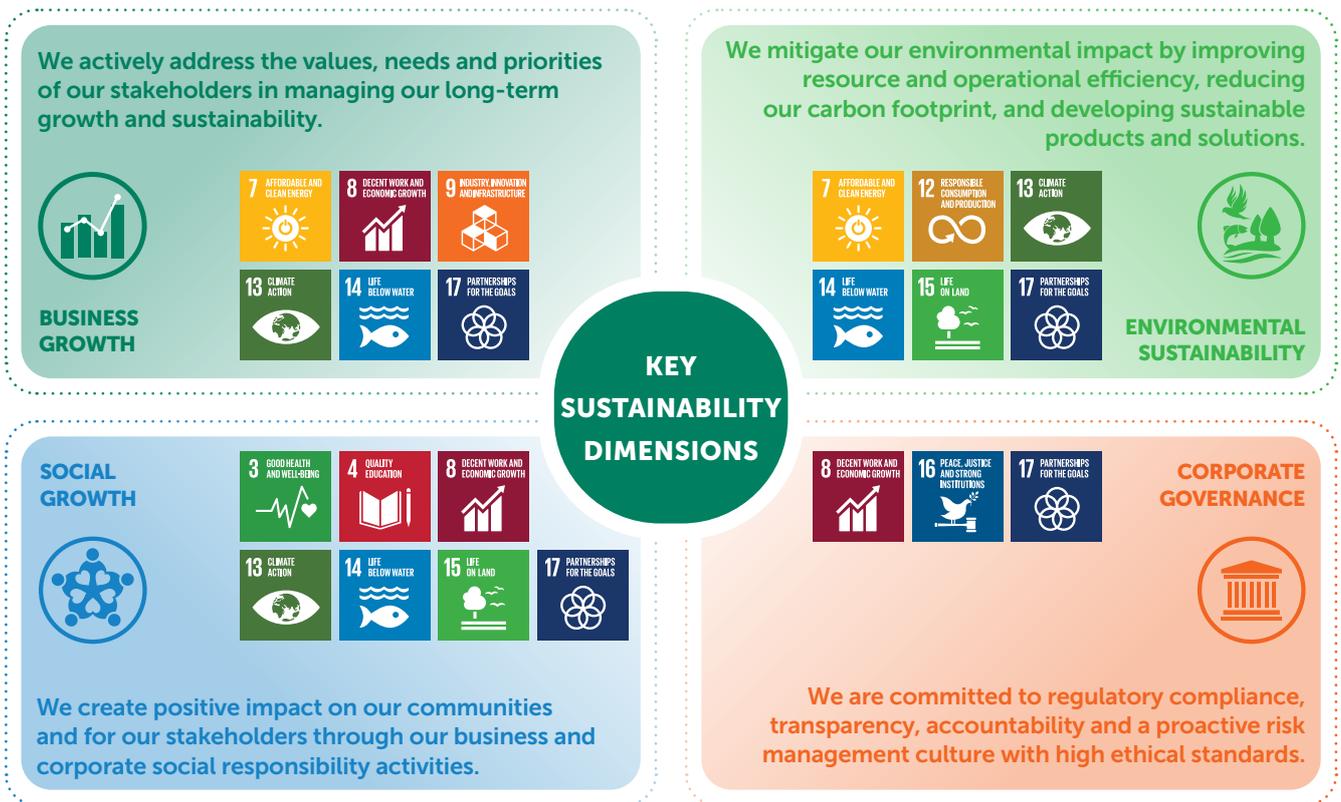


SUSTAINABILITY



Scan here to view our Sustainability Report

Sembcorp Marine is committed to creating sustainable value for all our stakeholders. Embedding sustainability in all aspects of our operation, we are focused on minimising our negative environmental impact and supporting our communities, while achieving positive financial performance, business growth and high standards of governance.



SUSTAINABILITY REPORTING

Sembcorp Marine has been reporting its sustainability performance and providing environmental, social and governance disclosures through its sustainability reports since FY2011. This year, we continued to demonstrate our strong sustainability commitment by publishing our 2020 Sustainability Report, which is prepared in accordance with the GRI Standards: Core Option, as a standalone publication for the second year running. For FY2020, in line with our increasing emphasis on climate action, we have also integrated recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) for the first time.

