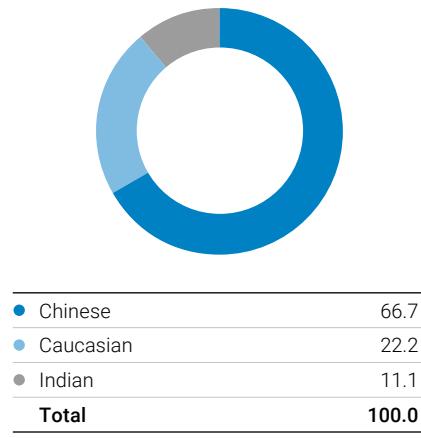
AGE (%)



COUNTRY OF ORIGIN, NATIONALITY OR CULTURAL BACKGROUND (%)



RACE OR ETHNICITY (%)



enhance the diversity on the Board, the NC was of the view that at least two to three more directors with relevant expertise and experience that would complement those already on the Board should be appointed by end-FY 2023, and in this respect, was committed to improve age and gender diversity over a 3-year period.

BOARD INFORMATION

The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals, and that for this to happen, the Board must be kept well informed of the Company's businesses and affairs and be knowledgeable about the industry in which the businesses operate. The Company has therefore adopted initiatives to put in place processes to ensure that the NEDs are well supported by accurate, complete and timely information, have unrestricted access to management and the Company Secretaries, and have sufficient time and resources to discharge their oversight function effectively. Subject to the approval of the Chairman, the directors, whether as group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

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

Regular informal meetings are held for management to brief the directors on prospective deals and potential developments at an early stage before formal board approval is sought, and relevant information on business initiatives, industry developments and analyst and

press commentaries on matters in relation to the Company or the industries in which it operates is circulated to the directors from time to time. Management is also expected to provide the Board with accurate information in a timely manner concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company. In this aspect, the Board is regularly updated on new projects and the progress of the execution of Vision 2030.

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

TRAINING

Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as board or board committee members. Site visits are also conducted periodically for directors to familiarise them with the operations of the various businesses so as to enhance their performance as board or board committee members. All induction, training and development costs are at the Company's expense.

In FY 2021, some of Keppel Corporation's directors attended talks on topics relating to challenges presented by the disruption of COVID-19, clean energy, sustainability, the renewables industry, US-China relations, digital and innovation economy, technology foresight, cyber security, China's business environment, risk management, board diversity, governance and macroeconomic trends. E-training was also conducted on the Group's policies on anti-bribery, conflict of interest, health, safety & environment, whistle-blowing, sanction, insider trading, and cyber security. Each director is also invited to participate in the annual Keppel Technology Advisory Panel

conference. Over 30 distinguished speakers from across sectors, including academia and startups, presented on a wide range of topics at the 2021 conference, which focused on the latest technology and innovation topics relevant to Keppel's Vision 2030 growth areas. These included blue and green energy molecules for Singapore, renewables and energy storage, carbon capture, utilisation and storage, data centre innovations, as well as the use of blockchain in real estate and asset management, among other areas.

The NC also conducted a review of the directors' training and professional development programme, taking into account feedback from the board evaluation exercise and individual feedback from each director on his or her specific areas of interests. Such areas include the evolving geopolitics landscape, sustainability, digital economy, and disruptive technologies, among others. The feedback from the review will be incorporated into tailored training programmes.

BOARD EVALUATION

GRI 2-18

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole, each of its board committees, the contribution by the Chairman and peer assessment of the individual directors to the effectiveness of the Board. The evaluation for FY 2021 was conducted by the NC. The evaluation process is set out on page 103 of our Annual Report 2021.

BOARD COMPOSITION & SUCCESSION PLANNING

GRI 2-10

The Board believes that orderly succession and renewal are achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. In this regard, the Board has put in place a formal process for the renewal of the Board and the selection of new directors so that the experience of longer serving directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation. The NC leads the process and makes recommendations to the Board on the appointment of new directors and re-nomination of directors.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

REMUNERATION FRAMEWORK

GRI 2-19 | 2-20

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration and for determining the remuneration packages of individual directors and senior management.

The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholder value. The remuneration framework is set out from pages 86 to 92 of our Annual Report 2021.

The RC has access to expert advice from external remuneration consultants where required. In FY 2021, the RC sought views from external remuneration consultants, Aon Hewitt and Willis Towers Watson, on market practice and trends, and benchmarks against comparable organisations. The RC undertook a review of the independence and objectivity of the external remuneration consultants through discussions with the external remuneration consultants and has confirmed that the external remuneration consultants had no relationships with the Company which would affect their independence and objectivity.

RISK MANAGEMENT & INTERNAL CONTROLS

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

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

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

the Board on critical risk issues, material matters, findings and recommendations.

KEPPEL'S SYSTEM OF MANAGEMENT CONTROLS

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

Under the First Line of Business Governance, the Group and its business units' ("BUs") management, supported by their respective line functions and committees, are responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing the Group and respective BUs in the course of running their business. Appropriate policies, procedures, and controls are implemented and operationalised in line with the Group's risk appetite to address such risks. Employees are also guided by the Group's Core Values and expected to comply strictly with Keppel's Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line. Business units and entities scoped in for control self-assessment ("CSA") are required to conduct a self-assessment exercise to assess the status of their respective internal controls on an annual basis. The annual CSA exercise is overseen by Control Assurance. Remedial actions are implemented to address all control gaps identified during the CSA exercise. Group Risk & Compliance ("GRC"), working in conjunction with the Group and respective BUs' line functions and committees, oversees the implementation of the Group's Enterprise Risk Management Framework, under which the Group will identify, assess and mitigate risks facing the Group to ensure that risks fall within the established risk appetite and tolerance. In respect of regulatory compliance, the Group's and BU's line functions and committees support and work alongside GRC and the Group's and BU's management to help ensure relevant policies, processes and controls are effectively designed, implemented and managed to mitigate compliance risks that the Group and respective BUs face in the course of their business. The Technology Governance Framework overseen by Group Information Technology aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security, and managing technology risks for the Group.

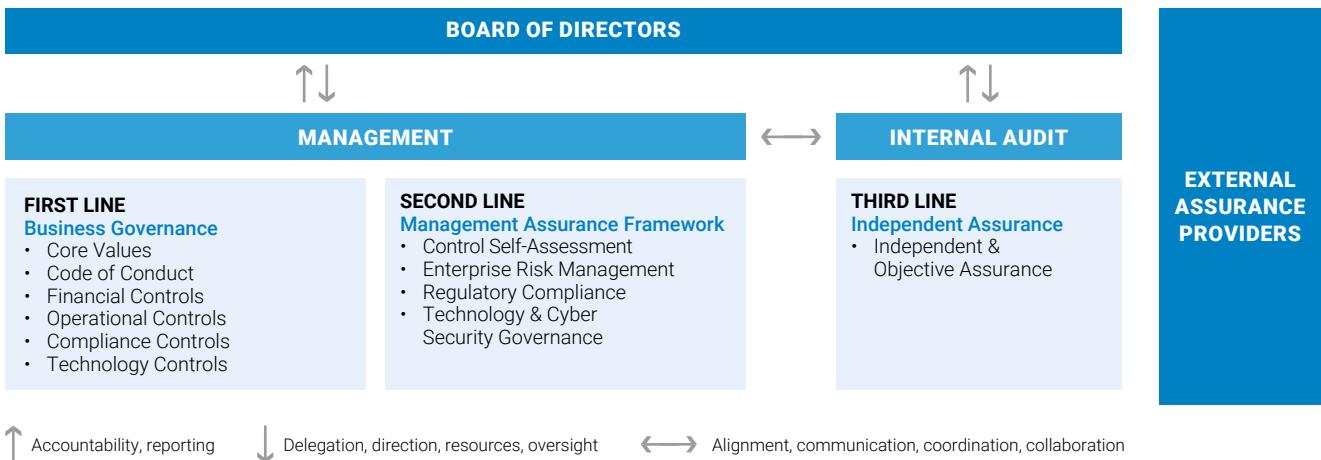
Process for appointment of new directors

- NC reviews annually the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, and the size of the Board which would facilitate decision making. In this review, the NC would also take into account the needs of the Group, the collective skills and competencies of the Board and service tenure spread of the directors.
- In the light of such review and in consultation with management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.
- The NC will in all cases take into consideration the following objective criteria identified as necessary for the Board and board committees to be effective:
 - Integrity
 - Independent mindedness
 - Able to commit time and effort to carry out duties and responsibilities effectively
 - Track record of making good decisions
 - Experience in high-performing companies
 - Financial literacy
- External help (for example, Singapore Institute of Directors and search consultants) may be used to source for potential candidates if need be. Directors and management may also make recommendations.
- NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- NC makes recommendations to the Board for approval.

Process for re-nomination of retiring Directors

- Pursuant to the Constitution, one-third of the directors shall retire from office at the Company's AGM every year, and a director appointed after the last AGM shall only hold office until the next AGM. If eligible, these directors may submit themselves for re-election.
- NC reviews each director's eligibility, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual director by his/her peers and his/her tenure.
- NC makes recommendations to the Board for approval.

KEPPEL'S SYSTEM OF MANAGEMENT CONTROLS



This framework was further strengthened in January 2021 with the formalisation of an enhanced Group Cyber Security Governance structure which includes the repurposing of Keppel's existing IT Security Operations Centre into a Cyber Security Centre with enhanced capabilities to ensure that the baseline security posture of the Group is maintained, and is overseen by a dedicated Group Cyber Security function which drives the enterprise vision, strategy and programme to ensure that Keppel's technology assets are adequately protected. The Technology and Cyber Security Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

The Third Line comprises independent assurance, including internal and external audit. Internal audit provides the Board and the Group's senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to the Company's preparation of financial statements and performs tests on such internal controls, where they are assessed to be necessary, in support of the audit opinion issued on the financial statements of the Company.

ENHANCEMENT TO COMPLIANCE PROGRAMME IN FY 2021

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

and officers and line managers across the globe.

Our Code of Conduct spells out the standards and rules of conduct by which all directors and employees should abide by. In this aspect, various policies are in place to provide guidance, such as an Insider Trading Policy, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term consideration, and a Competition Law Compliance Manual which articulates the Company's commitment in ensuring that its business comply with competition laws in all its business dealings. Our Code of Conduct also requires all employees to ensure that the Group's physical and electronic assets, records and intellectual property are properly protected and safeguarded.

Read more about the Group's enhanced compliance programme on pages 95 and 96 of our Annual Report 2021.

TRAINING & COMMUNICATION GRI 205-2

The Group continuously ensures that its compliance policies and procedures are communicated effectively to all employees, including officers, directors, and where necessary and appropriate, agents, and business partners.

In 2021, an e-training and assessment exercise covering all key policies, including Keppel's Code of Conduct, Conflict of Interest, Whistle-Blowing, Anti-Bribery, was carried out. A total of 14,718 directors and employees have completed the e-training and toolbox training. Targeted training focused on line managers' responsibilities and employees' obligations, under the K'ompass programme, was also

conducted in FY 2021. The K'ompass training aims to educate and entrench correct mindset, behaviours, and culture towards fostering risk awareness, ethical behaviour at work, importance of controls and focus on safety. Conflict of Interest trainings targeted at those with procurement, commercial, business development functions, were also conducted to heighten awareness of conflict situations and to train on declaration requirements.

REPORTING & INVESTIGATION GRI 2-16 | 205-3

Keppel's Whistle-Blower Policy took effect on 1 September 2004 and was enhanced on 15 February 2017, 1 May 2019 and 1 November 2021 to encourage reporting in good faith of suspected reportable conduct. The Policy clearly defines and centralises processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

In 2021, we reviewed 19 incidents of breaches to our Code of Conduct which were received through the Keppel Group whistle-blower channels. Four of the complaints were substantiated, seven complaints could not be substantiated, whilst the remaining eight are currently under review. Of the substantiated cases, remedial action, including disciplinary proceedings, were initiated.

Read more about our Whistle-Blower Policy and reporting mechanism on page 104 of our Annual Report 2021. More details about our Risk Management & Internal Controls framework are found on pages 93 to 96 of our Annual Report 2021.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

REGULATORY COMPLIANCE

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

OVERVIEW

GRI 3-3

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

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

STRATEGIC OBJECTIVES

GRI 205-1

In 2021, we continued to make significant progress in embedding a robust compliance framework and process throughout the Group. We continued to implement the ISO 37001 Anti-Bribery Management System across all major business units (BU) to ensure consistency and operational effectiveness

of the compliance programme. To date, 68% of all operational units have achieved ISO 37001 certification. Keppel Offshore & Marine (Keppel O&M) achieved global certification in 2019, while the Singapore entities of Keppel Land and Keppel Data Centres achieved ISO 37001 certification in 2020. In 2021, the Singapore entities of Keppel Infrastructure and overseas entities of Keppel Land, namely in Vietnam, China and Indonesia, also achieved ISO 37001 certification. Separately, the three-year Deferred Prosecution Agreement (DPA) with the US Department of Justice was dismissed in 2021 and Keppel O&M has complied with all obligations.

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

GOVERNANCE STRUCTURE

Our Regulatory Compliance Governance Structure is designed to strengthen corporate governance. The Board Risk Committee¹ (BRC) supports the Board in its oversight of regulatory compliance and is responsible for driving the Group's implementation of compliance and governance systems. Group Risk & Compliance serves as a secretariat to the BRC, assessing and reporting on compliance risks, controls and mitigation.

The Group Regulatory Compliance Management Committee (Group RCMC) is chaired by Keppel Corporation's CEO and its members include all BU heads. The Group RCMC articulates the Group's commitment to regulatory compliance, as well as directs and supports the development and implementation of overarching compliance policies and guidelines.

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

Each BU has a dedicated Compliance Lead. He/she is supported by the respective risk and compliance teams and is responsible



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

¹ Subsumed under the new Management Executive Committee with effect from April 2022.

for driving and administering the compliance programme and agenda for the BU. This includes providing support to BU management with subject matter expertise, process excellence and regular reporting to ensure that compliance risks are effectively assessed, managed and mitigated. We continue to strengthen the Group's Compliance teams with additional professional and experienced officers.

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

REGULATORY COMPLIANCE FRAMEWORK

Our Regulatory Compliance Framework focuses on critical pillars covering the areas of culture; policies and procedures; training and communications; key compliance processes; compliance risk assessment, review and monitoring, and compliance resources.

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

CULTURE

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

Anti-bribery, anti-corruption and reporting mechanisms are widely publicised in our offices globally. We issue Group-wide bulletins on relevant topical issues to apprise, inform and reinforce compliance principles and messages.



Key tone-from-the-top messages are also delivered periodically by BU heads to employees. Compliance moments were introduced as part of the agenda at meetings, where pertinent compliance topics and learnings are shared. We continue to work on initiatives to foster a positive compliance-centric culture.

POLICIES & PROCEDURES GRI 2-23 | 2-24

KEPPEL GROUP CODE OF CONDUCT

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

The Code sets out important principles to guide employees in executing their duties and responsibilities to the highest standards of business integrity. It encompasses topics ranging from conduct in the workplace to business conduct, including clear provisions on prohibitions against bribery and corruption, and conflicts of interests amongst others. The Code is publicly available on the Group's and BUs' websites. We continue to review and enhance the Code to ensure that it stays relevant and instructive. Appropriate disciplinary action, including suspension/termination of employment, is taken if

an employee is found to have violated the Code.

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

SUPPLIER CODE OF CONDUCT

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

The areas covered within the Supplier Code of Conduct include proper business conduct, human rights, fair labour practices, stringent safety and health standards, as well as responsible environmental management.

WHISTLE-BLOWER POLICY

Keppel's Whistle-Blower Policy encourages the reporting of suspected bribery, violations or misconduct through a clearly defined process and reporting channel, by which reports can be made in confidence and without fear of reprisal. The whistle-blower reporting channels, found on page 104 of Keppel Corporation's Annual Report 2021, are widely communicated and made accessible.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

REGULATORY COMPLIANCE

PERSONAL DATA PROTECTION ACT

Guidance is provided to employees on the Personal Data Protection Commission's advisory guidelines to ensure that the Group complies with the requirements of the Personal Data Protection Act. When necessary and appropriate, the Group's guidelines are updated in accordance with changes in privacy laws and regulations.

COMPLIANCE POLICIES

We maintain a comprehensive list of policies covering compliance-related matters including anti-bribery, gifts and hospitality, dealing with third-party associates (TPA), donations and sponsorships, solicitation and extortion, conflict of interest and insider trading, amongst others. These policies are reviewed periodically to ensure that they commensurate with the activities and business plans in the jurisdictions in which the Group operates. Group policies are applicable to all BUs. Unless the jurisdictional regulatory requirements are more stringent, these policies represent the minimum standards for the Group. We ensure all compliance policies, including translated versions, are made available and accessible to all employees globally.

We maintain a Group Sanctions Compliance Policy and BU-specific sanctions programme, and continually monitor updates on sanctions requirements.

TRAINING & COMMUNICATIONS

GRI 205-2

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

We have a comprehensive annual e-learning training programme which is mandatory for directors, officers and employees. The content of the training covers the Keppel Group Code of Conduct and key principles underlying our compliance policies. Directors, officers and employees are required to undergo assessments to successfully complete the training. In addition, directors, officers and employees are also required to formally acknowledge their understanding of policies and declare

any potential or actual conflicts of interest. Training on anti-bribery and the Code in multiple languages are carried out for industrial/general workers. Also, e-training outlining the principles underpinning the Group's policies and key areas to note when representing or acting on Keppel's behalf is conducted for high-risk TPAs.

We continue to refine our compliance training programmes and curriculum. We are also focused on developing and tailoring training content to varying target groups and training requirements. Such training conducted in 2021 included Compliance Risks in Projects and Conflict of Interest.

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

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

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

To drive greater compliance awareness and knowledge throughout the Group, we issue a quarterly news bulletin on compliance, risk and control matters. In 2021, we enhanced the news bulletin, through a segment on lessons learnt, to reinforce awareness and understanding of ethics and compliance considerations amongst employees.

KEY PROCESSES

DUE DILIGENCE

We continue to improve our risk-based due diligence process for all TPAs who

represent the Group in business dealings, including our JV partners, to assess the compliance risk of the business partner. In addition to background checks, the due diligence process incorporates requirements for TPAs to acknowledge understanding and compliance with the Code. In 2021, we enhanced the TPA policy to consolidate and streamline compliance due diligence requirements.

OTHER PROCESSES

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

RISK ASSESSMENT, REVIEW & MONITORING

GRI 205-1

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

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

RESOURCES

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

CORPORATE GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

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

RISK MANAGEMENT

GRI 3-3

Keppel adopts a balanced approach to risk management to optimise business returns while considering their holistic impact on corporate sustainability. Managing risks is an integral part of the way in which we develop and execute our business strategies. It is grounded in our operating principles and belief that a balanced and holistic risk-reward methodology is the best approach. This applies to all aspects of our business, and in particular, our commitment to environmental, social and governance issues, and our ability to deliver long-term value for our stakeholders.

Our risk-centric culture and Enterprise Risk Management (ERM) framework enable the Group to not only respond to the dynamic business environment and shifting business demands, but also seize new value-added opportunities.

RISK-CENTRIC CULTURE

Mindsets and attitudes are key to effective risk management. The Group fosters a risk-centric culture through several aspects as shown in Figure 1.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Relevant and material risk issues are surfaced for discussion with the Board Risk Committee (BRC) and the Board to keep them apprised in a timely manner. Through the BRC, the Board advises management in formulating and implementing the risk management framework, policies and guidelines.

The terms of reference for the BRC are disclosed on pages 100 and 101 of our Annual Report. The Board has defined three risk tolerance guiding principles for the Group which determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

These principles are:

1. Risk taken should be carefully evaluated, commensurate with rewards and be in line with the Group's core strengths and strategic objectives;
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the entire Group; and
3. The Group does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

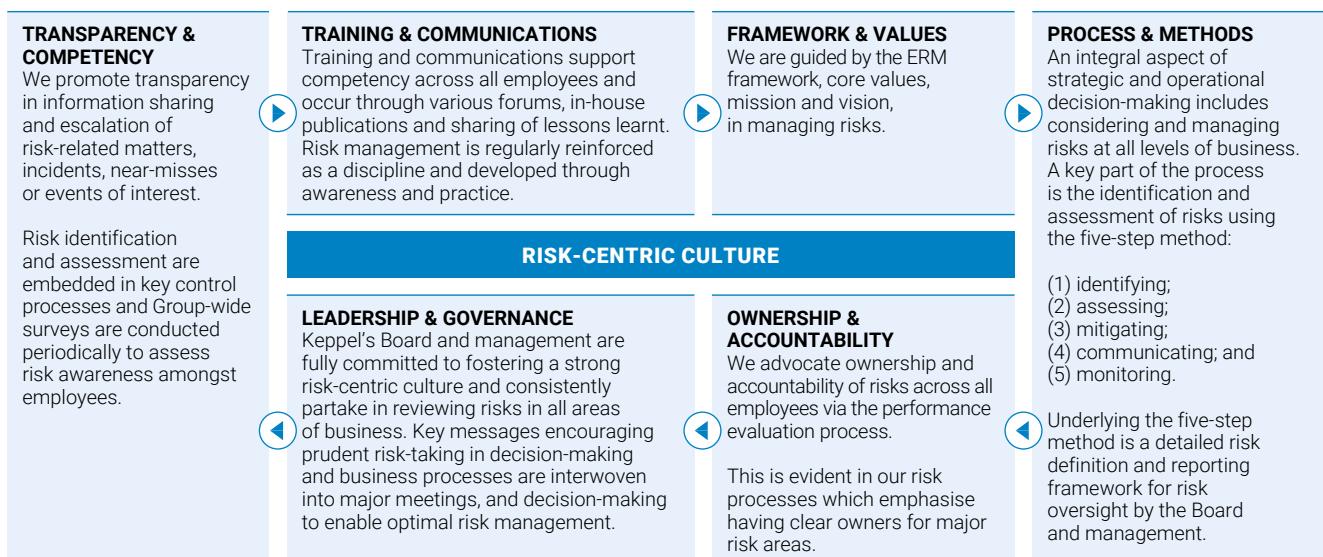
Keppel's risk governance framework, set out on pages 93 to 97 of our Annual Report under Principle 9 (Risk Management and Internal Controls), allows management and the Board to determine the adequacy and effectiveness of the Group's risk management system.

The Group is cognisant of the dynamic environment in which it operates. We constantly enhance the framework and systems where necessary, to ensure risk management remains an integral part of our daily decision-making process and operations.

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

Keppel's ERM framework is also constantly enhanced to ensure it remains relevant in our operating environment and where required, is tailored to the requirements of each BU. The framework takes reference from the Singapore Code of Corporate Governance, the COSO Enterprise Risk Management – Integrated Framework, ISO 22301:2019, ISO 31000:2018 and the Board Risk Committee Guide published by the Singapore Institute of Directors.

