Climate-related Disclosures

Reporting Standards, Frameworks and Scope

The disclosures in this report are guided by the relevant Singapore Exchange Regulation's (SGX RegCo) requirement for Straits Times Index constituents to implement climate-related disclosures issued by the International Sustainability Standards Board (ISSB) from financial year (FY) 2025[1]. SGX further requires external limited assurance for Scope 1 and 2 greenhouse gas (GHG) emissions by FY2029[2]; Sembcorp's Scope 1 and 2 emissions have been included in its Sustainability Report and have undergone external limited assurance since FY2017 and FY2019 respectively.

This report references the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards – IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures), and complements the information set forth in our Annual and Sustainability Reports, which cover the same reporting period. This report should be read together with the Energy Transition section of our Sustainability Report. To avoid information duplication, references to the relevant sections are provided.

The intent of the ISSB climate-related disclosure requirements is to provide issuing companies with a standard basis for the disclosure of climate-related financial information to investors.

Energy transition and climate risks have been identified as material to Sembcorp, and could reasonably be expected to affect Sembcorp's prospects.

For more information on our materiality assessment, please refer to the Materiality section on page 42.

The disclosures and coverage of this report are consistent with the reporting entities reflected in our financial statements.

Climate-related financial information has been included in Note B4 in the Notes to the Financial Statements on pages 160 and 161.

Given that the disclosures arising from the IFRS Sustainability Disclosure Standards for Climate-related Disclosures involve emerging practices in the assessment and analysis of climate-related risks and opportunities, and are based on current expectations, estimates, projections and assumptions, caution should be exercised when interpreting the information provided.

The scenarios used in this report are derived from the Network for Greening the Financial System (NGFS), Coupled Model Intercomparison Project Phase 6 (CMIP6) and a third-party risk analytics tool. These scenarios are not forecasts and should not be interpreted as predictions of future policy, market or climate conditions.

Scenario outcomes depend on multiple assumptions, including future energy demand, technology costs, carbon prices, regulatory developments and physical climate variables that involve significant uncertainty and are subject to change. Actual developments in global and regional energy systems may differ materially from those modelled. Accordingly, there is no assurance that the scenario modelling or assessments presented in this report are indicative of the actual climate-related impacts on Sembcorp's businesses.

External Assurance

We have engaged DNV Business Assurance Singapore Pte. Ltd. to undertake an independent limited assurance of our Scope 1 and 2 emissions data.

The Assurance Statement can be found on pages 84 to 87.

Governance

Sembcorp's Board of Directors oversees the business affairs of the Group. The board provides leadership on Sembcorp's overall strategy, which takes into consideration its material sustainability factors. Our approach to managing climate-related risks and opportunities is outlined in the mandates and terms of reference of the relevant governance bodies, which include both board- and management-level committees as shown in our governance structure in Figure 1.

In 2025, key updates to the board included:

- Group's strategic and financial plan
- Group's updated carbon target setting approach and transition plan
- Group's key risks including climate-related risks and opportunities for investments in the Renewables segment

For more information on our realised opportunities in 2025, please refer to the News and Insights section of our webpage.

The board approves major investments and divestments, considering risks, opportunities and trade-offs, including the emissions impact related to the transaction.

For more information on our Climate Action Plan and targets, please refer to the Strategy section on pages 71 to 74.

Sembcorp's Climate Change Working Committee (CCWC) oversees the development of plans, processes and reports that relate to the Group's climate-related risks and opportunities. The Group Sustainability function serves as the CCWC secretariat and drives climate-related workstreams across functions, including Asset Performance, Finance, Portfolio Management, Risk and Strategy.

For more information on the CCWC, please refer to the Energy Transition section on page 45.

Key topics discussed in our quarterly CCWC meetings during the year included:

- Approach and methodology for emissions target setting, climate scenario analysis and physical risk assessment
- Scope 3 supplier-related emissions data management system
- Climate-related Disclosures 2025

Sustainability-linked Performance Incentives

Environmental, Social and Governance key performance indicators are a part of the annual performance scorecard of our senior executives. These include GHG emissions intensity and gross installed renewable energy capacity.

Board and Management Competencies

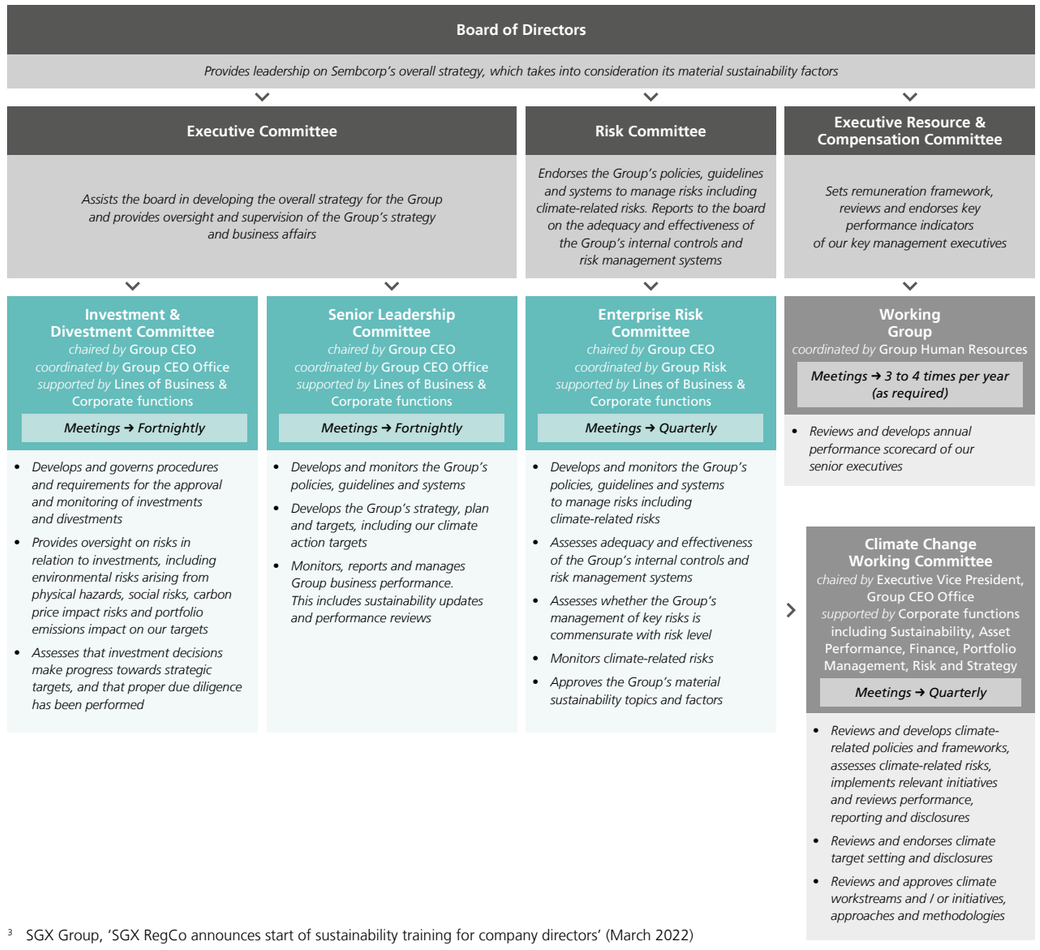
The board's Nominating Committee evaluates potential directors, considering skills, experience, knowledge and competencies relevant to discharging their responsibilities.

In 2022, SGX mandated sustainability training for all board directors of listed companies[3]. All our directors have attended the SGX-prescribed training.

Key members of Sembcorp's leadership team hold deep leadership and management expertise in the energy sector.

For profiles of our Key Executives, please refer to Our Leadership section on our webpage.

