



Sembcorp Marine Limited
80 Tuas South Boulevard
Singapore 637051

Attention: The Board of Directors

22 June 2021

Our Ref: ASR FS/02518527/FEL/LBY(13)
(When Replying Please Quote Our Reference)

**REPORT ON FACTUAL FINDINGS IN CONNECTION WITH SEMBCORP MARINE LIMITED
SUSTAINABILITY-LINKED FINANCE FRAMEWORK**

Dear Sirs

We have performed the procedures agreed with you in our Contract dated 21 June 2021 and enumerated in Appendix I with respect to management's process for selection of the Key Performance Indicators (KPIs), Sustainability Performance Targets (SPTs) and baseline for improvement of the KPIs in connection with Sembcorp Marine Limited (the "Company") Sustainability-Linked Finance Framework ("Framework"). Our engagement was undertaken in accordance with the Singapore Standard on Related Services SSRS 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.

The procedures were performed solely to assist you in assessing management's process for selection of the KPI, SPTs and baseline for improvement of the KPIs.

We found no exceptions from performing the procedures.

Because the procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements or an assurance engagement made in accordance with Singapore Standards on Assurance Engagements, we do not express any assurance on management's process for selection of the KPIs, SPTs and baseline for improvement of the KPIs.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements or had we performed assurance procedures in accordance with Singapore Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

*PricewaterhouseCoopers LLP, 7 Straits View, Marina One East Tower Level 12 Singapore 018936
T: (65) 6236 3388, F: -, www.pwc.com/sg GST No.: M90362193L Reg. No.: T09LL0001D*



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We draw attention to the fact that the management's process for selection of the KPIs, SPTs and baseline for the improvement of the KPIs in the Framework was prepared to guide the Company's future issuance and handling of sustainability-linked instruments ("Purpose") and the Framework alongside our report will be published in the Company's website. As a result, the Purpose may not be suitable for another purpose.

Our report is intended solely for the Purpose set forth in the paragraph above and should not be used for any other purpose. Save for the disclosure of our report in the Company's website, neither this report nor its contents or any part thereof may be distributed to, discussed with or otherwise disclosed to any third party without our prior written consent. The Company is responsible for information other than our report and our report does not cover this other information, and we do not express any form of assurance conclusion thereon. To the fullest extent permitted by law, we do not accept any liability or assume any responsibility to anyone else other than the Company for our work or this report except where terms are expressly agreed between us in writing. Any reliance placed on this report by any third party is entirely at its own risk.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore

Appendix I

Agreed Upon Procedures in respect of Sembcorp Marine Limited Sustainability-Linked Finance Framework

1.0	General	Factual Findings
1.1	Inspect the Sembcorp Marine Limited (the “Company”) Sustainability-Linked Finance Framework (the “Framework”) and list out the headers and sub-headers in the Framework.	<p>Inspected the Sembcorp Marine Limited’s Sustainability-Linked Finance Framework dated June 2021.</p> <p>The headers of the Framework are as follows:</p> <ul style="list-style-type: none"> (i) Introduction about Sembcorp Marine (ii) Overview of Sembcorp Marine’s Sustainability-Linked Finance Framework (iii) Sustainability-Linked Loans <ul style="list-style-type: none"> - Selection of Key Performance Indicators (KPIs) - Calibration of Sustainability Performance Targets (SPTs) - Loan characteristics - Reporting - Verification (iv) Sustainability-Linked Bonds <ul style="list-style-type: none"> - Selection of Key Performance Indicators (KPIs) - Calibration of Sustainability Performance Targets (SPTs) - Bond characteristics - Reporting - Verification (v) External Review
1.2	<p>Inquired with management the basis for the establishment of the Framework and if it is aligned with the Company’s overall sustainability and business strategy.</p> <p>Trace the key sustainability strategy and dimensions as outlined in the Framework to the Company’s FY2020 Sustainability Report and list out the headers of the key sustainability strategy and dimensions.</p>	<p>Inquired with Head of Research & Development and Sustainability Secretariat that the establishment of the Framework is based on the four key sustainability strategy and dimensions as set out in Section 1.5.1 of the Framework, and they are aligned with the Company’s overall sustainability and business strategy.</p> <p>Traced the key sustainability strategy and dimensions as outlined in Section 1.5.1 of the Framework to pages 4 and 5 of <i>Our Approach to Sustainability</i> section of the Company’s FY2020 Sustainability Report, as follows:</p> <ol style="list-style-type: none"> 1. Business Growth 2. Corporate Governance 3. Environmental Sustainability 4. Social Growth <p>No exception noted from procedures performed.</p>