Figure 1



STRATEGIC PILLAR: RESPONSIBLE BUSINESS

CORPORATE GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

Management and risk teams across BUS drive and coordinate Group-wide activities and initiatives. These are facilitated by regular meetings to cascade risk policies or standards, and ensure that pertinent risks are identified, assessed and mitigated in a timely manner. Beyond operational activities, we continually improve our risk processes taking reference from the latest industry developments and best practices.

The key risks identified for FY 2021 encapsulate our existing business activities and the transformation and growth initiatives under Vision 2030. We are committed to addressing such risks in line with our philosophy of undertaking only appropriate and well-considered risks to optimise returns in a balanced and holistic manner, while consistently delivering sustainable long-term value to our stakeholders.

STRATEGIC RISKS

MARKET & COMPETITION

A large part of the Group's strategic risk includes market-driven forces, evolving competitive landscapes, changing customer demands and disruptive innovation. We remain vulnerable to other external factors including volatility in the global economy, implications of geopolitical developments, intense competition in core markets and disruptive technology. For example, the COVID-19 pandemic continues to impact the Group's operations and business activities in nearly all of our key markets. Despite the many challenges faced by our businesses due to the pandemic, the Group has adapted and continued to operate resiliently in 2021. We adjusted our strategies and responses, and took pre-emptive mitigating actions as required.

During the year, the Board and management continued to oversee and coordinate the execution of Vision 2030. As the Group transforms and grows, we will continually refine and enhance our risk management policies and principles to support our business objectives.

STRATEGIC VENTURES, INVESTMENTS & DIVESTMENTS

We have an established process for evaluating investment and divestment decisions, including strategic ventures. We ensure that such endeavours are well monitored and aligned with the Group's strategic intent, investment objectives and desired returns. Where required, we may recalibrate some strategies in response to the changing business environment.

Together with the Board, the Investment and Major Project Action Committee guides

the Group in this area to ensure that any risks taken are considered and controlled in a manner that exercises the spirit of enterprise and prudence, to earn the best risk-adjusted returns on invested capital across our businesses.

The evaluation of risks for strategic ventures involves rigorous due diligence, feasibility studies and sensitivity analyses of key assumptions and variables. Critical factors considered include alignment with the Group's strategy, financial viability, country-specific political and regulatory developments, contractual risk implications, as well as past lessons learnt. The Group's investment portfolios are constantly monitored to ensure that the performance of any such venture is on track to meet its strategic intent and returns.

SUSTAINABILITY & CLIMATE CHANGE

Sustainability and climate change encompass a broad range of key material issues, many of which have been identified and managed according to the Group's ERM framework. Sustainability and climate-related risks and opportunities, both physical and transitional, are fundamental to the Group. The Group supports the Task Force on Climate-related Financial Disclosures and has worked towards incorporating its recommendations in our reporting framework.

Under Vision 2030, we have placed sustainability at the core of our strategy. The Group's Sustainability Risk Management Framework is integrated within our ERM framework (Figure 2) and guides the Group on the specific processes and methods applied in identifying, assessing and managing sustainability-related risks and opportunities. This covers climate change and environmental management considerations, as well as third-party-related risks from vendors and suppliers. As part of Sustainability Risk Management, we continually assess related risks and opportunities for the Group and strengthen our organisational capabilities in response.

CUSTOMER & STAKEHOLDER EXPERIENCE

The Group operates in numerous geographies and has multiple customer touchpoints, including retail consumers in the telecommunications, retail electricity, e-commerce and gas businesses. Other stakeholders include our regulators, vendors, investors, partners, employees, and the communities in which we operate. We place utmost importance on Customer and Stakeholder Experience which have direct bearing on trust and brand reputation.

Figure 2



As such, we consistently monitor our products and services for safety, quality and reliability. We respect feedback and post-sales support, and are committed to uphold personal data privacy, product safety and related matters including our responsiveness to inputs from various stakeholders.

HUMAN RESOURCES

We place strong emphasis on attracting and developing a deep talent pool. To ensure we have the necessary skillsets to enable Keppel's next phase of growth, we leverage both internal and external programmes. This includes nurturing employees, maintaining good industrial relations and fostering a conducive work environment. We are committed to strengthening succession planning and bench strength, as well as building and/or acquiring new organisational capabilities to drive growth, whilst maintaining our status as an employer of choice.

We emphasise the importance of having a risk-centric mindset across our talent

development programmes, to inculcate the ability to identify and assess risks, develop and implement mitigating actions, as well as monitor residual risks in all employees. Keppel Leadership Institute helps to inculcate this mindset by embedding risk management in its key leadership courses.

OPERATIONAL RISKS PROJECT MANAGEMENT

Risk management is an integral part of all our projects from the time of initiation through to completion, to facilitate early detection and proactive management of operational risks. We adopt a systematic assessment and monitoring process to help manage key project risks. Special attention is given to technically challenging and high-value projects, including greenfield developments, the deployment of new technology and/or operations in new geographies.

During the project execution stage, we conduct reviews and quality assurance programmes to address issues such as cost, schedule and quality. Project Key Risk Indicators are used as early warning signals to determine if remedial actions are required and a Project Operational Set-up Guide detailing the key risk areas is made available to the BUs. We also conduct knowledge-sharing workshops to share best practices and lessons learnt across the Group. The above processes help to keep project delivery on time and within budget, without compromising on safety and quality, as well as regulatory and contractual obligations.

HEALTH, SAFETY & ENVIRONMENT

Safety is our core value and we are committed to upholding the highest standards of safety. This translates into constant vigilance to foster a strong health safety and environment (HSE) culture across the Group, particularly at the ground level where the risks are greatest.

With the ongoing COVID-19 pandemic, the Group continues to emphasise the importance of staff health by implementing appropriate measures and ensuring adherence to governmental regulations, so as to protect employees and other stakeholders from potential exposure. Efforts are made across BUs to manage staff movement and ensure relevant precautions are taken, such as the use of personal protective equipment and regular self-testing.

Our Zero Fatality Strategy aligns High Impact Risk Activities standards across our global operations. This is achieved by enhancing the competency of employees performing

safety-critical tasks, strengthening operational controls, establishing Root Cause Analysis investigation standards across the Group, as well as deploying more proactive and leading risk indicators/metrics to monitor HSE performance standards.

In 2021, the Group achieved our zero-fatality target and saw improvements across our Total Recordable Injury Rate, Accident Frequency Rate and Accident Severity Rate. We also achieved 18 awards at the Workplace Safety and Health (WSH) Awards during the year for exemplary safety performance, implementation of strong WSH management systems and efforts to create solutions that improve workplace safety.

Environmental management is also a critical area of focus for the Group and all major operating sites globally are closely monitored for compliance with relevant local or global environmental standards.

BUSINESS & OPERATIONAL PROCESSES

The Group is connected by common shared services and platforms which enable us to better manage our processes and costs, while enhancing efficiency, productivity, compliance and controls. We have adopted ISO standards and certifications in major business areas to standardise processes and align with industry best practices. In addition, procedures relating to defect management, operations, project control and supply chain management are continually refined to improve the quality of our deliverables.

Using a risk-based approach, we continue to improve digitalisation and automation, and take measured steps in optimising our processes. We also continually evaluate our procedures, policies and authority limits to ensure that they remain relevant.

BUSINESS CONTINUITY

We are committed to maintaining operational resilience with Business Continuity Management (BCM) standards that equip us with the capability to respond effectively to business disruptions. We are cognisant of major risks including natural disasters, fire, pandemics, terrorism and cyber attacks, as well as the failure of critical equipment/systems and industrial accidents.

The Group Incident Reporting and Crisis Management operating standard guides us in management and response, while our Business Continuity Plans address post-event mitigation. These are coordinated by management and the Group BCM Steering Committee, which provide sponsorship,

direction and guidance to ensure a state of constant readiness-to-respond. We continually extend and strengthen our capabilities in responding to major incidents/crises with the aim of safeguarding our people, assets and stakeholders' interests, as well as Keppel's reputation.

With COVID-19 continuing to spread globally and the emergence of new variants, safeguarding the health and safety of our employees, customers and stakeholders remains a top priority. We continue to implement robust safe management measures in accordance with the relevant government regulations to minimise the spread of the virus. The measures implemented include split-team arrangements, regular inspections to ensure that safe management measures are maintained, health monitoring through Antigen Rapid Testing, regular disinfection of high-touch points and enhanced cleaning procedures.

We also track the vaccination status of our workforce and we strongly encourage those who are medically eligible to be vaccinated. By the end of 2021, the vast majority of Keppel's workforce globally had been fully vaccinated.

We also recognise cyber threats as a significant area of potential business disruption and maintain a Group Cyber Incident Response plan, which references local and international standards, and details our response and recovery protocols. Cyber Table Top Exercises are also conducted regularly to validate the effectiveness of these protocols.

We continue to monitor key disruptive threats to our business operations and adapt our plans to ensure operational resilience.

CYBER SECURITY, DATA PROTECTION AND TECHNOLOGY

We recognise the significance of cyber threats globally. Cyber threats are rapidly evolving, and Keppel's cyber risk profile is changing as accelerated digitalisation programmes expand our ecosystem and broaden our technology footprint. Technology and data security risks, including outsourced services, are an integral part of the Group's business risk. We have established a technology governance structure and risk framework to address both general technology and data security controls, covering key areas such as cyber security, business disruption, theft/loss of confidential data and data integrity.

The Group has a Technology and Data Risk Management Programme which continuously monitors these risks. This involves the identification, assessment and management

STRATEGIC PILLAR: RESPONSIBLE BUSINESS

CORPORATE GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

of critical technology and data assets according to leading industry guidelines such as those by the Cyber Security Agency of Singapore and the US National Institute of Standards and Technology. The Programme seeks to improve technology and data security standards, and also to inculcate a culture of cyber awareness among employees.

In 2021, Keppel strengthened its cyber governance with the creation of a dedicated Group Cyber Security function headed by a General Manager with a reporting line to the Board Risk Committee to reinforce independence and facilitate Board oversight. Group Cyber Security works closely with the Group's business units to ensure that information and technology assets are adequately protected.

To manage growing cyber security threats, the Group continues to invest in upgrading its cyber defense capabilities. These include:

- a. Safeguarding internal assets from emerging threats by extending our layered cyber security controls;
- b. Strengthening the ability to detect and respond to cyber threat actors;
- c. Conducting annual disaster recovery plan exercises to ensure timely recoverability of business-critical IT systems;
- d. Conducting cyber table-top exercise involving executive leadership annually to evaluate preparedness and ensure that cyber incident response plans and processes are rigorous and robust;
- e. Engaging independent security service providers to conduct vulnerability assessments to further strengthen our IT systems; and
- f. Implementing recommendations from assessments and exercises to further strengthen cyber resilience.

In addition, broad-based security awareness programmes are regularly conducted to reinforce the adoption of good cyber hygiene. These include regular advisories and training, including an annual mandatory training on cyber security threats, policies and good practices.

Relating to the integration and usage of technology, technical teams and experts from across the Group enable us to keep abreast of evolving technology. The response is either calibrated at each BU or managed strategically at the Group with the assistance of Keppel Technology and Innovation, which assists in driving Group-wide adoption of new technology and innovation. The Keppel Technology Advisory Panel, comprising leading academics, researchers, and advisors from a wide range of related industries,

also regularly advises the Group in areas of technological innovation.

COMPLIANCE RISKS

LAWS, REGULATIONS & COMPLIANCE

We closely monitor developments in relevant laws and regulations of countries where the Group operates to ensure compliance. We recognise that non-compliance with laws and regulations may have a detrimental effect on both the financials and reputation of Keppel. As such, we are regularly updated on changes to laws and regulations, to ensure that we can assess our exposures and risks effectively and expediently.

Significant risk areas, such as those relating to potential corruption, are regularly identified, surfaced to management and where applicable, further assessed by the Board. With respect to corruption, significant risk areas include areas where external agents are appointed for business development.

We continuously enhance our regulatory compliance policies and procedures to ensure that the Group maintains a high level of compliance and ethical standard in the way we conduct our business. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

In 2021, we continued to refine our regulatory compliance programme, update processes, deepen employee understanding, and ensure that compliance awareness and principles were well entrenched in all activities. We also recognise the importance of sanctions risks owing to the escalation of trade and other sanctions in many countries. More details of our compliance programme can be found on pages 114 to 116 of our Annual Report.

FINANCIAL RISKS

FRAUD, MISSTATEMENT OF FINANCIAL STATEMENTS & DISCLOSURES

We maintain a strong emphasis on ensuring that financial statements are accurate and presented fairly in accordance with applicable financial reporting standards and frameworks.

Regular external and internal audits are conducted to provide assurance on the accuracy of financial statements and adequacy of the internal control framework supporting the statements. Where required, we leverage the expertise of external auditors in the interpretation of financial reporting standards and changes. We also conduct regular training and education programmes to enhance the capabilities of our finance managers.

Our system of internal controls is outlined in Keppel's System of Management Controls detailed in pages 48 and 49 of this report.

FINANCIAL MANAGEMENT

Financial risk management relates to our ability to meet financial obligations and mitigate credit, liquidity, currency and interest rate risks. Details can be found on pages 190 to 201 of our Annual Report. In this area, policies and financial authority limits are reviewed regularly to incorporate changes in the operating and control environment.

We are focused on financial discipline and seek to deploy our capital to earn the best risk-adjusted returns for shareholders, while maintaining a strong balance sheet to seize new opportunities.

In 2021, as global economies continued to face pressure from the impact of COVID-19, the Group maintained a proactive approach to liquidity management.

Our procedures include the evaluation of counterparties and other related risks against pre-established internal guidelines. We conduct impact assessments and stress tests to gauge the Group's potential financial exposure to changing market situations. This enables informed decision making and the implementation of prompt mitigating actions. We also regularly monitor our asset concentration exposure in countries where we operate, to ensure that our portfolio of assets, investments and businesses is diversified against the systemic risks of operating in a specific geography.

PROACTIVE MANAGEMENT OF RISKS & OPPORTUNITIES

Effective risk management is dynamic and encompasses the evaluation of both risks and opportunities. We recognise the need to effectively manage risk as an inherent part of business operations to optimise returns. We take a business-centric approach to managing risks, aligning business activities with risk considerations, and discussing issues in an open and transparent manner, enabling us to pursue optimal risk-return initiatives.

Our risk framework and processes are continually evolving, to ensure that they remain effective and relevant. This is highly dependent on our people and programmes, and the Group's ability to remain connected and vigilant to emerging risks and opportunities. Across the Group, we identify and review emerging risks at all levels throughout the year. Where necessary, these are further escalated and discussed at various governance committees to

determine our action and/or response. We recognise that our systems and processes provide reasonable but not absolute assurance, and hence continually improve to ensure that our ability to manage and respond to risks and opportunities remains relevant and effective.

EMERGING RISKS

PHYSICAL AND TRANSITION

CLIMATE RISKS

Climate change and global warming have resulted in more frequent and extreme weather conditions. The increased severity and frequency of these weather conditions may affect our assets in vulnerable geographies, including financial impact such as damages to property and infrastructure, asset impairments, higher insurance claims and premiums as well as business disruptions. Higher operating costs may also be incurred due to flood protection, damage recovery as well as higher cooling and heating needs.

In 2021, the Group completed a high-level physical risk assessment which evaluated the potential impact of seven climate-related hazards – sea level rise, heatwave, water stress, flood, wildfire, coldwave and hurricane – on 50 key assets globally, including commercial buildings, residential projects and townships, data centres as well as water and waste management plants. Based on the findings of the assessment, the respective business units will consider and prioritise possible mitigation/adaptation actions to be taken, where necessary, to mitigate mid-to-long term climate-related risks. We are embarking on a deeper study on the financial impact of these risks on the Group across various scenarios in 2022.

The Group is actively pursuing opportunities to harness its capabilities to provide solutions for sustainable urbanisation, which can help to reduce climate-related risks. Keppel has the technology and capabilities to develop climate-resilient nearshore developments, or “floating cities”, which can address the problems of land scarcity and the threat of rising sea levels in coastal areas. Keppel is exploring how such nearshore developments can be built in Singapore. These same capabilities can also be applied in other coastal cities.

As the world progressively transits to a lower-carbon economy, transition risks such as policy, legal, technological and market

changes may pose varying levels of financial and reputational risks as well as opportunities for the Group. More stringent regulations and policies such as higher carbon taxes, carbon pricing regulations and stricter building standards to address carbon emissions are expected. These will increase the operating costs of our energy-intensive businesses and impact construction and electricity consumption costs. New technologies that improve resource efficiency and sustainability for businesses are also expected to emerge and disrupt the building industry. The market increasingly expects sustainable developments and green features to be standard provisions. These will also lead to lower demand and substitution of existing products and services with lower emissions options.

To mitigate transition risks such as tougher climate legislation and higher carbon prices in the longer term, Keppel has implemented a shadow carbon pricing (SCP) in the evaluation of all major investment decisions.

To ensure that Keppel’s urban development projects fulfil stringent green building rating standards, such as the Building and Construction Authority of Singapore’s highest Green Mark Platinum standard, Keppel incurs up to an additional 4% green premium in construction costs.

At the business units level, various policies and systems are also in place to ensure that all ESG-related risks and opportunities are assessed and addressed adequately. For instance, Keppel Land has a Carbon Management Plan which outlines the initiatives and programmes to reduce carbon emissions, and a set of Responsible Design Values for all of its new developments in Singapore and overseas to deliver the best standards in sustainability, liveability, quality and aesthetics.

REGIONAL PROPERTY MARKET UNCERTAINTY

The property markets in China were subjected to more stringent regulations aimed at reducing credit exposure in the sector as part of a wider plan to cool excessive investment and speculation in 2021. The resultant impact caused many developers in China to seek alternative financing to fund property development costs, while at the same time reducing prices to improve sales and cashflows. Market sentiments have been affected

by debt issues faced by certain Chinese developers and the slowdown in the Chinese economy.

While Keppel does not face similar liquidity constraints like some of its competitors in China, China is one of the key markets for Keppel Land and the longer-term emerging risk is two-fold. Firstly, the cooling of the property market in China could spark a wider systemic contagion which extends beyond major at-risk developers and into a financial crisis. Secondly, the supply-side price declines could affect consumer demand leading to further deflationary markets within China.

In view of these developments, we have reviewed and assessed our liquidity profile to ensure that our business units are able to weather any potential fallout. We have also assessed key projects so as to better match our sales launches with local demand signals from consumers in specific cities/regions.

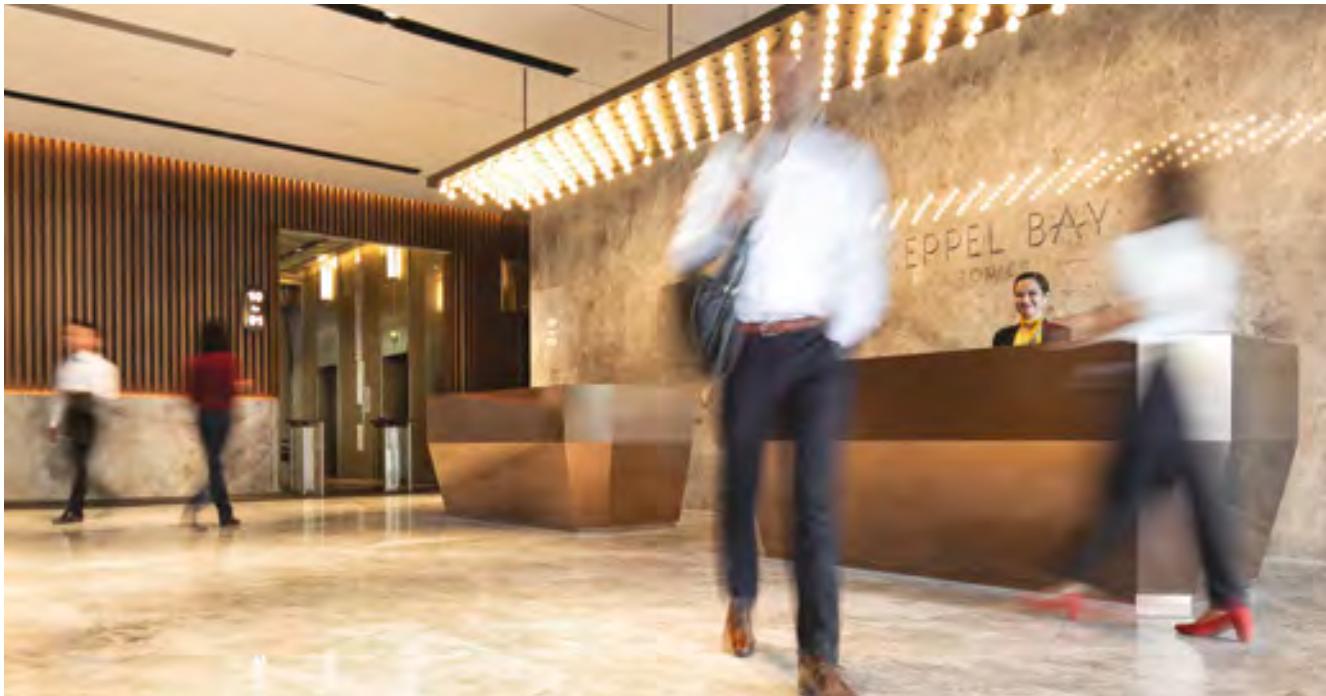
At the same time, the current situation in China’s real estate market may also present opportunities for Keppel, as some local developers in China may need foreign capital to help them invest. This is where we can play a role, either as a joint venture partner, or a provider of funding by bringing in co-investors.

SUPPLY CHAIN DISRUPTION

COVID-19 lockdowns and re-openings in the market have impacted global demand and supply and affected the efficient functioning of global supply chains. Factory closures, as well as labour and capacity shortages have resulted in volatile freight costs and uncertain delivery times. Keppel faces potential delay risks to some of its projects in the medium term due to backlogs and bottlenecks to supply chains globally. The major uncertainty which emerges in the medium to longer term is the extent of supply chain dysfunction as many market estimates have indicated that the disruption could take years to ameliorate. This could pose risks to Keppel businesses in the Energy & Environment as well as Urban Development segments.

To mitigate such risks, Keppel business units have taken a more proactive approach to reviewing and assessing major suppliers across our supply chains to ensure we have potential alternatives and/or manpower deployment to minimise the impact of any disruption in our supply chain.

ECONOMIC SUSTAINABILITY



PERFORMANCE OVERVIEW

GRI 3-3

ENERGY & ENVIRONMENT

Signed MOUs in June 2021 for proposed combination of Keppel O&M and Sembcorp Marine, and resolution of Keppel O&M's legacy rigs, while concurrently driving organic transformation. Entered into definitive agreements in April 2022 (transactions pending completion).

Keppel O&M secured new order wins of \$3.5 billion and delivered nine major projects.

Keppel Infrastructure pursued opportunities in renewables, clean energy and decarbonisation solutions, including securing Singapore's first Energy-as-a-Service contract, exploring renewable power import into Singapore, developing EV charging infrastructure, and studying feasibility of a green ammonia supply chain in APAC.