Figure 1: Our governance structure



[1] SGX Group, 'Practice Note 7.6 Sustainability Reporting Guide' (2025)
[2] SGX Group, 'Extended timelines for most climate reporting requirements to support companies' (August 2025)
[3] SGX Group, 'SGX RegCo announces start of sustainability training for company directors' (March 2022)

Climate-related Disclosures

Risk Management

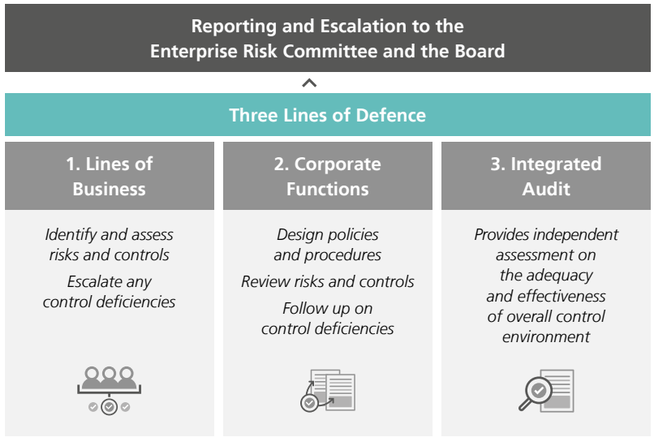
Our risk management strategy and the Integrated Assurance Framework (IAF) are set in place by our Board of Directors, with support from the Risk Committee (RC) and Audit Committee (AC). The RC reviews the effectiveness of the IAF quarterly, including its risk management plans, systems, processes and procedures. The Group Integrated Audit function 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.

The Group Risk function drives the IAF process, which facilitates the quarterly reporting of the Group's principal risks. 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 appetites are set to facilitate monitoring of risk status. The risks are then quantified and measured against set quantitative impact parameters including financial, operational and health and safety thresholds, which inform the risk prioritisation. Risk owners conduct a quarterly review of principal risks using a likelihood-impact matrix and provide performance updates to the respective corporate functions. The updates are reviewed and aggregated for reporting to the RC.

The CCWC reviews, updates and prioritises the climate-related risks, taking into consideration the business, operational and regulatory environment. Key climate-related risks and opportunities undergo scenario analysis to assess the likelihood and magnitude of impact; these are discussed in further detail in the Strategy section that follows. The financial impact of relevant risks is then mapped against the financial materiality threshold of our IAF and subsumed under it for monitoring alongside other risks.

Currently, climate-related risks such as carbon exposure and renewable resource variability are considered in the Group's principal risks. They are assessed against quantitative thresholds for GHG emissions and generation metrics of our equity holdings.

Figure 2: Sembcorp's IAF



Strategy

Sembcorp's strategy is guided by an annual review of the global market and industry outlook, which includes an assessment of macroeconomic and local industry conditions to identify portfolio risks and opportunities. This assessment underpins the Group's five-year plan, its corresponding capital allocation and Climate Action Plan. The board formally deliberates on the plan and provides stewardship on the Group's strategy and plan at the Board Strategy Retreat.

Our list of potential climate-related risks and opportunities was developed as part of our first climate strategy exercise in 2017 and is evaluated, updated and prioritised by the CCWC annually. We identified risks associated with policy, technology, market disruption and physical impact through performance analysis, internal stakeholder engagements and peer benchmarking. Key influencing factors that could reasonably be expected to affect our prospects include:

- **Climate policies and / or regulations:** Sembcorp is subject to national policies and regulations that may encourage or disincentivise decarbonisation levers. These include the application of a carbon price on its gas-fired power plants in Singapore and the United Kingdom (UK), as well as renewable energy policy reforms in Vietnam and China.

- **Climate positions and / or expectations:** There are increasing expectations from investors, customers and regulators to set and meet emissions targets and climate transition plans, while providing reliable and accessible energy supply.

- **Technology and market shifts:** Structural changes in energy systems, risks of failing to adopt new technologies in line with industry's and market's speed of adoption, or technological progress outpacing the viability of our assets. The shifts in supply and demand of energy, oil and natural gas have brought about greater uncertainty and volatility.

- **Physical hazards:** The potential impact of physical climate hazards, such as extreme weather events, and changes in wind speeds and solar irradiance that may result in operational disruption or affect the energy generation in our power plants.

Sembcorp develops, owns and operates energy, urban and water assets, and partners with governments to masterplan and develop industrial parks and related ecosystems. Its energy business constitutes 86% of its adjusted EBITDA[1]. In light of the Paris Agreement and national plans towards a net-zero future, the energy business is most exposed to climate-related risks and opportunities. This report is focused on the risks and opportunities related to our energy business, which includes gas-fired and renewable energy generation, with the exception of physical risks, for which we assess all our subsidiaries where we have control.

Charting the Course for Energy Transition in the Midst of Changing Energy Systems

The world is undergoing a profound transformation in the way energy is produced, consumed and governed. A global energy supercycle, driven by surging electricity demand and rapid adoption of renewable energy, is reshaping power systems as countries strive to decarbonise while ensuring system reliability and accessibility.

Over the past decade, the levelised costs of solar and wind technologies have fallen significantly[2], enabling unprecedented renewable energy buildout across Asia. However, deployment has accelerated faster than grid modernisation, exposing structural vulnerabilities. As more renewable energy is connected to the grid, it loses the stabilising effects that come with traditional power plants. This results in an energy system that is more sensitive to disturbances, and reinforces the importance of modern grid infrastructure and controls.

Global electricity demand rose by 4.3% in 2024, the largest recorded increase[3], pushing energy-related emissions to a new record. Asia's rapidly developing economies are at the epicentre of this growth. Expanding industrial activity, rising urbanisation, the proliferation of digital technologies, and the rapid uptake of artificial intelligence (AI) are collectively accelerating regional electricity consumption. Amid this complexity, diverging national priorities are shaping the scale and pace towards net zero. Developing economies must balance emissions reduction with energy security, accessibility and economic development. Differences in institutional capacity, resource endowments, financing availability and social contexts mean that the transition will not follow a single trajectory; rather, it will reflect country-specific realities and constraints.

Achieving a resilient and effective energy transition will require strong enabling conditions[4]. These include clear and stable policy signals, a diversified clean energy mix, and energy-efficient planning and design. Investment in modern, flexible grid infrastructure capable of integrating storage, supporting interconnection and accommodating variable generation is essential. Robust industrial strategies and high levels of investment in clean technologies are equally important.

Policy signals: Renewable energy policy changes in China and Vietnam

In China, renewable energy projects commissioned on or after June 1, 2025 no longer qualify for the previous fixed feed-in tariff (FiT) benchmarked against local coal-fired power price[5]. Instead, electricity is sold through market transactions at prevailing market prices. To provide revenue stability, a contracts-for-difference-style mechanism allows developers to secure a fixed price via provincial auctions for a portion of their output. The former FiT system drove rapid renewables growth by delivering stable and low-risk returns. With significantly lower solar and wind costs and a maturing power market, the shift to market-based pricing is intended to better reflect supply-demand realities, promote competition and efficiency. The impact on developers depends on provincial implementation rules. In the near term, new wind and solar projects face increased uncertainties, with potentially lower effective tariffs, greater auction competition and increased exposure to market price fluctuations.

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

2 International Renewable Energy Agency, 'Renewable Power Generation Costs in 2024' (July 2025)

3 International Energy Agency, 'Global Energy Review (2025)' (March 2025)

4 World Economic Forum, 'Fostering Effective Energy Transition 2025' (June 2025)

5 Wood Mackenzie, 'China shifts to 'High-quality' renewable growth with new pricing mechanism following 264 GW boom in H1 2025' (November 2025)

Climate-related Disclosures

Strategy *(continued)*

Vietnam's FiT policy, launched in 2017, triggered a rapid surge in solar and wind utility capacity. In 2023, the government began reassessing FiT eligibility. Projects that achieved commercial operation before obtaining the required construction completion acceptance certificate have only received partial payments at reduced tariffs from Vietnam's state utility – Vietnam Electricity (EVN), although full FiT invoices have not been rejected. This has created regulatory risk concerns and uncertainty in Vietnam's renewable energy market. Investors are awaiting government resolution, with expectations for progress in 2026.

