


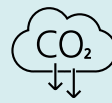

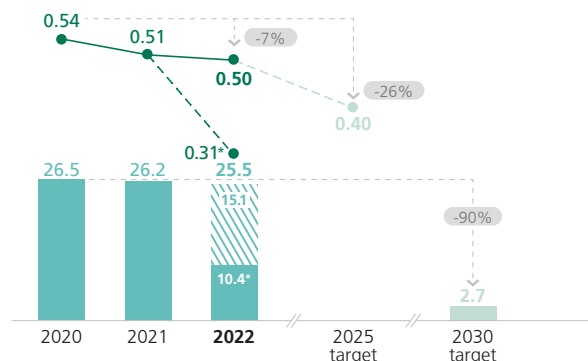
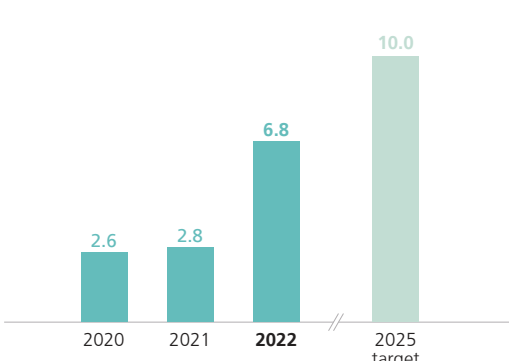

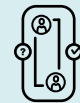

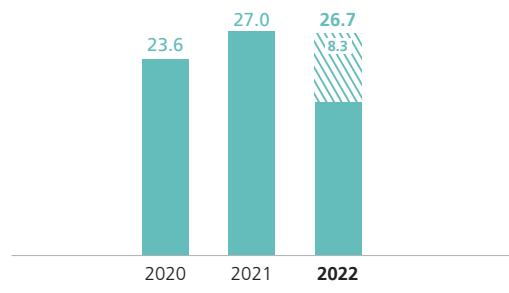
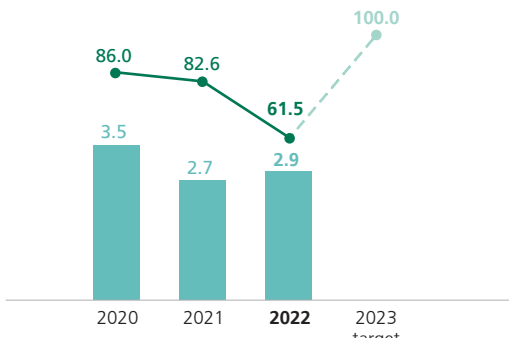



Sustainability Report

Our Sustainability Framework	20	Our Environmental, Social and Governance Priorities	
Our Approach to Sustainability	21	• Climate Action	22
• Reporting Framework		– Decarbonisation	
• Materiality		– Resource Management	
• Reporting Scope		• Empowering Lives	24
• Assurance		– Workforce Transformation	
• Supporting the Sustainable Development Goals		– Community Engagement and Investment	
• Sustainability Governance		• Resilient Business	25
• Sustainability-linked Performance Incentives		– Health and Safety	
• Memberships and Associations		– Risk Governance	
		Supplemental Information	
		• Climate-related Financial Disclosures	26
		• Performance Indicators	29
		• GRI Content Index	31
		• Assurance Statement	33

Sembcorp's solar photovoltaic asset located on a dual-use aquaculture pond in Shandong Province, China

Our Sustainability Framework GRI 3-2

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

Material Sustainability Factors	Why This is Material	Sustainability Aspects	Performance Highlights
 Climate Action	<p>We acknowledge the scientific consensus that human activities have led to increased greenhouse gas (GHG) emissions and its resulting impact on the planet. By transforming to a greener portfolio, we aim to reduce our emissions. We endeavour to reduce our consumption of resources to minimise the impact on our natural environment.</p>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 10px;">  <div style="margin-left: 10px;">Decarbonisation</div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;">Resource Management</div> </div> </div>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Absolute GHG Emissions (Scope 1 and 2) (million tCO₂e) and Emissions Intensity (tCO₂e/MWh)</p>  <p>■ Absolute GHG emissions (Scope 1 and 2) ● GHG emissions intensity ▨ GHG emissions attributable to Sembcorp Energy India Limited (SEIL)</p> <p>Note: Figures marked with an asterisk illustrate our absolute GHG emissions and emissions intensity excluding emissions attributable to SEIL</p> </div> <div style="width: 45%;"> <p>Gross Installed Renewable Energy Capacity* (GW)</p>  <p>* Figures exclude acquisitions pending completion and projects under development</p> </div> </div>
 Empowering Lives	<p>Our employees and communities enable the success of our business. In an increasingly disruptive world, we seek to enhance value to our employees and communities. We upskill our employees and provide support to our communities in a collective transition to a lower carbon and more sustainable future.</p>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 10px;">  <div style="margin-left: 10px;">Workforce Transformation</div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;">Community Engagement and Investment</div> </div> </div>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Average Learning Hours (hours per employee)</p>  <p>■ Average learning hours per employee ▨ Average sustainability skill learning hours per employee</p> </div> <div style="width: 45%;"> <p>Community Investments (\$ million and %)</p>  <p>■ Total community contributions ● Percentage of operations with local community engagement and / or development programmes</p> </div> </div>
 Resilient Business	<p>In today's dynamic global and macroeconomic environment, we believe that a resilient business requires a robust framework that identifies, manages and mitigates current and emerging risks. These risks include corruption, non-compliance with laws, as well as health and safety. A resilient business undergirds our transformation plan and targets.</p>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 10px;">  <div style="margin-left: 10px;">Health and Safety</div> </div> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;">Risk Governance</div> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Work-related Fatalities</p> <div style="background-color: #4CAF50; color: white; padding: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">0</div> <p>2022</p> </div> <div style="text-align: center;"> <p>Integrated Assurance Framework Implementation Across Key Markets¹</p> <div style="background-color: #4CAF50; color: white; padding: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">100%</div> <p>2022</p> </div> <div style="text-align: center;"> <p>Employee Completion of Anti-bribery and Corruption Training²</p> <div style="background-color: #4CAF50; color: white; padding: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">100%</div> <p>2022</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p>Ongoing Target</p> <div style="background-color: #4CAF50; color: white; padding: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">0</div> <p>Ongoing Target</p> </div> <div style="text-align: center;"> <p>Ongoing Target</p> <div style="background-color: #4CAF50; color: white; padding: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">100%</div> <p>Ongoing Target</p> </div> <div style="text-align: center;"> <p>Ongoing Target</p> <div style="background-color: #4CAF50; color: white; padding: 10px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">100%</div> <p>Ongoing Target</p> </div> </div>

¹ Coverage follows the reporting scope of this Sustainability Report

² Refers to existing employees. New joiners are given more time to complete anti-bribery and corruption training as part of their onboarding

Our Approach to Sustainability

Reporting Framework

The Global Reporting Initiative (GRI) Standards are widely recognised globally as a framework for sustainability reporting. Our Sustainability Report has been prepared with reference to the GRI Universal Standards 2021, Ten Principles of the United Nations (UN) Global Compact, Singapore Exchange Limited (SGX) Listing Rules 711A and 711B, Practice Note 7.6 Sustainability Reporting Guide and SGX Core Environmental, Social and Governance (ESG) Metrics. Our climate-related financial disclosures are guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as well as the CDP Climate Change programme. Our previous report was published in March 2022.

Materiality GRI 2-14 | 3-1

Our materiality assessment process takes guidance from the GRI Standards. Our material sustainability factors are reviewed and endorsed by our Sustainability Steering Committee (SSC) and the Board of Directors annually.

In 2022, we performed a materiality assessment to determine potential impacts arising from the changes taking place in the energy sector and our transformation journey. Our refreshed Sustainability Framework on page 20 articulates our material sustainability factors and focus as we aspire to become an energy company of the future.

Our materiality assessment consists of a four-step process:

1. Identifying a list of potential ESG aspects through landscape research, review of ESG rating reports, internationally recognised ESG standards and frameworks, peer benchmarking, as well as global and industry studies on current and future sustainability trends. The ESG aspects were then filtered down to a list of preliminary aspects relevant to our business and industry.

2. Using the AA1000 Stakeholder Engagement Standard as our guide, we identified and mapped our stakeholders on an influence and interest matrix. We then obtained feedback on the ESG priorities of key stakeholder groups through the relevant relationship holders in the company based on their ongoing engagement.
3. Drawing on the insights and perspectives gathered via steps 1 and 2, the ESG aspects were grouped and prioritised to form our material sustainability factors.
4. The material factors and aspects were further refined in consultation with our leadership, and validated and approved by our board.

Reporting Scope GRI 2-2 | 2-3

Our report provides information on Sembcorp as well as our subsidiaries and covers the period from January 1 to December 31, 2022.

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

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

Data pertaining to entities divested during the year is excluded from our report. In 2022, we announced the sale of Sembcorp Energy India Limited (SEIL), which operates two coal-fired plants. The sale was completed in January 2023. Data for SEIL is included in this report.

Assurance GRI 2-5

We have engaged DNV Business Assurance Singapore Pte. Ltd. (DNV) to undertake an independent limited assurance of sustainability information in our report. The Assurance Statement can be found on pages 33 and 34.

Supporting the Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) and their accompanying targets were ratified by 193 states at the UN Summit in September 2015. The scale and ambition of the SDGs mean they cannot be achieved by governments alone, and require the collective effort of businesses, organisations and society. Sembcorp believes in playing our part to help meet these goals. We aim to transform our portfolio towards a greener future, by focusing on growing our Renewables and Integrated Urban Solutions businesses.