Announced acquisition of majority stake in leading solar energy platform, Cleantech Renewable Assets, with KAIF and its co-investor.

URBAN DEVELOPMENT

Made strong progress in asset monetisation, completing the divestment of eight projects with total proceeds of about \$1.9 billion.

Sold 4,870 homes in Asia, mainly in Singapore, China and Vietnam, up 46% from 2020.

Grew recurring income with opening/reopening of retail malls in China and Singapore and launched the Seasons Smart Vibrant Precinct in Tianjin, China.

Expanded into China's urban renewal market in partnership with Topchain.

Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC) sold a mixed-use land plot located in the Eco-City's mature Southern District.

CONNECTIVITY

Keppel DC Fund II acquired a greenfield site in Shanghai, China for the development of a data centre, Fund II's first project since its establishment.

Commenced manufacturing of the Bifrost Cable System.

M1 launched 5G Standalone (SA) network for consumers and rolled out commercial-ready 5G SA solutions for enterprises.

M1 was awarded the 2.1 GHz spectrum band by IMDA, boosting its coverage and performance for 5G in Singapore.

Announced plans to divest logistics business. Signed agreement in March 2022 to divest Keppel Logistics' businesses in Singapore, Malaysia and Australia, as well as UrbanFox.

ASSET MANAGEMENT

Assets under management (AUM) grew by about 14% year-on-year to \$42 billion¹.

Raised total equity of about \$3.5 billion and completed around \$5.5 billion in acquisitions and divestments.

Listed REITs and business trust continued to grow through strategic acquisitions, delivering sustainable returns and stable recurring income.

Keppel Capital inked four separate managed accounts with global investors to invest in core infrastructure assets, high quality logistics assets and commercial real estate.

¹ Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested AUM.

» KEPPEL CREATES ECONOMIC VALUE FOR ITS STAKEHOLDERS BY PROVIDING SOLUTIONS THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT AND COMBATTING CLIMATE CHANGE.

OVERVIEW

GRI 3-3

Keppel creates direct and indirect economic value for its stakeholders through running its business as provider of solutions for sustainable urbanisation. Keppel's business operations generate employment, opportunities for suppliers, products and services for its customers, and tax revenues for governments.

With growing international concerns about climate change, many governments and companies have made net zero commitments, which will in turn create strong demand for renewables, clean energy, decarbonisation and environmental solutions, as well as green buildings and data centres – all of which are solutions that Keppel provides and plans to do more of going forward.

In addition to the value it creates through its business, Keppel is committed to positively impact the communities in which we operate, and contribute to worthy social causes through charitable donations, community investments and commercial initiatives.

REPORT BOUNDARY

GRI 3-3

The reporting boundary for financial data in this section is the same as that of Keppel Corporation's Annual Report 2021.

MANAGEMENT APPROACH

GRI 3-3

In May 2020, Keppel unveiled Vision 2030, the Group's long-term roadmap to guide its transformation and growth as one integrated company, providing solutions for sustainable

urbanisation, with sustainability at the core of the Company's strategy.

Vision 2030 defines Keppel's purpose, focuses its business and ultimately aims to accelerate growth and create value for all stakeholders. It positions Keppel to seize opportunities against the backdrop of key macrotrends that are shaping the world, including rapid urbanisation, climate change, energy transition, growing digitalisation, and ageing populations. Keppel aims to be a powerhouse of sustainable urbanisation solutions, leveraging the Company's track record and capabilities in Energy & Environment, Urban Development and Connectivity, with an Asset Management arm to fund the Group's growth, provide a platform for capital recycling, and pull the Group together to seize opportunities with an asset-light business model.

Under Vision 2030, Keppel will sharpen its focus, simplify its business, double down on the key areas identified, and pivot away from lumpy earnings towards more recurring income.

Since the Vision was announced, the Company has made considerable progress and accelerated the execution of Vision 2030, with a view to achieving its targets by 2025. From 4Q 2020 to end-2021, Keppel announced \$2.9 billion of asset monetisation, and received about \$2.7 billion in cash, thus freeing up our balance sheet to fund new pursuits and also reward shareholders.

As part of our efforts to be more disciplined and refocus our portfolio, we announced the proposed combination of Keppel Offshore &

Marine (Keppel O&M) and Sembcorp Marine, including the resolution of Keppel O&M's legacy rigs, as well as the proposed divestment of Keppel Logistics in 2021.

In March 2022, Keppel Telecommunications & Transportation entered an agreement to divest Keppel Logistics to Geodis International SAS, which would allow Keppel Logistics to scale up and accelerate growth as part of a global leader in the transport and logistics sector.

In April 2022, Keppel Corporation signed definitive agreements on the proposed combination of Keppel O&M and Sembcorp Marine, bringing together two leading offshore & marine (O&M) companies to create a premier player, well positioned to address the challenges and opportunities in the evolving O&M sector and the energy transition.

Focused on making sustainability its business, Keppel is deepening its presence in areas spanning renewables, electrification, carbon-free energy alternatives and decarbonisation solutions, to expand and fortify its capabilities in low carbon, circular economy solutions. Many of Keppel's new business pursuits and research and development (R&D) efforts in the past year were in these areas. To scale up quickly to capture opportunities arising from global energy transition, Keppel will also seek opportunities to acquire assets and stakes in established operating platforms.

Keppel Land is transforming from a traditional real estate developer into an asset-light provider of innovative and sustainable urban



Keppel has seen strong demand for its fibre pairs in the Bifrost Cable System, whose manufacturing commenced in December 2021.

STRATEGIC PILLAR: RESPONSIBLE BUSINESS

ECONOMIC SUSTAINABILITY

space solutions. In 2021, Keppel Land achieved substantial progress monetising its landbank, and is also embracing new business models such as Real-Estate-as-a-Service, and expanding its focus on sustainable urban renewal and senior living solutions that can yield potential streams of recurring income.

Keppel Telecommunications & Transportation is expanding its data centre portfolio and exploring ways to reduce the carbon footprint of data centres, with plans to start the development of its innovative, energy-efficient floating data centre in Singapore in 2022, subject to regulatory approval. Keppel has also collaborated with partners to launch the Bifrost Cable System, which when completed in 2024, is set to meet the growing digital connectivity needs between Southeast Asia and the west coast of North America.

M1 continues to advance on its multi-year digital transformation from a traditional telco to a cloud native connectivity platform. Key milestones in 2021 include the monetisation of its network assets, expanding its enterprise business, rolling out its 5G Standalone network and expanding 5G use cases.

Keppel Capital continues to grow its assets under management, expanding its asset classes and growing recurring fee income. Amidst heightened concerns about inflation, there is strong demand from investors for the real assets that the Group manages, which can serve as effective inflation hedges.

Increasingly, the Group is integrating its capabilities across its focus segments to work even more closely together to create smarter and more sustainable solutions, while leveraging third-party funds for growth. Such OneKeppel integration will allow the Group to address emerging opportunities that may not be available to individual business units, thus ensuring that the whole is greater than the sum of its parts.

FINANCIAL PERFORMANCE IN 2021

GRI 201-1

The Group achieved a net profit of \$1.02 billion for 2021, reversing the net loss of \$506 million a year ago. All segments registered improved year-on-year performance.

Total cash dividend for 2021 is 33.0 cents per share, which is more than triple the total dividend in 2020. This comprises

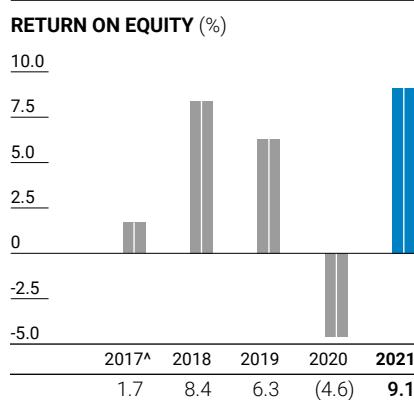
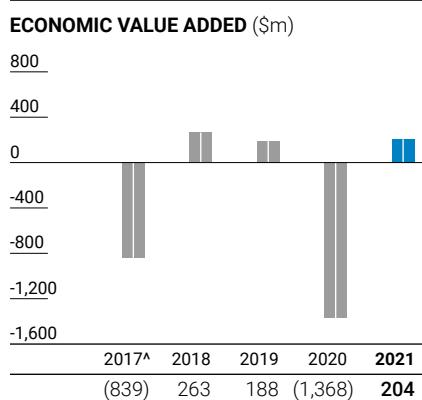
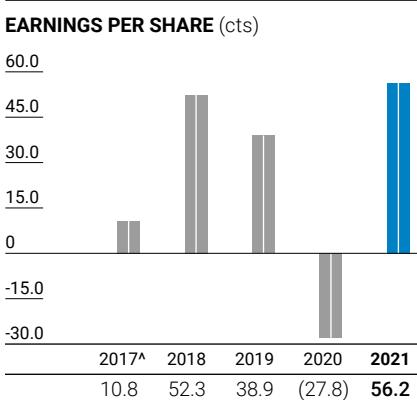
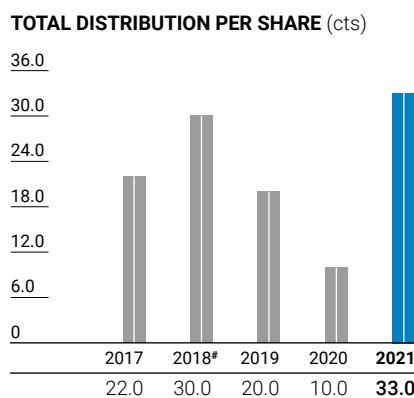
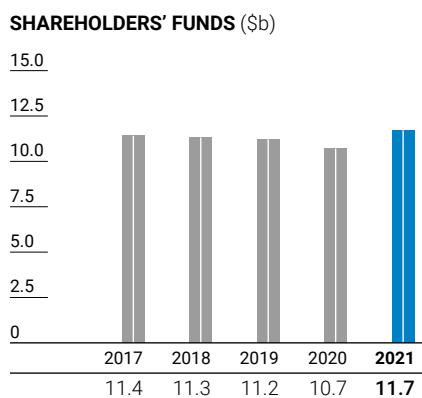
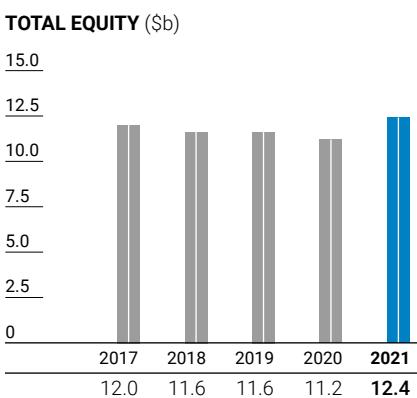
a final cash dividend of 21.0 cents per share as well as an interim cash dividend of 12.0 cents per share paid in the third quarter of 2021.

GOVERNMENT ASSISTANCE & TAXES PAID

GRI 201-4

In 2021, the Group received a total of \$41 million in financial assistance from governments. Approximately 90% of financial assistance received was from the government of Singapore, comprising mainly Jobs Support Scheme¹ credits and levy rebates. The Group also received the Singapore Government's R&D grants and training grants as well as cash grants under its Jobs Growth Incentive, Wage Credit and Special Employment Credit schemes. The remaining 10% was mainly from the governments of Australia and China.

The Group pays taxes which are legally due in the jurisdictions where it conducts its activities. Significant assumptions are required in determining the provision for income taxes. The Group recognises liabilities for expected tax issues based



Includes the special dividend paid of 5.0 cents per share.

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

Economic Value Generated by Keppel	Economic Value Distributed to Others	Economic Value Retained by Keppel
\$9,490m This includes revenue, interest and investment income, and disposal gains.	OPERATING COSTS \$6,895m This includes purchases from suppliers and contractor costs, and other operating expenses.	\$607m The majority of this is invested in capital expenditure and acquisitions.
	EMPLOYEE WAGES & BENEFITS* \$1,115m	
	CAPITAL PROVIDERS \$608m This includes dividends and interest paid.	
	GOVERNMENTS \$260m This includes income taxes paid, net of refunds received.	
	COMMUNITIES^ \$4.6m This includes voluntary contributions to worthy social causes through charitable donations, community investments and commercial initiatives.	

* Excludes capitalised staff costs in stocks and work-in-progress, capital expenditure, and voluntary contributions from the Keppel Group's directors, senior management and staff to support COVID-19 relief efforts.

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

on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet in Keppel Corporation's Annual Report 2021.

The Group operates in more than 20 countries. In 2021, the Group contributed \$260 million in taxes to the various countries and tax jurisdictions in which it operates.

Information on the Group's tax payable by its various business segments in 2021 and total tax payable to governments over a five-year period are disclosed on pages 203 and 232 respectively of Keppel Corporation's

Annual Report 2021. Keppel also discloses its approach to tax risk management and governance in jurisdictions where it is a regulatory requirement.

The Group is mandated to file Country-by-Country Reports (CbCR) with Singapore's tax authority, the Inland Revenue Authority of Singapore (IRAS), annually. The CbCR will include information on the Group's global allocation of the income and taxes paid in different jurisdictions and other financial data. CbCR submitted to IRAS will be provided to tax authorities of jurisdictions with which Singapore has qualifying competent authority agreements for the bilateral automatic exchange of CbCR information.

EMPLOYEE COMPENSATION

In 2021, staff costs globally amounted to \$1,115 million² in the form of wages and

salaries, employer's contribution to Singapore's Central Provident Fund and other equivalent pension schemes in different countries, share options and share plans, as well as other staff benefits. The total workforce as at end-2021 was 16,089³.

ECONOMIC VALUE DELIVERED TO SOCIETY

GRI 201-1

In 2021, Keppel generated \$9,490 million of economic value for our stakeholders, which was distributed through our business operations to suppliers, contractors, subcontractors, employees, investors, governments and community organisations, among others. The majority of the economic value retained by Keppel after this distribution is invested in capital expenditure and acquisitions, as we seek to sharpen our competitive edge and stand ready to seize growth opportunities.

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

² Excludes capitalised staff costs in stocks and work-in-progress, capital expenditure, and voluntary contributions from the Keppel Group's directors, senior management and staff to support COVID-19 relief efforts.

³ The Group's average number of employees in 2021 was 16,393. The figures in this section do not take into account the headcount and staff costs of associated companies, whereby an associated company is an entity, not being a subsidiary, over which the Keppel Group has significant influence but not control.

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

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

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

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

2021 PERFORMANCE

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

99.92% of qualified suppliers endorsed the Supplier Code of Conduct or had their own codes of conduct which met Keppel's requirements.

Expanded tracking of Scope 3 emissions from 4 to 10 categories¹.

2022 TARGETS

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

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

Progressively expand coverage to include the remaining 5 out of 15 categories of Scope 3 emissions.

LONGER TERM TARGETS

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

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

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

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

OVERVIEW

GRI 3-3

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

REPORT BOUNDARY

GRI 3-3

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

MANAGEMENT APPROACH

GRI 3-3

The Group engages a total of more than 2,500 suppliers globally, with the majority of the suppliers in Asia and the Americas. Each business unit monitors the number and type of suppliers, as well as the spend value and geographical spread.

Key priorities of our supply chain management strategy include cost optimisation, product quality, track record of suppliers, as well as alignment to ESG criteria and ethical practices set out in Keppel's Supplier Code of Conduct.

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

As part of its Business Continuity Management processes, the Group has supplier diversification programmes in place to prepare for any major supply chain disruptions that may arise.

We are also progressively enhancing our identification and monitoring of the Scope 3 emissions generated by our supply chain¹, and are working with our suppliers and portfolio of investments to improve energy efficiency and reduce emissions where possible.

OUR SUPPLY CHAIN

GRI 2-6

Division	Description
Energy & Environment	<p>Keppel Offshore & Marine (Keppel O&M) works closely with subcontractors to construct, convert and repair offshore energy and infrastructure assets and marine vessels in our yards. Equipment manufacturers supply large-scale equipment such as thrusters, engines, winches, switchgear and variable control systems, as well as specialised purpose-specific equipment such as cryogenic systems and offshore drilling equipment, for installation on the offshore and marine vessels that Keppel O&M constructs for clients. We also procure shipyard-specific equipment such as cranes, forklifts, transporters and panel line systems. Bulk material suppliers supply us with steel plates, steel profiles, cables, piping and paint; and consumables such as fuel, grits and gases.</p> <p>Keppel Infrastructure engages consultants, system integrators, equipment manufacturers and suppliers, and subcontractors for the construction of plants and facilities and for the provision of environmental technology and new energy solutions. We also purchase raw materials, such as feedstock, to power the co-generation plant for our Energy Infrastructure business. In addition, we procure goods and services for the operations and maintenance of the plants and facilities. Some 72% of these suppliers are based in Asia and 26% in Europe.</p>
Urban Development	<p>Keppel Land engages consultants, contractors, and interior design firms to provide architectural and engineering design, construction and interior design services for our real estate developments.</p> <p>As a manager of real estate properties, we also employ facility management companies to service our commercial buildings.</p>
Connectivity	<p>Keppel Data Centres engages external contractors for the construction of new data centre facilities, and employs facility technician companies for regular equipment maintenance.</p> <p>Keppel Logistics engages contractors for transportation services, warehouse operations and facility maintenance. UrbanFox, Keppel Logistics' e-commerce logistics arm, engages crowdsourced drivers for last-mile delivery services through its online platform.</p> <p>M1 engages suppliers to support its supply of telecom equipment and services, terminals and devices, ICT solutions, software and computer hardware products, as well as cable installation. 89% of these suppliers are based in Singapore, in line with M1's primary market.</p>
Asset Management	<p>Keppel's asset managers engage subcontractors to ensure smooth operations and maintenance of the assets owned by the REITs and Keppel Infrastructure Trust. The supply chain for this business also includes mechanical and electrical equipment suppliers for some of our data centres, as well as property and facility management companies that provide building management, physical security, technical maintenance and routine cleaning services.</p>

¹ We currently cover 10 out of 15 categories of Scope 3 emissions. These include emissions from purchased goods and services, capital goods, fuel- and energy-related activities not included in Scope 1 or 2, waste generated in operations, business travel, employee commuting, use of sold products, downstream leased assets and investments. Emissions from franchises is not relevant for Keppel.

STRATEGIC PILLAR: RESPONSIBLE BUSINESS

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

ESG INTEGRATION IN SUPPLY CHAIN MANAGEMENT STRATEGY

We have woven ESG objectives into our supply chain management strategy. Keppel's suppliers are expected to conduct their business operations in an ethical and responsible manner with respect to legal compliance, anti-corruption, fair competition, confidentiality of information, record keeping and management of conflict of interests.

Suppliers are also expected to respect and uphold fundamental human rights in their operations, taking into account the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

In addition, suppliers must comply with the business units' industry-specific safety and health requirements, as well as have effective environmental management systems in place to manage environmental risks and impacts.

IDENTIFICATION OF CRITICAL SUPPLIERS

Identifying and auditing high ESG-risk critical suppliers enable us to better focus our efforts on improving sustainability practices and performance in our supply chain.

Critical suppliers are determined by the following factors: cumulative order value, single order value and order volume, and other business criteria such as component criticality and substitutability of products or services.

We have developed an audit framework since 2019 to manage sustainability risks among our critical suppliers. ESG risks are assessed based on a country risk perspective in areas such as human rights,

corruption, and the country's environmental regulatory framework.

SCREENING NEW SUPPLIERS

GRI 308-1 | 414-1

All suppliers are qualified in accordance with our requisition and purchasing policies, and screened based on ESG criteria including business conduct, human rights, safety and health, environmental management and compliance. In assessing the sustainability risks of potential suppliers, we review suppliers' industry reputation, track records, financial performance, security practices and certifications, with a preference for suppliers with certifications for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and OHSAS 18001 Occupational Health and Safety assessment series or ISO 45001 Occupational Health and Safety Management System or the equivalent. Under human rights, we evaluate suppliers' track records on issues such as child labour, forced labour, freedom of association, equal opportunity and fair compensation.

All new suppliers that provide Keppel with products and services valued at \$200,000 or more per contract or over cumulative purchase orders in the prior calendar year are expected to sign and abide by the Keppel Supplier Code of Conduct, which covers areas pertaining to business conduct, labour practices, safety and health, and environmental management. All Group companies are required to include the Code, which is available in multiple languages, as part of their supplier selection procedure. The Supplier Code of Conduct is available on Keppel Corporation's website. In 2021, 99.92% of qualified suppliers endorsed the code or have their own codes which met Keppel's requirements. The remaining 0.08%

comprised two suppliers who could not endorse the Code due to their respective company policies. The business unit's compliance team conducted further due diligence and assessed that these two suppliers have met Keppel's requirements and were fit to be appointed.

Keppel has also included the Keppel Supplier Code of Conduct and/or Compliance-related clauses into the standard terms and conditions for suppliers from July 2021.

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

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

The Group has also established an ESG scorecard since 2019 to help business units consolidate key ESG data of our suppliers, with a view to assess and monitor their sustainability performance on a more uniform basis. Keppel O&M, including its overseas entities, has included the ESG scorecard as part of its supplier qualification process. Similarly, Keppel Data Centres and Keppel Logistics started including the ESG scorecard as part of the screening process of new critical suppliers in 2021.

SUPPLIER SELECTION AND PERFORMANCE MANAGEMENT PROCESS



DUE DILIGENCE, RISK ASSESSMENT AND MITIGATION

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

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

Keppel O&M conducts regular internal audits of resident subcontractors to ensure their adherence to the International Labour Organisation's declaration on fundamental principles and rights at work and Singapore's Ministry of Manpower marine sponsorship scheme requirements for the employment of local and foreign employees.

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

Migrant workers are an important part of Keppel O&M's workforce. In line with our efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agents in 2021 to require that they abide by the Dhaka Principles for Migration with Dignity going forward. The Dhaka Principles are a set of human rights-based principles to enhance respect for the rights of migrant workers from the moment of recruitment, during overseas employment, and through to safe return to home countries. The principles include no charging of recruitment or placement fees to migrant workers, the provision of clear and transparent worker contracts and safe and decent living conditions, among others.

Suppliers of Keppel Infrastructure are required to establish and implement appropriate measures related to health

and safety, environment, financial standing and quality management. Suppliers are required to furnish their risk assessment in relation to health, safety and environment risks and safe work procedures for all work activities, as well as establish and implement appropriate measures to mitigate and/or prevent significant impacts, including environmental impact.

Keppel Infrastructure requires suppliers of hazardous substances or flammable materials to have appropriate emergency response plans. It also ensures that suppliers have the relevant certifications and licenses as required under the laws in the respective countries of operation before they are appointed. For example, Singapore-registered suppliers of goods and services are required to have a minimum of Level 2 and Level 3 bizSAFE¹ certifications respectively.

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

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

Keppel Land also conducts annual site visits and internal audits as part of its supplier due diligence process. All site audits, which focus mainly on environmental, health and safety compliance, were conducted in the respective countries. When lapses are

identified, the company's project team works closely with contractors to implement corrective action plans and preventive measures.