Supporting grid resilience: Integrating flexibility and storage

As India progresses in its urbanisation, industrialisation and digital transformation, its energy demand is also surging, with the country projected to account for 35%[1] of global energy demand growth over the next two decades. To meet this pressing need while delivering on its climate goals, India is pushing for its transition towards cleaner energy through progressive policies and ambitious renewable energy targets.

As of December 2025, India's total installed generation was almost 510GW, of which more than 260GW came from non-fossil sources, taking their share above 51% for the first time[2]. Solar capacity crossed 130GW and wind capacity reached 54GW, buoyed by record annual capacity additions, green open access reforms, grid-scale storage auctions and an accelerated transmission build-out[3]. The high penetration of renewable energy increases grid vulnerability arising from the intermittency of solar and wind output.

From February 2025, the Ministry of Power issued an advisory for co-located energy storage systems for solar tenders to enhance grid stability and cost efficiency[4]. Battery energy storage systems (BESS) support grid stability and enable dispatch of renewable energy during periods of low solar irradiance or wind speeds. Ministry of New and Renewable Energy-backed auctions from key Renewable Energy Implementing Agencies (REIA) now require hybrid and storage integration, marking a decisive shift to firm renewables[5]. In 2025, Sembcorp secured three such projects comprising around 1.1GWh of storage capacity.

National industrial strategy: Supporting Singapore's Manufacturing 2030 vision and green data centre roadmap

Singapore is strategically positioning itself as a global hub in the AI race and digital innovation, underpinned by a resilient and sustainable energy system. The government's second Data Centre – Call for Application requires applicants to source at least 50% of their power from eligible green energy pathways[6], signalling a national commitment to growth aligned with carbon accountability.

Electricity demand is projected to rise, with Energy Market Authority (EMA) forecasting a compound annual growth rate of 2.4% to 4.8% from 2025 to 2034[7]. This increase incorporates potential demand from additional investments in emerging high-demand industrial and digital sectors such as the advanced manufacturing sector and data centres – structural trends that reinforce the need for reliable low-carbon baseload capacity.

Under Singapore's new energy policy, all new combined-cycle gas turbine (CCGT) power plants must be at least 10% more carbon-efficient than current units and at least 30% hydrogen-compatible by volume[8]. Currently, four hydrogen-ready CCGT power plants are under development or planned, including Sembcorp's 600MW hydrogen-ready CCGT power plant, which is scheduled for commercial operation in 2026.

Electricity consumption has historically been strongly correlated with Gross Domestic Product growth, underscoring the challenge of sustaining economic expansion while reducing emissions.

Solar remains the only scalable domestic renewable resource, and Singapore has achieved its 2GWp target ahead of 2030. A new target of 3GWp by 2030 has been announced by the Prime Minister and Minister for Finance[9]. However, solar energy intermittency and land constraints mean that complementary strategies such as regional power imports and energy storage solutions will be critical.

Natural gas, supplying 94% of Singapore's electricity generation[10], will remain essential as a transition fuel. It will provide reliable baseload, as Singapore explores and scales hydrogen co-firing, renewable energy imports, carbon capture and other low-carbon technologies. This multi-pronged approach supports energy security, cost competitiveness and alignment with Singapore's decarbonisation pathway.

For more information on country-specific performance and outlook, please refer to the Operating and Financial Review section on pages 18 to 29.

Climate Scenario Analysis

Climate scenario analysis is a dynamic exercise that serves to envision potential future outcomes based on changes brought about by climate-related risks and opportunities. The analyses in this report contain quantification of anticipated effects developed to assess the resilience of our business and operations. We draw on data and assumptions provided by the NGFS, CMIP6 and a third-party risk analytics tool, which are subject to uncertainty.

The outputs illustrate the potential impacts of climate-related risks and opportunities across our identified climate scenarios. The outputs should be interpreted strictly as scenario-based analyses rather than forecasts or projections of future financial performance. We recognise that the resilience of our business and operations can also be affected by factors unrelated to climate change.

Time horizons for assessing the impact of our climate-related risks and opportunities are aligned with our strategic and budget planning horizons:

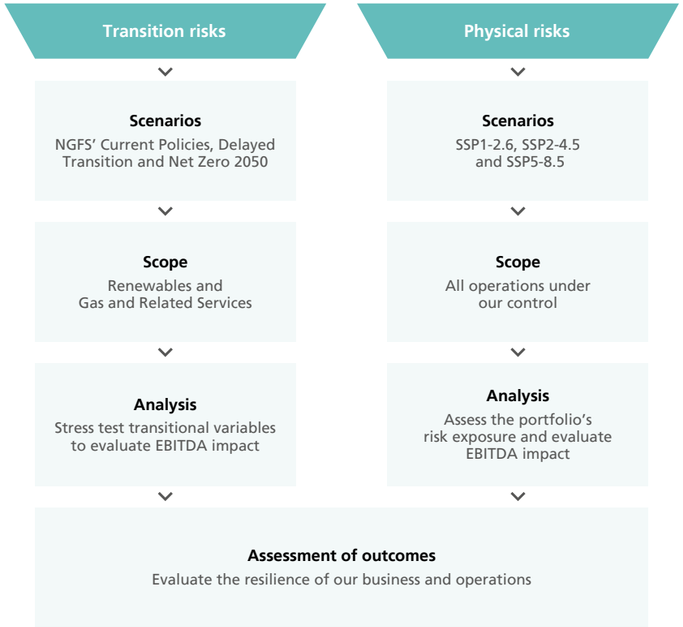
- Short term: < one year
- Medium term: one to five years
- Long term: > five years

The NGFS scenarios database is one of the most widely used global reference datasets for climate risk analysis in the financial system. It references the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) scenarios and provides country-level forecasts of macroeconomic variables covering our countries of operation.

The Shared Socioeconomic Pathways (SSPs) scenarios describe projections of population, economic growth, technological advancements and geopolitical trends in line with the Representative Concentration Pathways (RCPs) scenarios. RCPs set out the pathways for GHG concentration and the potential amount of warming by the end of the century. For physical risk assessments, we use the RCPs and SSPs, which provide more granular projections of climate physical hazards.

In 2025, we refined our selection of transition risk scenarios to replace 'Below 2°C' with 'Delayed Transition', in line with the observed market practice[11]. We added 'Current Policies' to model a low climate ambition scenario.

Figure 3: Our approach to climate scenario analysis



[1] ETEnergyWorld, 'India to drive up to 35% of global energy demand growth over next two decades: Puri at India Energy Week 2026' (January 2026)

[2] Press Information Bureau (PIB), '2025 marks highest-ever renewable energy expansion in India's energy transition journey' (December 2025)

[3] ETEnergyWorld, 'Driven by renewable sources, India's installed energy capacity rises by nearly 36% over 5 years' (January 2026)

[4] Central Electricity Authority, 'Advisory on co-locating energy storage systems with solar power projects to enhance grid stability and cost efficiency' (February 2025)

[5] PIB, 'India's renewable energy integration strategy enters next phase: government adopts nuanced, case-by-case approach to REIA bids with focus on grid strength, storage and market reform' (November 2025)

[6] Infocomm Media Development Authority, 'Launch of second data centre – Call for application' (December 2025)

[7] EMA, 'Electricity Demand and Supply Outlook (2025)' (November 2025)

[8] Economic Development Board (EDB), 'Singapore plans to build two more hydrogen-ready natural gas power plants by 2030' (June 2024)

[9] Singapore Budget 2026 Speech, 'Protect Our Security and Sustainability' (February 2026)

[10] EMA, 'Singapore Energy Statistics 2025, Chapter 2: Energy Transformation'

[11] Financial Stability Board and NGFS, 'Climate Scenario Analysis by Jurisdictions: Initial findings and lessons' (November 2022)