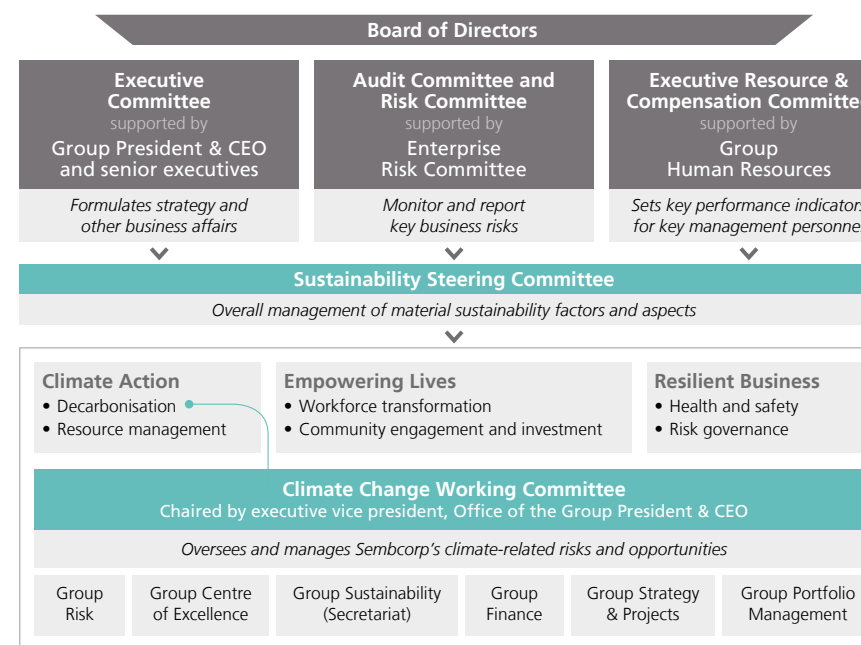
In line with our strategic focus as a provider of sustainable solutions, we have adopted SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) as our priority SDGs. Our brown to green strategic transformation targets support these SDGs. We recognise that the SDGs are a holistic framework for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



For more information on how we support SDGs 7 and 13, please refer to the Climate Action Plan section on the Sustainability webpage.

Sustainability Governance 2-9 | 2-12 | 2-13 | 2-14

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



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

- **Executive Committee**
Provides oversight and supervision of the Group's strategy and business affairs, including our Climate Action Plan
- **Audit Committee (AC) and Risk Committee (RC)**
Endorse the Group's policies, guidelines and systems to manage risks including climate-related risks. Report to the board on the adequacy and effectiveness of the Group's internal controls and risk management systems
- **Executive Resource & Compensation Committee (ERCC)**
Sets remuneration framework, reviews and endorses key performance indicators (KPIs) of our key management personnel, including sustainability and climate-related indicators

For more information on the roles and responsibilities of the board, please refer to the Corporate Governance Statement on pages 35 and 36.

Board statement

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

Sembcorp's SSC provides strategic direction for managing sustainability-related risks and opportunities. The committee is chaired by our Group President & CEO and comprises senior executives who are accountable for the management of Sembcorp's material sustainability factors. The Group Sustainability division leads the integration of sustainability matters for the company and reports to the group chief financial officer.

For more information on our governance of climate-related matters, please refer to the Decarbonisation section on page 22.

Sustainability-linked Performance Incentives

ESG KPIs are a part of the annual performance scorecard of our

senior executives. These include GHG emissions intensity and gross installed renewable energy capacity.

For more information on our performance against targets, please refer to the Performance Highlights on page 20.

Memberships and Associations 2-28

We participate in industry and trade associations that support the sustainability agenda such as UN Global Compact Network Singapore as well as The Association for Decentralised Energy and Energy Storage Network in the UK. Our Group President & CEO was elected as the World Energy Council's Vice Chair, Asia, for the period of 2022 to 2025.

WE SUPPORT



Signatory to the UN Global Compact



Member of the founding consortium of GRI ASEAN Regional Hub



Supporter of the Financial Stability Board's TCFD



Partner of Carbon Pricing Leadership Coalition Singapore

Sustainability contact

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

Our ESG Priorities: Climate Action

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

Why this is material The energy generation sector contributes to over one third of global emissions¹. Decarbonisation of the energy sector is critical to reduce GHG emissions and limit global warming. We recognise our role in supporting the collective transition towards a lower carbon economy, and the need to manage evolving climate-related risks and opportunities.

Our approach The drive to decarbonise is our focus and priority. In 2021, we announced our brown to green transformation strategy with accompanying climate targets for the short, medium and long term.

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

 For more information on our climate-related risks and opportunities, please refer to the TCFD report on pages 26 to 28.

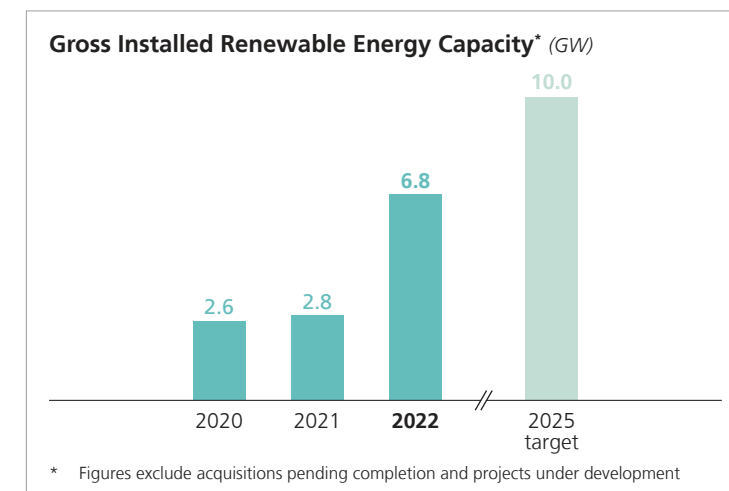
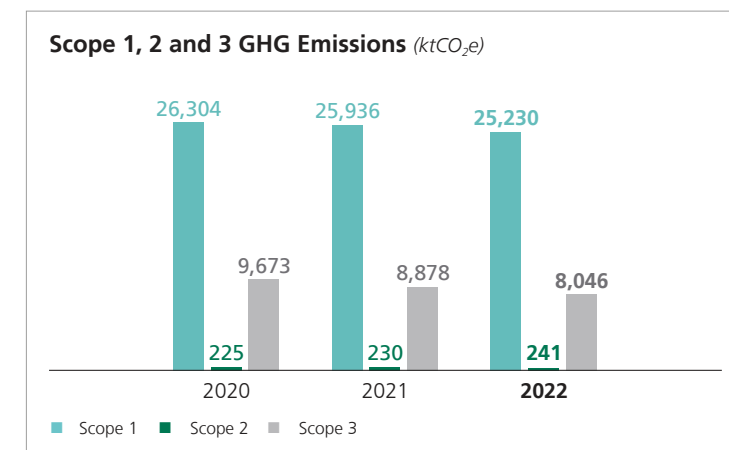
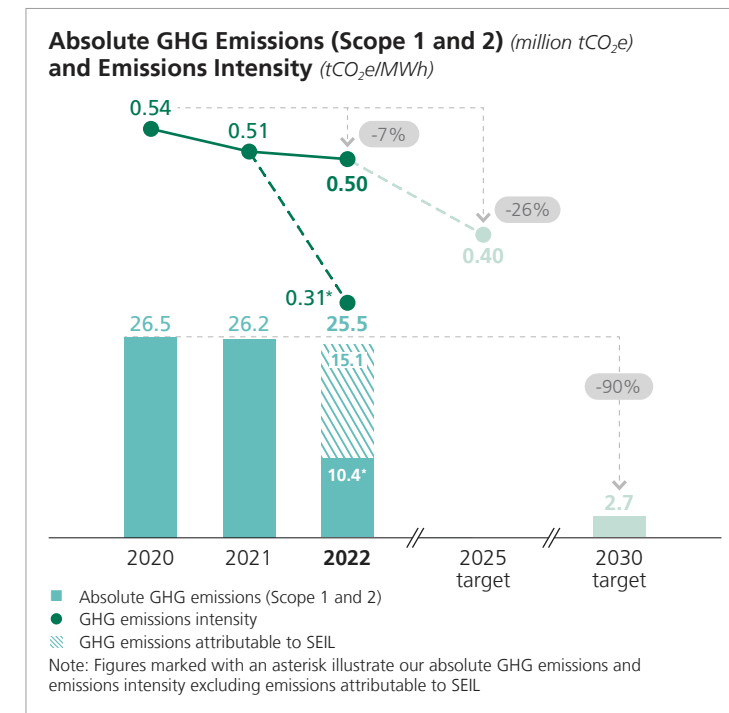
- Our frameworks and policies**
- Climate Action Plan
 - Group Health, Safety, Security and Environment (HSSE) Policy
 - Group Environmental Policy
 - Group Internal Carbon Pricing Framework

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

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

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

- Our performance**
- The sale of SEIL, which operates two coal-fired plants, was completed in January 2023 and SEIL's GHG emissions are accounted for in our Scope 1, 2 and 3 emissions for 2022. We worked with an external consultant with regards to the classification of SEIL's emissions in accordance with the GHG Protocol post-transaction. The proportional emissions of SEIL will be accounted for under Scope 3 (Category 15 – Investments), and reported in our Sustainability Report 2023.
 - GHG emissions intensity reduced slightly to 0.50 tonnes of carbon dioxide equivalent per megawatt-hour (tCO₂e/MWh) mainly due to an increase in renewable energy generation.
 - Absolute GHG emissions (Scope 1 and 2) reduced to 25.5 million tCO₂e due to reduced energy generation from our conventional energy operations.
 - Scope 3 emissions decreased by 9.4% to 8.0 million tCO₂e mainly due to lower natural gas sales.
 - We maintained our CDP Climate Change score of "B" in 2022. A "B" score signifies that the company is taking coordinated action on climate issues.
 - Our gross installed renewable energy capacity comprising wind, solar and energy storage assets more than doubled from 2.8GW in 2021 to over 6.8GW. As at December 31, 2022, our global energy portfolio mix, based on gross installed capacity², stands at 58% conventional energy and 42% renewables.