For instance, construction debris were found polluting the waterway at one of its residential developments in Singapore. The stop-work order was lifted only after the contractor has put in place appropriate control measures in their impact assessment to prevent similar incidents from recurring.

BUILDING CAPABILITIES

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

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

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

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

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

PRODUCT QUALITY AND SAFETY



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

Invest at least 20% of research and development (R&D) expenditure on sustainability-linked innovation.

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

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

2021 PERFORMANCE

Invested about 30% of R&D expenditure on sustainability-linked innovation in 2021.

Achieved high levels of customer satisfaction across our business units.

The majority of our operational units are certified to meet the ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems and ISO 45001 Occupational Health and Safety Management Systems standards¹.

2022 TARGETS

Invest at least 25% of R&D expenditure on sustainability-linked innovation.

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

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

LONGER TERM TARGETS

Invest at least 30% of R&D expenditure on sustainability-linked innovation by 2025.

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

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

OVERVIEW

GRI 3-3

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

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

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

REPORT BOUNDARY

GRI 3-3

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

MANAGEMENT APPROACH

GRI 3-3

Keppel continues to ensure that we uphold the highest standards of quality and safety for our products and services in our various business units, by adhering to the ISO 9001, ISO 14001, ISO 45001 and ISO 50001 standards for quality management, environment management, health, safety and environment (HSE), as well as energy management.

We conduct regular customer satisfaction surveys across our business units. In 2021, we achieved high levels of customer satisfaction for the various surveys conducted in Singapore and overseas.

PRODUCT QUALITY

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

Reflecting our commitment to execution excellence, 74% of our operational units including Keppel Infrastructure, Keppel Offshore & Marine (Keppel O&M), Keppel Land and Keppel Logistics' operations in Singapore are ISO 9001 certified.¹

BUSINESS SEGMENTS

Energy & Environment

Keppel is collaborating with upstream, midstream and downstream partners to develop decarbonisation solutions and new energy systems. We are leveraging Keppel's energy systems engineering expertise to develop new infrastructure, power systems and carbon capture technologies.

To accelerate the adoption of cleaner energy, Keppel O&M is building a Floating Living Lab, a first-of-its-kind offshore floating testbed for various clean energy solutions. In 2021, Keppel O&M and the Energy Market Authority jointly awarded a research grant to pilot Singapore's first floating Energy Storage System (ESS) on the floating living lab. The ESS can potentially reduce the footprint required for deployment by up to 40%. In addition, the ESS will be integrated with a smart energy management system which is supported by artificial intelligence and machine learning algorithms to enhance its operational efficiency.

Keppel O&M is also collaborating with Sumitomo Corporation to explore the ammonia fuel business in Singapore, including the implementation of ammonia bunkering and the expansion of the ammonia value chain in Singapore, which will contribute to the realisation of zero carbon shipping.

Keppel Infrastructure's new business pursuits and R&D efforts in 2021 include exploring the import of renewable energy into Singapore, developing electric vehicle charging infrastructure, securing Singapore's first Energy-as-a-Service contract, and studying the feasibility of developing an Asia-Pacific green ammonia supply chain.

Keppel Infrastructure is also providing other decarbonisation solutions for the energy and environmental sectors to help its customers and governments drive down their carbon emissions. In addition to its proven waste-to-energy (WTE) and district cooling solutions, Keppel is also actively exploring decarbonisation and circular economy solutions, including carbon capture, utilisation and storage, smart distributed energy resources, as well as various environmental sustainability technologies.

Urban Development

Keppel Land has set the benchmark for all its new Singapore developments and overseas commercial projects to be certified to the Building and Construction Authority of Singapore's (BCA) Green Mark Gold^{PLUS} standard, or its equivalent, and for all overseas residential developments to be certified to the BCA Green Mark Gold Standard, or its equivalent. All newly acquired completed commercial buildings are also required to be certified to the BCA Green Mark Gold standard, or its equivalent, within two years².

In 2021, Keppel Land was conferred the prestigious BCA Quality Excellence Award – Quality Champion (Platinum) for the third consecutive year, for its consistent achievement in developing high-quality buildings. The Keppel Towers redevelopment project in Singapore garnered the BCA Green Mark Platinum (Super Low Energy) award. In China, Phase 1 of Seasons City, comprising the retail mall and a 10-storey office tower, was conferred the BCA Green Mark Platinum award (Provisional), the highest accolade under the BCA Green Mark scheme.

In addition, Ocean Financial Centre³ became Singapore's first commercial building to achieve the WELL Health-Safety Rating by the International WELL Building Institute in 2021 for its robust HSE management.

¹ 74% of our operational units are ISO 9001 certified, while 68% and 74% are ISO 14001 and ISO 45001 certified respectively.

² Keppel Land's environmental targets apply to all projects where it has a majority stake and/or operational control.

³ Keppel REIT owns a majority stake in Ocean Financial Centre, which is managed by Keppel Land.

PRODUCT QUALITY AND SAFETY



M1 continues to roll out its 5G Standalone (SA) network, which achieved 50% outdoor coverage in Singapore as at end-2021.

Connectivity

From data centres to telecommunications services and subsea cable systems, Keppel is at the forefront of connecting people and businesses. The Group recognises the importance of providing quality connectivity services to customers and stakeholders as the digital economy grows.

In 2021, Keppel Telecommunications & Transportation entered into a joint build agreement with Facebook and PT Telekomunikasi Indonesia International to own and develop the Bifrost Cable System. The 15,000 km long, multiple-fibre paired cable, which is due to be completed by 2024, will be the world's first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and the Celebes Sea.

We are focused on delivering new generations of energy-efficient and green data centres. Keppel Data Centre is exploring the development of the world's first Floating Data Centre Park (FDCP) project to meet the needs of the burgeoning digital economy while freeing up valuable land. Envisaged to be situated near-shore, the FDCP harnesses seawater for cooling and uses the surrounding sea as a heat sink, reducing consumption of treated water and increasing cooling efficiency by up to 80% without using potable or industrial water in its cooling towers.

We are also rolling out M1's 5G Standalone network where it achieved 50% outdoor

coverage as at end-2021, and expects to achieve nationwide outdoor coverage by end-2022. M1 is undergoing a full digital transformation exercise, establishing a complete suite of business support systems in the cloud. Customers can use M1's data analytics to obtain real time information on bills and usage across devices, select services, or explore lifestyle options. M1 also partnered Samsung to be the first operator in the world to support Voice over 5G New Radio service on M1's 5G Standalone network.

In addition, M1 is collaborating with Amazon Web Services to launch Maxine, an AI-powered VoiceBot for M1's hotlines, which will improve contact centre agent productivity and end-user customer experiences.

Asset Management

In the Asset Management segment, we continued to create value for Keppel and investors in 2021. Keppel Capital grew its Asset Under Management (AUM)¹ to \$42 billion, an increase of about 14% from \$37 billion a year ago.

We also deepened OneKeppel collaboration to tap third-party funding for growth. During the year, the OneKeppel Data Centre and OneKeppel Infrastructure teams, comprising talents and expertise from various business units and functions, were established to focus on investments in data centres and various infrastructure asset classes respectively, including renewables, decarbonisation and

environmental solutions. OneKeppel Teams adopt a cradle-to-maturity approach in evaluating opportunities across the projects' development stages, whether they are investments by the Group's operating entities, private funds, and/or listed REITs and business trust, thereby encouraging the integration of Keppel's business units and value chains.

HEALTH & SAFETY IMPACTS OF PRODUCTS & SERVICES

GRI 416-1

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

Design for Safety (DfS) is mandated for all major development works in Singapore under WSH (Design for Safety) regulations. Keppel has extended the DfS to overseas projects in 2021. To facilitate this process, the Company has developed appropriate guidelines to help it work closely with all stakeholders such as architects, engineers and consultants to reduce design risks at their source. It also helps to promote safer design solutions over the entire project lifecycle.

Functional divisions, as well as project and plant managers, are responsible for the oversight of product and service safety.

¹ Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested AUM.

As customers' health and safety is a priority, any negative feedback or complaints pertaining to our products or services as well as any penalties levied are taken seriously. There were no recorded complaints or violations in 2021.

All operational management and quality control systems at Keppel O&M are aligned to its business excellence roadmap and framework. Clients are briefed on the management systems in place to address project-specific HSE risks. Our project teams conduct regular site audits to ensure compliance to clients' HSE standards. Keppel O&M's solutions can be certified to American Bureau of Shipping, DNV, Bureau Veritas and Russian Maritime Register of Shipping classifications, depending on clients' needs.

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

Keppel's data centres in Singapore are certified to the Singapore Standards' SS 507 ICT for information and Communications

Technology disaster recovery services, the ISO 24762 ICT technology disaster recovery management standards and the Monetary Authority of Singapore's Threat and Vulnerability Risk Assessment.

In terms of energy and water efficiency, Keppel's data centres in Singapore are also certified to the SS 564 Sustainable data centre management, ISO 50001 energy management systems and SS 577 water efficiency management systems.

M1 has been working with partners to operate electronic waste (e-waste) collection bins at M1 shops across Singapore since 2017, then part of the National Voluntary Partnership for E-Waste Recycling. Though the partnership has since made way for the National Environment Agency's new regulated e-waste management system, M1 continues to offer this service. These e-waste collection bins can accept SIM and memory cards for recycling, in addition to laptops, mobile phones, chargers, and cables. M1 is also certified to the ISO 22301:2019 Business Continuity Management System, which is designed to help organisations prepare for, respond to, and recover from unexpected and disruptive incidents. In 2021, M1 conducted a surveillance audit exercise for the Infocomm Media Development Authority's Data Protection Trustmark certification.

Personal data protection training is also carried out at the Group level and mandatory for all employees.

TECHNOLOGY & INNOVATION

In line with Keppel's focus on sustainability, about 30% of the Group's R&D expenditure in 2021 was invested in sustainability-linked innovation, such as energy efficient technologies, green features and smart buildings.

Keppel's efforts to foster innovation and invest in technology are driven both centrally and at the business unit (BU) level. Keppel Technology & Innovation (KTI) was established in 2018 and serves as the Group's platform to sharpen its focus on innovation, provide technology foresight and identify opportunities in collaboration with BUs. In 2021, KTI's focus was on five key underlying technologies – digitalisation and automation, advanced analytics, new energy systems, smart engineering, and 5G & the Internet of Things (IoT).

At the BU level, dedicated innovation teams such as Keppel Infrastructure's Keppel Energy Transition Centre (KETC) and Keppel Land's Innovation Agile Team (IAT) work in collaboration with KTI to identify, scope and pursue ideas and projects within their respective segments.



In 2021, the Keppel Marina East Desalination Plant was named 'Desalination Plant of the Year' at the Global Water Awards, which recognise the industry's most important achievements.

PRODUCT QUALITY AND SAFETY

KETC was established in 2021 as Keppel Infrastructure's technology and innovation arm. KETC aims to harness technological foresight and accelerate innovation and technology development with the goal of positioning Keppel Infrastructure at the forefront of the energy transition to capture opportunities presented by this macrotrend. KETC will collaborate with multiple parties to facilitate global ecosystem partnerships, promote open innovation and co-creation, including low-carbon living labs and new digital business models, leveraging Keppel's global business footprint.

Keppel Land's Innovation Agile Team (IAT) focuses on business model innovation for urban spaces as the company transforms from a brick-and-mortar developer to an asset-light solutions provider for urban spaces to reinvent the way it delivers value to its customers. IAT's key thrusts include facilitating new business ideas, promoting innovation-related best practices, engaging with property technology (PropTech) venture capital and the start-up ecosystem in collaboration with government agencies, and taking strategic stakes in promising PropTech-related venture capital funds and start-ups.

Beyond in-house capabilities, the Keppel Technology Advisory Panel, comprising eminent business leaders and industry experts from across the world, helps the Company keep abreast of the changing global landscape and guides our innovation journey.

With effect from 1 March 2022, Keppel has appointed a Chief Digital Officer (CDO). It also set up a Group Digital Office to drive digital transformation, as well as a Digital Transformation Steering Committee, which is chaired by the CDO.

Read more about our technology and innovation initiatives on pages 22 and 23 of our Annual Report 2021.

COMPLIANCE

GRI 2-27 | 416-2

Keppel subscribes to best practices and complies with all applicable legislations and requirements. Keppel is not aware of any violation of laws, regulations and voluntary codes pertaining to the health and safety of its products and services in 2021.

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



 The Keppel Technology Advisory Panel (KTAP), comprising eminent business leaders and industry experts from across the world, guides the Group's innovation journey. *From left:* Mr Danny Teoh (Chairman of Keppel Corporation), KTAP members including Professor Cheong Koon Hean, Dr Ng Wun Jern (Chairman of KTAP) and Mr Ed Ansett, as well as Mr Loh Chin Hua (CEO of Keppel Corporation). Not in picture: KTAP members Dr Romain Debarre and Mr Chua Kee Lock.

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

Conduct engagement surveys to track and enhance employee engagement.

Continue to promote diversity and equal opportunity in the workplace.

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

2021 PERFORMANCE

Achieved an overall engagement score of 84% in the 2021 Global Employee Engagement Survey, higher than Mercer's global average of 80%.

88% of respondents indicated that they would go beyond the norm to contribute to Keppel's success.

59% of staff in Keppel Corporation's Corporate Office are females. Females also represent about 30% of our senior management and managerial positions in the Group.

Recorded an average of 20 hours of training per employee.

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

2022 TARGETS

Conduct engagement surveys to track and enhance employee engagement.

Promote diversity and equal opportunity in the workplace.

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

LONGER TERM TARGETS

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

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

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

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

OVERVIEW

People are our most valuable asset and are fundamental to Keppel's performance. The Group is committed to building an organisation where employees are engaged and motivated to give their best. We place strong emphasis on attracting and developing a deep talent pool to ensure that we have the necessary skillsets to enable Keppel's next phase of growth.

REPORT BOUNDARY

The data reported in this section takes into account significant subsidiaries and associated companies in which the Group has a stake of 51% or more. Our total workforce across more than 20 countries was 16,089 as at end-2021. The figure comprises full and part-time permanent employees, and excludes the workforce of our contractors.

MANAGEMENT APPROACH

GRI 2-30 | 3-3 | 401-2 | 401-3 | 404-3 | 405-2 | 406-1

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

We respect and uphold the fundamental principles of human rights, and are committed to diversity, including gender diversity. We also strive to strengthen our people capabilities through driving a proactive learning culture and growing digital readiness, and promote the well-being of our employees, including mental health, through various programmes.

FAIR EMPLOYMENT

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

We are a Human Capital Partner of the Human Capital Partnership Programme, a tripartite initiative that brings together exemplary employers in Singapore with progressive employment practices and are

firmly committed to developing their human capital. We endorse Singapore's Tripartite Guidelines on Fair Employment Practices and are a signatory of the Employers' Pledge of Fair Employment Practices. Keppel Corporation is also a signatory of the Singapore Business Federation's Sustainable Employment Pledge.

Globally, 3,152 people were hired in 2021, of which 63% were males and 37% females.

We believe that hiring from local communities enhances our ability to understand local needs and strengthens our capabilities on the ground. We also develop talents locally to assume management positions. Across our business units, 80% of our senior management and 72% of our employees are citizens or permanent residents of the countries in which they work.

We promote internal mobility, where employees are encouraged to take charge of their careers and seek out internal opportunities to develop their skills and career tracks. In 2021, 17% of the open positions were filled by internal candidates/hires.

To support employees through their career transitions, human resource teams re-deploy suitable employees to other roles within the Group where appropriate, offer re-employment to eligible older employees, and provide transitional assistance such as career coaching, training programmes and training funds for employees to upskill and reskill themselves.

Keppel also supports re-employability beyond the statutory retirement age. Eligible employees are offered post-retirement employment opportunities, in line with the Singapore Tripartite Guidelines on the Re-employment of Older Employees. As at end-2021, there were 153 re-employed staff in the Group, of whom 55 were re-employed in 2021.

In recognition of our talent acquisition efforts, Keppel was awarded the Gold Standard for Talent Acquisition under the HR Practice Awards category at the 15th Singapore HR Awards organised by the Singapore Human Resources Institute.

In 2021, our voluntary turnover rate was 17.8%. The involuntary turnover rate was 10.8%, of which 2.9% was due to retirement.

COMPENSATION & BENEFITS

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

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

Performance reviews are conducted for permanent employees. We also encourage continuous performance conversations between employees and their reporting managers to complement performance reviews. Keppel uses the management by objectives process where pre-defined and measurable goals are set jointly by the employee and his/her line manager, systematically followed up on and assessed on an annual basis. Comparative rankings in which employees' performance is reviewed against their peers in the same group are also conducted, where relevant.

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

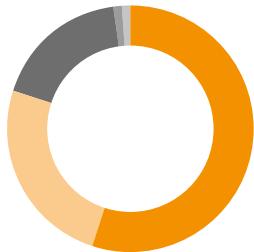
Migrant workers are an important part of our workforce in Singapore, especially at Keppel Offshore & Marine (Keppel O&M). Many of these workers have been with the Company for many years and have risen to supervisory positions. Besides competitive wages and bonuses for eligible employees, migrant workers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

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

OUR GLOBAL WORKFORCE

GRI 2-7 | 405-1

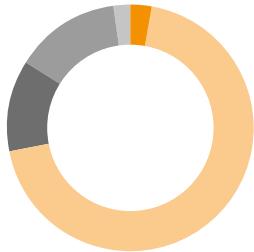
DISTRIBUTION BY REGION



	No. of Employees	%
● Singapore	8,881	55
● Australia & Asia (excluding Singapore)	3,948	25
● Americas	2,933	18
● Middle East	212	1
● Europe	115	1
Total	16,089	100

Employees (%)		Senior Management ^b (%)	
Local Hires ^a	Foreigners	Local Hires ^a	Foreigners
53	47	92	8
100	0	75	25
99	1	40	60
0	100	0	100
100	0	100	0
72	28	80	20

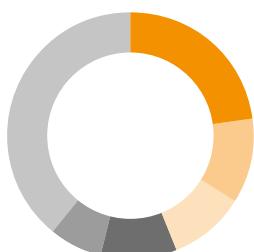
DISTRIBUTION BY SEGMENT



	No. of Employees	%
● Corporate Office ^c	462	3
● Energy & Environment	11,065	69
● Urban Development	2,006	12
● Connectivity	2,259	14
● Asset Management	297	2
Total	16,089	100

Employment Type (%)	
Permanent	Contract
95	5
85	15
92	8
84	16
90	10
86	14

DISTRIBUTION BY NATIONALITY



	No. of Employees	%
● Singapore	3,736	23
● India	1,727	11
● China	1,668	10
● Brazil	1,644	10
● Philippines	1,152	7
● Others	6,162	39
Total	16,809	100

Share of senior management, managerial and executive positions ^b (%)
78
30
49
13
38
62

^a Local hires are defined as citizens or permanent residents of the country in which they work.

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

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

RETURN TO WORK RATE

OF EMPLOYEES POST MATERNITY/PATERNITY LEAVE^d

	No. of Employees		No. of Employees (%)	
	Singapore	Global	Singapore	Global
Total	213	332	100	100
Female	99	136	100	99.5
Male	114	196	100	99.7

^d Figures on maternity and paternity leave comprises data from the following countries where data is available: Singapore, Brazil, China, the Philippines, the United States and Vietnam.

STRATEGIC PILLAR: PEOPLE AND COMMUNITY

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

EMPLOYEE DEMOGRAPHICS

GRI 2-7 | 405-1

BY GENDER (%)

	Male	Female
Overall	78	22
By Region		
Singapore	79	21
Australia & Asia (excluding Singapore)	65	35
Americas	92	8
Middle East	95	5
Europe	76	24
By Segment		
Corporate Office	41	59
Energy & Environment	90	10
Urban Development	48	52
Connectivity	59	41
Asset Management	48	52
By Employment Type		
Permanent	77	23
Contract	85	15
Full-time	78	22
Part-time	51	49
By Management Level^a		
Senior Management	80	20
Managerial	69	31
Executive	67	33
Non-Executive	60	40
Industrial/General	98	2
By Function		
Revenue-generating ^b	85	15
STEM-related ^c	83	17

BY AGE GROUP (%)

	<30 years old	30 to 39 years old	40 to 49 years old	50 years old & above
Overall	15	37	30	18
By Segment				
Corporate Office	12	38	32	18
Energy & Environment	15	36	30	19
Urban Development	15	41	31	13
Connectivity	18	36	29	17
Asset Management	14	46	27	13

BY EDUCATIONAL QUALIFICATION (%)

	Post-graduate	Bachelor's Degree	Post Secondary/ Pre-U/ Vocational	Secondary	Primary & below
Overall	5	29	28	27	11
By Segment					
Corporate Office	16	60	18	4	2
Energy & Environment	4	21	30	34	11
Urban Development	9	38	23	10	20
Connectivity	6	45	28	19	2
Asset Management	17	64	5	9	5

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

^b Includes business development, commercial, engineering, fund management, project development, sales and trading.

^c Science, Technology, Engineering and Mathematics-related.

Eligible working parents in Singapore are entitled to up to six days of paid childcare leave annually. Under our Flexible Benefits Programme, employees can claim for child-related expenses such as maternity, paediatric and preschool expenses.

Employees with newborns also qualify for a top-up to their Flexible Benefits spending account. In addition, lactation facilities are available for nursing employees. We also provide flexible working hours, work-from-home and part-time working arrangements, subject to mutual agreement with the Head of Departments, for employees who need to manage work and personal commitments.

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

Keppel also abides by the equivalent regulations in other countries where we operate. For example, in China, Keppel's entities and employees make monthly contributions to the social security system which comprises five types of insurance, namely pension, medical, unemployment, maternity and injury, and a mandatory housing fund. Contribution rates and caps for each benefit vary according to local jurisdictions. In Brazil, Keppel and its employees contribute monthly to the National Institute of Social Security which works as a social protection system to ensure the livelihood of workers and their families in instances such as illness, accident, disability, pregnancy or incarceration. In the Philippines, Keppel and its employees make monthly contributions to the state-run Social Security System.

HUMAN RIGHTS

HUMAN RIGHTS COMMITMENT

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

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

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

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

We oppose discrimination on any basis, inclusive of any bias due to ethnicity, gender, religious beliefs, nationality, age or any disability.

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

Our suppliers are also expected to abide by the Keppel Supplier Code of Conduct, which holds them accountable for responsible labour practices in their operations.

HUMAN RIGHTS DUE DILIGENCE, RISK ASSESSMENT AND RISK MITIGATION

GRI 2-16

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

The whistle-blower reporting channel, which is available publicly online, is widely communicated and made accessible to all stakeholders. Any issues raised through the whistle-blower channels, including human rights, discrimination and harassment issues, will be thoroughly investigated. Details of our whistle-blower reporting mechanism and investigation process can be found on page 104 of our Annual Report 2021.