Climate-related Disclosures

Strategy *(continued)*

Table 1: Climate scenarios adopted for analyses in 2025

Ambition level	Transition risk scenarios	Physical risk scenarios
1.5°C	**NGFS – Net Zero 2050** Assumes that ambitious climate policies are introduced immediately, reaching global net zero around 2050. Physical risks are relatively low but transition risks are high	
<2°C	**NGFS – Delayed Transition** Assumes that annual emissions do not decrease until 2030. Emissions are expected to exceed carbon budget temporarily and decline more rapidly post-2030. Physical risks are low but transition risks are high	**SSP1-2.6 ("Sustainability")** Global consumption is oriented towards low material growth as well as lower resource and energy intensity. Carbon emissions would fall from current levels and reach net zero by around 2075
2.7°C		**SSP2-4.5 ("Middle-of-the-road")** Slow progress in achieving sustainable development goals. Carbon emissions would remain high until 2050, before starting to decline post-2050 but no net zero is achieved
>3.0°C	**NGFS – Current Policies** Assumes that currently implemented policies are preserved, leading to severe physical risks. Emissions grow until 2080 leading to about 3°C warming	**SSP5-8.5 ("Fossil-fueled development")** The push for economic and social development is coupled with exploitation of abundant fossil fuel sources and resource- and energy-intensive lifestyles. Carbon emissions will double from current levels by 2050 and continue to rise until the end of century

NGFS, 'Network for Greening the Financial System' (2024)
IPCC, 'Shared Socioeconomic Pathways considered in IPCC AR6'

Assessment of transition risks

Transition risks stem from uncertainties brought about by the global shift towards a low-carbon economy. These risks can arise from changes in climate-related policies and regulations, as well as technological advancements, amongst others. We conduct climate scenario analysis to stress test the resilience of our business. Our transition scenario analysis exercise is integrated into our annual strategic and financial planning exercise.

Using our 2030 and 2040 forecast data, we stress-tested key parameters to assess their influence on our adjusted EBITDA in 2030 and 2040.

The results of our testing in Table 2 illustrate our business segments' performance in the stress scenarios.

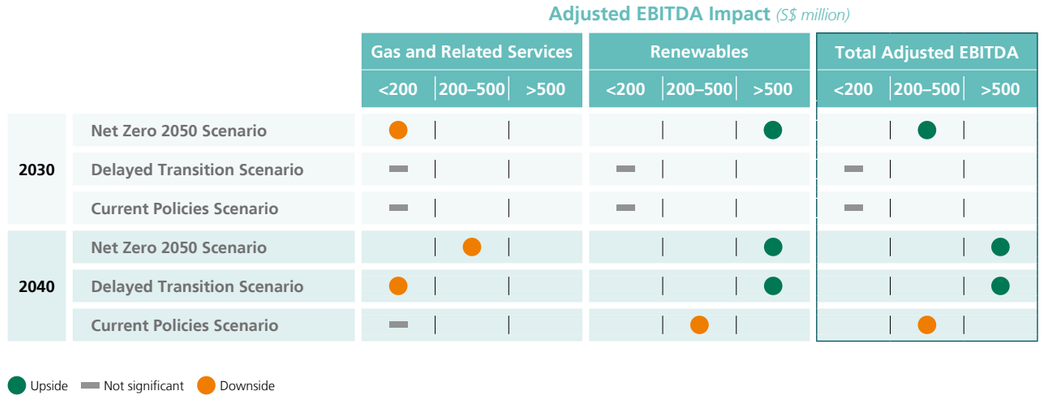
In 2030, if market realities continue to be in line with the Delayed Transition Scenario (DTS), our earnings remain stable. However, under a Net Zero 2050 Scenario (NZS), we see a low downside in the Gas and Related Services (GRS) segment primarily due to a potential decline in gas-fired electricity demand, and an assumption that merchant market contracts will not accommodate carbon cost pass-through. There is a moderate upside in the Renewables segment based on the assumption that policies and other enablers are in place to support ambitious NDC commitments.

By 2040, if market realities continue to be in line with the DTS, there will be a low downside in the GRS segment and a high upside in the Renewables segment, reflecting the transition away from fossil fuels towards renewable energy.

Overall, the outcome of the analysis shows that our total adjusted EBITDA will remain stable in the medium term based on low and moderate climate ambition scenarios. In the longer term, renewable energy demand is expected to grow significantly.

Scope of stress testing	• Renewables and Gas and Related Services segments which collectively contribute to more than 86% of adjusted EBITDA • Includes subsidiaries, joint ventures and associates
Time horizon	• 2030 – Considered as medium-term time horizon • 2040 – Considered as long-term time horizon
Rationale for scenario selection	• NGFS Net Zero 2050 Scenario seeks to present a high ambition view and inform us of the impacts from stringent and ambitious climate policies • NGFS Delayed Transition Scenario provides a moderate ambition view and is reflective of the observed market trends • NGFS Current Policies Scenario provides a low ambition view and informs us of the impacts from continuing in the current path resulting in significant global warming
Financial metric	• Adjusted EBITDA is a measure of our operating performance from all our subsidiaries, joint ventures and associates
Assumptions	• Key parameters used for stress testing include regional energy demand, carbon price and electricity price • 2030 climate stress scenarios are assessed using our base case forecast in line with our strategic and financial planning exercise. It considers current and future energy demand, evolving regulatory environment and market outlook • 2040 climate stress scenarios are assessed using our forecasted data assuming renewables growth in line with market trends referenced from NGFS' NDCs outlook and end-of-life of our gas-fired power plants • Assessments include all our gas-fired power plants with merchant capacities and renewables – ongoing operations, growth projections and concession expiry

Table 2: Adjusted EBITDA simulations in climate scenarios



Navigating the energy transition is not without its challenges of balancing macroeconomic and geopolitical factors, and value creation for all our stakeholders. To drive growth, we consider various options including selective capital recycling, managing assets for value, leveraging partnerships, as well as the redeployment, repurposing and upgrading of our assets.

Climate-related Disclosures

Strategy *(continued)*

Top Climate-related Transition Risk and Impacts

Risk category: Transition risk
Climate risk driver: Policy risk – increasing carbon prices
Impact: Short-, medium- and long-term

Across our portfolio, our gas-fired power plants in Singapore and the UK are subject to carbon pricing regulations, including Singapore's carbon tax and the UK's emissions trading scheme[1] (ETS) and carbon price support[2]. Our gas-fired power plant in China is currently not subject to the China ETS.

Mitigating actions	The impact from current and emerging regulations is mitigated through the change-in-law provisions in existing utilities and electricity contracts. These provisions allow for carbon cost pass-through to customers, which mitigates the financial impact of increasing carbon prices.
Inputs for anticipated effects	• NGFS' NZS and Current Policies Scenario (CPS) for carbon prices • For 2030, assessment includes all our gas-fired power plants with merchant capacities – ongoing operations and growth projections. For 2040, assessment includes assets still in operation.
Financial effects	In 2025, the cost of compliance under Singapore's carbon tax, as well as the UK ETS and carbon price support mechanisms, collectively amounted to S$87 million[3]. However, with the carbon cost pass-through mechanism in our existing electricity contracts, there was no impact on our financial performance in 2025. The table below provides an illustration of anticipated effects on our adjusted EBITDA in the climate scenarios for the relevant GRS business in Singapore and the UK. In the CPS, the impact on our earnings is not significant, as the carbon prices remain the same as announced. However, in the NZS, it is assumed that the higher carbon prices will not be fully passed through in merchant market contracts. This downside is expected to be mitigated by our renewables growth.

	Current Policies Scenario			Net Zero 2050 Scenario		
(S$ million)	<50	50–100	>100	<50	50–100	>100
2030	—				●	
2040	—					●

— Not significant ● Downside

Assessment of physical risks
Sembcorp's assets may be exposed to both acute and chronic physical risks, which arise from the increasing severity and frequency of extreme weather events, such as floods and tropical cyclones. Increasingly, climate change is also causing shifts in global wind patterns and average temperatures, which may affect renewable energy generation.

In assessing physical risks, we applied asset geo-coordinates to third-party databases to evaluate potential impacts.