¹ World Energy Outlook 2022 report


² Excludes acquisitions pending completion and projects under development

Our ESG Priorities: Climate Action

Sustainable finance: Annual update 2022

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

The framework outlines three KPIs – KPI 1: GHG emissions intensity, KPI 2: GHG absolute emissions and KPI 3: Gross installed renewable energy capacity. The sustainability-linked loans and sustainability-linked bond issuances cover KPI 1 and KPI 3 and the performance of both KPIs have been externally reviewed by DNV. With the sale of SEIL, we will meet the target for KPI 1 in 2023 ahead of the target year. We are close to meeting KPI 3 with 9.8GW of gross renewables capacity installed and under development, including acquisitions pending completion. We will be reviewing and setting new Sustainability Performance Targets (SPTs) in the coming years.

 For more information on the Sustainable Financing Framework, Second Party Opinion and Independent Limited Assurance Report, please refer to the Sustainable Finance section on the Investors webpage.

Performance against SPTs as at December 31, 2022

KPIs	2020 Baseline	2022 Performance	2025 SPTs
KPI 1: GHG emissions intensity ¹ (tCO ₂ e/MWh)	0.54	0.50	0.40
KPI 3: Gross installed renewable energy capacity ² (GW)	2.6	6.8	10.0

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

² Refers to gross alternating current capacity of the plant at commercial operation date as specified in the grid connection agreement or as permitted (assumes 100% ownership of the facility). Figures exclude acquisitions pending completion and projects under development

Resource Management GRI 3-3 | 302-3

Why this is material

Our business activities consume resources such as fuel and water, and in turn generate waste. With resource scarcity and increased costs, the stewardship of resource use has become imperative.

Sembcorp's material energy footprint arises from our conventional energy business where our power plants consume fuel such as natural gas and coal.

Most of our interactions with water arise from our conventional energy and water businesses. Our conventional energy assets withdraw seawater, surface water and groundwater mainly for cooling purposes with a majority returned to the environment. In our water business, our most significant water withdrawal is seawater for the production of desalinated water. Our industrial wastewater treatment facilities treat customers' wastewater, where a portion of the treated water is reclaimed and supplied back to the customers.

Sembcorp's most significant waste-related impact to the environment arises from our conventional energy and water businesses which generate ash and sludge during operations.

Our approach

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

For waste management, we adopt the principles of prevent, reduce, reuse, recycle and recover. We seek to implement solutions that support a circular economy in our operations as well as that of our customers'. We also leverage digital solutions to monitor waste-related data and improve operational efficiency.

Our frameworks and policies

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

Reference frameworks


- ISO 14001³
- ISO 50001


Our governance

The Group Centre of Excellence (GCOE) division oversees resource management. The management of this aspect is guided by the Environmental Management Standard and GCOE ensures the compliance of this standard through internal audits. Quarterly updates to management include plant performance which is tracked against a balance scorecard.

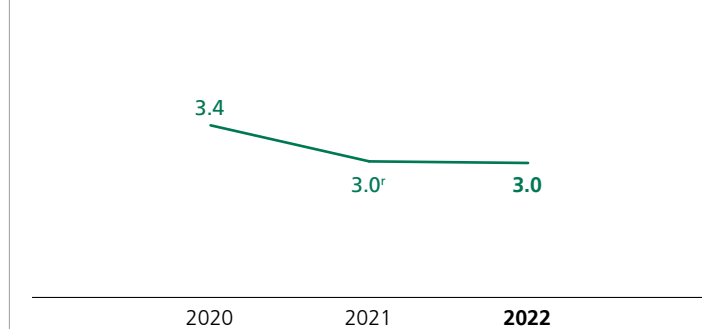
Our performance

The energy intensity⁴ of our energy generating assets remained at 3.0 gigajoules per megawatt-hour (GJ/MWh) in 2022.

 For more information on our energy optimisation projects, please refer to the TCFD report on page 28.

 For more information on our energy, water and waste performance data, please refer to the Performance Indicators section on page 29.

Energy Intensity of Energy Generating Assets (GJ/MWh)



^f We restated our energy intensity figure from 3.1 to 3.0 for 2021 due to a reclassification of an asset as an energy generating asset

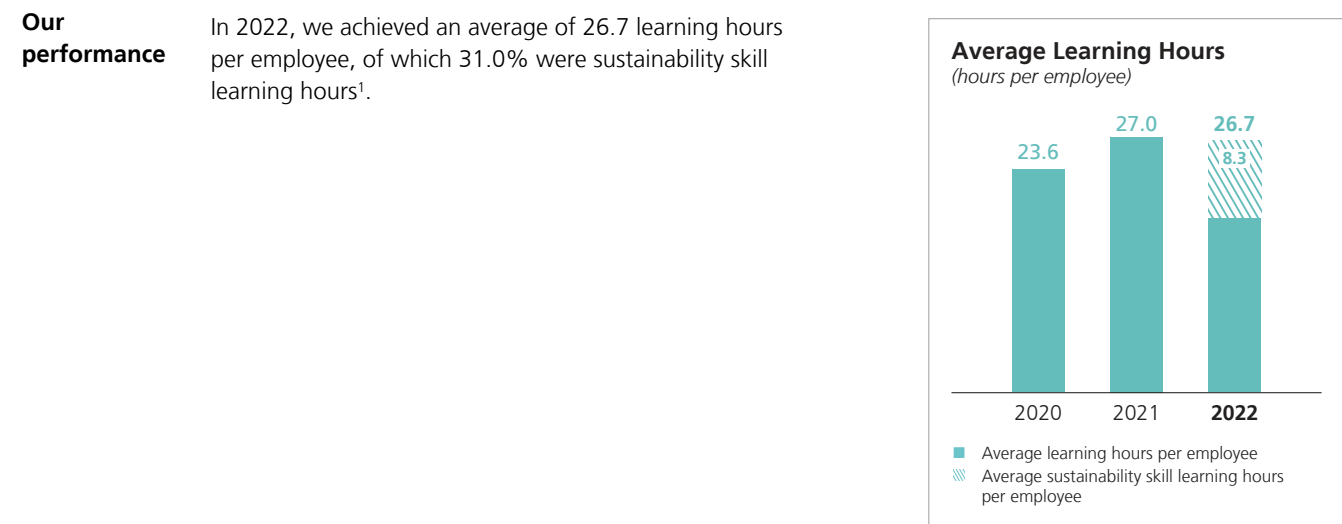
³ All thermal assets under our operational control are ISO 14001 certified and undergo regular external audits. For the coverage of sites certified, please refer to the Memberships, Certifications & Ratings section on our Sustainability webpage

⁴ For the computation of energy intensity, we take into account fuel, electricity and heating consumed by energy generating assets

Our ESG Priorities: Empowering Lives

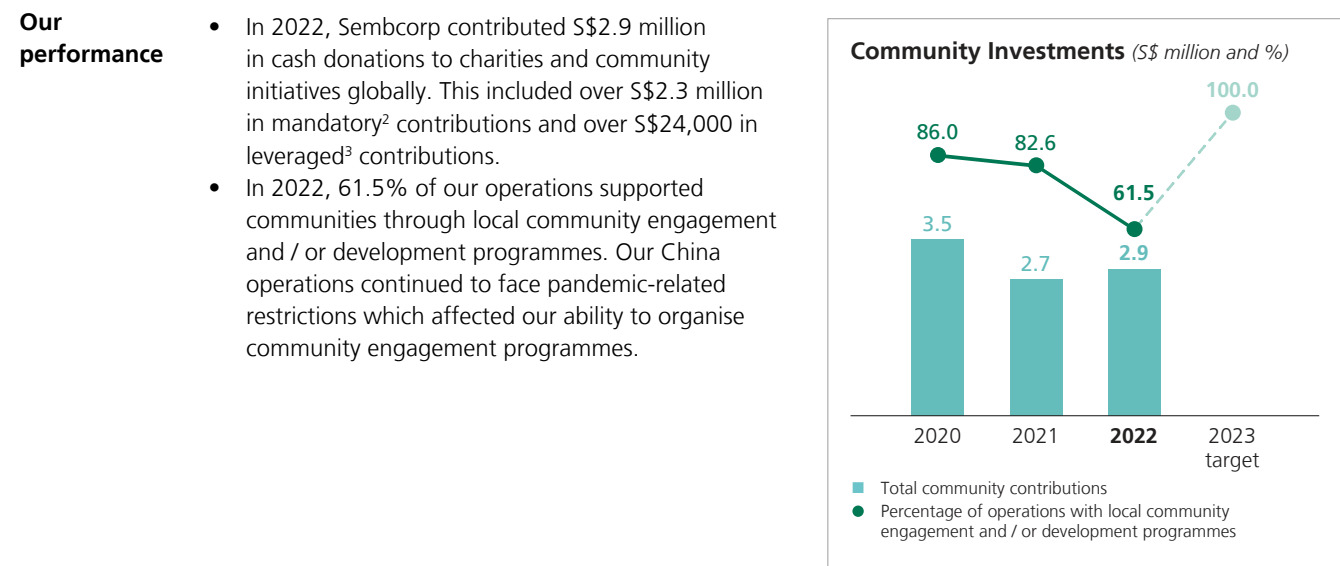
Workforce Transformation GRI 3-3 | 404-1

Why this is material	We need to ensure that our workforce is equipped with the right competencies as we transform our business from brown to green. We recognise that beyond enhancing the professional skills of our existing employees for a changing business landscape, we also need to grow our team in sustainability-related fields.	
Our approach	<p>Aligned with our business objectives, we have evolved our approach to learning and development, to greater focus on promoting sustainability¹ and professional skills required to drive the energy transition. We provide digital and in-person learning opportunities for all employees through our Sembcorp Academy learning platform to cater to our business needs.</p> <p>Talent strategy and development as well as succession planning are supported by our:</p> <ul style="list-style-type: none"> • Talent Management Framework (TMF) • Sembcorp Academy learning platform • Human resources talent and performance management system <p>The TMF establishes our approach to assess employee capability and competency, identify and meet developmental needs, and ensure regular performance reviews, engagement and feedback.</p>	
Our frameworks and policies	<ul style="list-style-type: none"> • Talent Management Framework • Learning and Development Policy • Diversity and Inclusion Policy • Whistleblowing Policy • Employee Grievance and Disciplinary Action Policy • Human Rights Policy • Code of Conduct 	Reference frameworks <ul style="list-style-type: none"> • UN Guiding Principles on Business and Human Rights • UN Universal Declaration of Human Rights • Employers' Pledge of Fair Employment Practices under Singapore's Tripartite Alliance for Fair and Progressive Employment Practices
Our governance	The Group Human Resources division oversees talent management and development, employee compensation, as well as the management of human rights and labour standards. Our employee compensation framework is shared with and approved by the board's ERCC.	



