



ACCELERATING OUR TRANSITION POSITIONING FOR SUSTAINABLE GROWTH

CONTENTS

- 01 About the Report
- 02 Chairman's Foreword
- 03 Our Sustainability Vision 2030
- 04 Our Approach to Sustainability
- 06 Our Sustainability Performance
- 08 Enabling a Future-ready Supply Chain
- 10 Our Sustainable and Proven Value Chain
- 12 Delivering Innovative and Sustainable Solutions
- 20 Fulfilling the Needs of Our Customers
- 28 Addressing Environmental Challenges
- 38 Nurturing Our Human Capital
- 48 Protecting Our People
- 56 Caring for our Communities
- 62 Operating a Responsible Business



The front cover of this Sustainability Report (SR) depicts Semcorp Marine's ongoing transformation and its sustainability journey. The global shift towards a greener energy mix continues and Semcorp Marine has similarly accelerated our pace of transformation and strategic expansion into the high-growth clean and renewable energy segment.

This report cover features a camera shutter that captures our keen focus on sustainability and our relentless pursuit of our Sustainability Vision, underpinned by our four key sustainability pillars of business growth, environmental sustainability, social growth and corporate governance. As we challenge ourselves towards our ambitious 2030 objectives, we will continue to tap on our collective capabilities and domain expertise to provide innovative and sustainable solutions covering ocean renewables, decarbonisation, digitalisation and much more, to build a better world for our present and future generations.

**This is our third standalone Sustainability Report publication which complement and build on the prior two SRs. All three reports should be read in conjunction for a full appreciation of our sustainability programmes and developments.*

ABOUT THE REPORT

Sembcorp Marine's Sustainability Report, for the third year running, is presented as a standalone publication focused on sharing our 2021 accelerated environmental, social and governance (ESG) progress and performance with all our stakeholders.

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option, with the GRI Content Index separately published on our website at www.sembmarine.com/sustainability/sustainability-report. The GRI Standards were selected as our main reporting framework as they are globally recognised and relevant for all our stakeholder groups. This year, we have provided disclosures against relevant indicators in the Sustainability Accounting Standards Board (SASB) framework for the first time. To enhance our ESG disclosures, we have also referred to recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), United Nations Sustainable Development Goals (UN SDGs), and Sustainability Reporting Guidance for the Oil and Gas Industry issued by IPIECA, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP).

This is the 11th sustainability report we have published since FY2011. This standalone report should be read in conjunction with our Annual Report 2021 and full sustainability disclosure online at www.sembmarine.com

This third standalone sustainability report augments our first two standalone publications. For a full appreciation of our sustainability programmes and progress, the three reports should be read in conjunction.

SCOPE OF THE REPORT

The scope of our Sustainability Report 2021 covers the yards under our operational control in Singapore, Indonesia and Brazil, unless otherwise stated. These three regions have the most significant sustainability impact on our stakeholders, the environment, and our organisation. The data reported relates to the financial year (FY) from 1 January 2021 to 31 December 2021.

The terms "Sembcorp Marine", "Sembcorp Marine Ltd", "the Group" and "we" are used interchangeably within the Sustainability Report to reference operations and facilities in Singapore, Indonesia and Brazil, unless otherwise indicated.

The Group's entities included in the consolidated financial statements are detailed in the Notes to the Financial Statements in our Annual Report 2021 (pages 190 to 192), which is published separately at www.sembmarine.com/investor-relations/annual-report.

ASSURANCE



We have engaged PricewaterhouseCoopers LLP for the fifth year to undertake an assurance of selected sustainability information in our report.

The assurance engagement was performed in accordance with the Singapore Standard on Assurance Engagements (SSAE) 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of the greenhouse gas emissions, in accordance with SSAE 3410 – Assurance Engagements on Greenhouse Gas Statements. Details can be found in the Independent Limited Assurance Report on Sustainability Information at www.sembmarine.com/sustainability/sustainability-report.

SCAN FOR MORE INFORMATION



Sustainability Report 2021

- SGX Sustainability Reporting Index
- GRI Standards: Core Option Content Index
- SASB Content Index
- Independent Practitioner's Limited Assurance Report



Sustainability Report 2020



Sustainability Report 2019



Annual Report 2021

Read additional information on our financials, operations, corporate governance and risk management framework

FEEDBACK

To provide feedback on our sustainability reporting, please email sustainability@sembmarine.com.

CHAIRMAN'S FOREWORD

Sembcorp Marine's Sustainability Vision 2030 focuses on decarbonisation, ocean sustainability, digitalisation and social growth. For the betterment of our stakeholders, for the well-being and improvement of our present and future generations, we are determined to achieve our goals. In so doing, we hope to build a better world for all.



We proactively live the ambitious Vision of accelerating the current and future economic, social, environmental, and governance goals of our company. Strongly supported by our sustainability objectives and targets, we strive for the present and future well-being of all our stakeholders.

In 2021, the COVID-19 pandemic continued to present the world with unprecedented challenges. Like many other companies, we felt the adverse impact of the pandemic on our company's businesses and operations. Nevertheless, being tested only made us more resolute as a team and as a company. We faced our challenges squarely and supported by our people, customers and partners, we worked tirelessly to resolve the multiple problems.

One stark result of the pandemic – it uncovered what is true sustainability.

It became more imperative than ever, for every organisation, including ours, to hone and accelerate our sustainability strategy. While the Group has sound sustainability fundamentals and an all-encompassing business model that embraces EESG, we recognise the need to set more ambitious and bolder sustainability objectives and targets. Resolutely oriented towards the future, Sembcorp Marine's Sustainability Vision 2030 focuses on decarbonisation, ocean sustainability, digitalisation and social growth. For the betterment of our stakeholders, for the well-being and improvement of our present and future generations, we are determined to achieve our goals. In so doing, we will be building a better world for all.

Our sustainability journey since 2015, has taken the Group on a strategic business transformation to re-balance its product solutions portfolio with an increasing concentration on renewables and other green solutions. We are cognizant that we have to accelerate our efforts to be at the centre of the global shift towards a low-carbon economy as the world pivots in a faster pace towards renewables energy and more sustainable living. As such, Sembcorp Marine has developed a suite of innovative solutions in clean and renewable energy to advance a carbon-free future. Beyond investing in sustainable technologies, we have also implemented a series of initiatives

through our "Climate, Ocean and Earth" programme, aimed at mitigating the impact of our operations on the environment.

The pandemic revealed the vulnerabilities of many industries, including our industry, thus propelling us towards the wider search for more sustainable alternatives for various areas of our operations. It also highlighted the great importance of supporting and enhancing the well-being of our employees and the communities. At the same time, we were reminded that commitment to exacting standards of governance, ethics, transparency and accountability, governs the way we manage all areas of our Group.

I am very pleased that our sustainability endeavours across multiple fronts, have won the Group international recognitions. The Maritime Port Authority conferred Sembcorp Marine with the inaugural Sustainability Award at the Singapore International Maritime Awards 2021. Our sustainable products and solutions include award-winning vessels designed by our wholly-owned subsidiary LMG Marin - the MF Hydra, the world's first liquid hydrogen-powered zero-emission ferry; Ultramarine, a technologically-advanced ice-class polar expedition cruise ship; and Hjellestad, a hybrid ferry powered by biodiesel and an electrical propulsion system.

While we have established clearly defined goals and implemented plans to accomplish our sustainability objectives, our sustainability journey does not end with the attainment of the goals we set today. We will continue to advance, and do our utmost towards a more sustainable future.

Tan Sri Mohd Hassan Marican
Chairman
Sembcorp Marine Ltd

OUR SUSTAINABILITY VISION 2030

Sustainability is at the core of Sembcorp Marine's business growth strategy. While advancing our business objectives, we are committed to good corporate governance, environmental sustainability and social growth in all aspects of our operations. With a shared vision of a greener planet and pristine blue oceans for our present and future generations, the Group has taken a major step forward to build on and enhance its existing sustainability efforts by setting ambitious goals to be achieved by 2030 through a keen focus on our four strategic areas:



DECARBONISATION



OCEAN
SUSTAINABILITY



DIGITALISATION



SOCIAL GROWTH

While working towards our Sustainability Vision 2030, the Group is committed to operate a responsible, resilient and sustainable business.

Contribute to the

DECARBONISATION

efforts of our customers, industry and value chain through the sustainable solutions we deliver

40%

of our annual company turnover to be generated from sustainable solutions

Mitigate our impact on the

CLIMATE, OCEAN and the EARTH

ZERO

harm to the environment

40%

reduction of our emissions (Scope 1 & 2) from 2008 level

Advance social growth to uplift the

COMMUNITIES

where we operate

Positive Impact

on our communities, stakeholders and people through corporate social care programmes

Build a **Better World** for all

OUR APPROACH TO SUSTAINABILITY

Sembcorp Marine takes a long-term approach to create value for our stakeholders. We are committed to minimising our negative environmental impact, and supporting our communities while achieving positive financial performance, business growth and high standards of governance.

Our commitment to sustainability is anchored by our mission, vision, and values, which are the guiding principles for our business conduct.

Our sustainability strategy focuses on four key Economic, Environmental, Social and Governance (EESG) pillars:

Corporate Governance

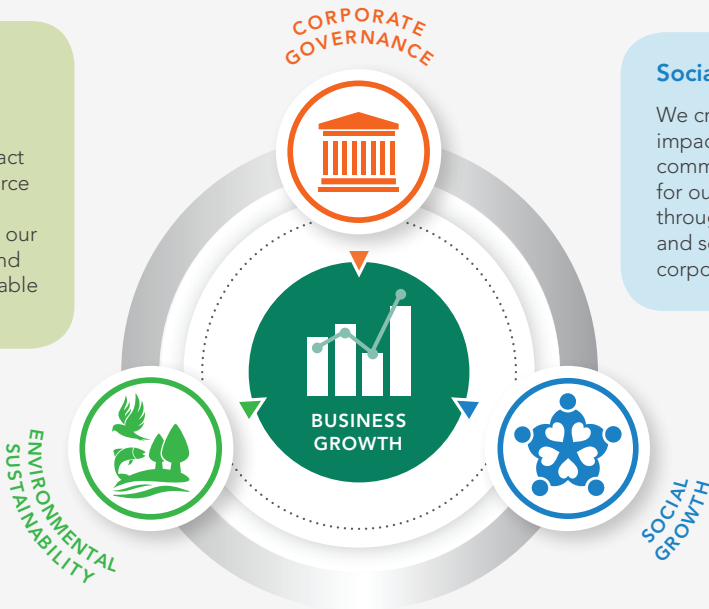
We are committed to high standards of governance, ethics and transparency, accountability, a proactive risk management culture, and regulatory compliance.

Environmental Sustainability

We mitigate our environmental impact by improving resource and operational efficiency, reducing our carbon footprint, and developing sustainable solutions.

Social Growth

We create positive impact on our communities and for our stakeholders through our business and socially responsible corporate activities.



Business Growth

We actively address the values, needs and priorities of our stakeholders in managing our long-term growth and sustainability.

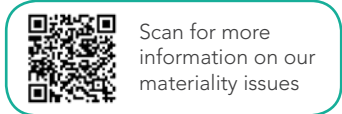
<p>OUR EESG PILLARS</p>	 <p>Business Growth</p>	 <p>Environmental Sustainability</p>	 <p>Social Growth</p>	 <p>Corporate Governance</p>
<p>OUR MATERIALITY ISSUES</p>	<p>Innovation & Sustainable Solutions Customer Alignment</p>	<p>Environmental Sustainability</p>	<p>Human Capital Total Workplace Safety & Health Community Engagement</p>	<p>Business Integrity</p>
<p>IMPACT ON UN SDGS</p>				
<p>INTERNATIONAL FRAMEWORKS & STANDARDS</p>		<ul style="list-style-type: none"> • Global Reporting Initiative Standards • Sustainability Accounting Standards Board Standards • Sustainability Reporting Guidance for the Oil and Gas Industry issued by IPIECA, API and IOGP • United Nations Sustainable Development Goals • Task Force on Climate-related Financial Disclosures • CDP Climate Change 2021 • Greenhouse Gas (GHG) Protocol • ISO Standards 		

Sembcorp Marine will contribute towards global and national sustainability goals through our green efforts, as well as collaborations with industry and knowledge partners on various decarbonisation and sustainability initiatives.

Through engaging our internal and external stakeholders, we have identified seven material issues with the greatest impact on our operations.

The Group has aligned its sustainability programmes with 11 UN SDGs that are relevant to our business. We apply and reference international frameworks and standards to guide our sustainability efforts and reporting.

We also advance sustainability best practices through our support of and participation in programmes organised by governance bodies and sustainability agencies. The Group is a constituent of the FTSE4Good Index, the Singapore Exchange iEdge SG ESG Leaders Index and the iEdge SG Transparency Index.



OUR SUSTAINABILITY PERFORMANCE

Our key achievements attained in 2021 at a glance



WINNER

of the Sustainability Award at the Singapore International Maritime Awards 2021



>30%

of annual company turnover from sustainable solutions²



>2,300 tonnes

of carbon emissions avoided by using clean energy generated by the solar panels at Sembcorp Marine Tuas Boulevard Yard, equivalent to taking 729 cars off the road for a year²



100%

compliance with anti-competitive behaviour, anti-trust and monopoly²



32.8

training hours per employee globally²



0.53 LTIR¹

per million man-hours worked²



S\$3 million

invested in community programmes²

⁽¹⁾ LTIR refers to Lost Time Injury Rate. For more details, please refer to page 51.

⁽²⁾ In FY2020, the Group achieved 26% of annual company turnover from sustainable solutions; avoided more than 2,190 tonnes of carbon emissions by using clean energy generated by the solar panels at Tuas Boulevard Yard; obtained 100% compliance with anti-competitive behaviour, anti-trust and monopoly; clocked 16.06 training hours per employee globally; attained 0.65 LTIR; and invested more than S\$1.70 million in community programmes.

Details of our 2021 performance:

2021 PERFORMANCE



Innovation & Sustainable Solutions

- Achieved 30% of annual company turnover from sustainable solutions
- Continue to boost innovation development in decarbonisation and emerging technologies



Customer Alignment

- Maintained 100% compliance with product safety and health
- Achieved 98% customer satisfaction for repairs and upgrades projects
- Continued to protect customers' data



Environmental Sustainability

- No significant fines arising from non-compliance with environmental laws and regulations
- 100% contracted procurement spend in compliance with Sembcorp Marine's Codes of Conduct
- Continuing efforts towards ISO 50001 Energy Management System certification
- Achieved a total installed solar panel capacity of 6.97MWp³



Human Capital

- Total investment in global employee training and development was S\$1.08 million, equivalent to 0.25% of total payroll
- Achieved 32.8 training hours per employee globally



Total Workplace Safety & Health

- Accident Frequency Rate, Accident Severity Rate and Workplace Injury Rate at 0.53, 8.39 and 148.36 respectively⁴



Community Engagement

- Invested S\$3 million in community programmes
- More than 3,000 hours contributed by staff in community programmes & volunteering activities⁵



Business Integrity

- Active engagement with governance bodies and sustainability agencies
- Maintained 100% compliance with codes of conduct by employees and suppliers
- No material incident of non-compliance
- 100% compliance with anti-competitive behaviour, anti-trust and monopoly policies

2025 TARGETS

- Achieve 30% of annual company turnover generated from sustainable solutions

- Achieve 100% compliance with product safety & health requirements
- 95% customer satisfaction in all projects

- Zero harm to environment
- 100% contracted procurement spend

- 3% of total payroll as investment for workforce competencies and talent development
- 40 training hours or five training days per employee per year
- Build a diverse and inclusive workplace

- Vision Zero incidence target
- Workplace Injury Rate below national benchmarks

- S\$2.5 million of annual investment for community engagement
- 20,000 hours of participation in community projects & volunteering activities by employees

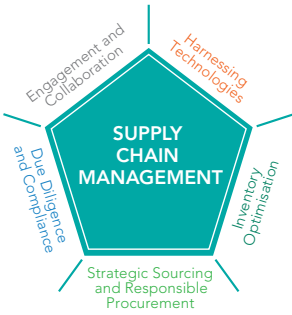
- Uphold the standard of corporate governance disclosures
- Manage risks of the Group holistically and prudently within ambit of its risk appetite, safeguards assets & shareholders' interests, as well as comply with applicable laws
- Uphold the Group's zero tolerance policy towards fraud, bribery & corruption

³ Installed capacity refers solely to capacity of solar panels installed, and does not pertain to solar panels that are commissioned and switched on.

⁴ For more details, please refer to page 51.

⁵ Inability to achieve desirable community hours due to COVID-19 restrictions and safe management measures.

ENABLING A FUTURE-READY SUPPLY CHAIN



Sembcorp Marine upholds high standards of quality, health, safety and environmental compliance at every stage of our supply chain. Through our five pillars of supply chain management, the Group works towards **improving traceability and connectivity**, and **mitigating environmental and social impact**. Integrating sustainability and digitalisation into our supply chain management processes are part of our future-ready strategy to mitigate disruptions, ensure business continuity and maintain our competitiveness.