Scope of assessment	• Subsidiaries where we have control
Time horizon	• 2030 – Considered as medium-term time horizon • 2040 – Considered as long-term time horizon
Rationale for scenario selection	• SSP1-2.6 is an optimistic and low-emissions scenario which informs us of the potential impacts that may arise from low emissions • SSP2-4.5 is a "Middle-of-the-road" scenario and more reflective of the current state of affairs • SSP5-8.5 seeks to present an extreme scenario and informs us of the potential impacts that may arise from high emissions
Financial metric	• Adjusted EBITDA impact from property damage and loss of revenue
Limitations on assessment	• The third-party risk analytics tool references climate models and scenarios assumptions, which could result in underestimation or overestimation of risk exposure • Tropical cyclones are poorly represented in climate models and there is substantial uncertainty around their future evolution

1. **Identify asset exposure**
Our climate physical risk assessment is conducted annually using a third-party risk analytics tool. By using parameters such as asset location, value and type, the assessment provided insights into the exposure of our assets to a range of physical hazards, such as floods and storm surge, wildfire, extreme wind, heat wave, drought and extreme precipitation. The results of the assessments were aggregated to reflect the overall portfolio physical risk exposure, without accounting for any mitigation measures. Table 3 illustrates the output of the assessment.

We have observed cyclonic events in and around the locations of our operations based on available historical records. However, the third-party risk analytics tool deployed did not provide future projections due to the high uncertainty surrounding the future evolution of tropical cyclones. Given the observed regional activity, we consider tropical cyclones to be a key hazard.

As part of our ongoing monitoring system, we observed changes in wind speeds and solar irradiance against historical trends. To assess asset-level risk exposure to these factors, we used data from CMIP6, which provides the most current global climate model data available and forms the basis for the assessments in the IPCC AR6. Given the observed trends, we consider renewable resource variability as a physical risk.

Table 3: Inherent physical risk exposure of our portfolio

Physical hazards	Gas	Solar	Wind	Storage	Urban	Water
Flood and storm surge[4]	Low	Low	Low	Low	Low	Low
Wildfire	Low	Low	Low	Low	Low	Low
Extreme wind	Moderate	Low	Low	Moderate	Low	Low
Heat wave	Low	High	High	Low	High	Moderate
Drought	High	High	High	Moderate	Moderate	High
Extreme precipitation[5]	High	High	High	High	High	High

[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 an auction or on the secondary market. These allowances can be traded with other participants as needed

[2] The carbon price floor was introduced on April 1, 2013 and is capped at £18/tCO_2 as at December 31, 2025. 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 figure may be subject to change upon mandatory external assurance post-publication of this report

[4] Risk of flooding from fluvial (river) and pluvial (surface) floods, typically caused by prolonged or extreme rainfall and / or from storm surge for coastal locations

[5] Risk of heavy downpours which can result in flooding even in areas outside designated flood zones

Climate-related Disclosures

Strategy *(continued)*

2. **Assess impact from physical hazards**
   After the identification, we prioritised the assets based on asset value and expected loss. Subsequently, a screening filter using hazard probability measured by return periods[1] was applied.

   For renewable resource variability, we assessed how the potential changes in wind speeds and solar irradiance, based on the CMIP6 models, might impact renewables generation and revenue from our operations.

3. **Prioritise key physical hazards**
   We corroborated the key physical hazards listed in Table 4 against historical weather event footprint records and prioritised assets that have high exposure to the top physical hazards identified – floods, tropical cyclones and renewable resource variability. The resulting impacts are summarised on pages 67 to 68.

   Drought and heat wave were not considered as top hazards as there were no significant impacts arising from historical events.

Table 4: Key physical hazards relevant for our prioritised assets

Key physical hazards	Potential impact	Mitigation measures
Flood and storm surge, extreme precipitation Tropical cyclone	• Business interruption from extreme weather events may result in revenue loss • Property damage from extreme weather events may require repairs and construction, resulting in increased expenditure	• We constructed our gas-fired power plants at an elevation higher than historical flood levels. Other measures adopted, subject to site conditions, include construction of boundary wall and storm water canal to prevent water ingress • We review and monitor risk exposure of our wind and urban assets against baseline requirements of industry standards to minimise damage from tropical cyclones
Drought	• Operation disruptions due to a lack of water may result in revenue loss and / or increased expenditure	• Our inland gas-fired power plant has not experienced any severe drought events historically. Nonetheless, such events are covered under force majeure in our contracts
Heat wave	• Increased cooling cost and reduced productivity due to heat waves may result in increased expenditure	• We monitor ambient temperature and assess its impact on our gas-fired and wind plants, as well as our urban assets
Changes in wind speeds and / or solar irradiance	• Impact on renewable energy generation due to changing wind speeds and / or solar irradiance resulting in revenue impact	• Wind speeds and solar irradiance analyses form a part of every renewable energy project investment case. Besides project-specific analysis, we also adopt geographic diversification to mitigate this risk • We conduct regular performance review of wind speeds and solar irradiance for our operational assets

[1] Return periods are statistical indicators used to describe the likelihood of a hazard event occurring within a given timeframe. They represent probabilistic estimates rather than precise predictions of when an event will happen or how severe it will be, subject to changing climatic conditions

Top Climate-related Physical Risks and Impacts

Risk category: Physical risk
Climate risk driver: Acute physical risk – extreme weather events such as floods and tropical cyclones
Impact: Short-, medium- and long-term

Floods and tropical cyclones present the most immediate concern to our priority assets. In particular, our gas-fired power plants in Bangladesh and Myanmar, industrial warehouses in Vietnam and a wind asset in China are most exposed to this risk.

Mitigating actions	Our assets are designed and constructed in line with industry standards. For the sites identified as being at risk, we implement preventive measures to safeguard our assets against potential extreme weather events. Our gas-fired power plants have been constructed at an elevation, with a surrounding boundary wall to mitigate flood risk. We will continue to assess and monitor potential risks, and we insure our assets appropriately for any extreme weather events.
Inputs for anticipated effects	• Outputs from the SSP1-2.6, SSP2-4.5, and SSP5-8.5 scenarios were used in the physical risk assessment to determine which priority assets are most exposed to physical hazards • Country-specific inflation rates obtained from the International Monetary Fund
Financial effects	In 2025, some of our assets in India and the UK were impacted by floods. In addition, an asset in Vietnam that was affected by Typhoon Yagi in late 2024, recorded property damage and revenue loss extending into 2025. Collectively, these events did not have a material impact on our financial performance for 2025. Outputs from a third-party risk analytics tool were used to assess anticipated effects. Our assets in Bangladesh, Myanmar, China and Vietnam were found to be most exposed to the effects of climate-related physical risks. We identified these as priority assets and quantified the anticipated effects in the form of property damage and revenue loss based on insurance deductibles. The anticipated financial effects for these identified assets in 2030 and 2040 are illustrated as follows:

	Adjusted EBITDA Impact *(S$ million)*
2030	33
2040	66

Climate-related Disclosures

Strategy *(continued)*

Risk category: Physical risk
Climate risk driver: Chronic physical risk – renewable resource variability
Impact: Short-, medium- and long-term

Renewable resource variability from changes in wind speeds and solar irradiance may impact our renewable electricity generation and, in turn, earnings from our Renewables business. This risk has the potential to result in both positive and negative financial impacts.

Mitigating actions	We assess the impact of renewable resource variability for potential investment projects and consider geographical and technological diversification as a mitigation strategy. We undertake regular performance reviews of our operational assets, utilising industry-standard weather forecasting tools and historical data.
Inputs for anticipated effects	• SSP2-4.5 and SSP5-8.5 scenarios for changes in wind speeds and solar irradiance • 2030 and 2040 forecast assumes the generation capacity as of 2025. To isolate the impact of renewable resource variability, other influencing factors such as curtailment, operational constraints and unforeseen system disruptions are not considered
Financial effects	Using wind speeds and solar irradiance as the only variables, we quantified the impact of renewable resource variability on our 2025 electricity generation, benchmarking it against 2024 levels. This analysis is based on a like-for-like comparison, only including the assets that were operational in both years while excluding the impact of new capacity additions. Our assessment indicates a generation gain of 5% compared to 2024, which, all else being equal, would translate to an estimated 4% increase in adjusted EBITDA in 2025 versus 2024. Our assessment of the anticipated effects of renewable resource variability on adjusted EBITDA in 2030 and 2040, compared with 2025 levels, illustrates a low impact.