We have engaged PricewaterhouseCoopers LLP for the fourth 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.

APPROACH TO SUSTAINABILITY

Our sustainability strategy comprises four key sustainability dimensions, namely Business Growth, Environmental Sustainability, Social Growth and Corporate Governance. In advancing sustainable development, we have aligned our programmes with the United Nations (UN) Sustainable Development Goals (SDGs) and other international frameworks relevant to our business strategy. We have selected 11 SDGs, which complement our strategic focus, to channel our sustainability efforts.

SUSTAINABILITY PERFORMANCE

In 2020, Sembcorp Marine was accorded the prestigious Seatrade Maritime Asia Sustainability Award in recognition of our sustainability efforts. Our performance on the seven material issues identified under our sustainability framework are summarised on the following page. For details on our sustainability performance and targets, please see pages 6 to 7 of our 2020 Sustainability Report.

OUR MATERIAL ISSUES – 2020 PERFORMANCE SUMMARY



INNOVATION & SUSTAINABLE SOLUTIONS

- Achieved 26% of annual company turnover from sustainable products and solutions
- Continuing efforts to innovate strategically and proactively in new and disruptive technologies
- Inked a Master Research Collaboration Agreement with Singapore's Agency for Science, Technology and Research (A*STAR) to jointly pursue innovation in Digital Design and Advanced Manufacturing
- Completed the LNG collaboration with A*STAR Institute of High Performance Computing and American Bureau of Shipping



CUSTOMER ALIGNMENT

- Actively tendering for more projects in the greener energy market segments, such as renewable energy and gas solutions, and a similar number for the process solutions segment.
- Maintained 100% compliance with product safety and health
- Achieved 88% customer satisfaction for repair and upgrading projects
- Continued to protect customers' data
- Proactively explore joint development of green energy initiatives with customers



ENVIRONMENTAL SUSTAINABILITY

- Avoided 2,190 tCO₂e of carbon emissions through the solar panels at Tuas Boulevard Yard (TBY)
- No significant fines arising from non-compliance with environmental laws and regulations, and no significant oil spills
- 100% contracted responsible procurement spend
- Established our Climate Protection Programme 2025
- Continuing efforts towards ISO 50001 Energy Management System certification
- Working towards integrating TCFD recommendations



HUMAN CAPITAL

- Total investment in global employee training and development was \$2.60 million, equivalent to 0.73% of total payroll
- Achieved 16.06 training hours per employee globally



TOTAL WORKPLACE SAFETY & HEALTH

- Accident Frequency Rate, Accident Severity Rate and Workplace Injury Rate at 0.64, 155.12 and 110.31 respectively
- Achieved 100% participation rate for safety induction for all yard visitors



COMMUNITY ENGAGEMENT

- Invested \$1.70 million in community programmes
- Staff dedicated more than 7,200 hours to participate in community programmes



BUSINESS INTEGRITY

- Active engagement with governance bodies and sustainability agencies
- Maintained 100% compliance with codes of conduct by employees and suppliers
- No material incidents of non-compliance
- 100% compliance with anti-competitive behaviour, anti-trust and monopoly policies
- Successfully completed surveillance audit for ISO 37001 Anti-bribery Management System (ABMS) certification

ENSURING SAFE AND SUSTAINABLE OPERATIONS AMID COVID-19

Following the outbreak of the COVID-19 pandemic in 2020, we responded swiftly to protect the safety and well-being of our employees and stakeholders. We took decisive steps, from implementing stringent safe management measures to conducting regular swab tests in our dormitories and workplaces, to prevent the spread of the virus. We also deployed proactive strategies and actively engaged our key stakeholders to ensure business continuity and safe sustainable operations. For more information on our COVID-19 response, please refer to pages 8 to 13 of our 2020 Sustainability Report.



Proactive measures to prevent the spread of COVID-19, protect our stakeholders and ensure safe sustainable operations