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

Why this is material	Sembcorp's long-term success is dependent on us being a valued partner to the communities we serve. As economies transition towards a lower carbon economy, communities without direct access to green technologies and capabilities are at risk of falling behind. Hence, we seek to enhance value to our communities by supporting them in our collective transition to a lower carbon and more sustainable future.	
Our approach	Our revamped community investment strategy seeks to advance SDG 7 (Affordable and Clean Energy), which aims to ensure access to affordable, reliable, sustainable and modern energy for all. We recognise that energy is essential to lives and the economy, and we want to make renewable energy more accessible to our communities. Our local operations are best placed to understand the needs of the community and forge partnerships with local stakeholders. As such, our market teams manage community assessments, engagement programmes and contributions locally, while aligning with group-level strategic frameworks and guidelines.	
Our frameworks and policies	<ul style="list-style-type: none"> • Code of Conduct • Group Community Grievance Management Policy • Group Community Investment and Sponsorship Compliance Policy • Group Community Investment Guidelines • Group Know-your-counterparties Policy 	Reference frameworks <ul style="list-style-type: none"> • AA1000 Stakeholder Engagement Standard • Business for Societal Impact Framework and Guidance
Our governance	The Group Sustainability division oversees community-related matters. For operations located in rural communities, our dedicated community relations teams engage with local stakeholders to understand their needs. Proposed initiatives undergo a counterparty due diligence assessment conducted by the Group Ethics and Compliance division. Quarterly global community investment meetings are held to communicate policies and align community plans.	



¹ A sustainability skill module provides practical training for employees, enabling them to undertake work for a sustainable product or service, or develop skills to embed sustainability in their existing functions

² Mandatory contributions are community activities which we undertook in response to the requirements of law, regulation or contract

³ Leveraged contributions are employee contributions raised through our employee fundraising programmes

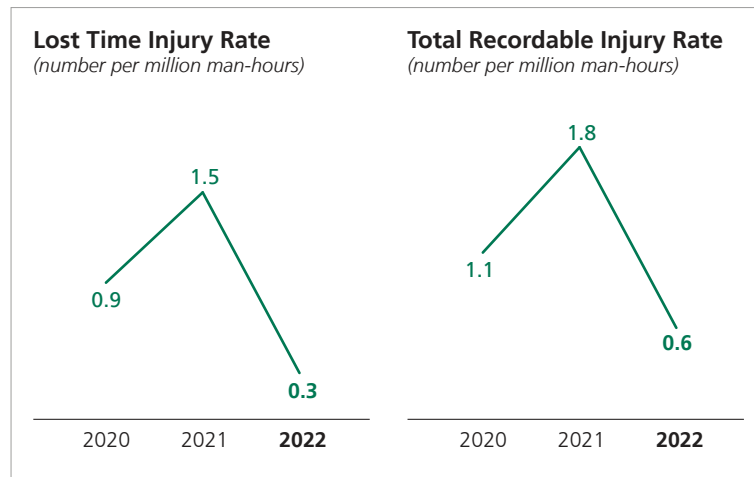
Our ESG Priorities: Resilient Business

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

Why this is material	The nature of our operations involves exposure to health and safety risks. Any lapse in health or safety protocols may result in direct or indirect impact on our employees, contractors, customers and communities. A robust health and safety management system, supported by strong implementation and monitoring, minimises operational disruption and improves business resilience.	
Our approach	We recognise the right to life, health and safe working conditions, and are committed to reducing health and safety risks in our operations. We believe that most incidents are preventable. It is our responsibility to ensure that our employees are equipped with the right skills and tools to work safely. We also require our contractors to comply with our health and safety requirements to prevent and manage health and safety risks. Our Group HSSE management system is internally audited and conforms to the relevant Occupational Health and Safety Assessment Series and International Organisation for Standardisation (ISO) Standards, and applies to all employees. We expect our contractors, vendors and suppliers working within or at project sites outside our facilities to conform to our Group HSSE management system.	
Our frameworks and policies	<ul style="list-style-type: none"> Group HSSE Policy Group HSSE Management Framework Human Rights Policy 	Reference frameworks <ul style="list-style-type: none"> ISO 45001¹ International Association of Oil and Gas Producers (IOGP) Global Safety Performance Indicators US National Institute for Occupational Safety and Health (NIOSH) Guidelines

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

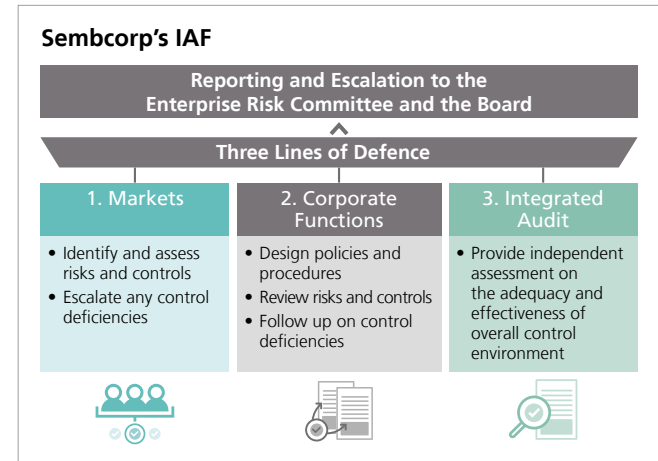
Our performance In 2022, there were no work-related fatalities and high-consequence injuries among employees and contractors. There was an improvement in lost time injury rate and total recordable injury rate, which can be attributed to our targeted efforts to reduce incidents associated with slips, trips and falls, and manual handling. Majority of the work-related incidents resulted in minor injuries which required first aid or medical treatment with no lost days.



¹ For the coverage of sites certified, please refer to the Memberships, Certifications & Ratings section on the Sustainability webpage

Risk Governance GRI 3-3 | 205-2

Why this is material	In today's increasingly complex and volatile business landscape, the Group is exposed to a range of risks. Robust risk governance is instrumental to the resilience of our business.	
Our approach	<p>We adopt a consistent approach to identify, measure, manage and mitigate risks through our IAF which incorporates the three lines of defence model. Our market teams conduct a quarterly review of their key risks including climate-related risks using a likelihood impact matrix and provide the performance updates to the respective corporate functions.</p> <p>Principal risks of the Group are identified and accountability is established with the relevant risk owner and coordinator. The risk description, drivers and consequences are determined by risk owners. Key risk indicators and risk appetite are set to facilitate monitoring of risk status.</p> <p>Our enterprise-wide compliance programme is designed to ensure compliance with our anti-bribery and corruption (ABC) policy and includes counterparty due diligence. Our zero-tolerance stance towards bribery and corruption is regularly communicated to employees through email circulars and e-learning programmes to increase awareness.</p> <p><i>For more information on our principal risks and our approach to managing them, please refer to the Corporate Governance Statement on pages 40 and 41.</i></p>	
Our frameworks and policies	<ul style="list-style-type: none"> Integrated Assurance Framework Code of Conduct Group Conflict of Interest Policy Whistleblowing Policy Group Investment Approval Policy Group Data Protection Policy Group Anti-bribery and Corruption Policy Group Gifts, Entertainment and Travel Policy Group Know-your-counterparties Policy Group Third Party Representative Anti-bribery and Corruption Due Diligence Policy 	Reference frameworks <ul style="list-style-type: none"> SGX Rulebook Practice Guide 9 Singapore Code of Corporate Governance 2018 Committee of Sponsoring Organisations of the Treadway Commission: Enterprise Risk Management Framework 2017 ISO 31000 ISO 27001 National Institute of Standards and Technology's Cybersecurity Framework



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

For more information on the roles and responsibilities of the board, please refer to the Corporate Governance Statement on pages 35 to 43.

Our performance

- 100% of our key markets² implemented the IAF in 2022.
- 100% of our existing employees received ABC training³.
- 100% of our employees acknowledged compliance to the Code of Conduct in 2022.

² Coverage follows the reporting scope of this Sustainability Report

³ New joiners are given more time to complete ABC training as part of their onboarding

Supplemental Information

Climate-related Financial Disclosures

The disclosures in this section are guided by the recommendations of TCFD, and complement the information set forth in our Annual and Sustainability Reports. To avoid the duplication of information, references to the relevant sections are provided.

Given that the disclosures arising from TCFD recommendations involve emerging practice in the assessment and analysis of climate-related risks and opportunities with information based on current expectations, estimates, projections and assumptions; there are limited external assurance standards available.


Hence, in this section, only limited assurance is given on the metrics disclosures where GHG emissions are reported and externally assured in accordance with the GRI Standards as part of our sustainability reporting disclosures.