	SSP2-4.5			SSP5-8.5		
(S$ million)	<50	50–100	>100	<50	50–100	>100
2030	Downside			Upside		
2040	Upside			Not significant		

Upside · Not significant · Downside

Top Climate-related Opportunities and Impacts

Products and services: Deployment of renewable energy solutions
Impact: Short-, medium- and long-term

Looking ahead, renewables growth across China, India, Middle East and Southeast Asia is expected to remain robust, with over 1,650GW of new build capacity between 2024 and 2028[1].

Performance	As at December 31, 2025, our gross installed renewable energy capacity stands at 15GW.
Target	Grow gross installed renewable energy capacity to 25GW by 2028.
Capital investment	Our capital allocation plan is under review, and an update will be provided in due course. In 2025, we utilised S$616 million[2] to grow our Renewables segment. *For more information on our key developments in the Renewables segment, please refer to the Operating and Financial Review section on pages 21 to 23.*
Inputs for anticipated effects	• NGFS' NZS and CPS for renewables generation and electricity prices. To isolate the impact of renewables growth in the climate scenarios, other influencing factors such as renewable resource variability, curtailment, operational constraints and unforeseen system disruptions are not considered • Sembcorp's forecasted capacity for the renewables portfolio in 2030 and 2040
Financial effects	Adjusted EBITDA for the Renewables segment was S$723 million in 2025. The financial performance and financial position of our Renewables segment are disclosed in Note B1 in the Notes to the Financial Statements on page 142. Our assessment of the anticipated effects of the deployment of renewable energy solutions on our adjusted EBITDA in the NZS shows upsides in earnings, mainly driven by increased renewables demand in the scenario datasets. Under the CPS, we observe a low downside in the 2040 renewables earnings growth due to reduced renewable energy demand.

	Current Policies Scenario			Net Zero 2050 Scenario		
(S$ billion)	<1	1–2	>2	<1	1–2	>2
2030	Not significant			Upside		
2040	Downside					Upside

Upside · Not significant · Downside

[1] GlobalData (2025)
[2] S$616 million consists of S$466 million in capital expenditure and S$150 million in equity investment

Climate-related Disclosures

Strategy *(continued)*

Products and services: Deployment of firming[1] technologies
Impact: Medium- and long-term

In markets where the grid is constrained, energy storage is a key enabler for the continued growth of renewable energy. Energy storage technology provides firming for intermittent renewables by storing the energy to help maintain grid stability and dispatching the energy when needed.

Sembcorp India is currently working on round-the-clock (RTC) and firm and dispatchable renewable energy (FDRE) projects to ensure 24/7 power supply. India's FDRE and RTC sectors are emerging as growth areas. In November 2025, Sembcorp was awarded a 150MW FDRE and 50MW RTC power project by SJVN Limited and Solar Energy Corporation of India Limited (SECI) respectively in India. Sembcorp will install approximately 1.1GW of solar and BESS to meet the contracted capacity.

Performance	As at December 31, 2025, our gross installed renewable energy capacity stands at 15GW.
Target	Grow gross installed renewable energy capacity to 25GW by 2028.
Capital investment	Our capital allocation plan is under review, and an update will be provided in due course. In 2025, we utilised S$616 million to grow our renewable energy portfolio. *For more information on our key developments in firming technologies, please refer to the News and Insights section of our webpage.*
Financial effects	Our financial effects from the Renewables segment are reflected in the 'Deployment of renewable energy solutions' opportunity on page 69.

Products and services: Deployment of decarbonisation solutions
Impact: Medium- and long-term

Over 100 countries have adopted net-zero pledges through legislation, policy documents or long-term strategies, covering approximately 82% of global emissions. Decarbonisation solutions such as green power import, green fuels, renewable energy certificates and carbon credits are expected to become increasingly relevant and in demand as the world transitions to a low-carbon economy.

Sembcorp is well-positioned to capitalise on these emerging opportunities. Biomethane, which can be blended with natural gas, has the potential to replace natural gas partially. While it is relatively more affordable compared to other low-carbon options, it continues to be priced at a premium. Sembcorp is participating in the 300MW biomethane Call for Proposal launched by Singapore's EDB. The sandbox aims to catalyse market development while testing commercial viability and operational frameworks. We are also exploring other innovations such as solid oxide fuel cells, which offer high-efficiency, low-emission power generation with the potential for carbon capture to complement the continued use of natural gas.

Capital investment	Our capital allocation plan is under review, and an update will be provided in due course. *For more information on our key developments in the Decarbonisation Solutions, please refer to the Operating and Financial Review section on pages 27 to 29.*
Financial effects	The decarbonisation solutions described are still at an early stage. Given the limited visibility on future demand of decarbonisation solutions at this point, we are unable to quantify the financial effects.

[1] Firming refers to technologies that enhance the reliability and stability of renewable energy sources to reduce its variability and intermittency

From our assessment of the listed top climate-related risks and opportunities identified for this reporting period, we have not identified any such risks or opportunities that give rise to a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the financial statements. Key estimates and judgments relevant to our operations and strategy are disclosed in the Notes to the Financial Statements 2025. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Our Climate Action Targets
We launched our climate change strategy in 2018 and unveiled our inaugural strategic plan in 2021, setting out our plans and targets for 2025. In the short span of two years, we met our 10GW gross installed renewables capacity target and achieved emissions intensity of 0.29 tonnes of carbon dioxide equivalent per megawatt-hour (tCO_2e/MWh).

In 2023, in response to the progress we made against our targets, we announced updated targets of 25GW renewables capacity and 0.15tCO_2e/MWh emissions intensity by 2028, maintaining the absolute emissions target of 2.7 million tCO_2e by 2030.

Following the early progress in the rapid scale-up of renewables, the energy transition has entered a more difficult and uncertain phase, requiring governments to balance grid integration with the intermittency of renewable energy, as well as energy security amid increasing energy demand. We recognise the critical role that energy companies play in providing reliable thermal baseload capacity as we continue to grow renewable energy capacity.

For more information on the challenges of the energy transition and the dependencies on which our Climate Action Plan relies, please refer to the Strategy section on pages 59 to 61.

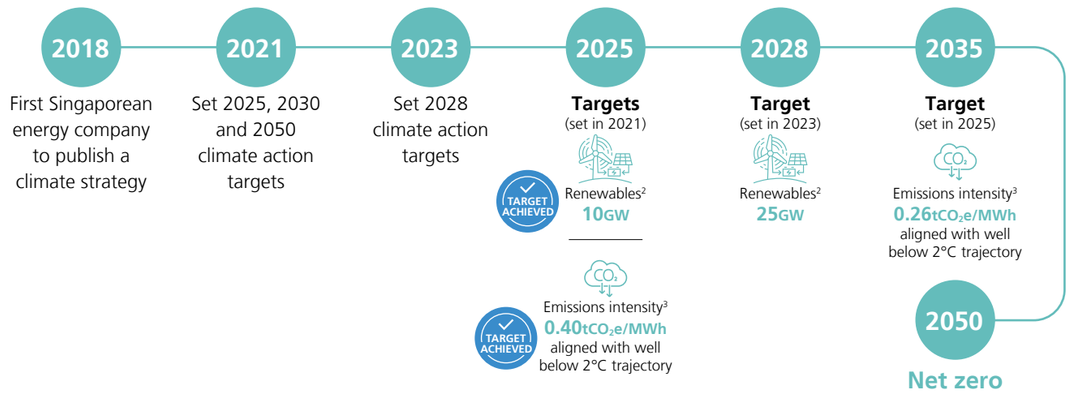
We announced the proposed acquisition of Alinta Energy in December 2025. Alinta is an integrated Australian energy player with installed and contracted generation capacity across coal, gas, wind and solar, and offers access to 10.4GW of potential development pipeline in Australia comprising renewables and firming systems. Australia's legislated net-zero mandate provides confidence in the country's commitment to decarbonisation, and we will partner with government and stakeholders to support their energy transition journey.