NEW HIRES

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

BY REGION

	No. of Employees	%
Total	3,152	100.0
Singapore	1,039	33.0
Australia & Asia (excluding Singapore)	469	14.9
Americas	1,629	51.7
Middle East	5	0.1
Europe	10	0.3

BY GENDER & AGE GROUP

	Gender (%)		Age Group (%)			
	Male	Female	<30 years old	30 to 39 years old	40 to 49 years old	50 years old & above
Overall	63	37	34	35	22	9
Corporate Office	52	48	25	44	24	7
Energy & Environment	67	33	34	32	23	11
Urban Development	44	56	32	46	18	4
Connectivity	61	39	37	39	17	7
Asset Management	53	47	29	47	19	5

TURNOVER

GRI 2-7 | 401-1

BY TOTAL TURNOVER & TURNOVER RATE

	2019	2020	2021
Employee Turnover	2,300	1,923	2,856
Voluntary Turnover Rate ^a (%)	10.9	10.9	17.8
Involuntary Turnover Rate (%)	–	–	10.8
Total Turnover Rate (%)	–	–	28.6

	Employee Turnover	Voluntary Turnover Rate ^a (%)	Total Turnover Rate (%)
Total	2,856	17.8	28.6
By Region			
Singapore	1,669	10.4	13.5
Australia & Asia (excluding Singapore)	610	3.8	8.9
Americas	553	3.4	5.9
Middle East	18	0.1	0.2
Europe	6	0.1	0.1
By Gender			
Male	2,206	13.7	22.5
Female	650	4.1	6.1
By Age Group			
<30 years old	993	6.2	8.5
30 to 39 years old	1,194	7.4	11.5
40 to 49 years old	487	3.0	5.4
50 years old & above	182	1.2	3.2
By Management Level^b			
Senior Management	8	0.1	0.1
Managerial	184	1.2	1.7
Executive	935	5.8	7.7
Non-Executive	536	3.3	6.6
Industrial/General	1,193	7.4	12.5

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

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

STRATEGIC PILLAR: PEOPLE AND COMMUNITY

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

GENDER PAY

GRI 405-2

BY EMPLOYEE CATEGORY (%)

	Average Female to Male Base Salary
Overall	91.4
Senior Management ^a	102.3
Management level	99.7
Non-management level	90.2

^a Senior management is defined as individuals at the top management level. They generally head departments or entities and may have Profit and Loss responsibilities.

In 2021, 25 incidents relating to workplace behaviour¹ were made via the whistle-blower channel globally. These were referred to the respective business units for review and investigation. Appropriate remedial actions including financial and non-financial compensation were taken for all confirmed grievances and complaints. Most of the issues raised have been addressed and cases have been closed, while investigations are ongoing for the remaining cases.

As part of our risk-based internal audit process, compliance with regulations issued by the Ministry of Manpower (MOM) and the Dhaka Principles for Migration with Dignity² are reviewed with regards to the hiring and management of migrant labour for Keppel O&M. Keppel O&M has a process to conduct periodic interviews with foreign workers employed by resident contractors to detect unfair employment practices, including delays in salary payments. A helpline is also available for workers to report any grievances.

TRAINING & TALENT DEVELOPMENT

GRI 404-1

TRAINING HOURS PER EMPLOYEE (hrs)

	2019	2020	2021
Global	28	19	20
Singapore	35	18	18

AVERAGE TRAINING HOURS PER EMPLOYEE (hrs)

	Hours
By Employee Category^b	
Senior Management	39
Managerial	32
Executive	20
Non-Executive	19
Industrial/General	17
By Gender	
Male	23
Female	19

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

To continuously enhance our human resources practices, including those related to human rights, we participate in certification processes, such as those organised by the Top Employers Institute, a global authority on people practices. This serves to audit and benchmark Keppel's labour practices against international best practices, including the monitoring of gender pay equality; availability of confidential reporting channels and adequate follow-up processes to report ethical violations, discrimination, bullying, harassment and training to support leaders in identifying issues related to micro-aggression, harassment, and discrimination. In 2022, Keppel was certified as a Top Employer in Singapore for the third year running.

COLLECTIVE BARGAINING

GRI 2-30

Unions are our partners and we place great emphasis on maintaining harmonious and collaborative relationships with them. Of our global workforce that are eligible for union representation, approximately 82.6% are union members who are covered by collective agreements. This is approximately 29.8% of our global workforce.



 Women are an integral part of Keppel's workforce and have long played a pivotal part in the Keppel story. In celebration of International Women's Day in 2022, Keppel continued its series on LinkedIn featuring dynamic women leaders from across the Group, who shared insights on their careers and the importance of diversity in the workplace.

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

Guidelines are in place for the appropriate management of grievance cases.

For unionised companies, employee grievances are resolved according to the grievance handling protocol spelt out in the respective agreements.

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

Across our businesses worldwide, there were 14 grievance cases³ reported in 2021, all of which have been resolved.

DIVERSITY & INCLUSION

GRI 405-1 | 405-2 | 406-1

We value and respect all employees regardless of ethnicity, gender, religious beliefs, nationality, age or any physical disability. Our stance on diversity and inclusion is articulated in our Corporate Statement on Diversity and Inclusion, which is publicly available on our website.

Our hiring policies ensure equal employment opportunities for all. Our employment statistics, which are reviewed regularly, illustrate the diversity of our workforce. As at 31 December 2021, 22% of our employees are female. We recognise that there are certain sectors in our businesses, such as Energy & Environment, which tend to attract larger proportions of male employees due to the nature of the jobs.

At our corporate office and in certain parts of our businesses, female employees account for more than half of our workforce. 59% of the staff in Keppel Corporation's Corporate Office, 52% in Urban Development and 52% in Asset Management are females. Females represent about 30% of our senior management and managerial positions in the Group.

Across our global operations, female employees are fairly compensated based on merit, skills and relevant experience for comparable roles. In 2021, the average base salary of female employees was 91.4% that of male employees⁴. For senior management, the average base salary of female employees was 102.3% that of male employees.

TRAINING & TALENT DEVELOPMENT

GRI 404-1 | 404-2

We empower employees through learning and development programmes and encourage them to reach their full potential. In 2021, the overall global average number of training hours⁵ per employee was 20 hours, with an average of 23 hours for females and 19 hours for males.

The global average amount invested per full-time employee on training and development was about \$300. Due to the COVID-19 pandemic, digital learning was stepped up during the year with more e-learning platforms adopted, empowering employees to pursue learning opportunities online while working from home.

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

TALENT MAPPING

As part of the Group's strategic workforce planning, we embarked on a Talent Mapping exercise in 2021. The objective was to assess our current capabilities and to identify future capabilities needed to drive and execute Vision 2030, our long-term strategy to guide the Group's growth and transformation.

Using people analytics, the exercise provided business units the opportunity to take stock of the skills, experience and mindsets needed in our workforce, identify talent gaps and put to plan actions to address the gaps. Development, redeployment and recruitment decisions were made with the insights gathered from the exercise. Moving forward, talent mapping will be an ongoing and iterative process to support the Company's future needs.

FEMALE REPRESENTATION

30%

Of senior management and managerial positions in the Group are occupied by females.

EMPLOYEE ENGAGEMENT SCORE

84%

Achieved in the 2021 Global Employee Engagement Survey, higher than Mercer's global average of 80%.

¹ Includes discrimination and harassment allegations.

² The Dhaka Principles are a set of human rights-based principles to enhance respect for the rights of migrant workers from the moment of recruitment, during overseas employment, and through to safe return to home countries. The principles include no charging of recruitment or placement fees to migrant workers, the provision of clear and transparent worker contracts and safe and decent living conditions, among others.

³ In Singapore, a "workplace grievance" is as defined by the Ministry of Manpower, i.e. "discontent or the feeling of being victimised at work". Our overseas business units reference the following in defining a workplace grievance – the Keppel Group Code of Conduct, the employment laws and regulations of the country of operation, and the collective agreement between the company and the employee union, where applicable.

⁴ The mean gender pay gap is 8.6%.

⁵ Training hours reported in this section exclude on-the-job training.

STRATEGIC PILLAR: PEOPLE AND COMMUNITY

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

LEARNING PLATFORMS

To stay relevant, competitive and respond quickly to future skills needs, we continually assess and align our learning strategy to achieve Vision 2030. The four key goals of Keppel's learning strategy are to increase Keppel learning outreach globally, increase digital readiness, ensure Keppelites are Vision 2030-ready and build a high performing team culture. We incorporate Keppel's core values and engagement pillars into our learning objectives and aim to facilitate employees' learning to enable them to learn anytime and anywhere.

Keppel has put in place the Keppel Learning Academy learning platform, which comprises four Centres of Learning to cater to employees' learning needs at different stages of their careers. The programmes offered under the Academy are conducted in partnership with various industry experts and higher learning institutes such as the National University of Singapore, Nanyang Technological University and INSEAD.

Keppel's Centres of Learning enable employees to navigate learning solutions

KEPPEL LEARNING PRINCIPLES GUIDE THE IMPLEMENTATION OF OUR LEARNING SOLUTIONS	
K	KEEP LEARNING SIMPLE
E	ENCOURAGE A CULTURE OF LEARNING
P	PERSONALISE SOLUTIONS TO SUIT BUSINESS NEEDS
P	PRIORITISE LEARNING FOR VISION 2030
E	EQUIP WITH FUTURE READY KNOWLEDGE, SKILLS, AND APPLICATION
L	LEARN ANYTIME AND ANYWHERE

easily, deliver value to our clients and contribute to a sustainable future. The programmes include:

- **Keppel 101:** Provides mandatory knowledge and skills that aim to strengthen employees' foundation in areas such as safety, compliance and risk management.
- **Keppel ACES:** Focuses on digital transformation and topics relating to Artificial Intelligence, Culture and cloud, Emerging technologies, as well as Science and Solutions.
- **Keppel Leadership Essentials:** Builds soft skills and leadership capabilities through programmes on leadership, Emotional Intelligence and general business skills.
- **Keppel Specialists:** Builds functional technical skills such as human resource and financial competency across business units to address business needs.

In July 2021, Keppel held its inaugural Global Learning Festival, which comprises a series of webinars to encourage Keppelites around the world to upskill and acquire new knowledge in the journey towards achieving Vision 2030. The Festival aims to promote and celebrate learning, and make learning fun and easily accessible to all Keppelites. Held over three days, 15 experts and speakers from within and outside the organisation covered a wide range of topics, including sustainability, business innovation, artificial intelligence, agility, diversity, and coaching. More than 2,500 Keppelites from 14 countries participated, clocking a total of 4,611 hours of learning.

Keppel's business units also organised various learning activities. For example, Keppel Capital ran a week-long virtual learning festival in August 2021 with talks related to digitalisation and sustainability, to encourage employees to stay updated on key industry trends. There were also hands-on programmes to equip employees with skills for the digital economy, such as Microsoft Visual Basic for Applications and Introduction to Python Programming. Keppel Land rolled out a suite of innovation-related training in 2021, while Keppel O&M renewed its MOU with the National University of Singapore to collaborate in the areas of Industry 4.0, Renewables, Data Science and Artificial Intelligence.

CAREER DEVELOPMENT PROGRAMMES

Over 750 Keppelites from across six countries participated in Keppel's inaugural International Career Week held in April 2021. The initiative seeks to better

equip Keppelites with the skills to develop their careers and comprised a series of webinars on topics such as the future of skills in the workplace, professional image at work, creating a fulfilling career path and unlocking leadership potential. The webinars featured internal speakers from across the Group as well as external speakers from organisations including the Career Development Association of Singapore and LinkedIn.

In 2021, we relaunched the Career Conductor Programme, which is an initiative that encourages Keppelites to take charge of their careers through having conversations with management. Career conductors are employee volunteers with career and/or leadership experience, who are keen to share their experiences and life journeys to guide fellow employees. They are trained to share with Keppelites how they can leverage various career tools for professional development.

LEADERSHIP PROGRAMMES

We are committed to developing future leaders and managers by equipping them with skills and capabilities to inspire our people to give their best and to drive sustainable growth for our businesses. We offer a diverse range of leadership and development programmes that are regularly refreshed to suit the Group's evolving needs.

Employees under the Keppel Young Leaders programme, which is the Group's platform to nurture young talents, are given opportunities to lead high-impact projects with guidance from senior management across the Group.

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

The Advanced Leaders Programme is a five-day executive development programme designed in partnership with INSEAD and delivered by the school's resident faculty. Targeted at selected senior leaders, the programme aims to deepen their knowledge in areas which are pertinent in driving business performance such as corporate strategy, strategic alliances, value innovation,



At the Global Keppelites Forum 2021, Mr Loh Chin Hua, CEO of Keppel Corporation, spoke on the challenges and opportunities created by the shifting global landscape, the impact of the COVID-19 pandemic on businesses, as well as the Group's Vision 2030 roadmap.

and strategic thinking and execution, as well as sharpen their interpersonal skills and leadership styles to be inspirational and influential leaders.

The Emerging Leaders Programme is a five-day leadership development programme developed in collaboration with the Nanyang Technological University's Nanyang Business School. It aims to groom high-potential, early-career employees to take on more senior level roles as they advance in their careers by cultivating their strategic leadership capabilities and skills, reinforcing their understanding of Keppel's business strategy, as well as honing their learning agility and ability to work with and influence others.

The People Manager Programme is a three-month holistic development programme that focuses on developing team management skills. The programme takes a blended learning approach that comprises self-paced online content and instructor-led modules. As part of the programme design, participants also have bi-monthly reflection conversations with their managers to share their journey and gain insights from an experienced manager.

Leadership development programmes are also run at the business unit level. For example, to build a high trust and agile culture, 87 employees at Keppel Land underwent a three-month executive conversation series to hone their skills as effective people managers.

INDUSTRY PROGRAMMES

The Group makes significant investments to equip employees with up-to-date operational skills and certifications. We support employees at all levels of the Company in furthering their education. In 2021, Keppel O&M sponsored three employees to pursue further studies.

GOVERNMENT WORKFORCE PROGRAMMES

In partnership with the Singapore Government, the Group supports the Singapore-Industry Scholarship which sponsors Singapore citizens pursuing their undergraduate studies in areas related to Singapore's strategic sectors. In 2021, the Group supported five students in the programme.

To date, Keppel has taken in 77 trainees as part of the Singapore Government's SGUnited Traineeship and Mid-Career Pathways programmes, which aim to help fresh graduates and mid-career individuals develop their skills professionally and widen their professional networks while preparing for more permanent jobs in the future. Keppel has since converted 31% of the trainees to full-time employees across functions such HR, finance, engineering, investor relations, marketing, data analytics and sustainability.

In addition, in partnership with Ngee Ann Polytechnic, Keppel onboarded 14 aspiring data analysts for a six-month work attachment in 2021, under

the SGUnited Skills Programme for data analytics.

EMPLOYEE ENGAGEMENT

EMPLOYEE ENGAGEMENT SURVEY

To better understand what motivates employees and support the Company's transformation efforts, we have been conducting engagement surveys at the Group level since 2009. In the Keppel Global Employee Engagement Survey 2021, we achieved a strong response rate of 95% from a sample size of over 5,000 employees. Despite the disruptions caused by the pandemic, our workforce has remained highly engaged. The Group achieved an engagement score of 84%, which is 4% above Mercer's global average and about 6% above Mercer's Singapore average.

EMPLOYEE ENGAGEMENT INITIATIVES

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

The seventh edition of the Global Keppelites Forum, a Group-wide town hall meeting, was held in February 2021. The forum was held at the Keppel Leadership Institute, with a small live audience on site in compliance with safe management measures, and over 2,000 Keppelites in Singapore and around the world tuning in via live webcast. During the session, Keppel Corporation's CEO

STRATEGIC PILLAR: PEOPLE AND COMMUNITY

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS



Despite the disruptions caused by the pandemic, our workforce has remained highly engaged. The Group achieved an engagement score of 84% in the 2021 Global Employee Engagement Survey.

Mr Loh Chin Hua spoke on the challenges and opportunities created by the shifting global landscape, the impact of the COVID-19 pandemic on businesses, as well as the Group's Vision 2030 roadmap.

BUILDING STRONG TEAMS

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

WORKFORCE WELL-BEING

We are committed to the well-being of our entire workforce. This includes migrant workers who live and work away from their families.

Amidst the COVID-19 pandemic, the Group continued to adapt many processes and programmes, and organise well-being initiatives to help employees work from home effectively and care for their overall health and well-being. An employee assistance programme is also available to provide mental health support for employees and their dependents.

To support holistic employee well-being in the workplace, the Group launched a Financial Well-being Month in March 2021

and organised the Physical Well-being Month and the Mental Well-being Month in June and October 2021 respectively. Virtual activities, such as a global steps challenge and informative webinars, were organised during these months to help employees to better care for their financial, physical, and mental health. The Group also organised its regular Appreciation Month in August with a series of activities to recognise Keppelites for their hard work and commitment.

In recognition of Keppel's commitment to employee well-being, we were awarded the Gold award for Excellence in Workplace Well-being at the HR Excellence Awards Singapore 2021 by Human Resources Online and received the Silver Standard for Employee Well-being under the HR Practice Awards category at the 15th Singapore HR Awards organised by the Singapore Human Resources Institute.

SUPPORTING NATIONAL DEFENCE

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

Spotlight

Caring for migrant workers

Migrant workers are an important part of Keppel's workforce and we are committed to caring for their health, safety and well-being. In 2021, amidst the pandemic, we continued to focus on the physical and mental well-being of our migrant workforce.

CARING FOR WORKER HEALTH

Almost all our direct and indirect migrant workers, except for individuals who are not eligible, have received COVID-19 vaccination. At the same time, we continued to implement strict Safe Management Measures including social distancing, split location arrangements, shift work, division of our yards into separate zones to increase segregation and reduce worker density, as well as regular cleaning and disinfection of common areas.

In addition to supporting our own workers, 50 volunteers, including migrant workers, from Keppel Offshore & Marine (Keppel O&M) assisted with the COVID-19 vaccination exercise for frontline staff and migrant workers in the offshore & marine sector in February and March 2021. Organised by the Singapore Economic Development Board, Ministry of Health, and the Maritime Port Authority of Singapore, the exercise enabled more than 4,000 personnel from over 200 companies to receive their vaccinations.

PROVIDING QUALITY LIVING CONDITIONS AND WELFARE

Through Keppel Housing, Keppel provides high-quality accommodation for migrant workers under its direct employment in Singapore. The dormitories exceed the requirements of the local authorities, and are equipped with a wide range of amenities and recreational facilities for its residents.

The residential units typically comprise two bedrooms with three to four square metres of living space per resident, a common living room with a television set, a kitchen, as well as adjoining showers and toilets. Free Wi-Fi is accessible in all residential units.

The amenities within the compound include canteens, supermarkets, barbers, free laundry services, study corners and computer rooms, as well as sports facilities such as basketball courts and gyms. Full-time counsellors and a 24-hour helpline are also available to support our workers and ensure their mental and emotional well-being.

To bring cheer to our migrant workers, in celebration of International Migrants Day, Keppel Housing teamed up with the Association of Singapore Marine Industries (ASMI) to provide care packs and ice cream to residents in December 2021. Keppel Housing also provided various treats to residents during the festive season.

FAIR EMPLOYMENT AND TRAINING

Keppel believes in investing in our migrant workers for the long-term. We provide

opportunities for training, skills upgrading and career progression for our migrant workers, many of whom have been with the Company for many years and have risen to supervisory positions. Keppel O&M offers scholarships and sponsorships to migrant workers interested in pursuing tertiary education at the Institute of Technical Education (ITE), polytechnics and local universities.

Besides receiving competitive pay and bonuses, our migrant workers also enjoy comprehensive benefits including annual, medical and home leave, highly subsidised medical care from reputable healthcare service providers, as well as hospitalisation insurance.

As part of its efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agencies in early 2021 to require them to abide by the Dhaka Principles for Migration with Dignity. These are a set of human rights-based principles to enhance respect for the rights of migrant workers, including the provision of clear and transparent worker contracts, safe and decent living conditions, no charging of recruitment fees, among others. All the contractors and employment agencies approached have agreed to implement the Dhaka Principles. Keppel O&M has also interviewed new migrant workers, including those hired by contractors, to confirm the implementation of the Dhaka Principles.

» Keppel has taken good care of our health and safety. I have already been vaccinated, so I want to help others in whatever way I can. I helped to translate the instructions to my fellow workers in our native language so they understand better and feel safer. I am happy to do my part to contribute.

HOSSAIN MD FORHAD, a foreman who has been working at Keppel O&M since 2004, who volunteered to assist with the COVID-19 vaccination exercise for frontline staff and migrant workers in the offshore & marine sector in February 2021.



Keppel Housing dormitories include a variety of facilities and amenities such as supermarkets where migrant workers can purchase groceries and daily essentials.



Ms Gan Siow Huang (centre), Minister of State for Ministry of Manpower (MOM) and Ministry of Education, Singapore, was the Guest-of-Honour at ASMI's care pack distribution event at Keppel Housing's dormitory in December 2021.

OCCUPATIONAL SAFETY AND HEALTH



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

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

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

Commence roll out of Safety 4.0 digital transformation programmes.

2021 PERFORMANCE

Achieved zero workplace fatalities across our global operations.

Strengthened efforts to improve mental health and well-being of workforce.

Commenced global High Impact Risk Activities standards compliance audit.

Rolled out a new digital global Health, Safety & Environment (HSE) system, with various technologies in proof of concept and user acceptance testing stages.

2022 TARGETS

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

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

Roll out Safety 4.0 digital transformation programmes and Design for Safety (DfS) for overseas sites.

Commence Group-wide HSE Assessment Programme with a widened scope.

LONGER TERM TARGETS

Maintain zero workplace fatalities across our global operations.

Operate workplaces that are safe, productive and smart, leveraging Safety 4.0 technologies and digital innovation.

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

OVERVIEW

GRI 3-3

Safety is a core value at Keppel and an integral part of our business. We are committed to providing safe and healthy workplaces for all our stakeholders.

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

REPORT BOUNDARY

GRI 3-3

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

MANAGEMENT APPROACH

GRI 3-3

We focus on strengthening our frameworks and management systems as well as promoting a culture of HSE ownership across our operations.

Our approach to HSE management is guided by the Keppel Zero Fatality Strategy. Introduced in 2016, the strategy outlines actionable items to reduce workplace fatalities to zero through five strategic thrusts – building a high-performance safety culture, adopting a proactive approach to safety management, leveraging technology to mitigate safety risks, harmonising global safety practices and competency, and streamlining learning from incidents.

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

- Establishment of a Group-wide global standard for managing High Impact Risk Activities (HIRA);
- Implementation of a standardised incident investigation and Root Cause Analysis technique;
- Setting of individual safety key performance indicators (KPIs) as well as including safety as an important KPI within the corporate scorecard;
- Cascading the Group's safety KPIs from top management to all frontline managers; and
- Holding Global Safety Time-Out¹ sessions across all of Keppel's operations annually.