Governance

TCFD recommendations

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

In 2022, key topics discussed in CCWC meetings included the assessment and prioritisation of top climate-related risks and opportunities with its associated financial impact. The committee also discussed the approach for scenario analysis to understand business resilience in a world that needs to limit its temperature rise to a 1.5°C threshold. Our senior executives also presented updates on the Group's business and strategic developments to the board. These included growth in renewable energy, progress of our brown to green transformation plan and related climate targets, as well as the Group's financial and carbon budgets.


 For more information on the governance of our sustainability and climate-related matters, please refer to the Sustainability Governance and Decarbonisation sections on pages 21 and 22.

Risk Management

TCFD recommendations

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

To identify and assess climate-related risks and opportunities, a list was prioritised and discussed at CCWC. To test materiality, potential financial impact and likelihood of occurrence were assessed to identify top climate-related risks and opportunities.

 For more information on how we identify, assess and integrate climate-related risks in the IAF, please refer to the Risk Governance section on page 25 and the Corporate Governance Statement on pages 40 and 41.

Our Climate-related Risks Managed Through IAF

TCFD climate-related risks	Our key risks	Management approach
Policy risk <i>from increasing carbon pricing</i>	Carbon exposure	Sembcorp is subject to national policies and regulations that impose a price on carbon on our conventional energy assets in Singapore and the UK. To manage carbon exposure risk, we assess our GHG emissions (absolute and intensity) against our emissions reduction targets and report its progress to the management. We also apply an internal market-specific shadow carbon price ¹ under different climate scenarios on our new investments and existing operations to evaluate potential financial implications associated with carbon pricing regulations.
Legal risk <i>from exposure to litigation</i>	Regulatory compliance – licence to operate	Legal risks arise from non-compliance with applicable environmental laws and regulations impacting our licence to operate. We continuously monitor regulations and track compliance. Any incident of non-compliance is reported to management.
Technology risk <i>from transition to lower-carbon systems disrupting conventional energy systems</i>	Strategic competition and relevance	Climate-related technology risks may arise from the failure to identify and adopt disruptive innovation affecting decarbonisation. We manage these risks by identifying new technologies as well as partnering with academia and industrial associations to research and test new technology. Our technological plans and initiatives come under the oversight of the board's Technology Advisory Panel.
Market risk <i>from shift in supply and demand for certain commodities, products, and services</i>	Commodity volatility	 For more information on our management approach on commodity volatility risks, please refer to the Corporate Governance Statement on page 41.
Physical risk <i>from increased severity of extreme weather events and rising sea levels and temperatures</i>	Investment governance, project execution and operation	Sembcorp's assets may be impacted by acute and chronic physical risks. These risks may arise from increased severity and frequency of extreme weather, as well as rising sea levels and temperatures. This may lead to financial losses arising from operational disruptions of our assets. Infrastructure resilience is part of our asset design specifications, and our assets are designed and built in line with industry standards. We manage these risks by conducting physical risk assessments of our critical assets every five years and annually reviewing effectiveness of their mitigation and adaptation plans based on local market intelligence. To further mitigate such risks, we insure our assets appropriately.

¹ Our carbon pricing outputs were developed by an external consultant and are updated annually

Supplemental Information

Climate-related Financial Disclosures

Strategy

TCFD recommendations

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

In this section, we describe our key climate-related risks and opportunities and elaborate on how they inform our strategy and financial planning.

The tables on this page provide details of our top risks and opportunities, as well as associated potential financial impact. We refer to the time horizons below to assess the impact from our climate-related risks and opportunities.

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

Our Top Climate-related Risks

Policy risk: Increasing carbon prices

Impact: Short to medium term

Description In Singapore and the UK, our conventional energy assets are subject to carbon pricing regulations including Singapore's carbon tax, the UK's emissions trading scheme¹ (ETS) and carbon price support² (CPS). The risk arising from increasing carbon prices poses an inherent impact on our expenditure. The gross financial impact was approximately S\$90 million in 2021 and this is expected to increase in 2022³.

Strategy and management approach In our key markets, we monitor the regulatory framework and conduct risk-based scenario analysis on business-as-usual, 2°C and 1.5°C scenarios. We apply an internal carbon price to evaluate carbon exposure and financial impact of carbon pricing regulations on our conventional energy assets.

The impact from current and emerging regulation is mitigated with the change-in-law provision of existing utilities and electricity contracts with our customers, allowing some level of carbon tax cost pass-through to customers.

Physical risk: Extreme weather events such as floods

Impact: Short / medium / long term

Description We conducted a high-level physical risk assessment based on the Representative Concentration Pathway (RCP) 4.5 and RCP 8.5 scenarios across nine climate-related physical hazards to establish a priority list of high-risk assets.

Based on the assessment, our Middle East assets which are situated near the sea were assessed to be more prone to floods and cyclones. In 2022, there was a flood event in the city surrounding one of our assets. The impact was limited and there was no disruption to our operations. We implemented relevant preventive measures to reduce impact from such events in the future. Based on historical cyclonic events in this region, there is a possibility of such events which may result in potential financial impact of approximately S\$1 million in the form of property damage and additional preventive measures.

Strategy and management approach To mitigate sea and / or storm water ingress, we constructed shore walls and storm water canals for our assets in Middle East. The assets are also covered by insurance in the event of future cyclonic and / or flood events. The cost of response to reduce the impact from floods in our Middle East assets was approximately S\$5 million.


Our Top Climate-related Opportunities

Products and services: Deployment of renewable energy solutions

Impact: Long term

Description To support the global energy transition, Sembcorp aims to grow net profit contribution from its Sustainable Solutions portfolio to 70% and achieve a target of gross installed renewable energy capacity of 10GW by 2025. As at December 31, 2022, our gross installed renewable energy capacity including solar, wind and energy storage grew to over 6.8GW, and net profit before exceptional items from the renewables segment grew to S\$140 million. In 2022, the renewable energy generated is equivalent to over 6.0 million tCO₂e emissions avoided.

Strategy and management approach We have a five-year (2021-2025) cumulative growth investment plan of S\$4.4 billion to grow our renewable energy and energy storage projects to 10GW by 2025. In 2022, we utilised S\$1.6 billion⁴ to develop and grow our renewable energy portfolio.

 For more information on our key developments and performance in the Renewables segment, please refer to the Operating and Financial Review section on pages 9 to 11.

Products and services: Development of low carbon hydrogen initiatives

Impact: Long term

Description As a leading producer of renewable energy and the largest importer of natural gas in Singapore, Sembcorp is well-positioned to support the Singapore government's newly outlined approach to develop hydrogen as a major decarbonisation solution.

Strategy and management approach We entered into strategic partnerships with various Japanese corporations to progress on hydrogen and other decarbonisation initiatives. These initiatives include collaboration on an integrated green ammonia supply chain, as well as hydrogen imports.

 For more information on our strategic collaborations, please refer to the press release on the Media Releases section on the Media webpage.

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

² The carbon price floor was introduced on April 1, 2013 and is capped at £18/tCO₂, as at December 31, 2022. It affects the fossil fuel-based electricity generation market in the UK by increasing the cost they face for each tonne of carbon dioxide emitted

³ The financial year 2022 emissions figure regulated under Singapore's carbon tax and the UK's ETS and CPS are externally audited post-publication of this report


⁴ S\$1.6 billion consists of S\$0.5 billion in capital expenditure and S\$1.1 billion in equity investment

Supplemental Information Climate-related Financial Disclosures

Strategy (cont'd)

Brown to green strategic transformation plan

In May 2021, we unveiled our strategic plan to transform our portfolio from brown to green by growing our Renewables and Integrated Urban Solutions businesses. Our transformation plan to support the global energy transition and sustainable development, particularly in Asia, is underpinned by clear targets.

 For more information on our performance against our transformation plan, please refer to Our Transformation section on page 3.

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

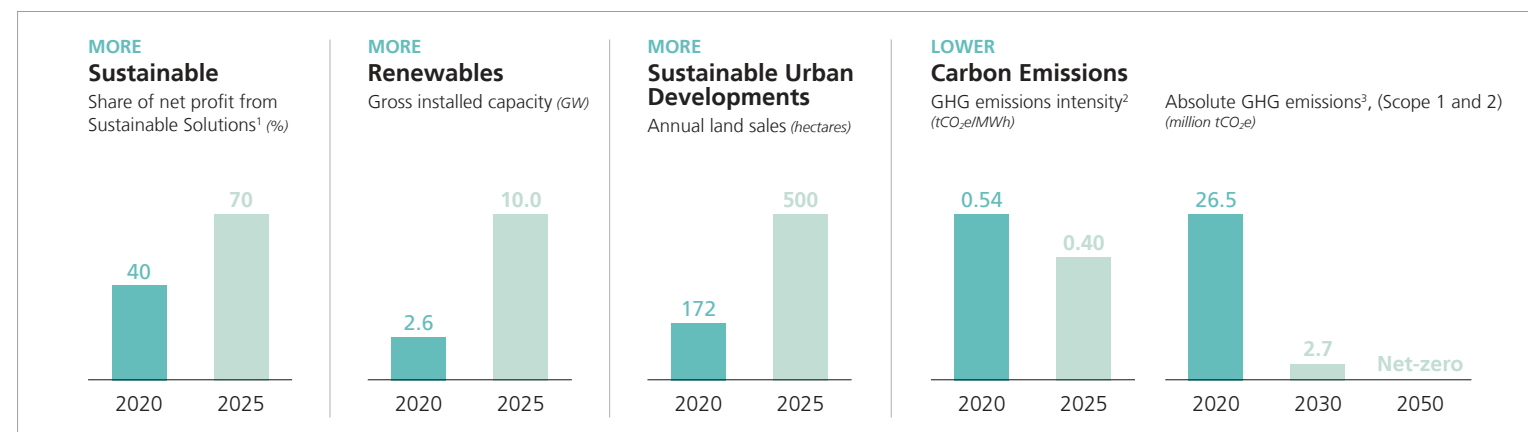
In addition to our transformation plan, we actively manage our operational emissions from existing assets by implementing optimisation initiatives. Our global energy and water facilities undertook 25 energy optimisation projects that led to a reduction of close to 51,000MWh of electricity consumed. This is equivalent to over 16,000tCO₂e emissions avoided or taking over 3,000 vehicles off the road for a year.