Strategic Sourcing and Responsible Procurement

We source our equipment, materials, parts and other items in ways that reduce our carbon footprint. Products and solutions that do not harm the environment and have lower carbon footprint are preferred. These include environmentally-friendly paints, coatings and materials as well as energy-efficient products for our customers' projects and business operations. Supplied goods are required to be 100% asbestos-free, contain no hydrochlorofluorocarbons or material banned by regulations.

We use approved and licensed service providers to recycle materials such as steel and blasting grit, and to dispose waste responsibly and in compliance with regulatory requirements.



Due Diligence and Compliance

To assess the credentials and reliability of suppliers, our due diligence processes include pre-qualification checks, performance evaluations and audits prior to registration into Sembcorp Marine's approved vendor lists.

We carry out annual and ad-hoc compliance screenings on our suppliers for bribery and corruption, human rights abuses, slave labour and environmental offences.

New suppliers are required to adhere to and sign declaration in compliance with Sembcorp Marine's Code of Business Conduct and Supplier Code of Conduct. Suppliers shall be subject to compliance audit when required.

We conduct quality assurance on suppliers' production, factory acceptance tests (FAT), on-site audits and remote inspections to ensure continued compliance to technical requirements and industry health, safety and environmental standards.



Improving Traceability and Connectivity

We require the supply of key materials, equipment and consumables to meet national and international environmental, safety and public health requirements from the International Maritime Organization, Montreal Protocol provisions, Singapore's National Environment Agency (NEA) and other statutory boards.

We deploy strategic sourcing arrangements with key suppliers to secure essential supplies and undisrupted services – such as waste treatment, freight forwarding, logistics and maintenance services for our operations.



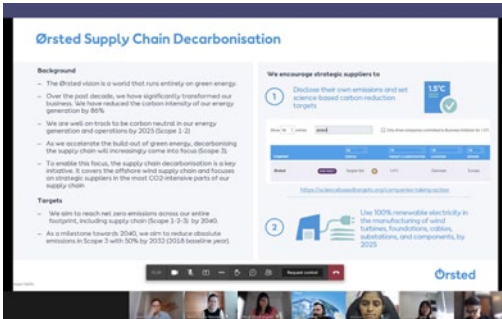
Mitigating Environmental and Social Impact

We expect our suppliers to declare their compliance with environmental, social and governance requirements set out in the Sembcorp Marine Supplier Code of Conduct and Code of Business Conduct. Our suppliers comply with our emission reporting requirements for materials used and waste and disposal, where prescribed. Upon request, our suppliers provide products with Singapore Green Label and Energy Labelling Schemes by the NEA.

Evaluation criteria are established for procurement related to using products, equipment and services that have impact on significant energy use in our facilities, systems, processes or equipment.

Our suppliers are expected to operate in an environmentally responsible manner with regard to natural resource consumption, materials sourcing, waste generation, discharges and emissions.

Sembcorp Marine prohibits the supply and use of conflict minerals and requires supporting documentations to ascertain mineral sources.



Sharing session with our customer, Ørsted, on Decarbonisation programme

 **Harnessing Technologies**

Digital platforms and technologies are deployed for procurement processes and interfacing with supply chain partners and stakeholders. This ensures business continuity, security, traceability, operational resilience and effective control for procurement processes.

Remote inspection solutions and video conferencing are utilised for engagements, performance audits and business meetings with our supplier community when required.

Our procurement procedures and digital platforms improve lead-times and enable close monitoring of procurement processes from pre-sourcing and sourcing to delivery of goods and services.

When required, remote inspection solutions and video conferencing also save on business travel emissions and allow us to continue global operations with less carbon intensity.

 **Inventory Optimisation**

We actively monitor our inventory flows, delivery and deployment of materials, equipment and consumables to ensure continuity of supply. We replenish our inventory levels with contingency supply sources to ensure continuity of our operations with minimal waste.

We source from our global supply chains for equipment, materials and consumables. We optimise our sourcing routes to fulfil our project requirements to minimise our transportation costs and carbon footprint.

To optimise our inventory levels and reduce wastage, we actively match the supply of materials and consumables at our shipyards against production requirements and establish advanced delivery plans with our strategic suppliers.

 **Engagement and Collaboration**

We engage our suppliers closely to monitor availability of goods and services. This enables us to better manage disruption points, enable recovery plans and meet compliance requirements by authorities. We monitor the source and availability of key materials, equipment and consumables to identify and mitigate possible risk areas in the supply chain.

Our approved vendors list allows for geographical diversity in our sourcing to mitigate disruption points in our supply chain. Strategic frame agreements with key suppliers secure essential suppliers for our operations.

We exchange insights and share knowledge with our key equipment vendors and material suppliers on product technology, technical and supply chain updates. This allows our engineering, procurement and operational functions to be informed of the latest innovations in sustainable technologies and energy-efficient products.

We work closely with our customers to continuously enhance our sustainability best practices. We engage our suppliers to progressively share and align their ESG practices with Sembcorp Marine.

OUR SUSTAINABLE AND PROVEN VALUE CHAIN

At Sembcorp Marine, we are committed to operating responsibly and creating value across our value chain. We strategically plan the life-cycle stages of our products and solutions – from design and engineering to production and delivery – to mitigate our environmental, social and governance impact.

Our sustainable value chain processes have enabled us to develop cleaner and greener products and solutions that meet high standards of safety, quality and reliability. The successful sailaway of the first of three zero-emission roll-on/roll-off passenger (Ropax) ferries that we designed and constructed for Norled further affirms our proven value chain capabilities.

Developing Sustainable Designs and Solutions

Development of sustainable solutions to mitigate impact on the climate, ocean and earth, including marine life and biodiversity.




Our sustainable vessel solutions include three fully battery-operated zero-emission Ropax ferries designed and constructed by Sembcorp Marine for Norled. The vessel's lithium-ion batteries will be charged using green hydro-electric power



STAKEHOLDERS' ENGAGEMENT THROUGHOUT OUR VALUE CHAIN



 Scan for more information on our value chain management

 Scan for more information on our stakeholders' engagement, process of identifying and selecting stakeholders, and responses to stakeholders' concerns

Ethical Sourcing and Responsible Procurement

Sustainable and ethical sourcing of materials, services and manpower resources are utilised.



In addition to responsible procurement for production, the Ropax ferries were constructed in the Group's steel fabrication facility at Tuas Boulevard Yard that leverages renewable solar energy

Integrating Quality, Health, Safety and Environment

Quality, health, safety and environmental (QHSE) standards in compliance with regulatory requirements and classification standards are integrated into our value chain processes.



Stringent QHSE tests are conducted to ensure seaworthiness and operability

Operational Sustainability and Responsibility

Greener operational processes, enabled by Industry 4.0 technologies, are used to enhance sustainability, reduce carbon footprint and minimise wastage during production.



Strike steel to mark construction commencement



Construction in progress in the highly automated steel fabrication facility



Ensuring safe transfer of the ferry to the quayside for the next phase of work after steel fabrication and assembly

Supporting Safe Transportation and Ensuring Sustainable Operations

Support is provided for the safe transport of assets and measures are taken to ensure reliable and sustainable operation.



Successful sailaway of the Ropax ferry via dry transport from Tuas Boulevard Yard to Norway for further testing prior to delivery



AMMONIA



senbcorp
marine



NO SMC





DELIVERING INNOVATIVE & SUSTAINABLE SOLUTIONS

BOOSTING INNOVATION DEVELOPMENT
THROUGH RESEARCH & DEVELOPMENT,
TECHNOLOGY COLLABORATIONS AND
STRATEGIC INVESTMENTS TO DRIVE
OFFSHORE, MARINE AND ENERGY
DECARBONISATION

Collaborations to explore viability of ammonia as a marine fuel to pave the way for emission-free shipping in the future

Leveraging our vast expertise and technological bench strength in the design and construction of marine vessels, as well as LMG Marin's cutting-edge design capabilities, we have designed an ammonia bunkering vessel and provided information for Hazard Identification Study. Together with our partners, Mitsui O.S.K Lines and ITOCHU Corporation, we have attained Approval in Principle from the American Bureau of Shipping for the innovative and sustainable concept design of an ammonia bunkering vessel.

DELIVERING INNOVATIVE & SUSTAINABLE SOLUTIONS

Innovation is a strategic enabler at Sembcorp Marine which drives the Group's sustainability, corporate transformation and technological improvements.

The Group is focused on boosting its innovation capabilities through:

- Development of technologies and solutions that provide a differentiated edge;
- Strategic collaborations with government agencies, research institutions, classification societies and industry partners; and
- Strategic investments in intellectual property.

These efforts have enabled us to enrich our core engineering capabilities as well as develop novel and non-traditional technological solutions and designs.

To develop innovative and sustainable solutions that add value to our offshore, marine and energy industry customers, we align our research and development programmes with our five innovation focus areas. We also actively work with our business partners to develop our innovations from conception to implementation in our pursuit of new opportunities and sustainable objectives. Sharing the vision of creating a more sustainable planet for current and future generations, Sembcorp Marine actively champions decarbonisation in the maritime industry through collaborations with industry stakeholders and knowledge partners in the development of pioneering technologies in clean and renewable energy.

"The world's energy transition is underway, and the marine industry is proactively driving towards a greener future. This exciting period of change also opens up new business possibilities and opportunities. Sembcorp Marine is now leveraging its engineering expertise, state-of-the-art facilities, green innovations and technology to create and deliver clean energy solutions for a more sustainable offshore and marine industry."

- Mr Wong Weng Sun, President & CEO of Sembcorp Marine



Our Engineering and Design Capabilities for Turnkey Projects

With close to 60 years of track record in the engineering design of different ship types, our engineering scope of work ranges from conceptualization of design, front-end engineering design (FEED), basic design, detailed engineering, construction engineering to final as-built.



The FEED phase is crucial in a turnkey engineering, procurement and construction (EPC) project's lifecycle. With superior design and engineering capabilities, we are able to offer innovative and sustainable design concepts, optimise the designs, develop cost-effective execution and supply chain solutions. During this early design phase, we work closely with our customers, design companies and marine classification societies to achieve design finalisation resulting in minimum changes during detailed engineering and construction which is the key to successful EPC projects.

Completed over **25** EPC projects in the last 15 years



Sleipnir Semi-submersible Crane Vessel



Johan Castberg FPSO



Noble Lloyd Noble Jack-up Rig



Helix Q7000 Well Intervention Semi-submersible Vessel

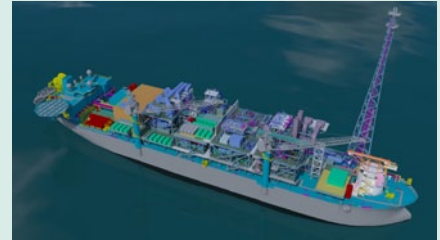


Pioneiro de Libra FPSO



Transocean 20k Drillship

Dorado FPSO FEED awarded in 2021



Dorado Floating Production, Storage and Offloading (FPSO) is converted from a donor Suezmax vessel, Nordic Brasilia shuttle tanker. Features of the FPSO include:

- Production rate of 100,000 Barrels (bbl) per day
- Designed to accommodate 80 personnel on board
- Dis-connectable submerged turret production with buoy moored to the seabed
- Re-injection compressors, 3x13-megawatt gas turbine generators
- 12 cargo tanks with approximately 860,000 bbl storage capacity

DELIVERING INNOVATIVE & SUSTAINABLE SOLUTIONS

Contributing to Maritime Decarbonisation



World's First Liquid Hydrogen-powered Vessel

The MF HYDRA is a zero-emission vessel operated by Norled and is the world's first vessel to be powered by liquid hydrogen. A sustainable and innovative ferry designed by Sembcorp Marine's wholly-owned subsidiary, LMG Marin AS (LMG Marin), it has won the prestigious Ship of the Year Award presented by Skipsrevyen as well as the Best Medium Ro-Pax Award at the Work Boat World Awards 2021.



Collaborating on Maritime Decarbonisation

In April 2021, Sembcorp Marine has signed a Memorandum of Cooperation with the Maritime and Port Authority of Singapore and five other partners to set up the Global Centre for Maritime Decarbonisation (GCMD) in Singapore to drive decarbonisation in the maritime industry.

Together with other partners as founding members, we participated in a study initiated by GCMD to define safety and operational envelopes for an ammonia bunkering pilot in Singapore.



Exploring Hydrogen as a Marine Fuel

Sembcorp Marine advanced decarbonisation in the marine industry with the signing of a Memorandum of Understanding in April 2021 with Shell and Penguin International to jointly develop and pilot the use of hydrogen fuel cells for ships in Singapore - a first for the nation.

The collaboration will see Sembcorp Marine designing, fabricating and integrating a hydrogen fuel cell system onto a roll-on/roll-off vessel.



World's Largest Zero-emission Ferry

In November 2021, Sembcorp Marine through LMG Marin has been awarded a contract for the design of a hybrid Ropax freight ferry.

The 484-foot-long ferry will be powered with a hybrid electric propulsion system which will be deployed to ply between the ports of Rodbhy and Puttgarden in Denmark and Germany.



World's First Zero-emission Ammonia-Fuelled Tanker

In December 2021, LMG Marin secured a contract to design the world's first green ammonia-fuelled tanker, the MS Green Ammonia, for Grieg Edge.

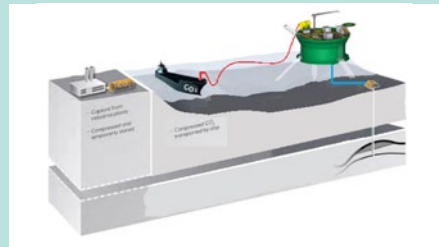
The zero-emission vessel will transport and distribute green ammonia fuel from a production facility in Berlevag, Norway, to Svalbard, a Norwegian archipelago between mainland Norway and the North Pole from 2024, replacing coal-fired power.



Developing Low-carbon Ocean Data Centre

In September 2021, Sembcorp Marine, Big Data Exchange and National University of Singapore signed a Memorandum of Understanding to explore the development of sustainable ocean data centres.

This partnership aims to develop proof-of-concept and pave the way for offshore data centres that address land scarcity and energy-efficiency challenges.



Growing Negative Emission Capability

Sembcorp Marine's wholly-owned subsidiary, Sevan SSP AS, was part of a consortium to develop a large-scale maritime concept for transport and injection of CO₂ for permanent storage in subsea reservoirs – comprising a CO₂ carrier and Sevan SSP Floating Storage Injection Unit.

DELIVERING INNOVATIVE & SUSTAINABLE SOLUTIONS

Advancing Towards Net Zero Carbon Future



2030 Achieve 40% of annual company turnover generated from sustainable solutions



Sembcorp Marine’s engineering design capabilities in ocean renewables are key to the Group in becoming a global EPC partner for energy companies in offshore wind projects and renewable segment.

- | | |
|---------------------------------------------------------------|------------------------------------------------|
| 1 Substation – HVDC (High Voltage Direct Current) | 7 Wind Electrification FPSO |
| 2 Energy Hub CCUS H ₂ NH ₃ Generation | 8 Floating Wind Technology |
| 3 Bottom-Fixed Wind Turbine | 9 Floating HVDC Substation |
| 4 Floating Wind Technology | 10 Carbon Capture (Utilisation) Storage (CCUS) |
| 5 Offshore Wind Turbine Installation Vessel | 11 Ammonia (NH ₃) Carrier |
| 6 Hydrogen-driven Wind Farm Crew-Transfer Vessel | 12 Hydrogen (H ₂) Bunker |
| | 13 CO ₂ Carrier |



FULFILLING THE NEEDS OF OUR CUSTOMERS

DELIVERING SAFE AND TIMELY EXECUTION OF ALL OUR PROJECTS WHILE MEETING THE NEEDS OF OUR CUSTOMERS AND STAKEHOLDERS

Successfully completed the fabrication of the Offshore Substation and Reactive Compensation Station for Ørsted Wind Power subsidiary Optimus Wind Limited

Our work on the Hornsea 2 Offshore Wind Farm project will support Ørsted in their sustainable energy operations to bring clean renewable power to more than 1.3 million homes in the United Kingdom.