Our stance on HSE is articulated in our HSE Policy, which applies to all employees and third parties who work on our premises. We are committed to improving our HSE performance, and continuous efforts are taken to strengthen the safety culture across the Group through utilising technology, providing regular training opportunities, as well as reviewing and improving safety standards.

The Group HSE Framework articulates our HSE vision and its alignment with our Company's core values, safety principles, as well as policies and objectives, in order to drive the HSE agenda across the Group and allow Keppel to achieve leading HSE performance across the industries we are in.

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

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

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

BOARD & MANAGEMENT OVERSIGHT

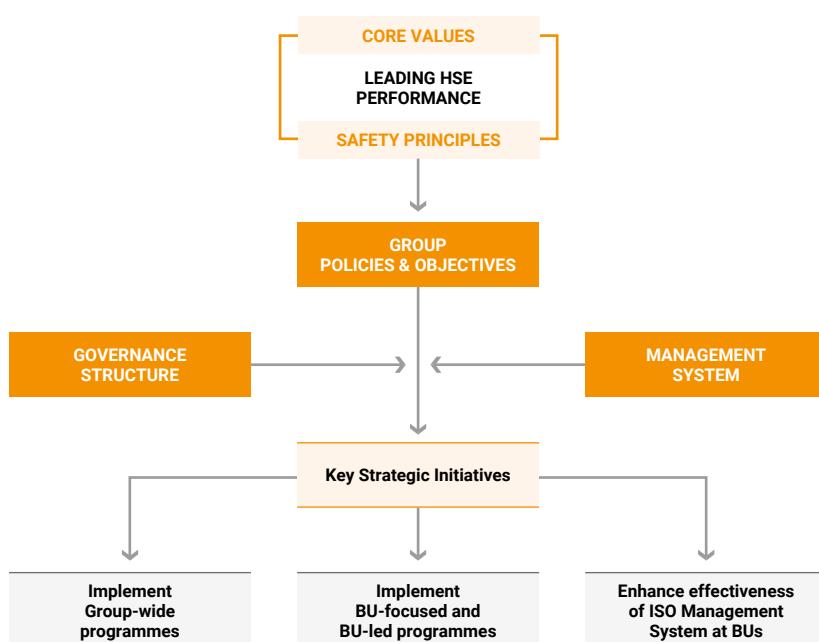
Keppel Corporation was the first publicly listed company in Singapore to establish a Board Safety Committee (BSC) in 2006. The BSC is chaired by Mr Teo Siong Seng, a non-executive and non-independent director of Keppel Corporation.

The BSC adopts a hands-on approach in setting the strategic direction and establishing a HSE framework to ensure that consistently high HSE standards are maintained across our business units. Major incidents and HSE issues are shared and discussed at quarterly BSC meetings to prevent recurrence.

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

¹ Since 2017, Keppel work sites around the world have been participating in the Global Safety Time-Out, an annual event and platform to reinforce the Group's commitment to safety, and remind employees and contractors to continue strengthening the Company's safety culture and the importance of safety at the workplace through the sharing of safety messages and best practices.

GROUP HSE FRAMEWORK



OCCUPATIONAL SAFETY AND HEALTH

In 2021, Keppel Corporation's BSC and the BSCs of our business units conducted safety visits to six worksites in Singapore as part of internal inspection of worksites. No overseas visits were conducted in view of travel restrictions due to the COVID-19 pandemic. Instead, the BSC was regularly updated by the Keppel Group HSE Committee on developments on the ground.

In April 2022, Keppel announced the establishment of a Board Sustainability and Safety Committee (BSSC) to provide greater focus on sustainability matters, with the role of the existing BSC subsumed under the terms of reference of the BSSC. More details on the BSSC are provided on page 14.

HSE targets are embedded in the annual performance appraisal and remuneration of the management of Keppel Corporation and our business units via a balanced scorecard system.

HSE MANAGEMENT SYSTEMS

GRI 403-1 | 403-8

The Group strives to achieve HSE certifications in line with global best practices.

All employees and contractors at the worksites of the Group's companies where Keppel has operational control are covered by our HSE management systems. All employees and third-party suppliers and contractors are also expected to abide by the Keppel Group HSE Policy, which places the highest priority on the health and safety of people and the protection of assets and the environment.

We had successfully migrated to the ISO 45001 Occupational Health and Safety Management System standards from OHSAS 18001 in 2020. The ISO 45001 certification provides a robust set of processes for improving HSE standards in global supply chains.

To date, 74% of our operational units, including Keppel O&M's yards in Singapore, Brazil, China and the Philippines; Keppel Housing; Keppel Infrastructure; Keppel Land's Singapore, China, and Vietnam divisions; Keppel Logistics; as well as Keppel Data Centres' five data centres in Singapore, have achieved ISO 45001 certification¹.

In addition, Keppel Logistics is certified to meet the Hazard Analysis and Critical Control Point (HACCP) standards. The five data centres operated by Keppel Data Centres in Singapore are also certified to meet the SS 507 ICT Singapore Standard for information and Communications Technology disaster recovery services and the ISO 24762 ICT technology disaster recovery management standards.

Our HSE management systems are routinely audited by both independent certification agencies or companies as well as internal audit teams. For instance, Keppel Offshore & Marine's (Keppel O&M) cross-business unit audits and Keppel Infrastructure's inspection for Safety Assurance for Everyone (iSAFE) ensure that policies and management systems are adhered to, and that HSE standards across operations are aligned.

KEY HSE INITIATIVES IN 2021

In 2021, we implemented several key initiatives to strengthen our HSE culture across the Group:

- Sharpened our strategic focus on empowering our workforce to be more engaged and to speak up on safety;
- Continued on a global transformation programme to digitalise and streamline our key HSE systems and processes;
- Leveraged technology such as data analytics and artificial intelligence to gather data and provide real-time insights of risk patterns;
- Rolled out Design for Safety (DfS) guidelines to major developments;
- Continued to execute our Zero Fatality Strategy; and achieved zero workplace fatalities across our global operations.

In March 2021, Keppel launched the DfS guidelines for business units that are developing projects such as buildings, structures, and plants. Through these guidelines, the Group aims to deliver safer design solutions over an entire project lifecycle, so that projects are safer to build, operate, maintain and dispose of. The guidelines provide a framework for risk management and control, as well as promote

collaboration across different stakeholders including architects, engineers, consultants and contractors. Employees from across the Group participated in the first DfS training conducted for professionals, managers and executives, which gave them a better appreciation of the concept of DfS and the importance of proactive risk management.

HAZARD IDENTIFICATION, RISK ASSESSMENT & RISK MANAGEMENT

GRI 403-2

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

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

Findings from our risk assessments are considered in the determination of facility requirements, training programmes and operational controls. Keppel Infrastructure's process HSE management techniques for instance, incorporate the use of the Bow-tie² risk evaluation model as well as hazard and operability studies to identify and assess likely events that can result in critical failures.

GROUP HSE STRUCTURE



^a With effect from 1 May 2022, the role of the Board Safety Committee has been subsumed under the terms of reference of the Board Sustainability and Safety Committee.

Our safety processes have been evolving in tandem with the global transition to Industry 4.0.

We are leveraging technology through the GOARC Artificial Intelligence (AI)-powered cloud-based platform to record HSE processes such as hazards reporting, HSE inspections and audits, as well as permit-to-work applications. Users can also access e-learning modules and keep track of their training progress. The integrated platform captures and utilises these data to provide in-depth predictive analyses to eliminate or reduce risks in operations and improve safety awareness among stakeholders.

In addition, Keppel Logistics collaborated with Keppel Technology & Innovation to develop computer vision-based collision avoidance systems for forklifts in its warehouses. Leveraging AI detection algorithms, the project team developed a forklift warning system that can detect the presence of humans in the potential collision path of a reversing forklift, as well as a blind-spot warning system that is able to detect motion around blind-spot locations. Trials of the two systems were successfully completed during the year and the project team is currently analysing the data collected for further improvements.

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

In 2021, M1 and Keppel Land unveiled a new suite of intelligent solutions powered by M1's 5G Standalone connectivity that aims to enhance live, work and play experiences at Marina at Keppel Bay. The fast speed and highly responsive enhanced network will not only improve HSE levels and security, but also automates and streamlines processes to boost productivity and efficiency. For



example, robots were deployed to enable onsite monitoring and remote assistance. Equipped with incident management solutions, the robots automate data logging, provide swift communication among stakeholders during incidents as well as offer 3D visualisation for risk management and planning.

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

Workers are also briefed on work-specific hazards including proper ergonomic practices in material handling at the daily Take 5 toolbox meeting³. At Keppel Shipyard, for instance, fit tests are conducted to ensure that respirators used are in good condition and correctly fitted before they are used.

INCIDENT REPORTING & INVESTIGATION

GRI 403-2

In accordance with the Group's HSE Policy, business units are required to report and investigate all accidents, incidents and near misses, and ensure that lessons learnt are

shared to prevent any recurrence. All Group companies where Keppel has operational control are required to report incidents, including those that involve third parties such as contractors, clients and visitors at our premises, as well as employees working at third-party sites or commuting for work-related purposes.

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

All work-related incidents are jointly investigated by the operational and HSE teams. Where appropriate, an independent team is set up to investigate fatal and high potential incidents. All incident investigations include an account of the events leading up to the incident, how it occurred and post-incident actions, as well as a root cause analysis (RCA) based on the Keppel RCA methodology that has been developed in-house, and corrective action plans to prevent recurrence. By doing so, we are able to integrate actions to prepare for and respond to emergency situations.

All of the Group's operational entities also have procedures in place to monitor and

¹ Staff in these units account for 93% of the total operational staff strength.

² The Bow-tie model is a risk evaluation method that is used for HSE hazard identification and to analyse and demonstrate causal relationships in high risk scenarios.

³ Take 5 toolbox meetings are daily safety briefings held at worksites before the start of work to reinforce safety messages among workers.

OCCUPATIONAL SAFETY AND HEALTH

investigate any occurrences of occupational disease at their individual sites based on their region's regulatory requirements.

HSE TRAINING

GRI 403-5

We empower and train our stakeholders to ensure that all personnel are updated on HSE measures and best practices, including migrant workers who are an important part of our workforce. In 2021, we invested more than \$18 million in enhancing HSE-related infrastructure, upgrading systems and building knowledge and skillsets across the Group.

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

The Keppel Safety Training Centre at Keppel O&M's premises in Singapore offers a complete range of training and certification courses in both trade-specific and broad-based skills for all levels of the workforce. Apart from classrooms and facilities for multimedia and interactive training stations, the centre also features a life-size replica of the mid-section of a tanker with various technical training areas. The centre offers key training modules such as core competency and leadership development programmes, and workforce skills qualification courses certified by the Singapore Workforce Development Agency, which are conducted by qualified, full-time instructors. This model has been replicated at our yards in Brazil, China, the Philippines and the United States.

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

Keppel Infrastructure has been awarded the In-house Approved Training Organisation status by SkillsFuture Singapore, while M1 has developed HSE e-learning modules and assessments for all staff.

At Keppel Land, Safety Awareness Centres (SAC) have been built in Ho Chi Minh City, Vietnam; Johor Bahru, Malaysia; Jakarta, Indonesia and Tianjin, China to provide mandatory training for contractors' employees and foster a safety culture across the supply chain for the duration

of the project's construction. In Wuxi, China Keppel Land's compact and mobile safety awareness centre is deployed to Keppel's various offices and worksites. We are currently commissioning the building of an SAC to support the Saigon Sports City project in Ho Chi Minh City, Vietnam. It is expected to be operational in the later part of 2022.

ENGAGING STAKEHOLDERS

GRI 2-28 | 403-7

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

To collectively raise industry standards and stay abreast of industry best practices, members of Keppel's management and HSE representatives are members of the Workplace Safety and Health (WSH) Council's WSH (Marine Industries) committee and the WSH (Construction and Landscape) committee; the National Work at Height Task Force; related industrial associations such as the Association of Singapore Marine Industries and Real Estate Developers Association of Singapore; as well as the Singapore Standards Council's General Engineering and Safety Standards.

As a bizSAFE partner under the WSH Council's bizSAFE programme, Keppel O&M actively encourages its contractors to progress through the five levels of the bizSAFE programme. Since 2018, Keppel O&M has imposed the requirement for resident contractors to have a bizSAFE Level 4 (second-highest) certification before they can undertake work at its yards. Keppel Infrastructure also requires all its local suppliers of goods and services to have a minimum of Level 2 and Level 3 bizSAFE certifications respectively. Under the guidance of Keppel DHCS' operations and maintenance management team, some contractors have attained the highest bizSAFE Star certification.

With their on-the-ground experience and detailed knowledge of hazards and risks, frontline supervisors and workers play crucial roles when it comes to HSE matters. Recognising that their active involvement, feedback and inputs are vital to enhance our safety systems and processes, including risk assessment hazard reporting and incident investigations, we sharpened our focus in 2021 on engaging and empowering frontline staff to participate more actively in our HSE journey, in particular, to speak up and intervene if they encounter any unsafe behaviours and situations. We are committed to listen and act, to further enhance the culture of continuous safety improvement.

In line with this, the Group organised a new safety logo design competition in 2021 with the theme, "Speak Up for Safety – Your Voice Matters!". The winning design was unveiled as the new safety logo, which will be featured in publicity materials and on safety equipment to continue to raise awareness on HSE issues.

Inaugural Meet-the-Partner Sessions (MPS) were conducted at Keppel Merlimau Cogen Plant and Senoko Waste-to-Energy (WTE) Plant in 2021. The MPS sessions aim to engage the various working levels of our contractors, including workers, supervisors and managers. These open-sharing sessions facilitated collaboration and fostered teamwork between our engineers and contractors in resolving plant-specific issues to achieve higher efficiency and improved HSE performance.

RAISING HSE AWARENESS

GRI 403-4

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

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

In 2021, almost 1,000 Keppelites, union members, contractors, partners and business associates convened at the 15th Keppel Group Safety Convention, to share experiences and reaffirm their commitment to HSE. Held virtually for the second year, it allowed more participants including overseas employees and guests to join compared to past physical events. A total of 21 Keppelites were recognised for their outstanding contributions to WSH, while 30 teams were lauded for their innovative HSE solutions at the Keppel Group HSE Awards.

In August 2021, Keppel's worksites around the world participated in the fifth Global Safety Time-Out to reinforce Keppel's commitment to HSE, and remind Keppelites and Keppel's contractors to continue to strengthen the Company's HSE culture.

PERFORMANCE

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

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

In 2021, the Group reported a total Accident Severity Rate (ASR) of 15 man-days lost per million man-hours, down from 76 man-days

PERFORMANCE

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

		Direct Workforce	Contract Workforce	Total
2021	AFR ¹ (reportable accidents per million man-hours)	0.18	0.17	0.18
	ASR ¹ (man-days lost per million man-hours)	24	9	15
	Occupational Disease Frequency Rate	0	0	0
	Total Recordable Injury Rate	1.18	1.37	1.3
	Lost Time Injury Frequency	0.33	0.61	0.5
	High-consequence incidents (excluding fatalities)	2	0	2
	Fatal Injury Rate ²	0	0	0
	Number of man-hours	33,080,478	52,624,349	85,704,827
	Average contractor manpower ³	NA	18,272	NA
2020	AFR ¹ (reportable accidents per million man-hours)	0.32	0.24	0.27
	ASR ¹ (man-days lost per million man-hours)	167	8	76
	Occupational Disease Frequency Rate	0	0	0
	Total Recordable Injury Rate	1.11	1.55	1.36
	Lost Time Injury Frequency	0.45	0.63	0.55
	High-consequence incidents (excluding fatalities)	41	5	46
	Fatal Injury Rate ²	7.62	0	3.25
	Number of man-hours	37,812,161	50,840,374	88,652,535
	Average contractor manpower ³	NA	17,653	NA
2019	AFR ¹ (reportable accidents per million man-hours)	0.17	0.18	0.18
	ASR ¹ (man-days lost per million man-hours)	11.46	12.13	12
	Occupational Disease Frequency Rate	0	0	0
	Total Recordable Injury Rate	3.59	1.97	2.49
	Lost Time Injury Frequency	0.40	0.89	0.73
	High-consequence incidents (excluding fatalities)	0	3	3
	Fatal Injury Rate ²	0	0	0
	Number of man-hours	34,820,644	70,547,675	105,368,319
	Average contractor manpower ³	NA	24,496	NA
2018	AFR ¹ (reportable accidents per million man-hours)	0.27	0.23	0.25
	ASR ¹ (man-days lost per million man-hours)	6	101	63
	Fatal Injury Rate ²	0	4.4	2.7
	Number of man-hours	40,708,241	65,307,115	106,015,356
	Average contractor manpower ³	NA	22,676	NA
2017	AFR ¹ (reportable accidents per million man-hours)	0.12	0.09	0.10
	ASR ¹ (man-days lost per million man-hours)	233	80	140
	Fatal Injury Rate ²	11.1	3.6	6.5
	Number of man-hours	51,968,923	79,087,378	131,056,301
	Average contractor manpower ³	NA	27,461	NA

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

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

² Fatal injuries per 100,000 employed persons.

³ Average contractor manpower = $\frac{\text{Total no. of man-hours worked}}{\text{Total man-hours per worker per year}}$

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

OCCUPATIONAL SAFETY AND HEALTH

in 2020; and a total Accident Frequency Rate (AFR) of 0.18 accidents per million man-hours in 2021, down from 0.27 in 2020¹.

The Group achieved zero workplace fatalities across our global operations in 2021. There were also no workers who were diagnosed with Noise Induced Deafness, a major risk for the industries that Keppel is involved in.

The Group reported a total of 15 HSE incidents¹ in 2021, of which six incidents involved our direct workforce and nine incidents involved our contractors.

The top three incident types were:

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

In 2021, two insurance pay-outs were made under Work Injury Compensation Schemes, due to high consequence² incidents that occurred either in or before 2021.

WORKER HEALTH & WELLNESS

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

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

Since the start of the pandemic, the Group has rolled out a series of measures, including more frequent cleaning of office facilities, temperature screening, split teams, alternative work sites, safe distancing and working from home where practical. The Group also has a pool of crisis first responders that are trained to provide emotional and psychological support to affected staff. These measures are not new to Keppel as our various sites have been holding pandemic preparedness exercises over the years as part of business continuity plans to minimise disruptions.

In 2021, Ocean Financial Centre, which is managed by Keppel Land, became the first commercial development in Singapore to achieve the WELL Health-Safety Rating by the International WELL Building Institute. The award recognises building owners that take necessary steps to prioritise the

» The Group was conferred 18 WSH Awards in 2021 by Singapore's Ministry of Manpower and the WSH Council.

health and safety of their staff, visitors and stakeholders during the COVID-19 crisis and in the long-term.

Keppel Philippines Marine was also awarded the Philippine Economic Zone Authority (PEZA) COVID-19 Response Award 2021 in recognition of its efforts in establishing policies and programmes to avert the spread of COVID-19 at the workplace.

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

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

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

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

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

RECOGNITION

The Group was conferred 18 WSH Awards in 2021 by Singapore's Ministry of Manpower and the WSH Council. Of the 18 awards, Keppel O&M received 13 awards under the Safety and Health award Recognition for Projects (SHARP) category for exemplary safety and health performance, and WSH management systems. Keppel DHCS and Keppel O&M (New Builds Division) clinched the WSH Performance (Silver) award which recognises companies that have implemented sound safety and health management systems, and went to extraordinary lengths to safeguard their employees and contractors across all their worksites.

In addition, Keppel O&M (Conversions & Repairs Division) was awarded the WSH Innovation award for developing the Turn Table device, which is capable of holding and rotating loads of up to 23 tonnes. The device improved the manoeuvrability of heavy loads during shifting and lifting operations, significantly reducing the risks associated with workers being exposed to suspended loads. It also enhanced productivity by saving the time and manpower required for such operations by around 50%.

Keppel O&M (New Builds Division) received the Supply Chain Organisation Award at the International Association of Dredging Companies Safety Award 2021, in recognition of its efforts to consistently improve and enhance its existing HSE Management Systems. Keppel O&M also garnered two New & Innovative Solutions Awards during the World of Safety & Health Asia Award 2021, for its Smart Glass Remote Inspection and Mobile Wearable Personal Device safety solutions for its operations.

¹ A workplace accident that results in the injury of an employee who is given more than three consecutive days of medical leave or hospitalised for at least 24 hours; or a workplace accident that results in the injury of a self-employed person or non-employee who receives treatment in hospital.

² A high-consequence incident is one from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months (e.g. amputation of limb, fracture with complications). This definition is adopted across Keppel's global operations.

COMMUNITY DEVELOPMENT



PERFORMANCE OVERVIEW

GRI 3-3

2021 TARGETS

Achieve over 10,000 hours of staff volunteerism worldwide.

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

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

2021 PERFORMANCE

Invested \$4.6 million in social and environmental causes.

Achieved over 12,000 hours of volunteer community service.

Partnered SPD to enhance its Sheltered Workshop programme.

Donated \$300,000 to Infocomm Media Development Authority's Digital for Life Fund to promote digital inclusion for low-income seniors.

Committed \$1 million to support the development of the Keppel Coastal Trail at Labrador Nature Reserve.

2022 TARGETS

Continue to encourage staff volunteerism worldwide.

Continue to support programmes aligned with Keppel's goals of caring for the underprivileged, supporting education and environmental protection.

Launch new Corporate Social Responsibility (CSR) programmes leveraging the Group's diverse capabilities.

LONGER TERM TARGETS

Contribute to nature-based solutions to fight climate change with the planting of 10,000 trees in Singapore over five years (2021-2025).

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

COMMUNITY DEVELOPMENT

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

OVERVIEW

GRI 3-3

Keppel aims to deliver lasting social, economic and environmental benefits to the communities where we operate.

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

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

In 2021, Keppel Corporation was conferred the Charity Platinum Award by the Community Chest, and the Patron of the Arts Award by the National Arts Council in Singapore, in recognition of Keppel's significant contributions to the community.

REPORT BOUNDARY

GRI 3-3

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

MANAGEMENT APPROACH

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

We commit up to 1% of the Group's net profit to worthy causes. In Singapore, these contributions are coordinated and disbursed by Keppel Care Foundation, the Group's philanthropic arm, which is governed by its own Board of Directors. The Foundation has disbursed over \$50 million to worthy causes to date since its launch in 2012. In 2021, the Group spent \$4.6 million¹ on social investments, including \$2.4 million disbursed through Keppel Care Foundation.

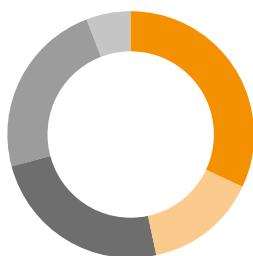
Beyond philanthropic giving, Keppel encourages employees to be responsible

citizens. Keppel Volunteers, the Company's volunteer movement, works closely with the Foundation to drive volunteerism. To encourage volunteerism, Keppel grants employees two days of volunteer leave annually. In 2021, Keppel Volunteers around the world achieved over 12,000 hours² of community service, despite restrictions and challenges posed by the COVID-19 pandemic.