Financial planning 2021-2025

Capital expenditure and allocation

Our total five-year investment in business-as-usual capital expenditure, Renewables and

Our Brown to Green Strategic Transformation Targets



¹ Percentage based on net profit excluding corporate costs and exceptional items. Sustainable solutions include Renewables (wind, solar and energy storage) and Integrated Urban Solutions (urban, water, waste and waste-to-resource) businesses

² Our 2025 emissions intensity target is aligned to the scientific guidance of limiting global warming to well below 2°C, compared to pre-industrial levels


³ Our 2030 absolute emissions target is aligned to the scientific guidance of limiting global warming to 1.5°C, compared to pre-industrial levels

Integrated Urban Solutions projects is projected to be S\$5.5 billion. Of this, 80% is expected to be invested in renewable energy to grow our gross installed capacity to 10GW. We expect 50% of the required investment to be funded by project-level debt and green and sustainability-linked financing.

Access to capital

In 2021, we issued our inaugural S\$400 million green bond and S\$675 million sustainability-linked bond where proceeds were used to enable the Group's strategic transformation plan. As at December 31, 2022, we have


raised S\$3.3 billion worth of green and sustainability-linked funds in accordance with our Sustainable Financing Framework and Green Financing Framework.

 For more information on our Green and Sustainable Financing Frameworks and issuances, please refer to the Sustainable Finance section on the Investors webpage.

Acquisitions and divestments

In 2022, we announced the acquisitions of renewable energy assets in China, India and Vietnam totalling 2.4GW. As of February 2023,

the Group has 9.8GW of gross renewable capacity installed and under development, including acquisitions pending completion. We also announced the sale of SEIL, which operates two coal-fired plants. The sale of SEIL was completed in January 2023.

 For more information on our acquisitions and divestments, please refer to our Chairman and CEO's Statement section on pages 4 and 5.


Direct cost


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

Metrics and Targets

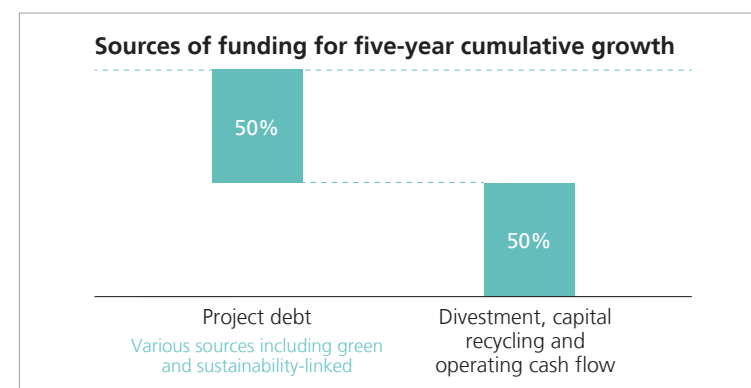
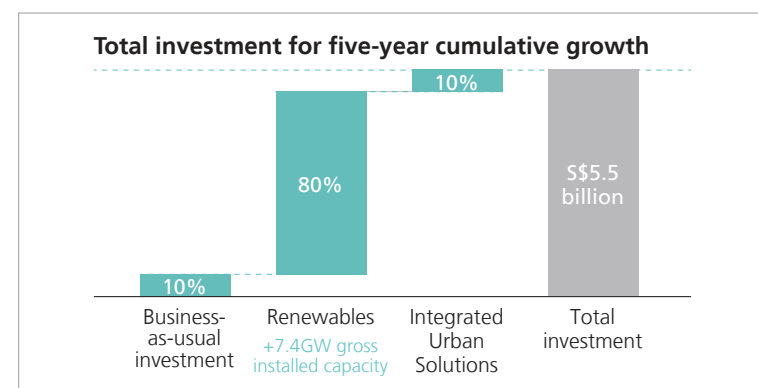
TCFD recommendations

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

 For more information on our climate-related metrics and targets in line with our brown to green transformation plan, please refer to our performance in the Decarbonisation section on page 22.

 For more information on other environmental metrics, please refer to the Performance Indicators section on page 29.

Our Five-year Investment Programme (2021-2025)



Supplemental Information Performance Indicators

Climate Action

	Unit	2022	2021	2020	GRI
Decarbonisation					
GHG emissions¹					
Scope 1 emissions ²	ktCO ₂ e	25,229.9	25,936.3	26,303.5	305-1
Biogenic emissions ³	ktCO ₂	543.0	502.2	518.1	305-1
Scope 2 emissions ⁴	ktCO ₂ e	241.3	229.9	224.8	305-2
Scope 3 emissions ⁵	ktCO ₂ e	8,046.1	8,878.4	9,673.4	305-3
Category 3 – Fuel- and energy-related	ktCO ₂ e	4,088.1	4,344.1	4,432.3	
Category 11 – Use of sold products	ktCO ₂ e	3,958.0	4,534.3	5,241.1	
GHG emissions intensity ⁶	tCO ₂ e/MWh	0.50	0.51	0.54	305-4
Atmospheric emissions					305-7
Nitrogen oxides (NOx)	kt	16.8	21.6	28.9	
Sulfur oxides (SOx)	kt	48.6	49.7	65.9	
Renewables capacity					
Gross installed renewable energy capacity ⁷	GW	6.8	2.8	2.6	Non-GRI
Resource management					
Energy					
Total energy consumption within Sembcorp ⁸	PJ	170.9	180.2	184.3	302-1
Total energy consumption within energy generating assets	PJ	151.4	159.6	168.5	
Energy intensity of our energy generation assets ⁹	GJ/MWh	3.0	3.0 ¹¹	3.4	302-3
Water					
Water consumption within Sembcorp					303-5
All areas (total) ¹²	ML	56,280.4	52,224.0	52,342.4	
Stressed areas ¹²	ML	49,284.8	40,428.1	36,508.9	
Freshwater consumption intensity for energy generating assets ¹⁰	m ³ /MWh	0.13	–	–	Non-GRI
Waste					
Waste generation within Sembcorp	kt	2,696.6	2,391.6	1,749.2	306-3
Non-hazardous waste	kt	2,650.8	2,354.3	1,715.8	306-3
Ash	kt	2,615.9	2,307.2	1,683.2	
Others	kt	34.9	47.1	32.6	
Hazardous waste	kt	45.8	37.3	33.4	306-3
Ash	kt	10.8	9.7	7.7	
Operations and maintenance waste	kt	18.5	14.5	11.4	
Sludge	kt	16.0	12.7	14.1	
Others	kt	0.5	0.4	0.2	

Measurement units:

ktCO₂e: kilotonnes of carbon dioxide equivalent
 ktCO₂: kilotonnes of carbon dioxide
 tCO₂e/MWh: tonnes of carbon dioxide equivalent per megawatt-hour
 kt: kilotonnes
 GW: gigawatt
 PJ: petajoules or 1,000,000 GJ
 GJ/MWh: gigajoule per megawatt-hour
 ML: megalitres or 1000m³
 m³/MWh: cubic metres per megawatt-hour

“–”: Data not available / disclosed

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

- ⁱ Baseline Emission Factors of China's Regional Power Grid
- ⁱⁱ Central Electricity Authority of India
- ⁱⁱⁱ Energy Market Authority, Singapore
- ^{iv} Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Chinese Chemical Manufacturers
- ^v IPCC Fifth Assessment Report (Global Warming Potential factors with 100-year time horizon)

^{vi} IPCC Guidelines for National Greenhouse Gas Inventories for 2006

^{vii} UK Government GHG Conversion Factors for Company Reporting 2022

² Direct (Scope 1) GHG emissions data covers entities that produce GHGs from fossil fuel combustion in our Energy, Water, Waste Management and Urban businesses. The data excludes emissions from our anaerobic wastewater treatment plants and maintenance and servicing equipment. The data includes emissions from SEIL, which operates two coal-fired plants. With effect from January 2023, the proportional emissions of SEIL will be accounted for under Scope 3 (Category 15 – Investments), and reported in our Sustainability Report 2023

Empowering Lives

	Unit	2022	2021	2020	GRI
Workforce transformation¹¹					
Employment					
Number of employees	number	5,619	5,633	5,113	2-7
Male	number %	4,579 81.5	4,646 82.5	4,169 81.5	
Female	number %	1,040 18.5	987 17.5	944 18.5	
Breakdown of employees by age group ¹²					405-1
<30 years	%	14.0	15.9	18.6	
30–49 years	%	60.2	57.6	59.5	
≥50 years	%	25.7	26.5	22.0	
Percentage of females					405-1
Senior management ¹³	%	20.0	23.4	20.4	
Board of Directors	%	11.1	10.0	9.1	
New employee hires	number %	911 16.2	823 14.6	634 12.4	401-1
New hires by gender ¹⁴					401-1
Male	number %	702 15.3	665 14.1	498 11.9	
Female	number %	209 20.6	158 16.0	136 14.6	
New hires by age group ¹⁴					401-1
<30 years	number %	286 36.3	261 29.1	238 25.1	
30–49 years	number %	548 16.2	432 13.3	336 11.1	
≥50 years	number %	77 5.3	130 8.7	60 5.3	
Employee turnover ¹⁵	number %	745 13.3	896 15.7	634 12.4	401-1
Turnover rate by gender ¹⁶					401-1
Male	number %	601 13.1	729 15.4	510 12.2	
Female	number %	144 14.2	167 16.9	124 13.3	
Turnover rate by age group ¹⁶					401-1
<30 years	number %	182 23.1	174 19.4	145 15.3	
30–49 years	number %	417 12.3	485 15.0	346 11.4	
≥50 years	number %	146 10.1	237 15.9	143 12.7	

