Keppel's Climate Transition Plan

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

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

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

Business Transformation

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

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

Running our Business Sustainably

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

We are committed to halve Keppel's Scope 1 and 2 emissions by 2030, compared to our 2020 baseline, and achieve net zero Scope 1 and 2 emissions by 2050. By the end of 2023, Keppel has achieved a reduction of 69.5% in Scope 1 and 2 emissions to 52,506 tCO_2e, compared to 2020.

We are tracking all categories of Scope 3 emissions relevant to Keppel and working with our value chain and portfolio of investments to enhance energy efficiency and reduce their emissions where possible. In 2023, our Scope 3 emissions were slightly lower at 6.02 million tCO_2e compared to 2022. Details on our Scope 1, 2 and 3 emissions can be found on pages 39 to 41 of this report. The vast majority of Keppel's current Scope 3 emissions relate to the sale and use of natural gas, which forms around 95% of the fuel mix for power generation in Singapore. As Singapore's power grid decarbonises, we expect these Scope 3 emissions to reduce accordingly. In the meantime, Keppel is contributing to decarbonising the grid through initiatives such as the import of renewable energy and the development of Singapore's first hydrogen-ready power plant.

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

Making Sustainability our Business

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

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

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

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

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

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CONTRIBUTING TO THE CLIMATE TRANSITION

Fund Management and Investment Platforms

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

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

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

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

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

Keppel's Climate Transition Plan

Operating Platform

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

Infrastructure

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

We are developing the Keppel Sakra Cogen Plant, Singapore's first hydrogen-ready and most advanced power plant which is targeted to be operational by 2026. The emissions intensity of Keppel's Singapore power portfolio in 2023 is approximately 0.37 tCO_2/MWh. Keppel aims to lower this intensity to a target of 0.27 tCO_2/MWh by 2035, as Keppel phases out emissions-intensive energy generation and expands its renewables and low carbon energy portfolio including carbon capture and alternative new energy like green hydrogen and ammonia.

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

Real Estate

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

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

Connectivity

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

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

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