1.0	General	Factual Findings
1.3	Inspect the Sustainability-linked Loans section of the Framework for inclusion of the five core components of the <i>Sustainability-Linked Loan Principles</i> published by Loan Markets Association (“LMA”) and Asia Pacific Loan Market Association (“APLMA”)	<p>Inspected Section 3 Sustainability-linked Loans of the Framework for inclusion of the five components of the Sustainability-Linked Loan Principles dated May 2021 and published by LMA and APLMA.</p> <p>No exception noted from procedures performed.</p>
1.4	Inspect the Sustainability-linked Bonds section of the Framework for inclusion of the five core components of the <i>Sustainability-Linked Bonds Principles</i> published by International Capital Market Association (“ICMA”).	<p>Inspected Section 4 Sustainability-linked Bonds of the Framework for inclusion of the five core components of the Sustainability-Linked Bond Principles dated June 2020 and published by ICMA.</p> <p>No exception noted from procedures performed.</p>
1.5	Inspect evidence of approval of the Framework by the required delegated/authorised personnel.	<p>Inspected the evidence of approval of the Framework through inspection of email approvals dated 11 June 2021 from Group Finance Director and Head of Research & Development and Sustainability Secretariat on behalf of the Sustainability Council.</p> <p>No exception noted from procedures performed.</p>

2.0	Selection of Key Performance Indicators (KPIs) for sustainability-linked bonds	Factual Findings										
2.1	Inspect if the Sustainability-linked Bonds section of the Framework outlines the description of the KPIs and the rationale for selection of the KPIs which is to be used to measure the sustainability performance of the Company.	Inspected that the Sustainability-linked Bonds section of the Framework outlines the description of the KPIs and the rationale for the KPIs selected. No exception noted from procedures performed.										
2.2	<p>Inquire with management if the KPIs selected are aligned with the Company's overall sustainability and business strategy.</p> <p>Trace and list out the selected KPIs headers in the Framework to the Company's material sustainability topics as described in pages 6 and 7 of <i>Our Sustainability Vision 2025</i> section of the Company's FY2020 Sustainability Report.</p>	<p>Inquired with Head of Research & Development and Sustainability Secretariat that the selected KPIs are aligned with the Company's overall sustainability and business strategy.</p> <p>Traced the selected KPIs headers to the following material sustainability topics as described in pages 6 and 7 of <i>Our Sustainability Vision 2025</i> section of the Company's FY2020 Sustainability Report:</p> <table border="1" data-bbox="754 931 1332 1440"> <thead> <tr> <th data-bbox="754 931 1015 992">KPIs headers</th> <th data-bbox="1015 931 1332 992">Corresponding material topics</th> </tr> </thead> <tbody> <tr> <td data-bbox="754 992 1015 1111">KPI 1: Sustainable products and solutions</td> <td data-bbox="1015 992 1332 1111">Innovation & Sustainable Solutions</td> </tr> <tr> <td data-bbox="754 1111 1015 1200">KPI 2: Installation of solar panels</td> <td data-bbox="1015 1111 1332 1200">Environmental Sustainability</td> </tr> <tr> <td data-bbox="754 1200 1015 1319">KPI 3: Greenhouse Gas (GHG) emission</td> <td data-bbox="1015 1200 1332 1319">Environmental Sustainability</td> </tr> <tr> <td data-bbox="754 1319 1015 1440">KPI 4: Total Workplace Safety and Health</td> <td data-bbox="1015 1319 1332 1440">Total Workplace Safety & Health</td> </tr> </tbody> </table> <p>No exception noted from procedure performed.</p>	KPIs headers	Corresponding material topics	KPI 1: Sustainable products and solutions	Innovation & Sustainable Solutions	KPI 2: Installation of solar panels	Environmental Sustainability	KPI 3: Greenhouse Gas (GHG) emission	Environmental Sustainability	KPI 4: Total Workplace Safety and Health	Total Workplace Safety & Health
KPIs headers	Corresponding material topics											
KPI 1: Sustainable products and solutions	Innovation & Sustainable Solutions											
KPI 2: Installation of solar panels	Environmental Sustainability											
KPI 3: Greenhouse Gas (GHG) emission	Environmental Sustainability											
KPI 4: Total Workplace Safety and Health	Total Workplace Safety & Health											
2.3	Inspect evidence of approval of the selected KPIs by the required delegated/authorised personnel.	Inspected the evidence of approval of the selected KPIs through inspection of email approvals dated 11 June 2021 from Group Finance Director and Head of Research & Development and Sustainability Secretariat on behalf of the Sustainability Council. No exception noted from procedures performed.										