Offshore Substation at Hornsea 2
Offshore Wind Farm

FULFILLING THE NEEDS OF OUR CUSTOMERS

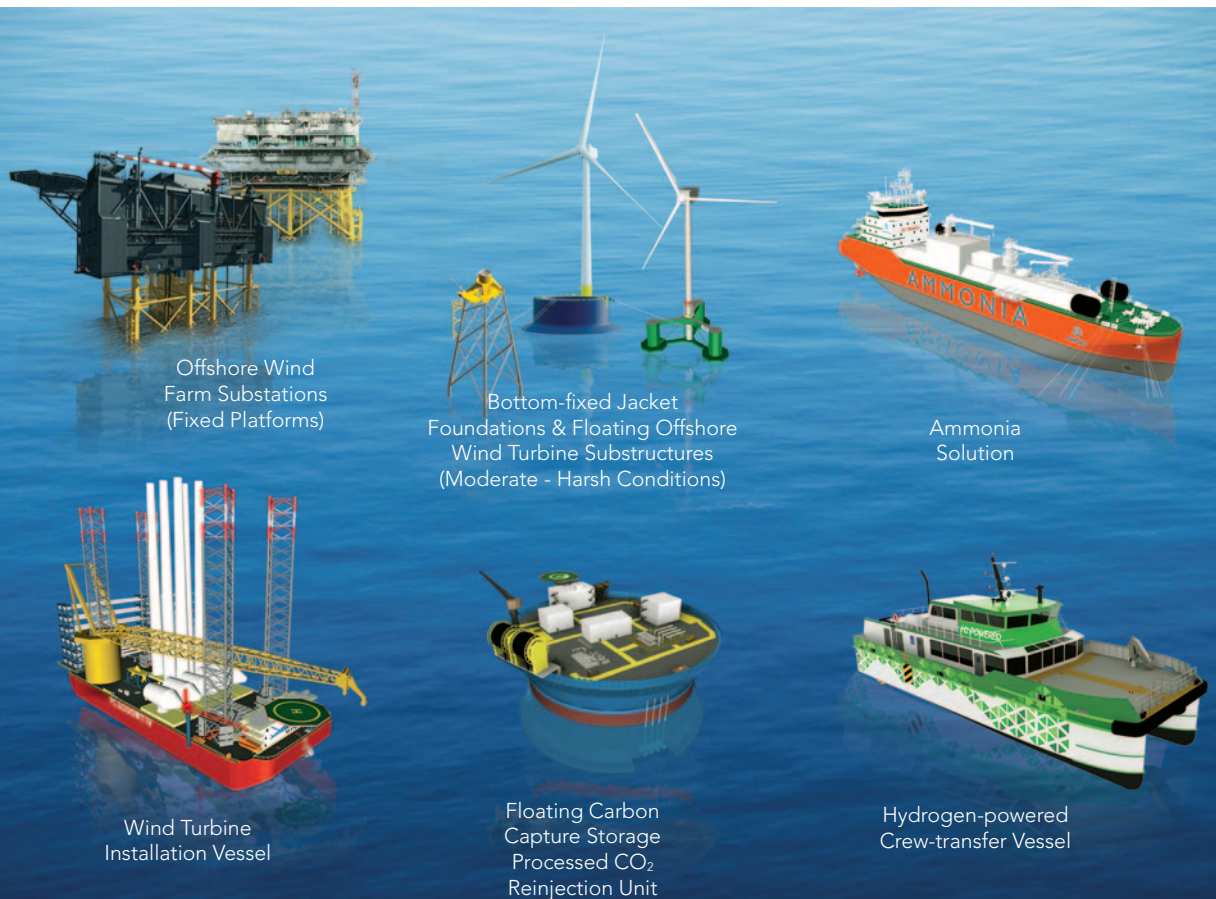
Despite unprecedented challenges due to the protracted effects from the COVID-19 pandemic, Sembcorp Marine was able to achieve multiple project completions with successful delivery in 2021 without compromising safety and quality. None of our delivered solutions in FY2021 required health and safety impact assessments for improvement.

The Group has demonstrated its resilience in overcoming the challenges through operational flexibility and close collaboration with customers. To resolve the shortage of skilled workers and supply chain constraints, we actively recruited manpower from alternative sources and tapped on our global supply chain and logistics capabilities to ensure the safe and progressive execution of our projects. We also leveraged on our overseas facilities in Indonesia and Brazil to optimise our capacity and resources to provide cost-effective solutions for our customers.

As we position for the recovery underpinned by ongoing strategic diversification and expansion into the clean energy sector, we continue to focus on the safe and timely execution of all our projects and remain committed to meeting the needs of our customers and stakeholders.

The Group is well-positioned to provide sustainable and low-carbon solutions to support our customers' sustainability goals and the global transition towards clean and renewable energy.

OUR RENEWABLE PRODUCT SOLUTIONS



Offshore Wind
Farm Substations
(Fixed Platforms)

Bottom-fixed Jacket
Foundations & Floating Offshore
Wind Turbine Substructures
(Moderate - Harsh Conditions)

Ammonia
Solution

Wind Turbine
Installation Vessel

Floating Carbon
Capture Storage
Processed CO₂
Reinjection Unit

Hydrogen-powered
Crew-transfer Vessel

Renewable energy and other cleaner and green solutions account for approximately **43%** of the Group's net order book as at 31 December 2021.

"As Sembcorp Marine accelerates its transformation and positions itself for the global shift towards a low carbon economy, it will continue to harness opportunities across the entire offshore, marine and renewable energy sectors, including clean solutions such as electrification, gas value chain, ocean living, as well as carbon capture and storage solutions."

- Mr Wong Weng Sun, President & CEO of Sembcorp Marine



Tuas Boulevard Yard, Singapore⁶



Aracruz Yard (Estaleiro Jurong Aracruz), Brazil



Karimun Yard (PT. Karimun Sembawang Shipyard), Indonesia



Batam Yard (P.T. SMOE Indonesia), Indonesia

⁶ For more details on our integrated global platform, please refer to pages 6 and 7 of our Annual Report 2021.

FULFILLING THE NEEDS OF OUR CUSTOMERS

Sailaways and Deliveries in 2021

Our Expanded Footprint in Renewables and Clean Energy Sectors



Ørsted's Offshore Substation and Reactive Compensation Station topsides set sail for the Hornsea 2 Offshore Wind Farm following successful fabrication in August 2021.

Offshore hook-up and commissioning works for the substation platforms commenced in November 2021, following successful installation in the UK North Sea, with completion scheduled for 2022.



We marked the success of the first phase of the Tyra project with the sailaway of two wellhead topsides, one riser topside and two bridges in July 2021 for deployment to TotalEnergies' redeveloped Tyra East Field located in the Danish North Sea. The topsides and bridges will replace Tyra's ageing facilities to support TotalEnergies' vision and pursuit of sustainable operations with lower environmental footprint.



In March 2021, Sembcorp Marine delivered the milestone FSRU Karmol LNGT Powership Africa conversion project for the Karadeniz-MOL (Karmol) Joint Venture. This high quality, complex engineering project involved the design and installation of regasification units, power module and spread mooring system. The FSRU was successfully commissioned and deployed to Senegal. In July 2021, we delivered Gaslog Singapore, an LNG FSU conversion project for Panama.



We delivered three LNG reliquefaction plant retrofit projects as well as first special surveys, Murex, Macoma and Magdala, for Seapeak (formerly Teekay Gas) and Shell, the vessels' manager. This is a series of five-vessel award with two more to be carried out in 2022 as part of the vessel efficiency improvement programme.

The success of these specialised LNG projects have further strengthened Sembcorp Marine's reputation as the market leader in LNGC, FSU and FSRU repairs, life extension, upgrades and conversion.



We successfully delivered the upgrading of offshore heavy-lift vessel, Aegir, on time and with excellent HSE performance for Heerema Marine Contractors in March 2021. The project involved the upgrading of the crane lifting capacity to 5,000 tonnes Safe Working Load and drydock work, has taken 3.5 months to complete. Following the completion of the upgrades, Aegir was deployed for the installation of jacket foundations at the Changhua Offshore Wind Project in Taiwan.

Our Proven Capabilities In Turnkey Offshore Mega Construction

On 27 December 2021, we celebrated another major milestone in our newbuilding track record with the successful delivery of the Vito Regional Production Facility to Shell Offshore Inc.

The integration of Vito's topside structure with its hull was executed safely and efficiently by a pair of state-of-the-art goliath cranes with 30,000-tonne combined lifting capacity and 100-metre hook height in Tuas Boulevard Yard. The yard's ability to perform this type of mega-block lifting enabled the Vito topsides and living quarters to be fabricated and assembled at ground level to minimise work-at-height risks, before integration with the four-column Floating Production Unit (FPU) hull in a single lift.

The landmark project was executed in compliance with high quality, HSE (Health, Safety and Environment) and sustainability standards, as well as stringent inspection processes by Shell, the Certified Verification Authority and the US Coast Guard.



One-Stop Solution for Ship Repairs and Upgrades

Sembcorp Marine continues to play a key role in supporting the global shipping supply chains by providing safe, high quality and on-time one-stop solution ranging from periodic maintenance and dry docking to complex engineering and upgrade projects. The solutions we offer to our customer ensure the safety of their marine and offshore assets, minimise operational disruptions as well as safeguard the well-being of the crew working onboard. In 2021, we delivered a total of 144 vessels that included conventional tankers, container vessels, bulk carriers as well as highly specialised LNGCs (Liquefied Natural Gas Carriers), FSUs (Floating Storage Units), FSRUs (Floating Storage Regasification Units), FPSOs (Floating Production, Storage and Offloading Units), cruise ships, naval vessels and offshore heavy-lift vessels.

Repaired and upgraded **16** LNG carriers for customers, including GasLog, MOL LNG, NWSSC Australia, and NYK LNG

Carried out **29** cruise ship refit & maintenance projects for customers, such as Carnival Australia, Celebrity Cruises, Princess Cruises, Royal Caribbean and Compagnie Du Ponant

Completed **30** ballast water management system and scrubber retrofit projects



FULFILLING THE NEEDS OF OUR CUSTOMERS

Our New Contracts

A Trusted Partner for Innovative and Sustainable Solutions

Sofia Offshore Wind Farm

Sembcorp Marine made further inroads into the renewable energy sector in March 2021 with a contract award from RWE Renewables for the design, construction, installation and commissioning of the Sofia Offshore Wind Farm offshore converter platform (OCP) located in the UK North Sea. The high voltage direct current (HVDC) OCP, comprising a 17,000-tonne topside and a jacket foundation structure piled into the seabed 220km from the nearest shore, will be the most remote of its kind. With a capacity of 1.4 gigawatt that will power the equivalent of nearly 1.2 million UK homes with clean and renewable energy, Sofia will be one of the largest wind farms in the world when completed.



Renewables Solutions | EPC Contract

World's First Green Ammonia-fuelled Tanker Design



Ammonia Solutions | CONCEPT DEVELOPMENT Collaboration

In December 2021, Sembcorp Marine through LMG Marin, secured a contract to design the world's first green ammonia-fuelled tanker, the MS Green Ammonia, for Grieg Edge, the dedicated innovation unit of the Grieg Maritime Group and owner of the vessel concept.

Powered by green ammonia, the zero-emission vessel will transport and distribute green ammonia fuel from a production facility in Berlevåg, Norway, to Svalbard, a Norwegian archipelago between mainland Norway and the North Pole from 2024, replacing coal-fired power.

As LMG Marin commences design work on the world's first green ammonia-fuelled tanker, it will leverage on the Group's integrated marine and offshore engineering capabilities, deep R&D domain expertise and technological bench strength in designing and building high-performance and specialised vessels.

This ground-breaking project demonstrates our commitment to spearhead maritime decarbonisation through continuing development of sustainable solutions.



LNG Solutions | CONSTRUCTION Contract

Pluto LNG Pluto Train 2 Project

In December 2021, we entered into a contract with Bechtel Overseas Corporation (Bechtel) for the modules assembly of the second LNG train to be constructed at the Pluto LNG Project. An integrated management team will be formed to manage the modules assembly programme for the project.

The construction of Pluto Train 2 will expand Pluto's existing processing capacity by around five million tonnes per annum and allow for the processing of third-party gas resources. Pluto LNG is a single onshore LNG processing train located on the Burrup Peninsula near Karratha in the north-west of Western Australia and currently processes gas from the Pluto and Xena offshore fields.

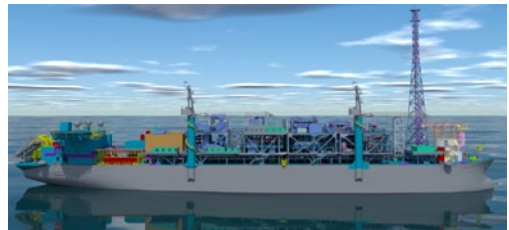
Previous collaborations between Sembcorp Marine and Bechtel include Australia Pacific LNG project and the Wheatstone LNG project.

FEED Contract for DORADO's FPSO Facility

We secured an exclusive contract from Altera Infrastructure GP LLC, in September 2021 to undertake the FEED work for the FPSO facility for the Dorado project.

Located in the Bedout Sub-basin, offshore Western Australia, Dorado is an integrated oil and gas project which is expected to have an initial oil production of 75,000 to 100,000 barrels per day, with subsequent

development of significant gas resources. Operated by Australian energy company, Santos Ltd, Dorado will be one of the lowest emission intensity oil and gas projects in the region, given its very low CO₂ reservoir with approximately 1.5 per cent CO₂ and plans for the reinjection of gas in the initial phase.



Process Solutions | FEED Contract



Process Solutions | REPAIRS & UPGRADES Work

Tupi B.V.'s FPSO P-71

The Group secured an amendment contract from Tupi B.V. in June 2021 for modification and integration works to be completed on the FPSO P-71 oil and gas vessel at our Aracruz Yard in Brazil. To be deployed at the Itapu field, FPSO P-71 is expected to augment the world-class assets of Tupi B.V. for deployment in deep and ultra-deep waters. This project provides an opportunity to showcase our Aracruz Yard's capabilities to undertake large scale and complex engineering projects.





ADDRESSING ENVIRONMENTAL CHALLENGES

EMBRACING NEW TECHNOLOGIES TO PROTECT THE NATURE, REDUCE OUR EMISSIONS AND STRIVE FOR ZERO HARM TO THE ENVIRONMENT

We provide safe and reliable cylindrical hull designs to mitigate harsh water environmental risk

Sevan SSP's cylindrical hull design has been chosen for the Wisting Field Development. This FPSO will also be powered with hydro-generated renewable electrical power via a submarine cable connection to shore to lower its emission.

In a separate project collaboration, Sevan SSP's cylindrical hull is being developed into a Floating CO₂ Storage and Injection Unit, as part of a broader European North Sea Decarbonisation programme.

ADDRESSING ENVIRONMENTAL CHALLENGES



Caring for Our Ocean

The ocean is one of the world's most important natural resources, including fish and salt, and a major highway for the transportation of goods and people. More than three billion people depend on the oceans for their livelihood.



The ocean absorbs approximately a third of the atmospheric carbon dioxide, reducing the impact of climate change.



The ocean holds many of life's essentials including global food and water supply.



The ocean offers new spaces for sustainable living.



The ocean potentially holds a rich source of mineral deposits, including copper, zinc, gold and silver, useful in products we use every day.

Increasing levels of carbon dioxide are making the ocean more acidic, and many marine species and ecosystems increasingly vulnerable. Global warming is increasing ocean temperatures that impact corals and diverse ecosystems. Overfishing has led to oceanic degradation.

Sembcorp Marine is committed to protecting our ocean ecosystems. Through investment in research and development of ocean engineering and marine science technologies, we deliver innovative, safe and reliable solutions that operate globally.

We mitigate the risks to safety and health of the environment and asset by designing and building solutions in accordance with stringent international standards. These include complying with the IMO regulations and the Polar Code.

As we explore new opportunities, we implement responsible corporate practices and policies, and comply with laws and regulations across our processes and operations.

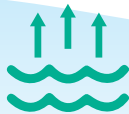
In 2021, the Group did not incur significant fines from non-compliance with environmental laws and regulations. The Group also supports and engages in community activities that protect our ocean health.



Discharge

Our yards comply with discharge requirements set by local authorities. We also remove marine plastics and debris from surrounding waters that drift into our yards through the debris collectors installed at our yards.

Our employees across our operations volunteer in coastal, mangrove and beach clean-up activities.



Rising Sea Level

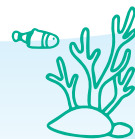
Infrastructures in Tuas Boulevard Yard and Aracruz Yard are built at a higher datum level to address rising sea levels.



Bio-Fouling & Corrosion

We reduce the use of microplastics by partnering with experts to test and develop sustainable coating solutions.

We also promote the use of chemical additive-free paints.



Ocean Biodiversity

We developed a chemical-free ballast water management system to mitigate the transfer of bio-invasive species at sea.

Our innovative product solutions are designed to operate safely and reliably in the world's oceans.



Sofia Offshore Wind Farm



Battery-powered Ropax Ferry

NEAR SHORE

Engineering design, manufacturing, installation and commissioning of offshore platforms and stations for offshore wind applications.

MID-OCEAN

Design and build zero-emission, zero-discharge battery-powered Ropax ferries to protect ocean health.



Wisting Field Development



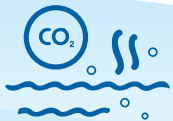
Energean Power FPSO for Karish Field Development

COLD & HARSH WATER

Provide proprietary cylindrical hull design which serves as a safe and stable platform operating in cold and harsh ocean environments.