We maximise our corporate giving outcomes by partnering businesses and the community. In Singapore, our business units have been strong partners of Community Chest's SHARE, a voluntary employee payroll donation programme. Employees of the Keppel Group have contributed over \$3.14 million through SHARE since 1988.

In line with the Keppel Group's Donations & Sponsorships Policy, we did not provide donations or sponsorships to any political

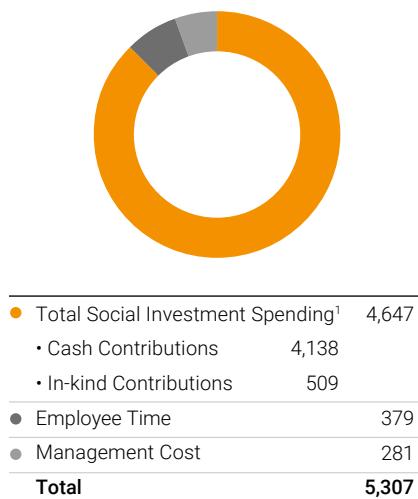
SOCIAL INVESTMENT SPENDING BY PROJECT TYPE IN 2021¹ (%)



SOCIAL INVESTMENT SPENDING BY TYPE OF ACTIVITIES IN 2021 (%)



SOCIAL INVESTMENT SPENDING BY TYPE OF CONTRIBUTION IN 2021 (\$'000)



● Care for the Underprivileged/ Healthcare	32.2
● Arts/Sports/Community Development Projects	14.6
● Education	24.2
● Environment	23.2
● Industry Advancement ³	5.8
Total	\$4.6 million
Total	100.0

● Charitable Donations	19.2
● Community Investments	62.0
● Commercial Initiatives	18.8
Total	100.0

Total Social Investment Spending ¹	4,647
• Cash Contributions	4,138
• In-kind Contributions	509
Employee Time	379
Management Cost	281
Total	5,307

¹ The \$4.6 million includes voluntary contributions from the Keppel Group's directors, senior management and staff to support COVID-19 relief efforts.

² Includes hours contributed both during and outside office hours.

³ The category of industry advancement includes events and thought leadership platforms that foster collaboration and the exchange of ideas, with the aim of promoting sustainable business practices. Keppel supports such platforms that are aligned with our mission to provide solutions for sustainable urbanisation. In 2021, such platforms included Singapore International Water Week, the R.I.S.E. to The Challenge outreach programme and the SID Directors Conference.



Despite the restrictions imposed by COVID-19, Keppel Volunteers around the world continued to serve the community and achieved over 12,000 hours of community service in 2021.

party or politicians for any campaign and/or related purposes in 2021.

Keppel supports industry and business associations and think tanks which are aligned with our mission to provide solutions for sustainable urbanisation, as well as those which promote good corporate governance and sustainable business practices. In 2021, our total support to these organisations amounted to about \$125,000, or about 0.01% of our net profit. The three largest contributions were \$30,000 to the Real Estate Developers Association, \$20,000 to Business China and \$20,000 to the Institute of Policy Studies.

Keppel is a member of the Business for Societal Impact (B4SI), a global network of more than 140 companies that use the B4SI framework to measure and manage their social impact. We apply the B4SI framework to report on our corporate community investment activities.

SUPPORTING THE COMMUNITY AMIDST COVID-19

Since the start of the pandemic, Keppel has disbursed about \$5.5 million to provide support to communities affected by the COVID-19 pandemic in Singapore and overseas. This includes a \$4.2 million package announced in 2020 to support vulnerable communities, which was funded by voluntary contributions from Keppel Group's directors, senior management and staff with matching contributions from Keppel Corporation.

PROMOTING DIGITAL INCLUSION

In 2021, Keppel donated \$300,000 to the Digital for Life Fund set up by the Infocomm Media Development Authority (IMDA) to

promote digital inclusion and help low-income seniors, some of whom have been more isolated during the pandemic, to be more connected with their communities using digital tools. The donation will be used to support initiatives under the Digital for Life movement. Beyond financial contribution, Keppel Volunteers are working with IMDA and social service agencies to conduct digital learning programmes for seniors.

SUPPORTING HOME-BASED LEARNING

Keppel also donated 150 new laptops worth more than \$160,000 to the Ministry of Social and Family Development's (MSF) Community Link (ComLink) initiative, which provides support to families with children living in rental housing. The laptops were distributed to students from low-income families for use at home to support home-based learning, with some deployed to support ComLink community programmes, such as academic and enrichment classes for students. The laptops were provided through M1's information and communication technologies arm and wholly-owned subsidiary, AsiaPac Distribution. Keppel Volunteers are working with ComLink and volunteer groups to conduct digital literacy workshops for students.

SERVING MEALS TO UNDERPRIVILEGED COMMUNITIES

Keppel donated \$120,000 to support Willing Hearts, a volunteer-run soup kitchen that prepares, cooks, and distributes meals daily to underprivileged and needy communities in Singapore. The donation comprised \$60,000 in assistance provided through rebates offered by Keppel Electric to subsidise electricity supply at Willing Hearts' premises (equivalent to about 300,000 kWh

of electricity, or more than six months of electricity supply), and \$60,000 in cash to defray operational costs in running the soup kitchen. In addition, Keppel Volunteers helped at Willing Hearts through various activities, from food preparation and cooking, to island-wide meal delivery to the beneficiaries. This is part of a longer-term volunteer programme, which will see Keppel Volunteers contributing regularly at Willing Hearts over three years.

Our volunteers in Singapore and overseas continued to support communities in fighting the COVID-19 pandemic in various ways. In Singapore, volunteers packed and delivered care packs containing hygiene items and groceries for frontline staff and patients at the National Kidney Foundation (NKF) at Yishun Community Hospital. Despite the limitations posed by COVID-19, Keppel Volunteers took to digital platforms to engage beneficiaries virtually to provide support and prevent social isolation during the pandemic. These virtual activities ranged from interactive workshops for persons with muscular dystrophy, to art and craft classes for seniors.

Overseas, Keppel Land Vietnam donated a total of VND7.4 billion in support of Vietnam's nationwide efforts to fight the COVID-19 pandemic, including supporting Vietnam's vaccination efforts and providing medical supplies to local hospitals in Ho Chi Minh City. In the Philippines, volunteers repainted social distancing lines along public sidewalks and various other locations to strengthen safe management measures by the government, while volunteers in Indonesia and Malaysia donated and delivered food supplies to communities affected by the pandemic.

IMPACT AT A GLANCE

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



>12,000 hrs

Of community work achieved by Keppel Volunteers in 2021.

>\$50m

Disbursed by Keppel Care Foundation since 2012.

>17,000 lives

Touched through our volunteerism efforts in 2021.

\$4.6m

Invested in social and environmental causes in 2021.

>160

Volunteer activities and initiatives carried out in 2021 in communities where we operate.



PROMOTING EDUCATION

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

Since its inception in 2012, Keppel Care Foundation has disbursed over \$22 million to educational causes, which include scholarships and bursaries for students from universities and institutes of higher learning.

SCHOLARSHIPS AND BURSARIES

Scholarships and bursaries funded by Keppel promote education and provide students from disadvantaged backgrounds with access to quality education.

In 2018, Keppel announced a \$10 million donation to the ITE Education Fund to promote education for financially disadvantaged students from ITE. In 2021, the third tranche of Keppel Care Foundation Scholarships were awarded to three deserving ITE students, while the Keppel Merit Awards were presented to 24 students.

In total, 120 academic awards and bursaries funded by Keppel Care Foundation were disbursed to students across different institutions in 2021. A total of 811 students have benefited from the scholarships, bursaries and awards since the establishment of Keppel Care Foundation.

In line with Keppel's focus on sustainability and to advance the study of environmental sciences, Keppel partnered NTU to establish the Keppel Environmental Studies Gold Medals. Initiated in 2021, the Medals are awarded to the top two graduating students of NTU's Bachelor of Science in Environmental Earth Systems Science.

In 2020, Keppel Land Vietnam launched a partnership with Tien Phong Newspaper, a government media outlet, in support of the Nang Buoc Thu Khoa scholarship programme. Since its launch, 15 scholarships have been awarded to valedictorians of the 2020 and 2021 university entrance exams.

MOBILE LIBRARY

In Vietnam, Keppel Land is also a sponsor of the Words on Wheels mobile library programme, which is organised by the Singapore International Foundation. The initiative promotes reading and learning by providing students with better access to educational materials including books, the internet and multimedia facilities via a mobile library which visits participating schools on a rotational basis. Although volunteer trips were suspended due to COVID-19 restrictions, 15 mobile library trips were conducted in 2021. The trips reached more than 5,000 students in 12 schools.

» I am glad that there is increasing environmental awareness in the community and I would like to thank Keppel Care Foundation for the establishment of this award. I believe this award will continue to inspire generations of environmentalists to spur on and contribute to the environmental scene in Singapore.

LEOW SI LEI, a Keppel Environmental Studies Gold Medal recipient and Environmental Studies graduate from Nanyang Technological University (NTU Singapore) in 2021.

\$22m



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

>800



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

KEY PARTNERS



Institute of Technical Education



NUS
National University
of Singapore



**NANYANG
TECHNOLOGICAL
UNIVERSITY
SINGAPORE**



SUTD
SINGAPORE UNIVERSITY OF
TECHNOLOGY AND DESIGN



SIT
SINGAPORE
INSTITUTE OF
TECHNOLOGY

» The Keppel Care Foundation scholarship has helped me focus on my studies and made me realise the value of education. Previously, I had to work 20 hours a week to support my studies, but this scholarship has allowed me to dedicate more time to my studies. After completing my diploma in Tourism and Resort Management, I aim to further my studies at a local university. Thank you for providing me with financial aid that has enabled me to continue my studies, and I hope to give back to others in all ways possible.

INDRA DERMAWAN B YUHANIS, Keppel Care Foundation scholarship recipient who graduated from the Nitec course at the Institute of Technical Education (ITE) in 2020 and has progressed to Ngee Ann Polytechnic.

COMMUNITY DEVELOPMENT



Keppel Land China set up a digital volunteers platform at the Sino-Singapore Tianjin Eco-City, to match community volunteers with different needs requested by elderly or disabled residents.

CARING FOR THE UNDERPRIVILEGED

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

SHELTERED WORKSHOP

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

Since 2020, Keppel Young Leaders (KYL) have been supporting SPD to develop new commercially appealing products for the Sheltered Workshop. A new apprenticeship programme was also organized to equip trainees with the skills to craft new leather products. As at end-2021, the partnership has trained 26 new artisans in leather crafting and aims to upskill more trainees in the future.

SPD also launched a new online store in end-2020 which included the new range of leather products, with KYL contributing to the marketing and branding efforts. Net sales made through SPD's e-shop have increased by over 160% year-on-year since the launch of the new online store.

NKF DIALYSIS CENTRE SUPPORTED BY KEPPEL

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

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

The centre, which commenced operations in November 2020, is supporting 94 patients and 38 patients in rehabilitation. The centre is equipped with 22 dialysis stations which can benefit up to 132 haemodialysis patients weekly, and has a designated space to provide PD services which can serve up to 30 PD patients a month.

POVERTY ALLEVIATION IN CHINA

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

Building on the successful collaboration in Sichuan Province, Keppel launched a further two-year programme in December 2020

focused on needy students from 20 schools in Guangan and Luquan Counties in Yunnan Province. This new programme, which is part of the same partnership with CFPA, funded the upgrading of kitchen facilities in selected schools and provided students with nutritious food items every school day. Beyond financial support, Keppel staff also volunteered to encourage active learning by the students as part of the programme. As of end-2021, more than 12,000 students in China have benefitted from Keppel's collaboration with CFPA.

PROMOTING VOLUNTEERISM THROUGH SMART DIGITAL VOLUNTEERS PLATFORM

In Sino-Singapore Tianjin Eco-City (Eco-City), Keppel Land China leveraged its smart technology capabilities to set up a digital volunteers platform with the Tianjin Eco-City Volunteer Association. The platform helps elderly or disabled residents to connect with volunteers in the community, and seek support for their different needs, such as for repair works or purchase of groceries. The platform also tracks and measures the impact of volunteer programmes in the Eco-City, which can be used to improve future community programmes. The platform has received almost 9,000 sign-ups as at end-2021.

ENVIRONMENTAL PROTECTION

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

SUPPORTING THE ONE MILLION TREES MOVEMENT

Keppel is committed to climate action, including supporting nature-based solutions to climate change. To this end, in 2020,

Keppel pledged to donate \$3 million to National Parks Board's (NParks) Garden City Fund to support the planting of 10,000 trees in parks and nature reserves over five years, as part of NParks' OneMillionTrees movement, to help improve Singapore's urban environment and enhance its national resilience against climate change. A tree planting event was held in May 2021 to mark the start of the tree planting programme.

KEPPEL COASTAL TRAIL

In 2021, Keppel pledged to donate a further \$1 million to the Garden City Fund to support the development of the Keppel Coastal Trail at Labrador Nature Reserve, where around half of the 10,000 trees will be planted.

The Trail will be planned and designed for visitors to enjoy the coastal forest while ensuring the long-term conservation of the nature reserve. The area will be planted with native species that are suited to the coastal environment. Information boards will allow visitors to learn more about the history of the coastline over the years, the native flora and fauna that can be found at beach forests and rocky shores, how the environment might change with rising sea levels, and why conserving natural coastal habitats is important to build climate resilience. Design and development of the Trail is expected to commence in 2022.

KEPPEL DISCOVERY WETLANDS

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

About 1.5 million people have visited the Learning Forest, which the Keppel Discovery Wetlands is a part of, since its launch in March 2017, with over 211,000 visitors in 2021.

FOSTERING CREATIVITY & APPRECIATION OF THE ARTS

We believe that the arts inspire, contribute towards civic engagement and social cohesion, and build bridges between cultures. Through supporting the arts, we aim to stimulate the cross-fertilisation of ideas, and foster creativity and expression. This will in turn contribute to the vibrancy of our communities.

KEPPEL CENTRE FOR ART EDUCATION

Established with a \$12 million commitment from Keppel, the Keppel Centre for Art Education at National Gallery Singapore is the first art education facility of its kind in the region. The Centre has hosted over 2 million visitors since its launch in 2015. Notwithstanding the COVID-19 pandemic, the Centre received over 152,000 visitors in 2021.

Educators have shared that the immersive spaces at the Centre encourage creativity and self-led exploration in children, and help to improve students' visual inquiry skills. The programmes offered at the Centre also promote family bonding.

UP CLOSE WITH ACM

Keppel Technology & Innovation (KTI) collaborated with the Asian Civilisations Museum (ACM) to develop a tactile interactive kit to engage persons with visual impairment (VI). Leveraging

KEPPEL CENTRE FOR ART EDUCATION

>2.0m

Visitors since the opening of the centre in 2015.

KEPPEL DISCOVERY WETLANDS

1.5m

Estimated number of people who have visited the Learning Forest, which the Keppel Discovery Wetlands is a part of, since its launch in March 2017.



Keppel Technology & Innovation (KTI) leveraged its expertise in additive manufacturing and collaborated with the Asian Civilisations Museum to develop a tactile interactive kit to engage persons with visual impairment.

COMMUNITY DEVELOPMENT

KTI's expertise in additive manufacturing, 3D-printed objects were created in full detail to match masterpieces from ACM's Maritime Trade and Court & Company galleries. Some of the 3D-printed objects were used in dialogue sessions hosted by visually impaired facilitators from Dialogue in the Dark Singapore with blindfolded participants. The tactile interactive kit will also be brought to Singapore Association of the Visually Handicapped and SPD centres to engage persons with VI and physical or cognitive disabilities respectively, to allow them to learn more about ACM's collection in the comfort of their own spaces.

ADVANCING CORPORATE SUSTAINABILITY

We collaborate with governments and industry partners to support knowledge sharing platforms that promote responsible business practices and sustainable urbanisation.

- **R.I.S.E. to the Challenge:** In November 2020, Keppel Land, in collaboration with the Sustainable Singapore Gallery, which is managed by PUB, launched an outreach programme named R.I.S.E. to the Challenge, aimed at raising awareness on the pressing environmental issue of rising sea levels, as well as the urgent need for climate action. The exhibits have been rotated to 24 schools and Keppel's commercial properties, and have reached out to more than 35,000 students and members of the public as at end-2021.
- **SID Directors Conference:** Keppel was a gold sponsor of the Directors Conference by the Singapore Institute of Directors (SID) to promote the professional development of directors and corporate leaders and support thought leadership and benchmarking on corporate governance and directorship.
- **Singapore International Water Week:** Keppel was a sponsor and active participant of the Singapore International Energy Week 2021, organised by the Singapore Energy Market Authority. The conference brought together



The R.I.S.E. to the Challenge exhibits have been rotated to 24 schools and Keppel's commercial properties, and have reached out to more than 35,000 students and members of the public as at end-2021.

policymakers, industry leaders and energy professionals to share key trends, best practices and solutions within the global energy sector.

- **SID Directors Conference:** Keppel was a sponsor of Singapore International Water Week 2021 a global platform to share best practices in the global water industry and showcase the latest solutions and technologies to address pressing water issues.
- **World Expo Dubai:** Keppel Corporation was a Prime Sponsor of the Singapore Pavilion at the Expo 2020 Dubai in the United Arab Emirates from October 2021 to March 2022. The theme of the pavilion, "Nature. Nurture. Future.", highlights Singapore's experience of overcoming its physical limitations as a small island city-state and adapting itself to become a highly liveable and sustainable city, which resonates with Keppel's mission to provide solutions for sustainable urbanisation.

ABOUT THIS REPORT

GRI 2-3

This report focuses on the sustainability strategy and practices of Keppel Corporation and its subsidiaries, namely the material environmental, social and governance (ESG) aspects of our business operations.

This report provides an overview of our management approach, priorities, targets and performance reviews in key areas.

The content was defined by identifying and prioritising the Company's material ESG factors through a comprehensive materiality assessment completed in 2019 and reviewed annually, including in 2021 (see page 17). We printed limited copies of this report to minimise environmental impact. A PDF version is available at www.kepcorp.com.

Our stakeholders are advised to read Keppel Corporation's Annual Report 2021, available at www.kepcorp.com/annualreport2021, for more information on the Group's businesses, strategy, performance and prospects.

Some photos featured in this report were taken prior to the COVID-19 pandemic, before mask-wearing requirements were put in place as part of safe management measures.

REPORTING PERIOD & STANDARDS

GRI 2-3

This report is published annually and covers the same period as the financial year of the Company (January to December 2021), unless otherwise stated. Our last sustainability report was published in May 2021. Where possible, we shared three-year historical information to provide a meaningful basis for comparison. Standard units of measurement have been used and conversion factors may be found in the relevant sections. All dollar values expressed are in Singapore dollars.

This report has been prepared in accordance with the GRI Standards and its latest Universal Standards 2021, as well as the

Singapore Exchange-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide.

We support the Task Force on Climate-related Financial Disclosures (TCFD) and have incorporated its recommendations in our reporting framework.

We are a signatory to the United Nations Global Compact and are committed to its 10 principles. This report serves as our Communication on Progress.

The report was submitted for the GRI Content Index – Essentials Service. GRI reviewed that Disclosures 2-1, 2-2, 2-3, 2-4, 2-5, 3-1 and 3-2 are correctly located in both the GRI Content Index and in the text of the final report.

REPORT BOUNDARY

GRI 2-2

This report covers global operations and all subsidiaries for which the Group has management control, unless otherwise indicated. The Group structure is provided on page 12.

The reporting boundary for financial data is the same as that of the Company's Annual Report 2021. The reporting boundaries for our material topics may vary, due to differences in where the impacts occur most for each topic. The boundaries are specified in the respective sections on our material issues.

INDEPENDENT ASSURANCE

GRI 2-5

Keppel Corporation appointed an independent third party, DNV, to provide assurance on this report. The content was reviewed and the accuracy and reliability of the statements were validated in accordance with the International Standard on Assurance Engagements 3000 by the International Federation of Accountants and DNV's Verification Protocol for Sustainability Reporting, VeriSustain™. The Assurance Statement is published on pages 102 to 106.

FEEDBACK

This report demonstrates our commitment to keep our stakeholders abreast of Keppel's sustainability performance. We welcome feedback.

SUSTAINABILITY REPORTING

Telephone:

(65) 6413 6297

Email:

sustainability@kepcorp.com

MEDIA RELATIONS

Telephone:

(65) 6413 6427

Email:

keppelgroup@kepcorp.com

INVESTOR RELATIONS

Telephone:

(65) 6413 6436

Email:

investor.relations@kepcorp.com

GRI CONTENT INDEX



THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS AND ITS LATEST UNIVERSAL STANDARDS.

Our GRI Content Index specifies each of the GRI Standards disclosures included in this Sustainability Report and in our Annual Report 2021. Keppel Corporation's AR2021 can be found at www.kepcorp.com/annualreport2021.