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

⁴ Energy indirect (Scope 2) GHG emissions include location-based data for all our Energy, Water, Waste Management and Urban businesses. In Singapore, our operations purchase energy from our own assets; to avoid double counting, the emissions resulting from these have been accounted for under Scope 1 GHG emissions

⁵ Indirect (Scope 3) GHG emissions include our fuel- and energy-related activities (Category 3) and use of sold products (Category 11), which are most relevant and material to our business

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

⁷ Gross installed renewable energy capacity figures exclude acquisitions pending completion and projects under development

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

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

¹¹ We restated our energy intensity figure from 3.1 to 3.0 for 2021 due to a reclassification of an asset as an energy generating asset

¹² We restated our water consumption figures for 2021 and 2020 due to a refinement of our data measurement systems of a wastewater treatment plant

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

¹¹ Workforce transformation data presented for 2020, 2021 and 2022 relates to permanent and contract employees of Sembcorp and its subsidiaries

¹² Percentages may not add up to 100% as they are rounded to the nearest one decimal place

¹³ Senior management is defined as employees who have the designation of senior vice president and above

¹⁴ In 2022, we updated our reporting for the rate of new hires by gender and age group to be the percentage of new hires by gender / age group over the total number of employees in the respective gender / age group category. Similarly, we updated the breakdown for new hires rates for 2020 and 2021 to facilitate year-on-year comparison

¹⁵ Employee turnover covers both voluntary and involuntary turnover

¹⁶ Rate of employee turnover by gender and age group is the percentage of employee turnover by gender / age group over the total number of employees in the respective gender / age group category

Supplemental Information Performance Indicators

Empowering Lives (cont'd)

	Unit	2022	2021	2020	GRI
Workforce transformation (cont'd)					
Training and education					
Average learning hours per employee	hours per employee	26.7	27.0	23.6	404-1
Male	hours per employee	26.4	26.8	23.2	
Female	hours per employee	27.8	27.6	25.5	
Average sustainability skill learning hours per employee ¹⁷	hours per employee	8.3	–	–	Non-GRI
Community engagement and investment					
Community investments	S\$ million	2.9	2.7	3.5	201-1
Operations with local community engagement and / or development programmes	%	61.5	82.6	86.0	413-1

Resilient Business

	Unit	2022	2021	2020	GRI
Health and safety¹⁸					
Work-related injuries and ill health					
Work-related fatalities	number	0	0	0	403-9
Employee	number	0	0	0	
Contractor	number	0	0	0	
High-consequence injury cases	number	0	0	0	403-9
Employee	number	0	0	0	
Contractor	number	0	0	0	
Lost work-day cases ¹⁹	number	9	45	20	403-9
Employee	number	5	34	12	
Contractor	number	4	11	8	
Occupational diseases	number	0	0	4	403-10
Employee	number	0	0	4	
Contractor	number	0	0	0	
Fatal accident rate ²⁰	per million man-hours	0.0	0.0	0.0	403-9
Employee	per million man-hours	0.0	0.0	0.0	
Contractor	per million man-hours	0.0	0.0	0.0	
Lost time injury rate ²¹	per million man-hours	0.3	1.5	0.9	403-9
Employee	per million man-hours	0.3	2.4	1.2	
Contractor	per million man-hours	0.2	0.7	0.6	
Total recordable injury rate ²²	per million man-hours	0.6	1.8	1.1	403-9
Employee	per million man-hours	0.6	2.8	1.4	
Contractor	per million man-hours	0.5	0.9	0.9	
Occupational disease rate	per million man-hours	0.0	0.0	0.2	403-10
Employee	per million man-hours	0.0	0.0	0.4	
Contractor	per million man-hours	0.0	0.0	0.0	
Number of man-hours worked	million man-hours	33.9	30.3	23.2	403-9
Employee	million man-hours	15.8	14.1	10.1	
Contractor	million man-hours	18.1	16.2	13.1	

Resilient Business (cont'd)

	Unit	2022	2021	2020	GRI
Risk governance					
IAF implementation across key markets ²³	%	100	–	–	Non-GRI
Total number and monetary value of significant ²⁴ fines that were paid during the reporting period	number S\$ million	6 9.6 ²⁵	2 8.5	1 21.5	2-27
Operations ²⁶ assessed for risks related to corruption	%	100	–	–	205-1
Employee completion of ABC training ²⁷	%	100	100	100	205-2
Confirmed incidents of corruption and actions taken	number	0	–	–	205-3

“–”: Data not available / disclosed

¹⁷ A sustainability skill module provides practical training for employees, enabling them to undertake work for a sustainable product or service, or develop skills to embed sustainability in their existing functions

¹⁸ Group Health and Safety Performance is reported and recorded in accordance with the reporting requirements defined in the Group HSSE Health and Safety Performance Reporting Standards. The principles adopted in our standards are consistent with the general principles of the GRI Standards, the IOGP Reporting Standards, and guidelines by the US NIOSH. Occupational health and safety data covers employees and contractors in our operational assets and assets under construction. It also includes data from administrative offices

¹⁹ Lost work-day count begins the day after the onset of the accident. “Day” refers to calendar day. It includes high-consequence work-related injuries, which refer to injuries that result in permanent disability and / or injuries that require long-term follow up such as physiotherapy treatment and where the individual is not expected to recover fully to pre-injury health status within six months

²⁰ Fatal accident rate is defined as the number of fatalities per 100 million man-hours worked

²¹ Lost time injury rate is defined as the number of fatalities and lost work-day cases per million man-hours worked

²² Total recordable injury rate is defined as the number of fatalities, lost work-day cases, medical treatment cases, and restricted work cases per million man-hours worked

²³ Coverage follows the reporting scope of this Sustainability Report

²⁴ Refers to fines that are equal to or above S\$50,000 that are paid during the financial year

²⁵ Consists of final tranche payment of approximately S\$7.8 million pertaining to a S\$44 million civil settlement arising from the discharge of off-specification wastewater by Sembcorp’s 98.42% joint venture wastewater treatment company in China, as disclosed in our Annual Reports 2019, 2020 and 2021. The remaining S\$1.8 million pertains to value-added tax related penalties in China

²⁶ Refers to Group’s operations in key markets. Coverage follows the reporting scope of this Sustainability Report

²⁷ Refers to existing employees. New joiners are given more time to complete ABC training as part of their onboarding

Supplemental Information

GRI Content Index

Sembcorp Industries has reported the information cited in this GRI content index for the period January 1 to December 31, 2022 with reference to the GRI Standards.

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

General Disclosures

GRI standard	Disclosure reference	Description title	Disclosure	Page(s)	External assurance
GRI 1: Foundation 2021			Sustainability Report 2022	19–32	
The organisation and its reporting practices					
GRI 2: General disclosures 2021	2-1	Organisational details	Sembcorp Industries Ltd About Sembcorp Sembcorp Industries Constitution Notes to the Financial Statements: Our Group Structure Location of Headquarters Our Global Presence	104–106	
	2-2	Entities included in the organisation's sustainability reporting	Our Approach to Sustainability: Reporting Scope Notes to the Financial Statements: Our Group Structure	21 104–106	
	2-3	Reporting period, frequency and contact point	Our Approach to Sustainability: Reporting Scope Annual Reporting Cycle Published on 29 March 2023 Our Approach to Sustainability: Sustainability Contact Contact Us	21 21	
	2-4	Restatements of information	Supplemental Information: Performance Indicators	29	
	2-5	External assurance	Our Approach to Sustainability: Assurance Supplemental Information: Assurance Statement	21 33–34	
GRI G4 Electric utilities disclosures	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Sembcorp Industries: Energy Assets		
Activities and workers					
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	About Sembcorp Our Businesses Our Global Presence Our Sustainable Solutions Portfolio Acquisition and Disposal of Subsidiaries	3 110–111	
	2-7	Employees	Supplemental Information: Performance Indicators	29	✓
Governance					
GRI 2: General disclosures 2021	2-9	Governance structure and composition	Our Approach to Sustainability: Sustainability Governance Board of Directors Corporate Governance Statement	21 16–17 35–43	
	2-10	Nomination and selection of the highest governance body	Corporate Governance Statement	35–43	

GRI standard	Disclosure reference	Description title	Disclosure	Page(s)	External assurance
Governance (cont'd)					
GRI 2: General disclosures 2021	2-11	Chair of the highest governance body	Board of Directors	16–17	
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability: Sustainability Governance	21	
	2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability: Sustainability Governance Supplemental Information: Climate-related Financial Disclosures 2022	21 26	
	2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability: Materiality Our Approach to Sustainability: Sustainability Governance	21 21	
	2-16	Communication of critical concerns	Whistleblowing Policy		
	2-17	Collective knowledge of the highest governance body	Corporate Governance Statement	35–37	
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Statement	36	
	2-19	Remuneration policies	Corporate Governance Statement	38–40	
	2-20	Process to determine remuneration	Corporate Governance Statement	38–40	
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing Policy		
Strategy, policies and practices					
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	Chairman and CEO's Statement	4–5	
	2-23	Policy commitments	Code of Conduct		
	2-27	Compliance with laws and regulations	Supplemental Information: Performance Indicators	30	✓
	2-28	Membership of associations	Memberships, Certifications and Ratings Our Approach to Sustainability: Memberships and Associations	21	
Stakeholder engagement					
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	Stakeholder Engagement Corporate Governance Statement	43	
Material topics					
GRI 3: Material topics 2021	3-1	Process to determine material topics	Our Approach to Sustainability: Materiality Materiality Process	21	✓
	3-2	List of material topics	Our Sustainability Framework	20	