For more information on the proposed acquisition, please refer to the Events section on our Creating Shareholder Value webpage.

In view of this acquisition, Sembcorp expects its emissions to increase in the near-term before declining. As such, Sembcorp will not meet its 2028 emissions intensity and 2030 absolute emissions targets announced in 2023. Sembcorp is committed to not investing in any greenfield or standalone coal generation assets in the countries it operates that do not have a path for transition.

Our updated climate action targets are as follows:

- By 2028, grow gross installed renewable energy capacity[2] to 25GW
- By 2035, achieve emissions intensity[3] of 0.26tCO_2e/MWh
- By 2050, deliver net-zero emissions (Scope 1 and 2)



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

[3] GHG emissions intensity refers to the Group's total GHG direct emissions (Scope 1) from its activities, indirect emissions (Scope 2) from its energy consumption and biogenic emissions from bioenergy feedstocks, divided by total energy generated and purchased, as calculated using an equity share approach for all operations referencing the GHG Protocol. It covers subsidiaries, joint ventures and associates

Climate-related Disclosures

Strategy *(continued)*

Sembcorp's diversified energy portfolio helps countries navigate the multi-faceted challenges of the energy transition. Renewables drive decarbonisation, while reliable thermal baseload capacity ensures security and stability for sustained growth. Alongside firm and hybrid renewables projects, Sembcorp's gas-fired generation portfolio delivers efficient and accessible energy during this transition. Our gas-fired power plants achieved industry-leading reliability of 99.8% in FY2025 – outperforming the global benchmark[1].

Since our Investor Day in 2023, there have been key changes to our portfolio including:

- Transfer of 67%-owned Phu My 3 Build-Operate-Transfer power project joint venture in Vietnam, a 0.7GW gas-fired plant, to EVN upon its concession expiry in 2024
- Divestment of 49%-owned joint venture Chongqing Songzao power plant in China, a 1.3GW coal-fired plant, previously impaired in 2021, was completed in 2024
- Increase of stake in Senoko Energy Singapore from 30% to 50% in 2025. Senoko has 2.6GW of registered generation capacity
- Proposed acquisition of 100% interest in Alinta Energy Australia in December 2025. The Alinta portfolio includes 3.4GW of installed and contracted generation capacity across coal, gas, wind and solar assets

With past and current changes to our portfolio, our base year emissions have been re-based to account for emissions arising from the proposed acquisition of Alinta Energy and other acquisitions, divestments and concession expiry. The 2023 base year emissions take into account key corporate actions with effect from 2024, referencing the GHG Protocol on base year recalculation. This updated base year data which accounts for emissions on an equity basis (including joint ventures and associates) was consequently used to set the 2035 target.

Our target setting approach

Recognising that the pace and scale of transition to net zero will depend on each country's capacities, constraints and local realities, we have adopted a country-specific lens to establish the Group's future trajectory. We used publicly available scenario datasets (including regional- or country-specific scenarios where available) published or used by the IPCC AR6 and third-party databases, such as the NGFS, BloombergNEF and Inevitable Policy Response by United Nations Principles for Responsible Investment. These scenarios and resultant trajectories reflect structural differences across countries and represent the contribution of our markets. The country-level trajectories are weighted based on Sembcorp's country concentration and aggregated to derive our group-level trajectories.

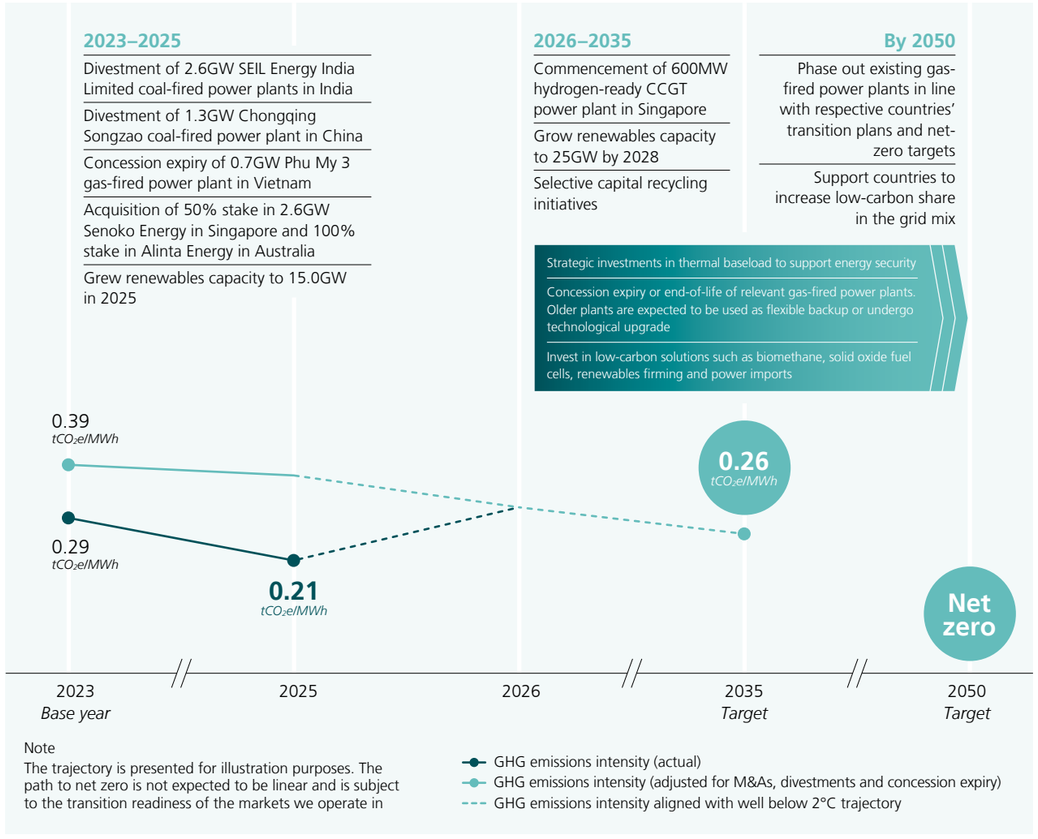
These trajectories collectively formed a range that provided a backdrop to our strategic review process, which is informed by the macroeconomic outlook and industry conditions, as well as the risks, opportunities and uncertainties we face across our markets. Based on this assessment, we set our emissions intensity target within the well below 2°C trajectory. The target and methodology have been independently assured on a limited basis[2]. Our 2050 target of net-zero emissions remains consistent with the requirements to limit global warming to 1.5°C.

Our target review approach

As an energy company supporting the energy transition, we are attuned to the changing facets of energy systems and technologies, as well as its risks and opportunities. We seek to be responsive to market dynamics and local realities and will review our targets as part of our strategic review cycle, or in cases of major trigger events such as mergers, acquisitions (M&A) or divestments that result in a change of more than 10% of base year emissions intensity.

Our Climate Action Plan

The path to net zero is not expected to be linear and will be dependent on numerous factors, including clear and stable policy signals and commitment, as well as modern grid infrastructure that integrates flexibility, interconnection and storage. The transition to a lower-carbon future requires transformative changes to energy sector players and systems, particularly in markets that are deeply entrenched in fossil fuel infrastructure and power purchase agreements. As the world reduces its reliance on fossil fuels, reliable and accessible renewable energy, as well as low-carbon feedstock, must be scaled up to meet the needs of industry. We believe that gas will play an important role in the transition.