DEEPWATER

Design and construct ships and offshore assets for safe operations in deepwater environments.



Acidification

We actively research and develop carbon capture and storage solutions.

We also explore nature-based solutions to absorb CO₂ and reduce acidity in the ocean.



Overfishing

We create and design floating structures for offshore aquaculture to meet the growing demand for seafood and help prevent depletion of wild fish stocks.



Extreme Wave & Seismic Load

We adopt the industry's best practices and standard for designs of solutions that are deployed near high seismic and tsunami prone areas.

These solutions are designed to withstand extreme and abnormal load events and are also equipped with wave monitoring systems.



Ocean Mining

We develop solutions that promote sustainable and responsible use of resources in the ocean.

ADDRESSING ENVIRONMENTAL CHALLENGES



Our Climate Action and Commitment

At Sembcorp Marine, we are proactively managing the risks and opportunities brought about by climate change.

The Group recognises the significance of climate-related risks arising from factors such as policy and regulation, technology, stakeholders’ expectations and extreme weather.

Climate-related risks and opportunities are integrated into Sembcorp Marine’s business strategy and environmental sustainability framework.

Sembcorp Marine is committed to managing and mitigating our environmental impact across our value chain.

With our Group’s environmental policy, ISO 14001 Environmental Management System and Integrated Environmental Framework, we go beyond compliance with applicable laws, regulations and standards as we proactively manage our consumption of energy and GHG emissions from our operations to meet our emission reduction goal by 2030.

2030 Reduce our emissions by 40%

2011

Started tracking our Scope 1 and 2 GHG emissions

2018

Established Our Environmental Sustainability framework based on Climate, Ocean and Earth

Joined Singapore Climate Action Pledge

Engaged Carbon Care Asia to evaluate the carbon savings of our sustainable solutions

2019

Operationalised the 4.5 MWp solar panel installed in Tuas Boulevard Yard

2020

Supported and adopted the Task Force on Climate-related Financial Disclosures (TCFD)

Published our Climate Programmes

Our President & CEO was appointed as Co-chair of the International Advisory Panel on Maritime Decarbonisation (IAP)⁷

2021 - 2030

The IAP’s recommendations on maritime decarbonisation to the Singapore Government identified nine pathways to maritime decarbonisation, including policy options to accelerate the transition and ways in which Maritime Singapore can support the industry’s decarbonisation

Sembcorp Marine is committed to aligning our climate policies and strategy with IAP recommendations. Through this membership, Sembcorp Marine advocates for a robust and efficient roadmap for maritime decarbonisation

We continue to make steady progress towards our target of reducing our total Scope 1 and 2 GHG emissions from 2008 levels by 40% by 2030

⁷ Established by the Singapore Maritime Foundation and supported by the Maritime and Port Authority of Singapore, IAP champions decarbonisation efforts in the maritime industry. The panel explore decarbonisation strategies, policies and actions to be taken by the local maritime sector in Singapore, in line with the International Maritime Organization’s (IMO) 2050 target to reduce total annual GHG emissions from international shipping by at least 50 per cent.

The Group supports and aligns our disclosures with those recommended by the TCFD. In this report, we voluntarily publish our enhanced climate-related financial disclosures in the four key areas as recommended by the TCFD.

For more details on how we align our disclosures with TCFD, please refer to our website at <https://www.sembrmarine.com/sustainability/environment>.



GOVERNANCE

Sembcorp Marine's Board of Directors and Senior Management Committee (SMC) oversee climate-related risks and opportunities through the Company's annual strategic plan exercise. To guide the Group's strategic direction, the Board and SMC meet twice a year to review key business plans while considering climate-related issues. The SMC then reports to our Board Executive Committee who will review and provide guidance.

Led by the President & CEO, the Sustainability Council comprises senior management from various business units and functions including Risk Management, HR, Finance, Operations, Supply Chain, R&D, and Investors Relations and Corporate Communications. As champions of the EESG working groups, the Council members contribute their expertises to address specific sustainability challenges.

The Council oversees our corporate sustainability strategies, policies, performance and mitigation actions and report to the SMC twice a year on sustainability issues including climate-related matters.



RISK MANAGEMENT

The Chief Risk Officer and Head of Production Control & Development, being the respective chairpersons of the Corporate Governance and Environmental Sustainability working groups, oversee the climate-related risks matrix.

To advance our responses to energy transition risks, we:

- actively manage risks, explore opportunities and engage in R&D, with strategic collaborations, to deepen our core engineering capabilities
- ensure that our sustainable solutions cause zero harm to people and the environment by complying with strict safety, quality and engineering regulations

To better manage climate risk, the Group will integrate climate factors into risk and credit frameworks by developing:

- methodologies for assessing and mitigating physical and transition risks of climate change
- corresponding metrics for tracking and disclosure
- capacity building and training of relevant staff



STRATEGY

Climate-related risks and opportunities are identified and integrated into Sembcorp Marine's environmental sustainability framework and business strategy through annual strategic planning by the corporate strategy team, and the environmental sustainability workgroup.

Climate-related risks and opportunities are evaluated based on near- (2021-2025), medium- (2025-2030) and long-term (2030-2050) trends. Our key climate risks include the pace of global energy transition and changes in regulation, extreme weather events, and technology and stakeholder expectations.

Identifying climate-related risks and opportunities help to inform our long-term business strategy and financial planning. We have implemented three key strategies to maximise climate-related opportunities and stay competitive.

In the next two years, we plan to analyse global energy transition scenarios to evaluate the resilience of our business strategy against climate-related risks and opportunities for different time horizons.



METRICS & TARGETS

We use a set of metrics and targets to manage and monitor our exposure to climate-related risks and opportunities.

Our climate-related metrics include:

- Share of renewable energy in our energy mix
- Share of annual turnover generated from renewable and gas product solutions
- Total energy consumption within our operations
- Scope 1 and 2 (location-based) GHG emissions
- Water usage in water-stressed areas

In 2021, we assessed our relevant Scope 3 emissions and will actively manage those emissions from 2022.

To align with the low-carbon transition, the Group has set internal and public targets including:

- low-carbon energy consumption
- halve Scope 1 and 2 emissions from 2008 levels by 2030
- generate at least 40% of our total revenue from gas and renewable energy solutions by 2030

ADDRESSING ENVIRONMENTAL CHALLENGES

Our Carbon Footprint

At Sembcorp Marine, we understand the impact we can have on the GHG emissions in our value chain and have now included, as part of our data collection process, GHG emissions in both our upstream and downstream activities.

This initiative allows us to track and monitor our Scope 3 emissions as well as provide visibility on the environmental impact of our processes to effectively identify opportunities for emissions reduction.

With a global presence, Sembcorp Marine is committed to grow our business responsibly and sustainably. Our total energy consumption in FY2021 amounted to 1.451 million gigajoule (GJ), a 14.6% increase compared to our consumption in FY2020. This is primarily attributed to the inclusion of the energy consumption from one of our subsidiaries in Singapore. Our energy intensity for the same period was 0.018 GJ/man-hour.

The following are the scope of carbon emissions that are relevant to Sembcorp Marine, as defined by the GHG Protocol.

UPSTREAM

Scope 3 Emissions



Purchased Goods & Services

Purchase of equipment, bulk material and consumables for operations and projects.



Capital Goods

Our responsible procurement practices undertake a holistic approach which considers the cradle-to-gate emissions of capital goods.



Waste Generated in Operations

We see value in encouraging the mindful use of resources through the institutionalisation of E4R programme aimed at eliminating, reducing, reusing, recycling and recovering waste to minimise our operational footprint.

OUR BUSINESS OPERATIONS

Scope 1 Emissions

Our Scope 1 emissions ensue from business operations. These include the emissions produced by machinery and vehicles as well as the use of gases for cutting and welding steel plates to support production work.

Scope 3 Emissions



Business Travel

Employees required to travel for business are motivated to reduce their carbon footprint by leveraging on alternative means such as videoconferencing and remote surveys.

Scope 2 Emissions

Our Scope 2 emissions are purchased electricity obtained from our national grid. To reduce our reliance on the grid whilst capitalising on our yard infrastructure, we generate clean and renewable solar energy via our 8.5 MWp solar panel installations in our Tuas Boulevard Yard.



Employee Commuting

We provide a private transportation network across Singapore that is safe, reliable and environmentally friendly for our employees to commute to work.

DOWNSTREAM

Scope 3 Emissions



Downstream Transportation & Distribution

A significant majority of our products are delivered from our production facility directly to our customers. Products which require transportation capitalise on the cost effective and environmentally friendliest option via semisubmersible heavy lift ships.

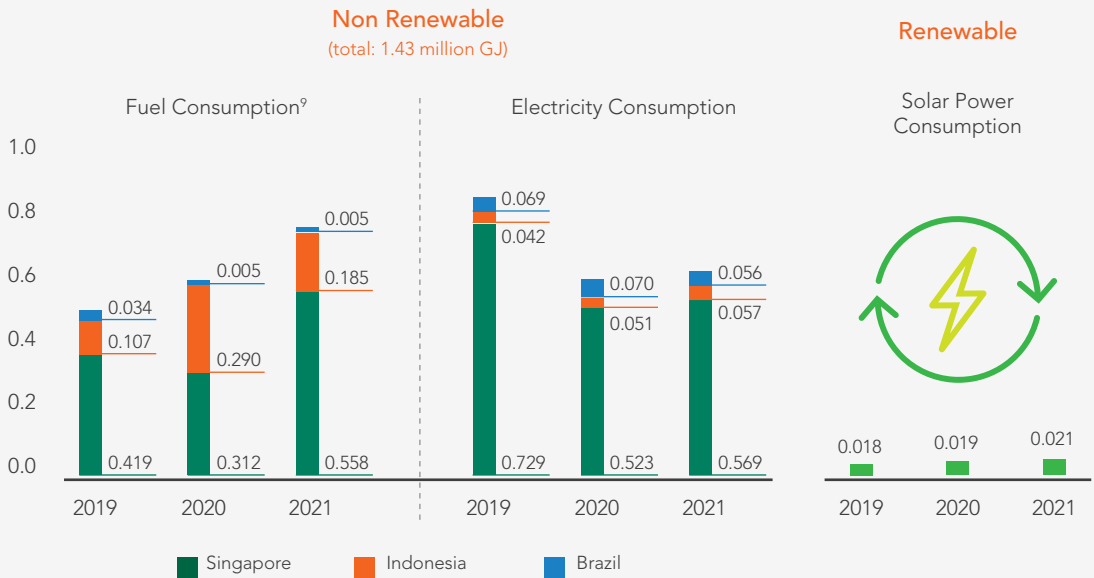


Use of Sold Products

Anchored on five key pillars of innovation, our range of sustainable solutions ensure minimum harm to the environment during operation.

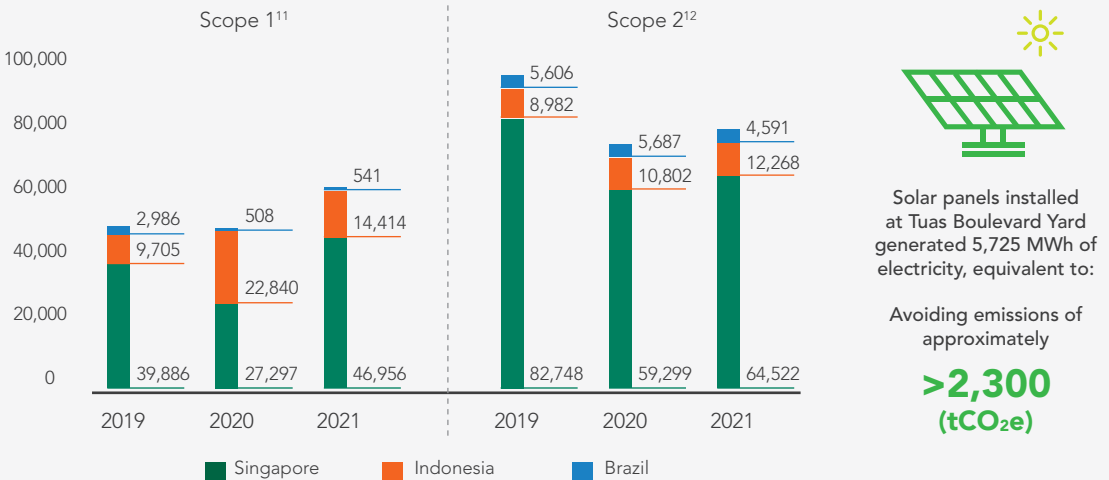


ENERGY CONSUMED⁸ (million GJ)



⁸ Our energy sources include electricity, diesel, LPG, CNG, acetylene and solar energy.
⁹ Net calorific values (NCV) were sourced from WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017). NCV for acetylene was referenced from S. McAllister et al. (2011) *Fundamentals of Combustion Processes*. Fuel consumption for Singapore for 2019 and 2020 have been restated due to revised energy consumption conversion methodologies.

GHG EMISSIONS¹⁰ (tCO₂e)



¹⁰ Operational control approach is used to identify the GHG emissions. The boundaries of our reported emissions currently comprise our shipyards operating in Brazil, Indonesia and Singapore, excluding joint ventures.
¹¹ Emission factors (EF) were sourced from WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017). Only CO₂, CH₄ and N₂O emissions are included in the calculation of direct GHG emissions. Global Warming Potential (GWP) factors used are from the 2014 IPCC Fifth Assessment Report. Emission data is derived from combustion of non-renewable fuels consumed in our yards and follows the requirement of GHG Protocol. Fundamentals of Combustion Processes (2011). Scope 1 emissions for Singapore for 2019 and 2020 have been restated due to revised conversion methodologies.
¹² Grid EF for Singapore was obtained from Energy Market Authority (EMA), grid EF for Brazil and Indonesia were obtained from Institute for Global Environmental Strategies (IGES)(2021) – List of Grid Emission Factors version 10.10. Scope 2 emissions for Singapore for 2020 have been restated based on latest Grid EF obtained from Energy Market Authority (EMA). Scope 2 emissions for Indonesia and Brazil for 2019, 2020 and 2021 have been restated based on latest EF obtained from IGES. Only CO₂ emissions are included in the calculation of indirect GHG emissions. Emissions data is derived from purchased electricity consumed in our yards and is aligned with the requirement of GHG Protocol.

ADDRESSING ENVIRONMENTAL CHALLENGES

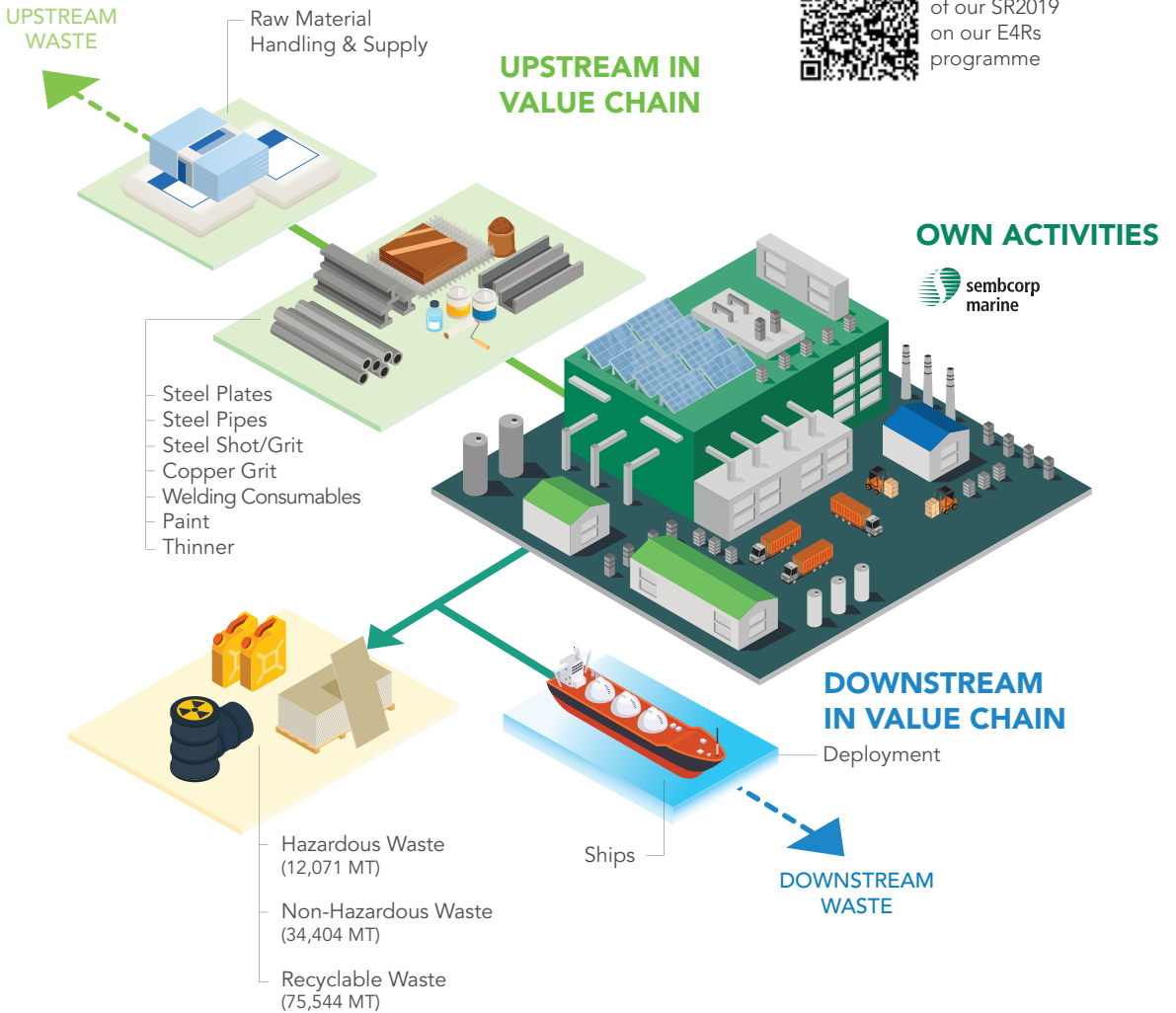


Protecting Our Earth

At Sembcorp Marine, we adopt sustainable practices and environment-friendly operational processes across every stage of our project life-cycles to optimise the use of resources and minimise waste.