3.0	Selection of baseline for improvement of the KPIs for sustainability-linked bonds	Factual Findings										
3.1	Inspect if the Sustainability-linked Bonds section of the Framework outlines the baseline for improvement of the KPIs based on the Company's recent track record and list out the years of track record for each of the selected KPIs	<p>Inspected that Sustainability-linked Bonds section of the Framework outlines the baseline for improvement of the KPIs based on the Company's recent track record in the following years:</p> <table border="1" data-bbox="735 521 1334 1173"> <thead> <tr> <th data-bbox="735 521 1054 580">KPIs</th> <th data-bbox="1054 521 1334 580">Years of track record</th> </tr> </thead> <tbody> <tr> <td data-bbox="735 580 1054 757">KPI 1: Revenue generated from sustainable solutions, % with respect to total company turnover</td> <td data-bbox="1054 580 1334 757">2019 and 2020</td> </tr> <tr> <td data-bbox="735 757 1054 846">KPI 2: Installed capacity of solar panels, in MWp</td> <td data-bbox="1054 757 1334 846">2019 and 2020</td> </tr> <tr> <td data-bbox="735 846 1054 1084">KPI 3: GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, in tCO₂e</td> <td data-bbox="1054 846 1334 1084">2019 and 2020</td> </tr> <tr> <td data-bbox="735 1084 1054 1173">KPI 4: Workplace Injury Rate (WIR)</td> <td data-bbox="1054 1084 1334 1173">2018, 2019 and 2020</td> </tr> </tbody> </table> <p>No exception noted from the procedure performed.</p>	KPIs	Years of track record	KPI 1: Revenue generated from sustainable solutions, % with respect to total company turnover	2019 and 2020	KPI 2: Installed capacity of solar panels, in MWp	2019 and 2020	KPI 3: GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, in tCO ₂ e	2019 and 2020	KPI 4: Workplace Injury Rate (WIR)	2018, 2019 and 2020
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KPI 4: Workplace Injury Rate (WIR)	2018, 2019 and 2020											

3.0	Selection of baseline for improvement of the KPIs for sustainability-linked bonds	Factual Findings											
3.2	Trace and list out the track record outlined in the Framework for each KPI to the reported performance as disclosed in the Company's FY2020 Sustainability Report.	<p>Trace the track record outlined in the Framework for each KPI to the reported performance as disclosed in the following pages of the Company's FY2020 Sustainability Report.</p> <table border="1" data-bbox="735 521 1334 1323"> <thead> <tr> <th data-bbox="735 521 1054 696">KPIs</th> <th data-bbox="1054 521 1334 696">Corresponding pages of the Company's FY2020 Sustainability Report</th> </tr> </thead> <tbody> <tr> <td data-bbox="735 696 1054 875">KPI 1: Revenue generated from sustainable solutions, % with respect to total company turnover</td> <td data-bbox="1054 696 1334 875">Page 6 – <i>Our Sustainability Vision 2025</i></td> </tr> <tr> <td data-bbox="735 875 1054 994">KPI 2: Installed capacity of solar panels, in MWp</td> <td data-bbox="1054 875 1334 994">Page 36 – <i>Addressing Environmental Challenges</i></td> </tr> <tr> <td data-bbox="735 994 1054 1227">KPI 3: GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, in tCO₂e</td> <td data-bbox="1054 994 1334 1227">Page 38 – <i>Addressing Environmental Challenges</i></td> </tr> <tr> <td data-bbox="735 1227 1054 1323">KPI 4: Workplace Injury Rate (WIR)</td> <td data-bbox="1054 1227 1334 1323">Page 51 – <i>Protecting Our People</i></td> </tr> </tbody> </table> <p>No exception noted from procedures performed.</p>		KPIs	Corresponding pages of the Company's FY2020 Sustainability Report	KPI 1: Revenue generated from sustainable solutions, % with respect to total company turnover	Page 6 – <i>Our Sustainability Vision 2025</i>	KPI 2: Installed capacity of solar panels, in MWp	Page 36 – <i>Addressing Environmental Challenges</i>	KPI 3: GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, in tCO ₂ e	Page 38 – <i>Addressing Environmental Challenges</i>	KPI 4: Workplace Injury Rate (WIR)	Page 51 – <i>Protecting Our People</i>
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3.3	Inspect evidence of approval of the selected baseline for improvement of the KPIs by the required delegated/authorised personnel.	<p>Inspected the evidence of approval of the baseline for improvement of the KPIs through inspection of email approvals dated 11 June 2021 from Group Finance Director and Head of Research & Development and Sustainability Secretariat on behalf of the Sustainability Council.</p> <p>No exception noted from procedures performed.</p>											