Supplemental Information GRI Content Index

Material Sustainability Factors

GRI standard	Disclosure reference	Description title	Disclosure	Page(s)	External assurance
Decarbonisation					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Climate Action	22	
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Climate Action Plan Supplemental Information: Climate-related Financial Disclosures 2022	26-28	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our ESG Priorities: Climate Action Supplemental Information: Performance Indicators	22 29	✓
	305-2	Energy indirect (Scope 2) GHG emissions	Our ESG Priorities: Climate Action Supplemental Information: Performance Indicators	22 29	✓
	305-3	Other indirect (Scope 3) GHG emissions	Our ESG Priorities: Climate Action Supplemental Information: Performance Indicators	22 29	✓
	305-4	GHG emissions intensity	Our ESG Priorities: Climate Action Supplemental Information: Performance Indicators	22 29	✓
	305-7	Nitrogen oxides and sulfur oxides	Supplemental Information: Performance Indicators	29	✓
Non-GRI indicator	N/A	Gross installed renewable energy capacity	Supplemental Information: Performance Indicators	29	✓
Resource management					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Climate Action	23	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Supplemental Information: Performance Indicators	29	✓
	302-3	Energy intensity of our energy generating assets	Our ESG Priorities: Climate Action Supplemental Information: Performance Indicators	23 29	✓
GRI 303: Water and effluents 2018	303-5	Water consumption	Supplemental Information: Performance Indicators	29	✓
Non-GRI indicator	N/A	Freshwater consumption intensity for energy generating assets	Supplemental Information: Performance Indicators	29	✓
GRI 306: Waste 2020	306-3	Waste generated	Supplemental Information: Performance Indicators	29	✓
Workforce transformation					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Empowering Lives	24	
GRI 2: General disclosures 2021	2-7	Employees	Supplemental Information: Performance Indicators	29	✓
GRI 401: Employment 2016	401-1	Employment	Supplemental Information: Performance Indicators	29	✓
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Our ESG Priorities: Empowering Lives	24	✓
			Supplemental Information: Performance Indicators	30	

GRI standard	Disclosure reference	Description title	Disclosure	Page(s)	External assurance
Workforce transformation (cont'd)					
Non-GRI indicator	N/A	Average sustainability skill learning hours per employee	Our ESG Priorities: Empowering Lives	24	✓
			Supplemental Information: Performance Indicators	30	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Supplemental Information: Performance Indicators	29	✓
Community engagement and investment					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Empowering Lives	24	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Our ESG Priorities: Empowering Lives Supplemental Information: Performance Indicators	24 30	✓
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Our ESG Priorities: Empowering Lives	24	✓
			Supplemental Information: Performance Indicators	30	
Health and safety					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Resilient Business	25	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Our ESG Priorities: Resilient Business	25	
			Our ESG Priorities: Resilient Business Supplemental Information: Performance Indicators	25 30	✓
			Our ESG Priorities: Resilient Business Supplemental Information: Performance Indicators	25 30	✓
GRI 403: Occupational health and safety 2018	403-9	Work-related injuries	Our ESG Priorities: Resilient Business	25	✓
			Our ESG Priorities: Resilient Business Supplemental Information: Performance Indicators	25 30	✓
GRI 403: Occupational health and safety 2018	403-10	Work-related ill health	Our ESG Priorities: Resilient Business	25	✓
			Supplemental Information: Performance Indicators	30	
Risk governance					
GRI 3: Material topics 2021	3-3	Management of material topics	Our ESG Priorities: Resilient Business Corporate Governance Statement	25 35-43	
Non-GRI indicator	N/A	IAF implementation for business units operating in key markets	Our ESG Priorities: Resilient Business Supplemental Information: Performance Indicators	25 30	✓
GRI 2: General disclosures 2021	2-27	Compliance with laws and regulations	Supplemental Information: Performance Indicators	30	✓
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Supplemental Information: Performance Indicators	30	✓
			Our ESG Priorities: Resilient Business Supplemental Information: Performance Indicators	25 30	✓
			Supplemental Information: Performance Indicators	30	✓
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Our ESG Priorities: Resilient Business	25	✓
			Supplemental Information: Performance Indicators	30	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Supplemental Information: Performance Indicators	30	✓

Supplemental Information

Assurance Statement



Introduction

DNV Business Assurance Singapore Pte. Ltd. ('DNV') has been commissioned by the management of Sembcorp Industries Ltd ('Sembcorp', or 'the Company', a company registered with the Accounting and Corporate Regulatory Authority, Singapore (UEN: 199802418D)) to undertake an independent limited assurance in connection with select subject matter to be included in the Company's Sustainability Report 2022 ('the Report') for the calendar year ending 31 December 2022. The Management of Sembcorp is responsible for developing the Report. The intended users of this Assurance Statement are the Management of the Company.

Scope and Boundary of Assurance

The scope of assurance included a review of sustainability-related disclosures and performance data from Sembcorp and its operating subsidiaries across the globe.

The sustainability disclosures in this Report have been prepared based on the identified material sustainability factors and related performance disclosures in relation to business activities undertaken by the Company for the calendar year 1 January 2022 to 31 December 2022.

We have performed a limited level of engagement using DNV's assurance methodology VeriSustain™ which is based on our professional experience, ISAE 3000 and GRI's Reporting Principles. Our assurance engagement was limited to select subject matter and carried out during October 2022 to March 2023.

Our verification methodology applies a ±5% uncertainty threshold towards errors and omissions for the performance data brought out in the Report.

Responsibilities of the Management of Sembcorp and of the Assurance Provider

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information, ensuring that data is free from material misstatement and maintaining the integrity of their website under digital domain. The Board has complete oversight and is responsible for the Company's sustainability reporting. Sembcorp has stated that this Report has adopted general disclosures and selected topic-specific disclosures related to identified material sustainability factors.

In performing our assurance work, DNV's responsibility is solely towards the Management of Sembcorp in accordance with terms of reference agreed, however this assurance statement represents our independent opinion and is intended to inform the outcome of the assurance to the Company's stakeholders. DNV's responsibility is to form an independent conclusion. We are providing a 'limited level' of assurance based on DNV VeriSustain. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our Assurance Opinion.

Basis of Our Opinion

We had planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to Sembcorp and its key stakeholders. A team of sustainability assurance specialists reviewed non-financial disclosures related to the headquarters in Singapore, and selected sites of Sembcorp based on DNV's sampling plan. We conducted hybrid audit which included site visits to Sembcorp Headquarters in Singapore and remote audits over performance data of selected sites. We performed the following activities:

- Review of the non-financial sustainability-related disclosures (as indicated by a tick symbol under the 'External assurance' column in the GRI Content Index published by Sembcorp) in this Report;
- Desk review of selected sustainability parameters for sampled entities, and discussed findings and resolved with the Group Sustainability division;

- Conducted interviews with data owners from Sembcorp to understand the key processes and controls for reporting business units' performance data;
- Carried out physical site visit at the Company's headquarters in Singapore and remote audits over performance data of selected sites, to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy;
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritised based on risk-based approach, i.e., relevance of identified material aspects and sustainability context of the business; and
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

Opinion and Observations

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information related to the select subject matter for the Report for the year ended 31 December 2022 has not been prepared, in all material respects, with reference to the GRI Standards and its reporting principles. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain and GRI Reporting Principles:

Materiality

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

The report explains the structured process for materiality assessment which Sembcorp has carried out its materiality determination exercise based on consultations with key stakeholders and its key outcomes. Further, the report prioritises material aspects for reporting under three factors namely, Climate Action, Empowering Lives and Resilient Business throughout the organisation, as brought out in the section "Materiality" of the report.

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

Stakeholder inclusiveness

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

The report explains the process of identifying stakeholders in the section "Materiality" of the Report. Sembcorp has engaged key stakeholder groups through the relevant relationship holders in the Company and obtained their feedback on ESG priorities based on their ongoing engagement.

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

Responsiveness

The extent to which an organisation responds to stakeholder issues.

The Report brings out Sembcorp's responses and strategies related to identified material aspects and key stakeholder concerns through disclosures on management approach, governance, policies across various sections of the Report. Further the Report also brings out its non-financial performance related to the identified material aspects.

Nothing has come to our attention to believe that the Report has not met the Principle of Responsiveness for the selected performance standards.

Supplemental Information Assurance Statement



Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems. Sembcorp is using a combination of several data management systems to monitor, track and consolidate key sustainability disclosures across its reporting boundaries. The majority of data and information verified by us were found to be fairly accurate and reliable. Some minor data inaccuracies identified during the verification process of the sample data sets were found to be attributable to transcription, interpretation and aggregation errors. The data inaccuracies have been communicated for correction and the related disclosures were reviewed for correctness.

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

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported. The Report brings out the Company's sustainability or non-financial disclosures during the reporting year related to material factors using appropriate GRI topic-specific Standards, for its identified boundary of operations.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to the identified scope.

Neutrality

The extent to which a report provides a balanced account of an organisation's performance, delivered in a neutral tone. The Report brings out disclosures related to Sembcorp sustainability performance including key concerns and challenges faced during the reporting period in a neutral tone in terms of content and presentation.

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

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by Sembcorp to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of Sembcorp 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.

We understand that the reported financial data and related information are based on statutory disclosures and Audited Financial Statements¹, 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.

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 Conduct² 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.

Purpose and Restriction on Distribution and Use

This report, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

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

Sathishkumar

N Sathishkumar

Lead Verifier
Head, Sustainability Services

DNV Business Assurance Singapore Pte. Ltd.

Digitally signed by Nagarajan, Sathishkumar
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Singapore
17 March 2023

Percy

Percy Lakdawalla

Regional Manager – APAC
Supply Chain and Product Assurance

DNV Business Assurance Singapore Pte. Ltd.

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Antonio

Antonio Astone

Assurance Reviewer
Global Service Manager
Assurance and Supply chain

DNV Business Assurance Italia S.r.l.

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DNV Business Assurance Singapore Pte. Ltd. is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

¹ Audited Financial Statements dated 20 February 2023

² The DNV Code of Conduct is available on request from www.dnv.com