The key materials that we use in the production of our sustainable solutions include steel plates, pipes, blasting

consumables, production consumables. In FY2021, the total amount of steel, copper grits, steel grits, steel shots and welding consumables used by the Group amounted to 56,861 metric tonnes (MT) compared to 229,110 metric tonnes in FY2020 and the total amount of paint and thinner used was 1,060,832 litres compared to 938,905 litres in FY2020.



Refer to page 33 of our SR2019 on our E4Rs programme

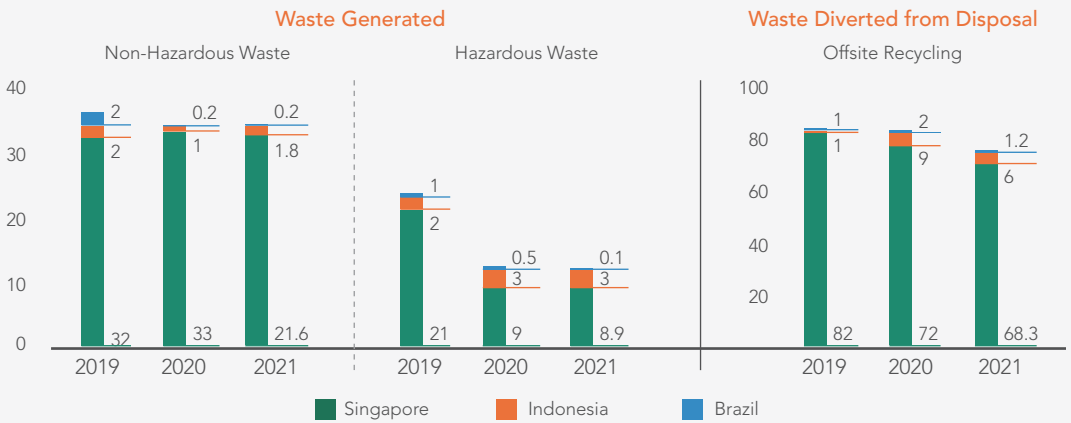
Waste management at Sembcorp Marine is centred on our E4Rs programme where the Group ensures waste is Eliminated, Reduced, Reused, Recycled and Recovered.

Our waste management policies and procedures are reviewed regularly to ensure that waste generated is handled, segregated and disposed of in compliance with applicable local environmental laws and regulations. The waste generated by our yards are collected by licensed waste management vendors for treatment and disposal or recycling.

We conduct audits on the waste vendors to ensure that the waste to be disposed is handled in the required manner and that they have the necessary authorisation to handle waste.

To monitor and track our general and hazardous waste at each site, we use weigh bridges and this is further supplemented by waste manifests provided by waste management vendors. In FY2021, the Group generated a total of 111,184 tonnes of waste of which 75,544 tonnes of waste was recycled.

WASTE BY TYPE ('000 tonnes)

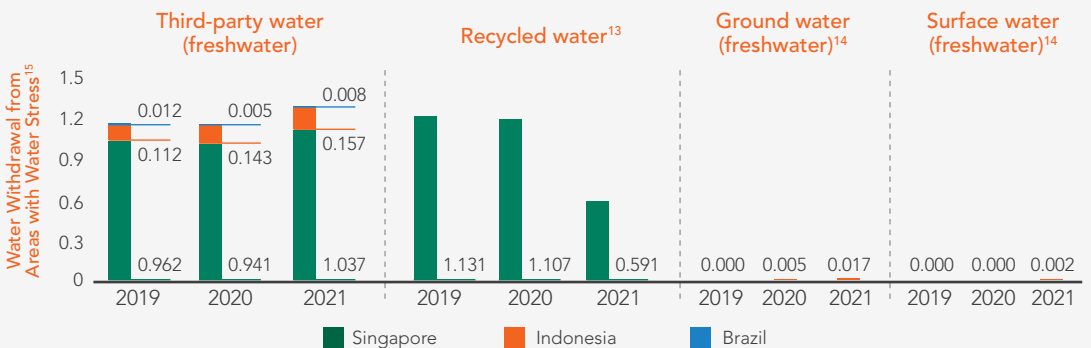


As part of Sembcorp Marine’s effort to conserve water, we have installed water-saving devices in the yards and also conducted regular monitoring and leak checks in our yards’ water pipe network. Recycled water is used where possible. Water discharged from our yards is treated in accordance with the environmental discharge limits and effluent standards in the countries of operation. Awareness campaigns on water

conservation are done Group-wide to promote responsible water consumption.

Water withdrawal in our business operations includes municipal water and recycled water (NEWater – used in Singapore yards). In FY2021, a total of 1.811 million m³ of water was consumed, a 17.6% decrease from 2.198 million m³ used in FY2020.

WATER WITHDRAWAL BY SOURCE (mil m³)



¹³ Recycled water (NEWater) is used only in Singapore.
¹⁴ Ground water and surface water are used only in Indonesia.
¹⁵ The water stress index was obtained from the World Resources Institute 'Aqueduct Water Risk Atlas'. Singapore and Indonesia are considered to be areas of low water stress while Brazil is considered a medium-high water stress area.



NURTURING OUR HUMAN CAPITAL

ENABLING A RESILIENT
AND COMPETITIVE
WORKFORCE AND BUILDING
CAPABILITIES TO STEER OUR
TRANSFORMATION AND
SUSTAINABLE GROWTH



Empowering our workforce with future-ready competencies and expertise to meet the evolving needs of the industry

As part of our commitment toward human capital investment, we equip our people with leading-edge capabilities in emerging green technologies, advanced manufacturing and digitalisation to enhance our competitiveness.



Mr Muhammad Mustaqiim Bin Ayub (left), a technician at the Structural Fabrication department, was a graduate from the Work Study Diploma (WSD) in Marine Offshore Engineering Programme. He operates and controls the automated robotic welding system to weld complex offshore structures remotely under the guidance of his mentor, Mr Muhammad Faqih Bin Mohamed Rais (right).

NURTURING OUR HUMAN CAPITAL

People are at the core of our business. We value our employees and embrace the diversity and expertises they bring to the Group. We are committed to the growth, well-being and safety of our employees and provide a conducive work environment that nurtures their full potential. We respect human rights across our operations and value chain. Our human rights practices are aligned to various national and international frameworks, including the United Nations Sustainable Development Goals.

OUR WORK IN 2021



Fair Employment & Equal Opportunities

- Introduced skill-based wage model for foreign tradesmen, aimed at promoting skill-based and productivity-based remunerations in our Singapore yards



Talent Planning & Leadership Development

- Enrolled the first batch of senior executives for the Leadership and People Management Course in Singapore Management University



Workforce Capability & Competency Development

- Attained 32.80 training hours per employee globally with a total of S\$1.08 million training investment made
- Obtained ISO 29993: 2017 Certification for Learning Service Provider by Socotec Certification Singapore Pte Ltd to conduct Shipyard Safety Instruction Course, Hot Work Trade and Painter Trade
- Curated a new technical course to develop newly hired staff under the SGUnited-e2i Marine Jobs & Skills Discovery Programme in ship's surface preparation for our Singapore yards
- Arranged our employees to attend a "Carbon Management Workshop: Increasing Profits While Lowering Emissions" organised by the Association of Singapore Marine Industries
- Introduced virtual classes on our Business Enhancement Through Our People (BE-TOP) programmes for management employees in our Singapore yards
- Successfully designed and developed in-house off-job training curriculums and rolled out the digital "On-Job Training" application for our Singapore yards
- Our subsidiary, JED Centre Sdn. Bhd., in Malaysia performed individual competency mapping to design and execute performance and competency improvement plans
- Successfully rolled out training for employees in our Batam Yard on offshore work standards and practices



Employee Engagement & Well-being

- Our Aracruz Yard has launched a tribute for employees who have attained 10 years of service and set up a recreation area with amenities such as pool tables and board games
- Our Singapore yards have conducted a series of retirement talks on retirement income, managing CPF money and estate planning
- In Singapore, we have organised a series of welfare programmes that include excursions for migrant workers and distribution of welfare packs to dormitory residents
- Conducted an engagement survey in Singapore to address the current and future needs of employees



Human Rights Principles & Practices

- Successfully rolled out a work plan to align our HR policies with internationally recognized labour and human rights practices
- Adopted Employer Pays Principle (EPP) for hiring of sub-contractors' workers

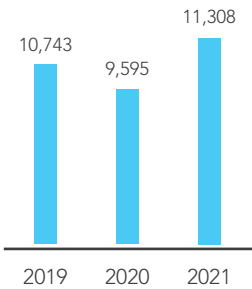
Fair Employment & Equal Opportunities

Sembcorp Marine continues to champion fair employment and equal opportunities. We advocate a level playing field in recruitment, performance appraisal and training opportunities. Our practices are recognised on a global level as we strive to constantly improve and align to international standards.

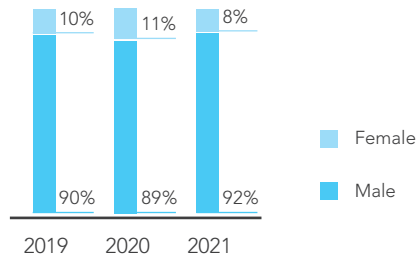
HIGHLIGHTS OF OUR WORKFORCE

OUR GLOBAL WORKFORCE

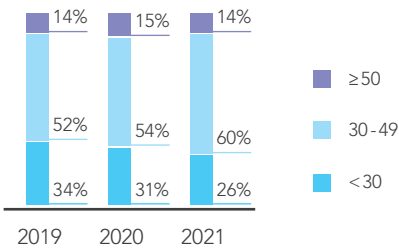
Total Number of Employees¹⁶



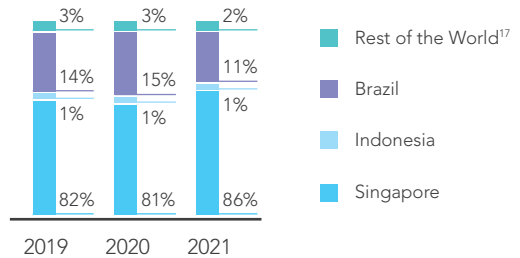
Total Number of Employees by Gender



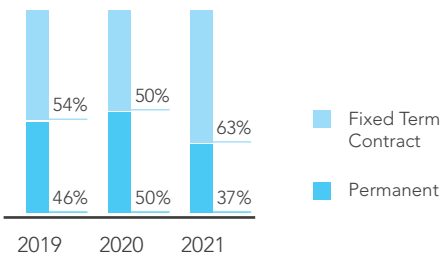
Total Number of Employees by Age Group



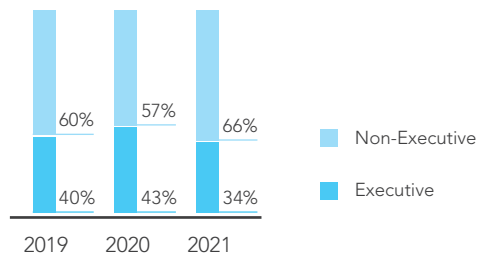
Total Number of Employees by Region



Total Number of Employees by Employment Contract



Total Number of Employees by Employee Category



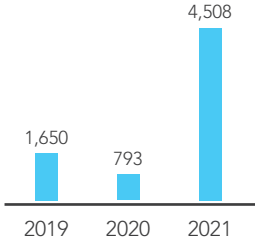
⁽¹⁶⁾ The numbers for 2019 and 2020 have been restated. The adjustment made is less than 1%.

⁽¹⁷⁾ Rest of the world includes Norway, USA, Malaysia, Poland, France and United Kingdom.

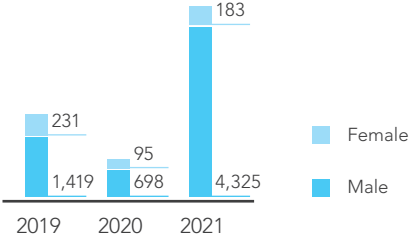
NURTURING OUR HUMAN CAPITAL

NEW HIRES¹⁸

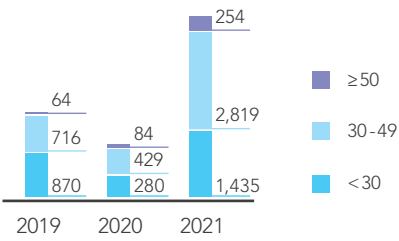
Total



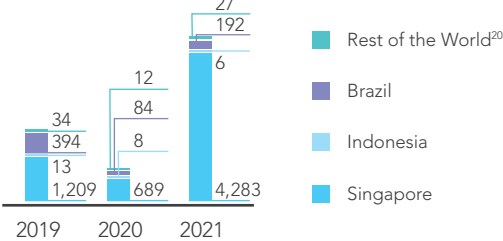
By Gender



By Age Group

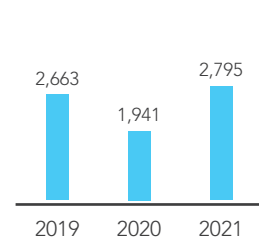


By Region

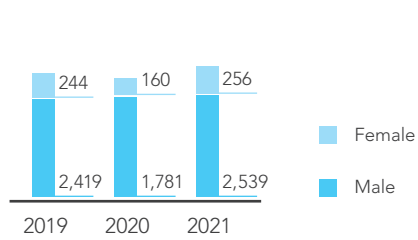


TURNOVER¹⁹

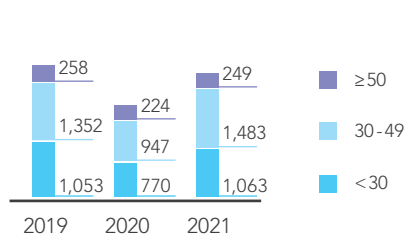
Total



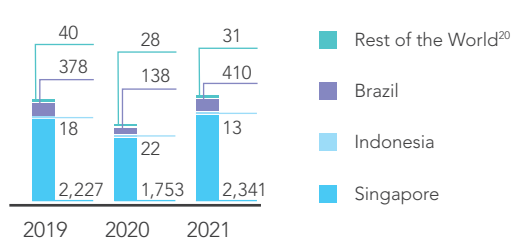
By Gender



By Age Group



By Region



¹⁸ New hires rate is computed based on number of new hires divided by yearly average headcount. The number for 2020 has been restated. The adjustment made is less than 1%.

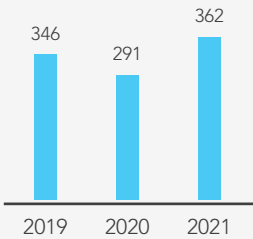
¹⁹ Employee turnover rate is computed based on number of attrition divided by yearly average headcount.

²⁰ Rest of the world includes Norway, USA, Malaysia, Poland, France and United Kingdom.

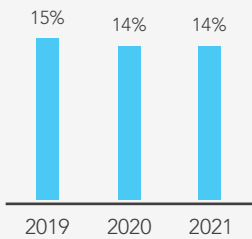
At Sembcorp Marine, we value the depth of knowledge and experience that people beyond the statutory retirement age can offer. In 2021, we offered 362 contracts to our employees past the statutory requirement age in Singapore.

Operating in a traditionally male-dominated industry, we aim to close the gender gap with an increased representation of women in senior leadership roles.