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

Statement of use			Keppel Corporation Limited has reported in accordance with the GRI Standards for the period 1 Jan 2021 to 31 Dec 2021.		
GRI 1 Used			GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)			None		
GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission Requirement(s) Omitted	Explanation Alignment to UN Initiatives
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organisational details	10-12, AR2021 (207-214, 234)		UNGC Principles 1-10; SDGs 3, 6, 7, 8, 9, 11, 12, 13, 16, 18
	2-2	Entities included in the organisation's sustainability reporting	12		
	2-3	Reporting period, frequency and contact point	97		
	2-4	Restatements of information	37		
	2-5	External assurance	102-105		
	2-6	Activities, value chain and other business relationships	10-12, 63, AR2021 (26-27)		UNGC Principles 1-10; SDGs 3, 6, 7, 8, 9, 11, 12, 13, 16, 18
	2-7	Employees	75, AR2021 (227)		
	2-8	Workers who are not employees	87		
	2-9	Governance structure and composition	14-15, 42, AR2021 (76, 103)		UNGC Principle 10; SDG 17
	2-10	Nomination and selection of the highest governance body	47, AR2021 (81)		
	2-11	Chair of the highest governance body	42, AR2021 (76)		
	2-12	Role of the highest governance body in overseeing the management of impacts	14-15, 42, AR2021 (76-77)		
	2-13	Delegation of responsibility for managing impacts	14-15, 42, AR2021 (76-77)		
	2-14	Role of the highest governance body in sustainability reporting	23		
	2-15	Conflicts of interest	44		
	2-16	Communication of critical concerns	49, 75, AR2021 (104)		
	2-17	Collective knowledge of the highest governance body	44		
	2-18	Evaluation of the performance of the highest governance body	AR2021 (103)		
	2-19	Remuneration policies	48, AR2021 (86-92)		
	2-20	Process to determine remuneration	48, AR2021 (86-92)		
	2-21	Annual total compensation ratio	-	a, b, c	Confidentiality constraints Information is confidential
	2-22	Statement on sustainable development strategy	4-7		UNGC Principle 3; SDGs 8, 18
	2-23	Policy commitments	18-22, 51-52		
	2-24	Embedding policy commitments	18-22, 51-52		
	2-25	Processes to remediate negative impacts	AR2021 (104)		
	2-26	Mechanisms for seeking advice and raising concerns	AR2021 (104)		
	2-27	Compliance with laws and regulations	39, 70		
	2-28	Membership associations	15, 86		
	2-29	Approach to stakeholder engagement	16		UNGC Principle 3; SDGs 8, 18
	2-30	Collective bargaining agreements	76-77		

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission		Alignment to UN Initiatives
				Requirement(s) Omitted	Reason	
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	17			
	3-2	List of material topics	18-22			
ENVIRONMENTAL STEWARDSHIP						
Climate Action						
GRI 3: Material Topics 2021	3-3	Management of material topics	28-31			UNGC Principles 7-9; SDGs 3, 6, 7, 12, 13
Environmental Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	32-40			UNGC Principles 7-9; SDGs 3, 6, 7, 12, 13
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	32, 37			
	302-2	Energy consumption outside of the organisation	37			
	302-3	Energy intensity	32			
	302-4	Reduction of energy consumption	32-33			
	302-5	Reductions in energy requirements of products and services	30-31, 32			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	34			
	303-2	Management of water discharge-related impacts	34, 37			
	303-3	Water withdrawal	34, 37			
	303-4	Water discharge	34, 37			
	303-5	Water consumption	37			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	36-37			
	305-2	Energy indirect (Scope 2) GHG emissions	36-37			
	305-3	Other Indirect (Scope 3) GHG emissions	36-37			
	305-4	GHG emissions intensity	36			
	305-5	Reduction of GHG emissions	36-37			
	305-6	Emissions of ozone-depleting substances (ODS)	-	a, b, c, d	Not applicable	We do not produce, import or export ODS.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	36			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	35-36, 37, 40			
	306-2	Management of significant waste-related impacts	35-36, 37, 40			
	306-3	Waste generated	35-36, 37, 40			
	306-4	Waste diverted from disposal	35-36, 37, 40			
	306-5	Waste directed to disposal	35-36, 37, 40			

* References to Keppel Corporation's Annual Report 2021 are expressed as 'AR2021 (page number)'. Keppel Corporation's Annual Report 2021 is available at www.kepcorp.com/annualreport2021.

OTHER INFORMATION**GRI CONTENT INDEX**

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission			Alignment to UN Initiatives				
				Requirement(s) Omitted	Reason	Explanation					
RESPONSIBLE BUSINESS											
Economic Sustainability											
GRI 3: Material Topics 2021	3-3	Management of material topics	58-61				SDGs 8, 9, 11, 18				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	60-61								
	201-2	Financial implications and other risks and opportunities due to climate change	24								
	201-3	Defined benefit plan obligations and other retirement plans	72								
	201-4	Financial assistance received from government	60								
Corporate Governance & Risk Management											
GRI 3: Material Topics 2021	3-3	Management of material topics	41-57				UNGC Principle 10; SDGs 16, 17				
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	50, 52								
	205-2	Communication and training about anti-corruption policies and procedures	52, AR2021 (96)								
	205-3	Confirmed incidents of corruption and actions taken	49								
Supply Chain & Responsible Procurement											
GRI 3: Material Topics 2021	3-3	Management of material topics	62-65				UNGC Principles 1-10; SDGs 8, 12, 16				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	64								
	308-2	Negative environmental impacts in the supply chain and actions taken	65								
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	64								
	414-2	Negative social impacts in the supply chain and actions taken	65								
Product Quality & Safety											
GRI 3: Material Topics 2021	3-3	Management of material topics	66-70				SDGs 9, 11, 17				
GRI 416: Customer Health & Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	68								
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	70								

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission			Alignment to UN Initiatives				
				Requirement(s) Omitted	Reason	Explanation					
PEOPLE AND COMMUNITY											
Occupational Safety & Health											
GRI 3: Material Topics 2021	3-3	Management of material topics	82-88				UNGC Principles 1-2; SDGs 3, 8, 17				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	84								
	403-2	Hazard identification, risk assessment, and incident investigation	85								
	403-3	Occupational health services	88								
	403-4	Worker participation, consultation, and communication on occupational health and safety	86, 88								
	403-5	Worker training on occupational health and safety	86								
	403-6	Promotion of worker health	88								
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65, 86								
	403-8	Workers covered by an occupational health and safety management system	84								
	403-9	Work-related injuries	87								
	403-10	Work-related ill health	87								
Labour Practices, Talent Management & Human Rights											
GRI 3: Material Topics 2021	3-3	Management of material topics	71-81				UNGC Principles 1-6; SDGs 3, 4, 8, 17				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	75								
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	72								
	401-3	Parental leave	72								
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	76								
	404-2	Programmes for upgrading employee skills and transition assistance programmes	77-79								
	404-3	Percentage of employees receiving regular performance and career development reviews	72								
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	73, 74, 75, 77								
	405-2	Ratio of basic salary and remuneration of women to men	76								
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	76								
Community Development											
GRI 3: Material Topics 2021	3-3	Management of material topics	89-96				SDGs 3, 4, 15, 17				
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	89-96								
	413-2	Operations with significant actual and potential negative impacts on local communities	89-96								
GRI 415: Public Policy 2016	415-1	Political contributions	90								

* References to Keppel Corporation's Annual Report 2021 are expressed as 'AR2021 (page number)'. Keppel Corporation's Annual Report 2021 is available at www.kepcorp.com/annualreport2021.

INDEPENDENT ASSURANCE STATEMENT



INTRODUCTION

DNV Business Assurance Singapore Pte. Ltd. has been commissioned by the management of Keppel Corporation Limited ("Keppel", Company Registration Number: 196800351N) to carry out an independent assurance of the sustainability/non-financial disclosures in the Keppel Corporation Sustainability Report 2021 ("Report"), which is available on Keppel's website¹ and its printed format for the financial year ending 31 December 2021. The intended users of this Assurance Statement are the management of the Company.

APPROACH AND SCOPE OF ASSURANCE ASSURANCE APPROACH AND STANDARD

We performed at a limited level of assurance using DNV's assurance methodology VeriSustain™². DNV Verisustain includes the requirements set out for assurance in accordance with international assurance best practice, including the International Standard on Assurance Engagements (ISAE) 3000 Revised³, and the Global Reporting Initiative's (GRI) Principles for Defining Report Content and Report Quality. The verification engagement was carried out from March to May 2022.

SCOPE AND BOUNDARY OF ASSURANCE

The scope and boundary of assurance included a review of sustainability related disclosures and performance data from Keppel Corporation and the Company's operating subsidiaries across the globe based on Keppel's materiality assessment.

We understand that the reported financial data and related information are based on statutory disclosures and Audited Financial Statements⁴, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

The engagement excludes the sustainability management, performance, and reporting practices of Keppel Corporation's suppliers, contractors, and any third parties mentioned in the Report. The Company's position statements, the statements for the management approach, and case studies and examples are excluded from the

scope of our work. We did not interview external stakeholders as part of this assurance engagement.

RESPONSIBILITIES OF THE MANAGEMENT OF KEPPEL AND OF THE ASSURANCE PROVIDER

Keppel has sole responsibility for the preparation of the Report and is responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting the information presented in the Report.

DNV is responsible for planning and performing the engagement to obtain a limited level of assurance based on ISAE 3000 and VeriSustain™, and forming an independent conclusion, i.e., whether the selected information is free from material misstatement and meets the disclosure requirements of the GRI Standards.

BASIS OF OUR OPINION

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to Keppel and its key stakeholders. A multi-disciplinary team of sustainability and assurance specialists reviewed non-financial disclosures related to the Head Office at Singapore, and selected sites of Keppel Corporation – Keppel Shipyard and Keppel Data Centres in Singapore, based on DNV's sampling plan. Due to the COVID-19 pandemic, we undertook remote audits in line with DNV's remote assessment methodology as site visits were not possible. We undertook the following activities:

- Review of the non-financial sustainability-related disclosures in this Report.
- Review of approach to materiality determination and stakeholder engagement. DNV did not have any direct engagement with external stakeholders.
- Review of information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the framework adopted by Keppel.

- Interviews with select members of leadership team, and senior managers responsible for management of sustainability issues and review of selected evidence to support disclosures. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the targets for medium- and long-term vision, mission and milestones.
- Performed desk review of selected sustainability parameters for sampled entities, and discussed and resolved findings with the corporate sustainability team.
- Carried out remote assessments with teams at Keppel Shipyard and Keppel Data Centres, to review the processes and systems for preparing site level sustainability data and the implementation of Keppel's sustainability strategy. We were free to choose the sites for remote assessment or verification.
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritised based on our risk-based approach, i.e., relevance of identified material topics and sustainability context of the business.
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

CONCLUSION

On the basis of the limited assurance engagement undertaken, nothing has come to our attention to suggest that Keppel Corporation's 2021 Sustainability Report does not properly describe the non-financial/sustainability performance of identified material topics based on GRI Standards, for the reporting period.

OUR OBSERVATIONS

Without affecting our assurance opinion, we also provide the following observations against the principles of VeriSustain™:

STAKEHOLDER INCLUSIVENESS

The Report has brought out the Company's relationships with its key stakeholders (i.e., employees, customers, governments, shareholders and investors, suppliers, and local communities) who affect operations

¹ www.kepcorp.com

² The VeriSustain™ protocol is available on dnv.com

³ Assurance Engagements other than Audits or Reviews of Historical Financial Information.

⁴ Dated 25 February 2022



and influence performance. The Report also describes the engagement platforms the Company has established to engage with identified stakeholders, and Keppel's responses to the key concerns through various disclosures on strategies and value creation.

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

MATERIALITY

The Report brings out Keppel's process for identification and prioritisation of the Company's material issues. This is based on global environmental, social and governance (ESG) standards and considers ESG issues that could result in significant impacts on communities, business partners, workforce and the environment, and the relative influence on stakeholders' assessment and decision making. The material issues identified were approved by Keppel Corporation Board of Directors. Keppel plans to conduct a comprehensive materiality assessment in 2022 taking into account the Group's business transformation and refocused portfolio as they progress in the execution of Keppel's Vision 2030.

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

RESPONSIVENESS

The Company's responses to identified material topics, key challenges faced and significant issues including risks which have arisen during the reporting period are addressed through disclosures on strategies, management approach, long and short-term targets. Further, the Report also brings out its non-financial performance related to its material topics through selected GRI Topic Standards. The Report considers the risks, opportunities and outcomes associated with significant stakeholders and the external environment, and brings out the implications and mitigation mechanisms deployed by the Company to maintain its ability to create value in the long term.

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

RELIABILITY

The majority of the performance disclosures verified through offsite verification, i.e., Head Office and sampled sites, and through desk reviews, were found to be fairly accurate, reliable, identifiable and traceable to the source. Considering the limited sampling, we did not detect any major errors related to data collection or aggregation. We also reviewed the calculations and related assumptions used for its suitability, taking into account the principle of Reliability. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. Some of the data inaccuracies identified during the verification process were found to be attributable to interpretation and aggregation errors. These identified errors were communicated, and the responses and corrections made to the reported data and information were reviewed.

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

COMPLETENESS

The Report has disclosed the Company's business model, sustainability strategies, management approach disclosures and sustainability performances against the material topics identified based on selected GRI Standards. The boundary of the Report has been explained across sections in the Report and includes the sustainability performance across global operations, subsidiaries and associated companies over which the Keppel Group has management control for the reporting period.

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

NEUTRALITY

The Report presents disclosures related to the Company's performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders' opinion made based on the reported data and information.

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

INDEPENDENT ASSURANCE STATEMENT



LIMITATION

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

Our assurance engagement included limited level of verification of sustainability performance disclosures for the identified material topics of Keppel Corporation as identified under the reporting boundary brought out in the Report in the section 'Materiality' i.e., covering entities over which Keppel has operational control or has seconded employees in operations. Our verification applies a ±5%

uncertainty threshold towards errors and omissions for the performance data brought out in the Report.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable/high level assurance engagement. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

STATEMENT OF COMPETENCE AND INDEPENDENCE

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding

compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assurance engagement and maintain independence wherever required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statement or datum included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward internal stakeholders interviewed during the assurance process. DNV did not provide any services to Keppel in 2021 that could compromise the independence or impartiality of our work.

¹ The DNV Code of Conduct is available from the DNV website (www.dnv.com).

For DNV Business Assurance Singapore Pte. Ltd.

**Soh, Mui
Yan**

SOH MUI YAN
Lead Assessor
DNV Business Assurance
Singapore Pte. Ltd.

Digitally signed by Soh, Mui Yan
Date: 2022.05.12
14:11:42 +08'00'

12 May 2022, Singapore

**Percy
Lakdawalla**

PERCY LAKDAWALLA
**Regional Manager – DNV Business
Assurance Asia & Pacific**
DNV Business Assurance
Singapore Pte. Ltd.

Digitally signed by Percy Lakdawalla
Date: 2022.05.12
15:57:31 +08'00'

**Vadakepath,
Nandkumar**

VADAKEPATTH NANDKUMAR
Assurance Reviewer
DNV Business Assurance India
Private Limited

Digitally signed by Vadakepath, Nandkumar
Date: 2022.05.12
13:07:10 +05'30'

INDEPENDENT VERIFICATION STATEMENT



INTRODUCTION

DNV Business Assurance Singapore Pte. Ltd. ("DNV") has been commissioned by the management of Keppel Corporation Limited ("Keppel", Company Registration Number: 196800351N) to carry out verification of Greenhouse Gases ("GHGs") emissions as part of its sustainability reporting and for the Company's Carbon Disclosure Project ("CDP") response 2022. The verification exercise was carried out for the Company's GHG emissions for the period from 1 January 2021 to 31 December 2021.

Keppel is responsible for the collection, analysis, aggregation and presentation of GHG scope 1, 2 and 3 data and information and has adopted operational control approach for selecting the reporting boundary, based on requirements set out in World Resources Institute's GHG Protocols in Keppel's bespoke spreadsheets and UL 360 software. This verification provides a moderate level of assurance as per DNV VeriSustain™¹ and applies a ±5% uncertainty threshold towards errors and omissions.

Our responsibility of performing this work is to the management of Keppel only and in accordance with terms of reference agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient true and free from misstatements. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during March to May 2022 as part of verification of sustainability report disclosures.

SCOPE, BOUNDARY AND LIMITATIONS OF VERIFICATION

The scope of work agreed upon with Keppel includes the following:

- Verification of the GHG emissions (Scope 1, Scope 2 and Scope 3) in accordance with the requirements of GHG Protocol of WBCSD:
 - The Scope 1 emissions arising from:

- a. diesel consumption in the diesel generating (DG) sets owned or operated by Keppel;
- b. diesel fuel consumption in owned and leased vehicles of Keppel;
- c. liquefied petroleum gas consumption;
- d. naphtha consumption;
- e. piped natural gas consumption;
- f. compressed natural gas consumption;
- g. acetylene consumption; and
- h. refrigerant loss and top up
 - R123, R134A, R22, R407C, R410A
- The Scope 2 emissions arising from use of purchased grid electricity;
- The Scope 3 emissions arising from a consequence of the activities of the Company but occurring from sources not owned or controlled by the Company, such as business travel², employee commute, equity investment companies³. For carbon emissions calculation under Scope 3 emissions, Keppel Corporation accounts for the proportional emissions of Scope 1 and 2 emissions of its investments as its Scope 3 emissions. Scope 3 emissions also included emissions from: waste generated, fuel and energy-related activities, purchased goods and services, capital goods, use of sold products and downstream leased assets.
- Remote verification to the sampled Keppel facilities in Singapore and Vietnam;
- Verification of the Company's protocols, processes, management approach and controls related to the collection and collation of the GHG emission data based on GHG Protocol of WBCSD and UL 360 software.

The organisational boundary as set out by Keppel covers facilities in Singapore, Australia, Brazil, Germany, Hong Kong, United States and the Asia Pacific region, where Keppel has operational control. During the process of verification, we did not come across any limitations to the agreed scope of work.

VERIFICATION METHODOLOGY

The verification was conducted by DNV in accordance with the requirements set out in

DNV VeriSustain™, for a moderate level of verification. As part of the verification process, we obtained an understanding of the systems used to generate, aggregate and report GHG emission data, and the GHG data management system of Keppel. We also tested the Completeness, Accuracy and Reliability of the data.

During the verification engagement, we have taken a risk-based approach, and we have verified the GHG emissions made in the Sustainability Report and assessed the robustness of the underlying data management system, information flow and controls. We carried out the following activities:

- Desk review of Keppel's reported emissions provided to us in spreadsheets to select sample sites for offsite verification including offset purchase and the certification related to zero energy building by the Building and Construction Authority BCA, Singapore.
- Management interaction to review data management systems of Keppel including review of data completeness, emission factors used and assumptions applied (data related to (from grid, DG), diesel consumption in DG sets owned or operated by Keppel and, diesel consumption in owned/leased vehicles, consumption of liquefied petroleum gas, naphtha, piped natural gas, compressed natural gas and acetylene and refrigerant usage (R123, R134A, R22, R407C, R410A) for its operations, and business travel;
- Offsite verification of data aggregation systems and related evidences related to Scope 1 emissions, Scope 2 emissions reported for sample locations at Keppel Shipyard Limited and Keppel Data Centre Holdings Pte Limited; Scope 3 emissions reported for business travel and employee commuting;
- Desk review verification of emissions data for sample sites located at M1 Limited, Keppel Corporation Limited, Keppel Land's sites and Keppel FELS Limited; and
- Review of feedback from Keppel on reported observations arising from offsite verification.

¹ The VeriSustain™ protocol is available on www.dnv.com

² Emissions from business travel.

³ Keppel has defined investments in accordance with the GHG Protocol's definition of investments, which includes equity investments (including investments in subsidiaries, associate companies and joint ventures), debt investments, project finance, managed investments and client services. Investments include our stakes in, Keppel REIT, Keppel DC REIT and Keppel Infrastructure Trust, our stakes in Almere and PCCW data centres in the Netherlands and Hong Kong respectively as well as our stakes in MET Group and ZeroWaste Asia.

⁴ 2020 Scope 1 emissions are restated due to additional information from M1 not reported previously.

⁵ Scope 3 emissions for equity investment companies which generate incineration waste, estimated based on the fossil carbon arising from the incineration of non-organic waste content in the incineration plant which is dry plastics in Singapore's context. Including water treatment emissions, generation of industrial waste through recycling and waste generated for landfill.

⁶ The Building and Construction Authority (BCA) has certified Keppel Bay Tower, owned and operated by Keppel Land Limited (Keppel Land), as a Green Mark Platinum (Zero Energy) building.

⁷ Emissions from employee commuting are estimated using Singapore Census 2020.

OTHER INFORMATION**INDEPENDENT VERIFICATION STATEMENT****CONCLUSION**

On the basis of our verification methodology, nothing has come to our attention that would cause us not to believe that the GHG emissions below are not a fair representation of Keppel's GHG Scope 1, Scope 2 and Scope 3 emissions. Some data inaccuracies identified for the sampled sites, during the verification process were found to be attributable to transcription, interpretation and aggregation errors, and the errors have been communicated for correction and corrected by Keppel.

STATEMENT OF COMPETENCE AND INDEPENDENCE

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. DNV did not provide any services to Keppel during 2021 that could compromise the independence or impartiality of our work.

¹ The DNV Code of Conduct is available from DNV website (www.dnv.com).

For DNV Business Assurance Singapore Pte. Ltd.

**Soh, Mui
Yan**

SOH MUI YAN
Lead Assessor
DNV Business Assurance
Singapore Pte. Ltd.

Digitally signed by Soh, Mui Yan
Date: 2022.05.12
14:17:32 +08'00'

12 May 2022, Singapore

Scope	Source	Tonnes of CO ₂ Emission (tCO ₂ e) for 2021 – Global and Singapore Operations
Scope 1⁴	a. Diesel consumption in the generating sets owned or operated by Keppel; b. Fuel (diesel) consumption in owned and leased vehicles of Keppel; c. Liquefied petroleum gas; d. Naphtha; e. Piped natural gas; f. Compressed natural gas; g. Acetylene; and h. Refrigerant usage – R123, R134A, R22, R407C, R410A.	28,628
Scope 2	Purchased electricity	128,494
Scope 3⁵	Business travel and emissions from equity investment companies, fuel- and energy-related activities and waste generated.	2,941,163
Total (Scope 1, Scope 2 and Scope 3 emissions)		3,098,285

For details please refer Keppel Corporations Sustainability report page 6. The data was verified from UL360 software, used by Keppel Corporation Limited.

Scope	Source	Tonnes of CO ₂ Emission (tCO ₂ e) for 2021 – Keppel Corporation's office (Singapore)
Scope 2	Purchased renewable energy – 236,723.55 kWh	0 ⁶
Scope 3⁷	Business travel and employee commuting	47
Carbon credit offsetting	Verra's climate protection project: 210 MW Musi Hydro Power Plant, Bengkulu, Indonesia (Serial Number. 12815-452070999-452071045-VCS-VCU-290-VER-ID-1-487-01012011-31122011-1, 12 April 2022)	47
Total		0

Note: Keppel used the GHG conversion factors for direct (Scope 1) emissions, as well as Global Warming Potential values based on the United Kingdom's Department of Business, Energy & Industrial Strategy (BEIS) GHG Conversion Factors for Company Reporting. The GHG conversion factors for indirect (Scope 2) emissions are based on the Electricity Grid Emission Factor for 2020 from Singapore's Energy Market Authority and Grid Emission Factor for International Energy Agency 2019. Carbon emissions from the incineration of waste (Scope 3) are based on the 2006 IPCC Guidelines for National GHG Inventories (Volume 5 - Waste), water treatment emissions, emissions factor for disposal of commercial & industrial waste through recycling and combustion and emissions factor for disposal of commercial & industrial waste through landfill from BEIS GHG Conversion Factors for Company Reporting (Scope 3). Emissions from business travel are calculated based on the BEIS 2019 Business Travel online Carbon Emissions Calculator. Emissions from fuel and energy-related activities are calculated based on BEIS GHG Conversion Factors for Company Reporting (WTT – overseas electricity (generation) & (WTT – oversea electricity (T&D)).

**Percy
Lakdawalla**

PERCY LAKDAWALLA
Regional Manager – DNV Business Assurance Asia & Pacific
DNV Business Assurance
Singapore Pte. Ltd.

Digitally signed by Percy Lakdawalla
Date: 2022.05.12
15:59:06 +08'00'

**Vadakepath,
Nandkumar**

VADAKEPATTH NANDKUMAR
Assurance Reviewer
DNV Business Assurance India
Private Limited

Digitally signed by Vadakepath, Nandkumar
Date: 2022.05.12
13:11:38 +05'30'



EDITED AND COMPILED BY

Group Sustainability and
Group Corporate Communications, Keppel Corporation

DESIGNED BY

Black Sun Pte Ltd

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

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

Co Reg No: 196800351N