Sembcorp's existing gas-fired power plants remain crucial in meeting the energy demands of Asia. Our highly contracted position on these assets provides steady and predictable cash flow to fuel the growth of our Renewables business, as we manage our gas-fired generation portfolio to support Asia's energy needs.

Our decarbonisation levers

We will pursue three key levers to meet our 2035 and 2050 targets.

- **Grow renewables**
  Growing our renewable energy capacity continues to be a key lever to advance the energy transition. Increasingly, energy storage technologies will be an enabler to manage the intermittent nature of renewables and integration with the grid.

For more information on our strategy for Renewables, please refer to the Operating and Financial Review section on pages 21 to 23.

- **Manage emissions**
  Some of our older gas-fired power plants are expected to be used as a flexible backup or undergo technological upgrades, while others will reach concession expiry or technical end-of-life.

  We will continue to manage our assets for value, including possible divestments and capital recycling. Efficiency improvements will also be pursued via optimisation projects. The use of carbon credits to meet the Group's emissions intensity target is not a consideration at this point. However, some of our plants may come under compliance carbon markets.

[1] Benchmarked against Strategic Power Systems, Inc. (SPS)'s global Operational Reliability Analysis Program (ORAP®) factor of 97.2% as at 3Q2025. The ORAP® program is a voluntary database and benchmarking initiative covering over 3,000 turbine units globally. This Data has been obtained directly from ORAP®. All rights in and to such Data are reserved by SPS

[2] Independent Limited Assurance Report by ERM CVS Australia Pty Ltd can be found on pages 88 to 89

Climate-related Disclosures

Strategy *(continued)*

- **Invest in low-carbon initiatives**
  Low-carbon technologies development continues to be nascent. In Singapore's First Biennial Transparency Report 2024, the Singapore government has indicated that the potential start date of implementation for low-carbon electricity import will be from 2028, and carbon capture, utilisation and storage technologies will be from 2030. We continue to take a disciplined and calculated approach to invest in low-carbon initiatives, building capabilities and networks. These projects include low-carbon electricity imports, electricity generation from solid oxide fuel cells with carbon capture, as well as biomethane; and low-carbon feedstock production such as green hydrogen and ammonia.

Table 5: 2025 progress of our key decarbonisation levers

Key decarbonisation levers	2025 progress
Grow renewables • Grow gross installed renewable energy capacity to 25GW by 2028	• Grew our gross installed renewable energy capacity from 13.1GW in 2024 to 15.0GW in 2025 • Awarded its first RTC power project of approximately 300MW of solar, wind and energy storage from SECI • Awarded a 150MW FDRE project for India's Inter-State Transmission System
Manage emissions • Expiry of concession • Manage gas-fired generation portfolio for value • Implement optimisation projects to improve efficiency	• Our global energy and water facilities undertook 15 energy optimisation projects that led to a reduction of close to 24,000MWh of electricity consumed, equivalent to over 10,000tCO_2e emissions avoided
Invest in low-carbon initiatives • Renewable energy imports and firming technologies • Low-carbon technologies for electricity generation • Low-carbon feedstock production	• Entered into a joint venture agreement with Bharat Petroleum Corporation Limited to explore renewable energy and green hydrogen projects across India • Granted conditional approval by the EMA of Singapore to import around 1GW renewable energy from Sarawak, Malaysia to Singapore • Construction of a new 600MW hydrogen-ready CCGT power plant in Singapore • Signed a Memorandum of Understanding (MoU) with India's Government of Odisha to explore the development of a production facility for green hydrogen and its derivatives, with an anticipated production capacity of 720,000 metric tonnes per annum • Signed two MOUs with V.O. Chidambaranar Port and Paradip Port Authorities in India to develop an integrated ecosystem for production and handling of green hydrogen and its derivatives in and around these ports

Financial Planning 2023–2028

Capital expenditure and allocation

In 2023, we presented our five-year investment plan which was projected to be S$14 billion. 75% was expected to be invested in renewable energy, and 10% of the investment will be allocated to exploring and expanding our decarbonisation solutions, including green hydrogen and ammonia projects, power imports and carbon management solutions. The remaining 15% was allocated for investments in the Integrated Urban Solutions business, as well as business-as-usual requirements.

Our capital allocation plan is under review, and an update will be provided in due course.

For more information on our investments in renewable energy, firming and low-carbon technologies, please refer to the Operating and Financial Review section on pages 21 to 23 and 27 to 29 respectively.

Access to capital

2021 marked Sembcorp's first foray into sustainable finance with our inaugural S$400 million green bond and S$675 million sustainability-linked bond. Proceeds from these issuances supported the Group's strategic transformation plan.

For more information, please refer to the Sustainable Finance: Annual Update 2025 on page 47.

In line with our strategic plan and targets for 2028, we updated our Green Financing Framework (2024) to include new eligible green project categories, supporting our commitment to tap on sustainable financing instruments for capital raising. Following which, we issued a S$350 million green bond under our Green Financing Framework (2024) in October 2024.

As at December 31, 2025, the borrowing facilities under our Green Financing Frameworks and Sustainable Financing Framework stood at S$5.1 billion[1], of which S$3.6 billion[1] are outstanding borrowings.

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

Acquisitions and divestments

Between 2024 and 2025, we announced a total of 659MW of renewables capacity, 2.0GW of gas-fired capacity and 1.1GW of coal-fired capacity, which include projects pending completion. We also completed the divestment of the Sembcorp Environment business.

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 country-specific GHG emissions and carbon cost forecast. This forecast forms the basis for the setting of the market's emissions intensity targets.

Metrics and Targets

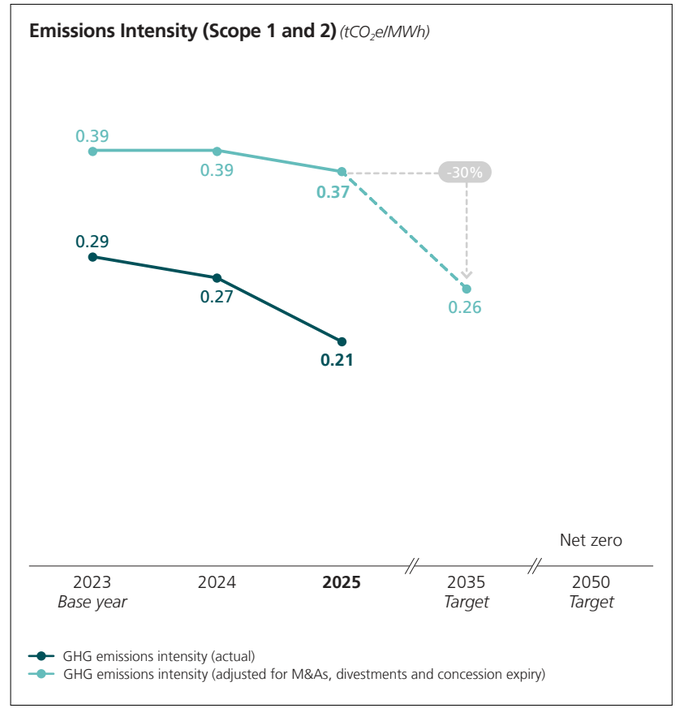
Key metrics, including disaggregated emissions, renewables capacity, capital deployment and internal carbon price, can be found in the Supplemental Information: Performance Indicators section on page 76.

Our 2028 emissions intensity target was updated in 2025. As part of this update, the 2023 base year was adjusted for changes in our portfolio, and a new target year of 2035 was set.

Figure 4 shows our emissions intensity performance. GHG emissions intensity[2] reduced to 0.21tCO_2e/MWh in 2025, driven by the reduction in absolute GHG emissions and increase in our renewable energy generation.

An illustration of the adjusted emissions intensity, accounting for the impact from M&As, divestments and concession expiry, has been provided in Figure 4.

Figure 4: Performance against emissions intensity target



[1] Values are derived using December 2025 month-end closing exchange rates

[2] 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 referencing the GHG Protocol. It covers subsidiaries, joint ventures and associates