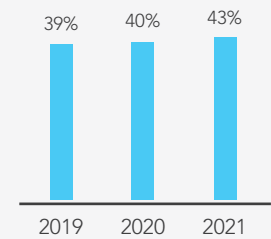
Contracts offered to people past the statutory requirement age in Singapore



Females in Operations roles In Singapore executive workforce



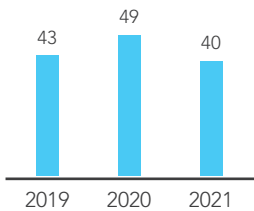
Females in Commercial and Corporate Services in Singapore executive workforce



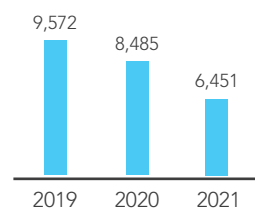
Talent Planning & Leadership Development

As the COVID-19 situation transitions from pandemic to endemic, Sembcorp Marine has constantly sought to enhance our competitive advantage, while staying relevant. We nurture our employees to be well-equipped with 21st-century leadership skills to manoeuvre through the changing tides, while adding value to our stakeholders.

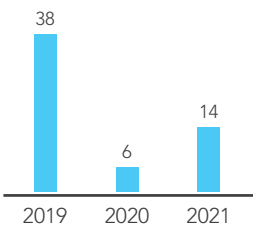
Employees seconded to our overseas subsidiaries



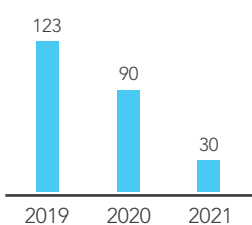
Global workforce received performance appraisals and career development reviews²¹



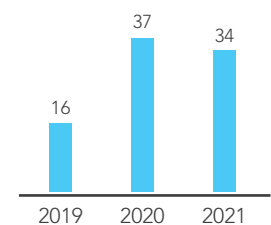
No. of job fairs participated



No. of interns attached to our yards in Singapore²²



No. of scholarships offered to students from various institutes



⁽²¹⁾ The figure includes employees who have left the company after the appraisal period. The Covid-19 pandemic and turnover before appraisal was conducted accounts for a lower review count.

⁽²²⁾ Lower number of interns intake in 2021 is mainly due to COVID-19 restrictions.

NURTURING OUR HUMAN CAPITAL

Workforce Capability & Competency Development

The Group is committed to nurture and invest in the development of our workforce to promote a culture of continuous learning and improvement. To enable our employees' holistic development and support them to achieve their fullest potential, every job role in the organisation is mapped on to our four key learning thrusts:



Total Workplace Safety & Health (WSH) Excellence

Through the training under this thrust, employees will have an understanding of the needs for good WSH Excellence practices and possess the necessary knowledge and skills to achieve Total WSH Excellence. Qualified and certified competent employees are able to meet the prerequisite WSH qualifications as required by the local authorities and legislations, and Customer's operating standards.



Skills & Competence

The training programmes aim to equip our employees with the necessary technical and functional competencies that enable them to be an expert in their own field and perform their jobs effectively and professionally.



Innovation & Productivity

Employees undergo the training programmes under this thrust will understand the importance of innovativeness and the notion of embracing change and moving beyond the status quo and conventional thinking is key to business continuity. Our employees will be equipped with competencies to stay innovative and productive so that they are able to keep abreast of the latest technological inventions and applications.

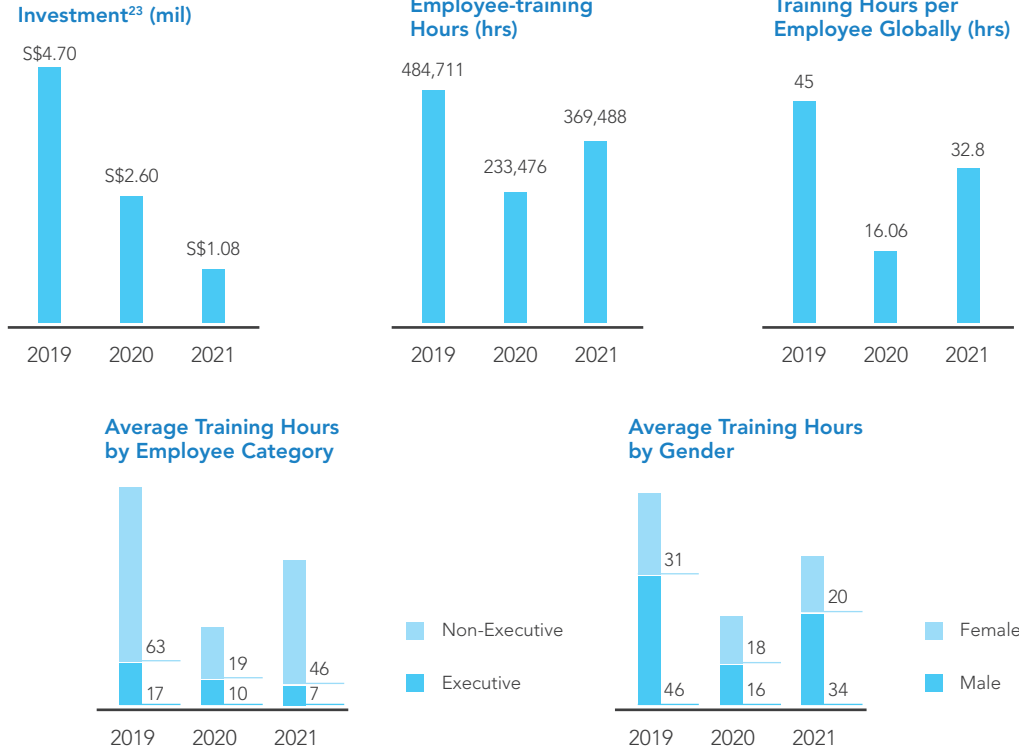


Growth & Development

The training programmes enable our employees to possess the right personal growth mindset that enable them to continually upgrade and improve themselves. Employees are responsible for their own learning and should discuss with their supervisors to ensure effective contribution to the achievement of both business and career goals.

Over the years, we continue to up-skill and re-skill our people to enhance our readiness in meeting new challenges and opportunities for the future economy. Since 2018, we have sponsored 38 of our employees from production and engineering departments to attend a WSD in Marine Offshore Engineering Programme to undergo On-the-Job Training guided by mentors at their workplace and Off-the-Job Training lessons at the Institute of Technical Education. Upon graduation, the employees would be conferred a Diploma in Marine and Offshore Engineering, progress from Technician to Assistant Engineer and apply the skills and knowledge learned in their daily work.

RE-SKILLING AND UP-SKILLING OUR GLOBAL WORKFORCE



The following are some of our in-house and on-the-job training programmes carried out in 2021.



Performing High Speed Band Saw Cutting



Performing basic outfitting activities measurements



Performing maintenance for pump room



Performing portable machine drilling and tapping



Performing erection and dismantling of cargo hold (tower) scaffold



Performing overhead gantry Crane remote control operation

⁽²³⁾ In 2021, trainings are conducted mainly in-house and on the job.

NURTURING OUR HUMAN CAPITAL

Employee Engagement and Well-Being

The health, safety and welfare of our employees are key priorities especially during these challenging times. Cognisant that prolonged social isolation and restricted mobility due to the pandemic could impact the well-being of our migrant workforce, we organised and supported numerous engagement activities for our workers to promote mental wellness and social bonding. These activities included excursions, festive giveaways, and distribution of care packs and snacks, which were well-received by our migrant workforce.

While the Company has introduced many initiatives, it also recognised distinct individual and cultural differences exist among its workforce of different ethnics and nationalities. During the year, additional resources have been assigned to augment its employees engagement programmes including culture-conscious initiatives to increase cross-cultural appreciation. The Company has also further updated its policy and programmes, as well as its Emergency Response Framework²⁴ as a demonstration of its commitment to uphold the health, safety and wellness of its people.



Distribution of special meals to our migrant workers during festive celebrations



Distribution of festive treats to spread a little festive cheer among our migrant works who are away from home



Community visits to places of interest to promote mental wellness and social bonding among the migrant workforce

²⁴ For more details, please refer to our website at www.sebmarine.com/sustainability/our-covid-19-response

Upholding Human Rights

Sembcorp Marine is committed to the principle of human rights and fair labour practice, and is fully compliant with all laws, regulations, codes of practice, and regulatory requirements applicable in jurisdictions where we operate. We respect employees' right to freedom of association and embrace fair employment, diversity and inclusivity at the workplace. In Singapore, our policies are aligned to tenets advocated by Singapore's Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). We are an early adopter of the Singapore Tripartite Standards and a signatory of the TAFEP Employers' Pledge of Fair Employment Practices. We also pledged our commitment to the Singapore Business Federation Sustainable Employment Practices.

In 2021, we participated in setting the UN Global Compact Sustainable Ocean Principles for Shipyards. These principles set the basis in promoting responsible industry and business practices internationally, supporting the Ten Principles of the United Nations Global Compact on human rights, labour environment and anti-corruption. Our Supplier Code of Conduct and Sustainability Report were further classified as examples of good practices.



OUR HUMAN RIGHTS PRINCIPLES & PRACTICES

INTERNATIONAL STANDARDS & PRINCIPLES

SEMBCORP MARINE'S POLICIES

- Human Resources Policy
- Code of Business Conduct
- Supplier Code of Conduct
- Collective Bargaining Agreements

SEMBCORP MARINE'S COMMITMENT & FOCUS

- Labour Rights
- Employee Rights



Scan for more information on our human rights commitment

Conducive Living Environment for our Migrant Workforce

We provide our foreign workforce with comfortable dormitory lodgings within our yard premises. Besides saving time, energy and carbon footprint on commuting, this in-yard living arrangement allows workers ample time to rest after work, thus resulting in greater productivity and efficiency on the job.



Promoting Quality Rest, Better Hygiene and Active Lifestyle



Cosy and comfortable multi-media room



Well-equipped gymnasium



Innovative centralised kitchen



In-house laundry services

Our Integrated Dormitory at Tuas Boulevard Yard

- ✓ Better quality of life for greater work productivity
- ✓ Comprehensive facilities and amenities
- ✓ High food hygiene standards
- ✓ Centralised functions to optimise water & energy consumption efficiency and reduce wastage





PROTECTING OUR PEOPLE

TAKING A COMPREHENSIVE
APPROACH TO EMPLOYEE HEALTH
AND WELL-BEING, WE AIM TO BUILD
A CULTURE OF SAFETY IN WHICH ALL
OUR EMPLOYEES CAN PROACTIVELY
THINK AND ACT SAFELY

Strong Workplace Safety and Health performance through our superior strategy for construction

In October 2021, Sembcorp Marine hoisted the Vito Floating Production Unit topside – weighing 8,640 tonnes – onto its hull in a single lift with our state-of-the-art 2x15,000-tonnes gantry cranes. These game-changing cranes enable the Group to execute larger, heavier and more complex projects while minimising work-at-height risks and achieving significant reduction in man-hours required for the work.



PROTECTING OUR PEOPLE



VISION ZERO

PRINCIPLES OF OUR VISION ZERO COMMITMENT²⁵

- Reduce risks at source;
- Place WSH duty on all stakeholders in their respective functional areas; and
- Prevent accidents through positive reinforcement.

Work accidents and occupational diseases are avoidable. With a strong culture of prevention, we strive to eliminate hazards and risks that may cause work-related accidents and occupational diseases.

Our Workplace Safety and Health (WSH) 2028 Vision Zero incidence goal is an important foundation of the Group’s work ethos. Executed via a robust Health, Safety and Environment

(HSE) integrated management system, we aim to eliminate harm to people, property and the environment through three key HSE strategic thrusts – Deepen WSH Ownership, Focus on Workplace Health and WSH Advancement with Technology – that guide planning and implementation of key safety initiatives across the Group.




OUR HSE VISION

ZERO Harm to People, Property & Environment

STRATEGIC OUTCOMES

Reduce workplace injury rate and achieve Vision Zero	Eliminate hazards that lead to occupational disease and promote good workforce health	Integrate WSH into digitalisation and technology ecosystems
------------------------------------------------------	---------------------------------------------------------------------------------------	-------------------------------------------------------------

WSH 2028 STRATEGIES THRUSTS

THRUST 1	THRUST 2	THRUST 3
 <p style="margin: 5px 0;">Deepen WSH Ownership</p> <p style="margin: 0;">Create and foster a workplace with positive WSH practices, strong leadership, and a culture of Prevention, Trust and Care</p>	 <p style="margin: 5px 0;">Focus on Workplace Health</p> <p style="margin: 0;">Strengthen prevention of occupational diseases, advocate the importance of good industrial hygiene and step up efforts on workers’ inherent health conditions</p>	 <p style="margin: 5px 0;">WSH Advancement with Technology</p> <p style="margin: 0;">Embrace and adopt technological developments in our daily operations to continuously improve WSH performance</p>

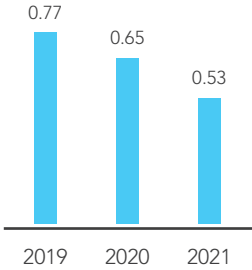
OUR WORK IN 2021

<ol style="list-style-type: none"> 1. Conducted a Virtual HSE Carnival 2021 with the theme, “Care Time – Take Time to Take Care of Your Safety and Health” 2. Organised Contractor Townhall Webinar 2021 3. Initiated the Review, Educate and Validate (REV) risk mitigation programme 4. Introduced Hazard Identification Tool (HIT) to identify and eliminate the hazards and unsafe acts 5. Our yards in Singapore received 24 awards at the WSH Award 2021 6. Our Batam Yard was awarded the Occupational Safety and Health Award (Platinum) 2021 	<ol style="list-style-type: none"> 1. Continued to focus on COVID-19 Pandemic Prevention efforts implementation 2. Achieved >95% employees vaccination rate for COVID-19 3. Organised Psychiatric First Aid Training to focus on employees’ mental health and physical wellness 4. Collaborated with NEA to eliminate mosquito breeding zones 	<ol style="list-style-type: none"> 1. Developed an online platform to register and monitor employees’ COVID-19 status 2. Organised WSH Innovation Carnival virtually to improve safety and health standards in workplaces with innovative solutions 3. Leveraging on telecommunication platforms to maintain internal and external communications and outreach during pandemic outbreak 4. Developed an e-learning platform for employees to enhance WSH knowledge
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

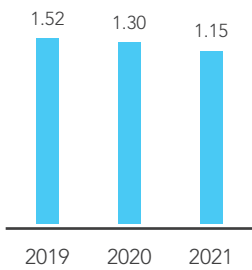
²⁵ Aligned with the recommendations of WSH 2028 by WSH Council, Singapore.

SINGAPORE AND OVERSEAS^{26,27}

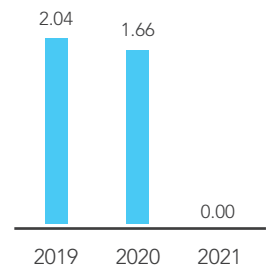
LOST TIME INJURY RATE PER MILLION MAN-HOURS WORKED²⁸ (LTIR)



TOTAL RECORDABLE INCIDENT RATE PER MILLION MAN-HOURS WORKED²⁸ (TRIR)

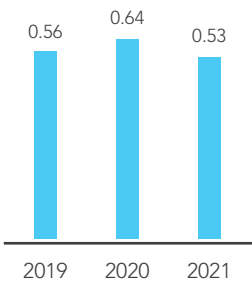


FATAL ACCIDENT RATE PER 100 MILLION MAN-HOURS WORKED²⁸ (FAR)

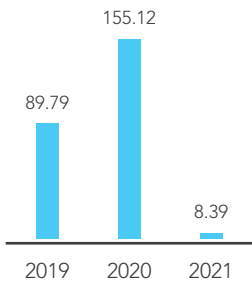


SINGAPORE

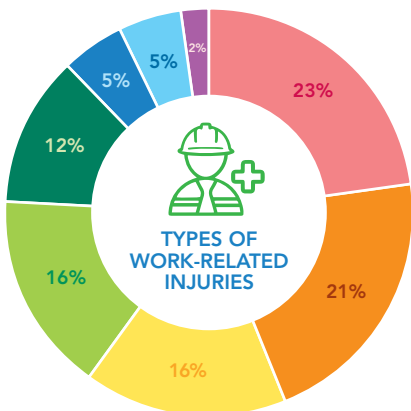
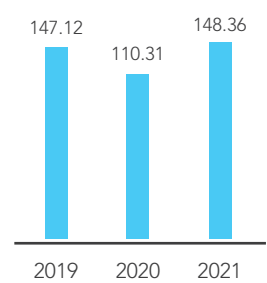
ACCIDENT FREQUENCY RATE PER MILLION MAN-HOURS WORKED (AFR)



ACCIDENT SEVERITY RATE PER MILLION MAN-HOURS WORKED (ASR)



WORKPLACE INJURY RATE PER 100,000 EMPLOYED PERSONS (WIR)



We measure our health and safety performance using a combination of leading and lagging performance indicators. Hazard Identification Tool is used to help identify the associate hazards with the operations, and to highlight areas where we need to act upon issues or risks with the potential to result in an incident, injury or illness.

Our primary lagging indicators for measuring health and safety performances are the Total Recordable Incident Rate (TRIR), Lost Time Injury Rate (LTIR) and Fatal Accident Rate (FAR). Our TRIR rate in FY2021 was 1.15, a slight improvement from 1.30 in 2020. The LTIR in FY2021 was 0.53, which is also an improvement from 0.65 in FY2020.

Our yards in Singapore have also seen a large improvement in the ASR which has dropped to 8.39 compared to 155.12 in FY2020.

The Group's health and safety goal remains Zero Harm to People, Property and Environment, and our aim is to send everyone home healthy and safe every day. We will continue to strengthen our WSH 2028 Strategic Thrusts to focus on positive WSH culture, prevention of occupational diseases and adoption of technology to improve WSH performance.

- Struck by Moving Objects
- Caught In Between Objects
- Struck by Falling Objects
- Slip and Trip
- Cut or Stabbed by Objects
- Contact with Hot Substances
- Struck Against Objects
- Fall from Ladder/Staircase

⁽²⁶⁾ Health and safety statistics from overseas operations include facilities located in the UK, Brazil, Indonesia and Singapore.
⁽²⁷⁾ The tables in this section include performance data from our direct employees as well as our on-site contractors and their employees.
⁽²⁸⁾ Aligned with International Association of Oil & Gas Producers Standards (IOGP).

PROTECTING OUR PEOPLE

Deepen WSH Ownership

Good WSH performance requires greater ownership from all stakeholders, a holistic system with clear policies and procedures for implementing and building safety competencies, as well as a culture of Prevention, Trust and Care.

Sembcorp Marine's WSH framework is championed by the Sembcorp Marine Board and Management, employees, contractors and stakeholders. While the Board Risk and Enterprise Risk Committees steer the HSE policies and framework, the Group HSE Committee, together with various sub-committees at the yards, is responsible for developing the relevant procedures and controls and deploying the HSE strategies and work plans.

In 2021, yard-level HSE committees comprised over 600 management and worker representatives. They collectively represent more than 33,000 Sembcorp Marine employees and contractors. These committees are responsible for engaging the workforce in HSE programmes.

We engage in regular dialogues and communicate safety practices and procedures with our stakeholders through Vessel Safety Coordination Committee meetings, monthly WSH Committee meetings, monthly WSH Sub-committee meetings and daily toolbox meetings. Weekly management inspections are also conducted together with our customers and managers to identify and monitor the safety condition of the workplaces. This collaborative engagement drives a positive safety culture and ownership among all our stakeholders that all of us play an important role to achieve a safety-conscious environment.



Virtual HSE Carnival 2021 organised at Admiralty Yard

Our yards in Singapore, Indonesia, and Brazil have successfully transitioned to the ISO 45001 Occupational Health and Safety Management System certification in 2020. As part of a holistic approach to continual improvement, we keep engaging stakeholders regularly to identify areas for improvement as well as to prevent workplace incidents and ill-health.

Our employees, contractors and project teams conduct regular safety audits, evaluations and risk assessments on evolving key risks under our Review, Educate and Validate (REV) risk mitigation programme. Our employees and contractors are also trained to use the company's risk matrices which assess the level of severity and prescribe a hierarchy of controls and procedures to manage the situation. Key risks identified include fire and explosions, collapse of structures, work-at-height and electrical hazards. Our annual review of the Group's incident and near-miss records against industry benchmarks helps us identify the most common occurrences. We also maintain statistics on the types of accidents and occupational diseases encountered in our facilities. For internal learning and prevention purposes, we regularly update our staff on lessons learnt and latest advisories from applicable sources.

The Group continues to ensure employees, contractors and other personnel operating in our shipyards are equipped with the necessary HSE skills, knowledge, awareness and competency to perform their work safely. In 2021, we invested 48.5% of total training hours on HSE, compared to 39.9% in 2020.



Hazard Identification Tool used by the Group to identify and eliminate hazards and unsafe acts as part of the Risk Assessment process

WSH Advancement with Technology

Innovation and safety are core values of Sembcorp Marine. Innovation enables the Group to augment its technological bench strength, boost its operational efficiency and more importantly to enhance workplace safety.

Sembcorp Marine's Admiralty Yard bagged the prestigious National WSH Innovation Award in 2021 for its Blower Test Box (right) which can be used to enclose the blower (a component of a vessel's main engine) for testing before installation. This enclosure reduces the number of people involved in the testing process. Exposure to noise is reduced by up to 30% and the risk of being hit by flying objects is also eliminated. The enclosure also reduces the risk of ergonomic injuries as workers are not required to work in an awkward posture during the testing process.

From 17 to 22 November 2021, the Group's HSE Department and personnel from Eupnoos conducted spirometry sessions at our Tuas Boulevard Yard to collect data for an innovative smartphone application being developed in collaboration with Eupnoos, Singapore's Workplace Safety and Health Institute and the Association of Singapore Marine Industries. This application analyses data and evaluates one's lung health through the use of Artificial Intelligence (AI) and machine learning.

By comparing the data with breath and voice recordings submitted from the closed beta version of the application, Eupnoos is able

"With the innovative Blower Test Box, our colleagues in the workshop can work in a more efficient and safe manner, with the noise level drastically reduced, and safety hazards eliminated."



– Mr Perumal Suresh, Project Manager leading the Blower Test Box project.

to calibrate and adjust the AI capabilities accordingly to fine tune the accuracy of the readings, providing effective results that would advise the user if their lung health is improving, deteriorating or at status quo. If realised, this app would empower the workforce, and anyone with a smartphone, to take charge of their health and to make choices to improve the quality of their life and work.

A total of 119 participants from various production departments provided physical spirometry data throughout the one week of sessions.



Spirometry Test conducted by Eupnoos



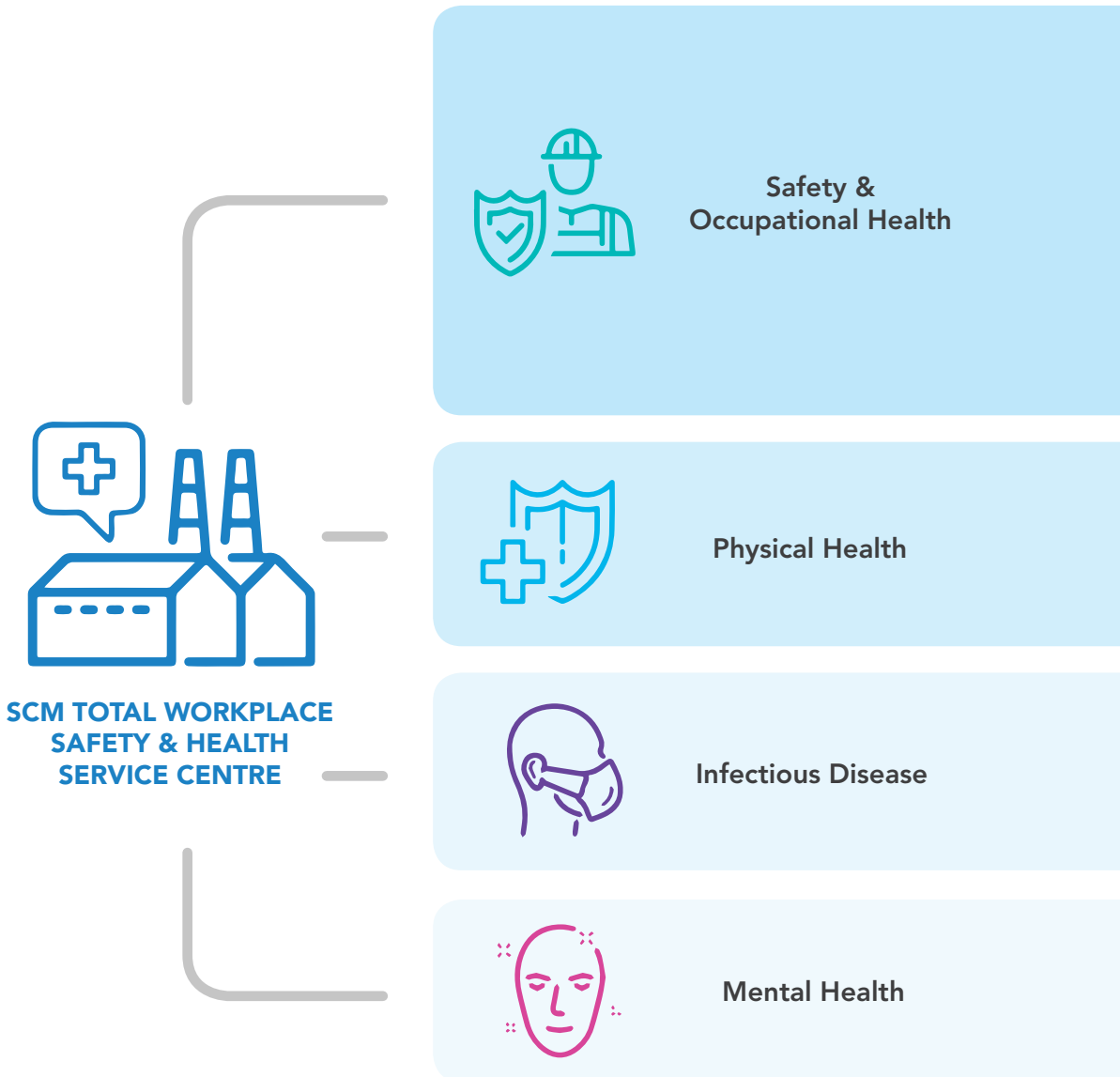
WSH Innovation Award presented at the Association of Singapore Marine Industries

PROTECTING OUR PEOPLE

Focus on Workplace Health

The Group is committed to building a healthy workforce in a safe workplace. We continue to strengthen our efforts in preventing workplace injuries and occupational diseases as well as our services in promoting the health and mental well-being of our employees. Our WSH activities and services provided for our employees and workers are integrated under a holistic Total WSH Service Centre framework.

In 2021, we collaborated with NEA to plan and implement a mosquito control programme that prevents and eliminates mosquito breeding zones within our yard. With the active participation of relevant stakeholders, we managed to identify and eliminate all the potential mosquito breeding zones and reduced the dengue cases reported in 2021.



In support of mental health and wellness, a total of 20 participants from Sembcorp Marine and our customer, Equinor, attended a Psychiatric First Aid Training in August 2021. The training was conducted by a Health Promotion Board accredited counsellor to equip these managers and trade leads with the skill in recognising signs and symptoms of workers' mental health condition. This will enable them to assist their co-workers to mediate and reach out for professional support.



Detection & Control

- Work-site assessment visit
- Risk assessment review
- Statutory medical examination
- Fitness-to-Work assessment
- Management and monitoring of occupational and work-related issues such as hearing loss and respiratory complications
- Fumigation and vectors elimination programme to eliminate potential breeding grounds of vector-borne diseases such as dengue

- Pre-employment examination
- Health screening
- Management of common ailments (e.g. diabetes, hypertension, hyperlipidemia) through medication
- Counselling support

- Encouragement to be vaccinated
- Infectious disease safe management measures
- Formation of Mosquito Prevention Task Force Team to eliminate the potential larvae breeding ground

- Counselling support
- iWorkHealth assessment
- Referral to psychologist/psychiatrist for consultation
- Employee Assistance Programme

Education

- Up-skilling WSH Professionals and supervisors so they are empowered to identify, supervise and check individuals with health conditions that affect their work on-site
- Equip our employees and contractors with first aid knowledge and skills for rendering first-response medical assistance. Occupational first-aid training, including the use of automated external defibrillators and cardiopulmonary resuscitation is held regularly
- Conduct education talks (e.g. slips, trips and falls, work at heights, safe use of machineries, ergonomics, handling hazardous substances, etc)
- Customised safety coaching sessions
- Organised Hearing Conservation Programme to educate the workforce on noise hazards

- Conduct education talks and workshops (e.g. diet & nutrition, exercise, diseases, etc)
- Health coaching activities
- Virtual Zumba sessions led by dance fitness instructors

- Conduct education talks (e.g. hygiene, infectious disease control)
- Training and education of Safe Management Officers, Safe Distancing Officers and Safe Distancing Ambassadors

- Conduct education talks and workshops (e.g. resilience, mindfulness, recognising signs of distress)
- Organise Psychiatric First Aid Training for the managers and supervisors

2015

2018

Project for School Presentation

Co-sponsors



2019



Green Wave Environmental Care Project for Schools Presentation Ceremony



Guest-of-Honour
Hamid Hamad Faisha
Parliamentary Secretary, Ministry of Education, Youth and Sports
22nd May 2019

Care Project Presentation



2012

2018

18 YEARS OF GREEN COMMUNITY OUTREACH PROGRAMME AND STILL GOING STRONG!

YOU CAN SAVE THE EARTH!

Are you ready?



GREEN WAVE ENVIRONMENTAL CARE COMPETITION 2022

Planet earth is suffering. If we are not proactive in improving the environment, World Bank warns that natural disasters can force up to 216 million people to leave their homes by 2050. Simultaneously, natural catastrophes are pushing more than one million wildlife and plant species towards extinction. Are you ready to do your part to save the earth?

Submit your innovative green ideas, stand a chance to transform them into reality and win **attractive prizes!**

Primary School	Secondary School	Junior Colleges & ITEs	Tertiary Institutions*
1st Prize S\$ 4,000	1st Prize S\$ 6,000	1st Prize S\$ 8,000	1st Prize S\$ 10,000
2nd Prize S\$ 2,000	2nd Prize S\$ 4,000	2nd Prize S\$ 5,000	2nd Prize S\$ 6,000
3rd Prize S\$ 1,000	3rd Prize S\$ 2,000	3rd Prize S\$ 3,000	3rd Prize S\$ 4,000

*The 1st prize for the Tertiary category is a grant approved by Shell International Eastern Trading Company and Sembcorp Marine Ltd and includes a one-month attachment to a Shell offshore company. The 1st prize for the Junior College/ITE category is jointly sponsored by SP Shipping Limited and Sembcorp Marine Ltd and includes a one-month attachment to SP (Singapore).
*Tertiary level competition is also open to students from tertiary institutions in Southeast Asia.

Download entry forms at: www.sembmarine.com/greenwave

Closing Date: 31 July 2022



Sembcorp Marine Ltd
c/o Sembcorp Marine Admiralty Yard
Admiralty Road West, Singapore 799906
Email: greenwave@sembmarine.com



2011

2014

Green wave Environmental Care Project for Schools Presentation Ceremony



2010



2004



CARING FOR OUR COMMUNITIES

ADVANCING SOCIAL CAUSES, CARING FOR OUR COMMUNITIES AND ESTABLISHING PARTNERSHIPS TO CREATE LONG-TERM SUSTAINABLE VALUE

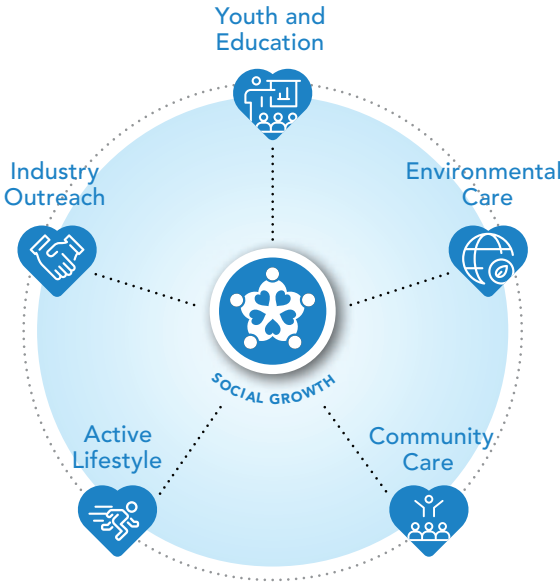


Sembcorp Marine partners its customers and stakeholders to advance sustainability and care for our communities

Sembcorp Marine's Green Wave Environmental Competition has received support from two of our Alliance Partners, Shell International Eastern Trading Company and BP Shipping, since 2003.

Currently, the Group is also working with Shell and Penguin International to jointly develop hydrogen as a marine fuel, potentially paving the way for emission-free shipping in the future.

CARING FOR OUR COMMUNITIES



Sembcorp Marine believes in caring for and contributing positively to the local communities where it operates. We embrace our role as an active corporate citizen and a caring organisation by championing a wide range of community improvement and industry development initiatives to make a positive difference to society. Our employees participate in various community projects and volunteer activities to reach out and show our care to those in need within the community.

The Group’s community engagement strategy is aligned with the UN SDGs and ISO 26000 Guidance on Social Responsibility. A part of our community engagement framework includes regular reviews to ensure the effectiveness of the Group’s community and industry development programmes.

Our community engagement strategy covers five focus areas of Social Growth. These

include Youth and Education; Environmental Care; Community Care; Active Lifestyle and Industry Outreach. Relevant local community engagement activities were conducted by our operating units in Singapore, Brazil and Indonesia, covering 100% of Sembcorp Marine’s operations within the scope of this report.



YOUTH & EDUCATION

Support strategies and efforts to provide youth and adults with equal access to education and learning opportunities



ENVIRONMENTAL CARE

Promote sustainable use of natural resources and protection of our ecosystems



COMMUNITY CARE

Foster community spirit and provide support to the less privileged



ACTIVE LIFESTYLE

Promote an active, vibrant and healthy community



INDUSTRY OUTREACH

Encourage and promote effective public, public-private and civil society partnerships

OUR WORK IN 2021

Invested more than **\$3 million** in community programmes globally²⁹

\$30,000 raised through our employees for the Community Chest Share Programme

1,163 youths and students benefited from our support for educational programmes

Dedicated more than **3,000** hours in community and environmental programmes

²⁹ Sembcorp Marine committed an upfront sum of S\$2,892,694 in EJA’s Sewage Treatment System Programme and will annually disclose the community investment pertaining to this programme annually over 10 years from FY2020 (S\$289,269.40 per year).



GREEN WAVE ENVIRONMENTAL CARE COMPETITION

Sembcorp Marine launched the annual Green Wave Environmental Care Competition in 2003 to promote a green culture and sustainability mindset among the young generation. This competition provides students with a platform to showcase their creativity in developing practical solutions for environmental improvement.

With safe management measures in place and support from its industry partners, Sembcorp Marine continues to raise awareness and interest among students on environmental sustainability through its Green Wave Environmental Care Competition. In 2021, the competition attracted **234** project entries from **843** local and regional students.

“Driven by our passion to contribute something meaningful and yet long lasting to our community, we launched the GreenWave Environmental Outreach Programme, for all Singapore schools, technical institutes and universities in 2003.

When the younger generations showed their great enthusiasm and passion in developing and showcasing their ideas and initiatives for the preservation and enhancement of our environment in the 18 years that we have run this outreach programme, we know that we are contributing to a more sustainable future.”

- Ms Wong Lee Lin, Chairman of Sembcorp Marine Green Wave Environmental Projects & Member of Sembcorp Marine Sustainability Council.



ENVIRONMENTAL CONSERVATION



Our Aracruz Yard invested more than **\$350,000** on environmental conservation programmes in 2021. These

include the construction of a sewage treatment system in Barra do Sahy, participation in the hydrographic basin plan for the Central-North Coast Region of Espírito Santo, 2nd Public Notice of the Network for Cooperation in Studies, Research and Extension on Coastal and Marine Environments in Espírito Santo.

Our employees volunteered to clean up the beaches of Barra do Sahy, in celebration of the “World Day for Cleaning Beaches and Rivers”. The event was organised by the Neighborhood Association of Santa Marta.



BIODIVERSITY AWARENESS

Our Aracruz Yard in Brazil raised awareness on the importance of bees in nature by contributing to an apiary for queen bee production and offering workshops on rearing queen bees and increasing production of hives. These initiatives were done through the Apiary Queen School, in collaboration with FUNDAMEL-Beekeepers Association of Fundão.

We have been supporting these long-running biodiversity programmes since 2018.



CARING FOR OUR COMMUNITIES



COASTAL AREA CLEANUP

In 2021, 50 employees from our Karimun Yard volunteered to clean up the coast of Pantai Ketam Pongkar in Indonesia.



SCHOOLBAG PROGRAMME

Sembcorp Marine's long-standing School Book Assistance Grant (SchoolBAG) marks its 21-year run in 2021.

Being one of our anchor community engagement programmes, the SchoolBAG programme has come a long way to help nurture and develop Singapore's children and youth.

In 2021, we contributed a total of **\$S177,250** in SchoolBAG bursaries to **878** local students. Since the Group started supporting this programme in 2001, more than 23,700 students have benefited from the S\$4.75 million SchoolBAG bursaries disbursed.



INDUSTRY SHARING PROGRAMME

Our Karimun Yard in Batam conducted an annual industry sharing session for 45 vocational high school students to provide insights into the marine industry. Our employees in Karimun also volunteered their time in the distribution of school bags to 200 children in a local orphanage.



KNOWLEDGE SHARING

In January 2021, Sembcorp Marine welcomed a group of MIT Sloan School of Management students, to work on an innovative carbon pass-through analysis as part of an overall strategy for sustainable business operations. Three highly talented students, together with Sembcorp Marine staff, engaged in several rounds of interactive discussions to propose solutions to enable traceability, accountability as well as validation of carbon emissions associated with our upstream business operations.

This engagement culminated in a poster presentation in which a credible carbon-pass through model was proposed. Attended by Sembcorp Marine employees and distinguished guests from the university, the model has since undergone several rounds of iteration to be fine-tuned for our specific business needs.



SUPPORTING OUR COMMUNITIES DURING THE PANDEMIC

- In September 2021, more than 70 Sembcorp Marine employees volunteered in the Nationwide Mask Distribution event organised by Temasek Foundation to manage the distribution of masks and attend to public enquiries.
- The Group contributed more than S\$30,000 to the communities for COVID-19 related support. This includes a sponsorship of more than S\$10,000 of materials and medicine to the Espírito Santo State Health Department in support of the fight against COVID-19 in the municipality of Aracruz, and a donation of 100 beds to COVID-19 quarantine centres in Indonesia to improve the living environment for patients' comfort and well-being.
- Sembcorp Marine was a key sponsor of the "Marine Migrant Workers Mental Health Challenge", organised by the Association of Singapore Marine Industries in December 2021, to raise awareness on caring for the mental health and well-being of migrant workers. The Group, together with other supporting companies, raised funds for 5,000 care packs – which contained essential items such as surgical masks, hand sanitisers, dental kits, shower essentials, and snacks – for distribution to migrant workers in the marine industry in Singapore.



INDUSTRY OUTREACH

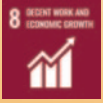
Serving Industry and Public

To promote and support the advancement and sustainability development of the offshore, marine and energy industries, Sembcorp Marine's senior management staff volunteered to provide their expertises through various industry associations and public councils where they hold appointments. The Group also participated in pertinent external programmes and formed collaborations with industry partners to create long-term sustainable value.

Our Key Partners



Scan for more information on the list of memberships and associations



OPERATING A RESPONSIBLE BUSINESS

CREATING LONG-TERM VALUE FOR OUR STAKEHOLDERS THROUGH RESPONSIBLE, RESILIENT AND SUSTAINABLE BUSINESS OPERATIONS



Enabling sustainable business growth through a robust governance structure for continued competitiveness

A strong and effective sustainability governance structure is essential for Sembcorp Marine to achieve strategic business growth and create long-term value for the future. This has also enabled the Group to build on its integrated offshore and marine engineering capabilities to move up the value chain and expand its portfolio of sustainable solutions.



4



5



6



7



8



Sustainable solutions include projects with reduced environmental impact such as gas, clean energy and renewable projects.

Images are some of Sembcorp Marine's sustainable solutions (from top to bottom):

- 1 HVDC Converter Substation for the Sofia Offshore Wind Farm
- 2 Reactive Compensation Station for the Hornsea 2 Offshore Wind Farm
- 3 Offshore Substation for the Hornsea 2 Offshore Wind Farm
- 4 LNG-battery Hybrid Tug
- 5 Energiean Power FPSO
- 6 Karmol LNGT Powership Africa FSRU
- 7 12,000m³ LNG Bunker Vessel
- 8 Zero-emission battery-powered Ropax ferry

OPERATING A RESPONSIBLE BUSINESS

Sustainability Governance

Board Statement on Sustainability Report

The Board of Directors of Sembcorp Marine Ltd (the Board) is committed to sustainability and continuous Environmental, Social and Governance (ESG) improvements.

The Board believes in establishing a sustainable future for our businesses and creating long-term value for stakeholders. A sound management of ESG risks and opportunities is key to ensuring the long-term growth and viability of our business as well as addressing the long-term impact on the environment and society. With this view, the Board takes a comprehensive approach and considers all relevant sustainability issues, including climate-related concerns, as part of the Group's sustainability strategy formulation, which are then integrated into its operations and business. Reflecting the importance of ESG in our business, sustainability is also anchored in our core values and corporate culture.

The Board oversees the Group's sustainability agenda and provides strategic direction to the Group's Sustainability Council (SC) and core sustainability working groups. We have set a clear ambition for Sembcorp Marine's sustainable growth with our Sustainability Vision 2030 strategic roadmap. Please refer to page 3 for our Sustainability Vision 2030.

The Board has established robust sustainability governance structure and framework which are set out on pages 4, 65 and 66.

The Board is supported by the SC in its oversight of the Group's sustainability governance. The SC assists the Board in determining the ESG factors, and overseeing the management and monitoring of the material ESG factors, in which seven material issues are determined and adopted under the four key sustainability dimensions, comprising Business Growth, Environmental Sustainability, Social Growth and Corporate Governance. We report our progress against sustainability targets on our key material topics, which can be found on pages 6 and 7. Our material topics, which were determined by the Board and the SC through our materiality review and sustainability workshop in 2017, are reviewed annually. The SC also assists the Board in implementing sustainability initiatives. Since 2015, the Group has strategically aligned our businesses towards a cleaner energy mix. We continue to drive Group sustainability in our business and community with a keen focus on four strategic areas, namely decarbonisation, ocean sustainability, digitalisation and social growth. These four strategic areas of our sustainability pursuit remain highly relevant, especially in the face of today's challenges.

The Board supports the reporting of the Group's sustainability performance in accordance with the SGX Sustainability Reporting Guide, Global Reporting Initiative (GRI) Standards: Core Option, Sustainability Accounting Standards Board (SASB) framework and with reference to the United Nations Sustainable Development Goals (UN SDGs), the Sustainability Reporting Guidance for the Oil and Gas Industry issued by IPIECA, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP), and the Task Force on Climate-related Financial Disclosures (TCFD) for materiality mapping and disclosures on performance. Aligning our sustainability programmes with 11 out of 17 UN SDGs and other international frameworks relevant to our business strategy has enabled us to drive the progress of our sustainability strategies towards sustainable development. The Board is responsible for the review and endorsement of this Sustainability Report.

The Group's Sustainability Report complements its other regulatory financial and corporate governance disclosures. The report provides transparency on our business in the context of sustainability impact, performance, targets and other insights. We welcome and value all feedback or suggestions from stakeholders to help us further augment our sustainability practices and reporting. Please forward any comments on our sustainability report and programmes to sustainability@sembmarine.com.

Board of Directors
Sembcorp Marine Ltd

Our Sustainability Governance Structure



At Sembcorp Marine, our Board of Directors provides oversight on the Group’s sustainability strategy and programmes.

As the highest governance body that oversees the sustainable development of the Group, the Board of Directors attends trainings on sustainability to stay abreast of developments in this area.

Through regular engagement with stakeholders, the Board is able to obtain feedback and address areas of concerns. The Board reviews the stakeholder engagement process to ensure its effectiveness as part of sustainability performance monitoring and evaluation.

The Board considers stakeholder feedback in its strategy review and development process to mitigate risks and harness opportunities for sustainable growth.

2021 Highlights

NO

material incident of non-compliance

ZERO

legal actions for anti-competitive behaviours, anti-trust, and monopolistic practices

Successfully completed **surveillance audit for ISO 37001** Anti-bribery Management System (ABMS) certification

Our anti-bribery & anti-corruption policies and procedures are communicated to **ALL** our directors, employees and suppliers

Our vision is to achieve **100%** global workforce participation in our anti-bribery and anti-corruption training

Achieved today: **5,572** employees (49%)³⁰

Of the 5,572 employees who took the anti-bribery and anti-corruption training:

3,458 were executives	5,137 are from Singapore	307 are from Brazil
2,114 were non-executives	29 are from Indonesia	99 are from the rest of the world ³¹

⁽³⁰⁾ In 2021, there was an increase in new hires. Anti-bribery and anti-corruption training to be conducted for these workers will be completed in 2022. For more details, please refer to the new hires chart on page 42.

⁽³¹⁾ Rest of the world includes Norway, USA, Malaysia, Poland, France and United Kingdom.

OPERATING A RESPONSIBLE BUSINESS

Our Sustainability Governance Framework

Semcorp Marine upholds the highest standards of governance, transparency, accountability and ethics in all aspects of our operations. We do so through our four sustainability governance thrusts.



GOOD GOVERNANCE & PRUDENT DECISION MAKING

We have a comprehensive and integrated governance system of policies, processes and control measures to manage the impact our business activities have on society and the environment. This is made possible with a strong commitment from our Board of Directors and an effective sustainability governance structure.

To augment our sustainability reporting, we have disclosed against relevant indicators in the SASB framework for the first time in this report. To better enhance our governance system, we plan to take guidance from the latest GRI Standards (2021) in the coming years.

Good governance has allowed us to secure sustainable finance linked to our ESG performance. Please refer to page 67 for more information.



REGULATORY COMPLIANCE

We review and enhance our policies and perform compliance assurance activities to ensure that we are adhering to all regulatory requirements. We provide our staff with compliance training and keep the Board and designated committees apprised of any compliance issues encountered and corresponding remedial measures.

Our tax policies focus on compliance and transparency. Please refer to page 156 of our FY2021 Annual Report for more information on Semcorp Marine's tax expenses.

In 2021, we did not receive reports of discrimination or exploitative labour practices relating to the Group's operations or suppliers. The company's operations and supply chain are not considered to have significant risks of child, forced or compulsory labour.



BUSINESS INTEGRITY

We adhere to the Anti-corruption Principle under the United Nations Global Compact and do not tolerate fraud, bribery and corruption in our business dealings and operations.

Our Code of Business Conduct, Supplier Code of Conduct, Anti-bribery and Anti-corruption Policy, Fraud Risk Management Policy and Whistleblowing Policy, overseen and approved by our Board of Directors, sets out the Group's core values and expectations regarding business ethics.

Semcorp Marine regularly reviews the effectiveness of these policies as part of our ISO 37001-certified Anti-bribery Management System.

Scan to access the following policies:



- Code of Business Conduct
- Supplier Code of Conduct
- Anti-bribery and Anti-corruption Policy
- Fraud Risk Management Policy
- Whistleblowing Policy



EFFECTIVE ENTERPRISE RISK MANAGEMENT

We have a robust Enterprise Risk Management framework which guides management in dealing effectively with uncertainties and the associated risks in pursuing business opportunities. We adopt a balanced approach in managing and mitigating risks.

In particular, we identify and assess climate-related and corruption risks in our operations and implement stringent procedures to manage business processes. This includes engaging suppliers, contractors, intermediaries and agents who act as representatives of Semcorp Marine for which such risks are assessed to be high.

Please refer to pages 72, 76 and 77 of our FY2021 Annual Report for our ERM and Compliance framework.

Our Sustainability-linked Finance

As an outcome of our good sustainability governance and strategy implemented over the years, Sembcorp Marine put together a Sustainability-linked Finance Framework which outlines our Key Performance Indicators and Sustainability Performance Targets. The framework has been assessed by PricewaterhouseCoopers LLP who provided their second party opinion on the alignment

of the framework to market principles. With the framework, the Group managed to secure our first sustainability-linked loan facility with DBS Bank in March 2021, believed to be the first Singapore Overnight Rate Average (SORA)-based sustainability-linked loan for the maritime industry. This sustainable financing was obtained in accordance with our Sustainability-linked Finance Framework.

"The inclusion of green financing dovetails with our strategic transformation since 2015 to provide innovative engineering solutions to the global offshore & marine and energy industries, with a keen focus on cleaner, greener and renewable energy solutions. This Sustainability-linked financing complements our ongoing efforts to proactively manage the environmental impact of our business."

- Mr William Goh, Group Finance Director of Sembcorp Marine

The loan features interest rate discounts linked to pre-determined ESG targets. Sembcorp Marine will enjoy savings in borrowing costs after these ESG targets are achieved. The ESG targets in this facility are aligned with Sembcorp Marine's performance targets set out in the Group's Sustainability Report on pages 6 and 7. Sembcorp Marine will provide annual updates on their performance in our annual sustainability reports. The progress against these targets is monitored by our Environmental Sustainability Working Group and Sustainability Council, with oversight from our Board of Directors.

Scan for more information on the sustainability-linked finance framework



Sembcorp Marine's sustainable solutions include the design and construction of three battery-powered Ropax ferries with zero-emission technology. One of the three Ropax ferries has sailed away in March 2022 for Norway.

OUR OCEANS, WE CARE





Our Oceans are Earth's blue source of life

They offer us an abundance of resources and a glorious space for peaceful contemplation

Our Oceans span the Earth from north to south

The rich inhabitants of the waters never fail to fill us with joyful amazement and wonder

Our Oceans are precious waters for our livelihood

On their waves Sembmarine delivers solutions to build a better world for all

Our Oceans provide for creations in so many ways

Today, more than ever, it's time for us to be her Guardian.



SEMBCORP MARINE LTD

Co. Reg. No. 196300098Z

80 Tuas South Boulevard, Singapore 637051

Tel: +65 6265 1766

www.sembmarine.com