4.0	Calibration of Sustainability Performance Targets (SPTs) for sustainability-linked bonds	Factual Findings											
4.1	Inspect if the Sustainability-linked Bonds section of the Framework outlines the description of the SPTs and quantitative measures to evaluate the future improvements in the sustainability outcomes of the Company for each of the KPIs and list out the description of SPT for each of the selected KPIs	<p>Inspected that the Sustainability-linked Bonds section of Framework outlines the description of the SPTs and quantitative measures to evaluate the future improvements in the sustainability outcomes of the Company for each KPI, as follows:</p> <table border="1" data-bbox="735 555 1353 1444"> <thead> <tr> <th data-bbox="735 555 999 584">KPIs</th> <th data-bbox="999 555 1353 584">Description of SPT s</th> </tr> </thead> <tbody> <tr> <td data-bbox="735 584 999 792">KPI 1: Revenue generated from sustainable solutions, % with respect to total company turnover</td> <td data-bbox="999 584 1353 792">Revenue from sustainable products and solutions equal to or more than 30% of the total annual company turnover by 2025</td> </tr> <tr> <td data-bbox="735 792 999 969">KPI 2: Installed capacity of solar panels, in MWp</td> <td data-bbox="999 792 1353 969">Installed capacity of solar panels within Sembcorp Marine's premises equal to or more than 8.5 MWp by 2022 or 12 MWp by 2025</td> </tr> <tr> <td data-bbox="735 969 999 1263">KPI 3: GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, in tCO₂e</td> <td data-bbox="999 969 1353 1263">Avoid 15,000 tCO₂e of GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, annually by 2025</td> </tr> <tr> <td data-bbox="735 1263 999 1444">KPI 4: Workplace Injury Rate (WIR)</td> <td data-bbox="999 1263 1353 1444">Maintenance of the Workplace Injury Rate below the national benchmark throughout the bond tenor</td> </tr> </tbody> </table> <p>No exceptions noted from the procedures performed.</p>		KPIs	Description of SPT s	KPI 1: Revenue generated from sustainable solutions, % with respect to total company turnover	Revenue from sustainable products and solutions equal to or more than 30% of the total annual company turnover by 2025	KPI 2: Installed capacity of solar panels, in MWp	Installed capacity of solar panels within Sembcorp Marine's premises equal to or more than 8.5 MWp by 2022 or 12 MWp by 2025	KPI 3: GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, in tCO ₂ e	Avoid 15,000 tCO ₂ e of GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, annually by 2025	KPI 4: Workplace Injury Rate (WIR)	Maintenance of the Workplace Injury Rate below the national benchmark throughout the bond tenor
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4.0	Calibration of Sustainability Performance Targets (SPTs) for sustainability-linked bonds	Factual Findings											
4.2	<p>Inquire with management if the SPTs are aligned with the Company's overall sustainability and business strategy.</p> <p>For each SPT where quantitative measures are outlined in the Framework, list out the SPTs and trace to the Company's targets for each corresponding KPI as disclosed in the Company's FY2020 Sustainability Report.</p>	<p>Inquired with Head of Research & Development and Sustainability Secretariat that the SPTs are aligned with the Company's overall sustainability and business strategy.</p> <p>Traced the SPTs to the Company's targets for each corresponding KPI as disclosed in the following pages of the Company's FY2020 Sustainability Report.</p> <table border="1" data-bbox="735 638 1353 1818"> <thead> <tr> <th data-bbox="735 638 999 725">KPIs</th> <th data-bbox="999 638 1353 725">Corresponding pages of the Company's FY2020 Sustainability Report</th> </tr> </thead> <tbody> <tr> <td data-bbox="735 725 999 992">KPI 1: Revenue from sustainable products and solutions equal to or more than 30% of the total annual company turnover by 2025</td> <td data-bbox="999 725 1353 992">Page 6 – <i>Our Sustainability Vision 2025</i></td> </tr> <tr> <td data-bbox="735 992 999 1258">KPI 2: Installed capacity of solar panels within Sembcorp Marine's premises equal to or more than 8.5 MWp or 12 MWp by 2025</td> <td data-bbox="999 992 1353 1258">Page 36 – <i>Addressing Environmental Challenges</i></td> </tr> <tr> <td data-bbox="735 1258 999 1581">KPI 3: Avoid 15,000 tCO₂e of GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, annually by 2025</td> <td data-bbox="999 1258 1353 1581">Page 36 – <i>Addressing Environmental Challenges</i></td> </tr> <tr> <td data-bbox="735 1581 999 1818">KPI 4: Maintenance of the Workplace Injury Rate below the national benchmark throughout the bond tenor</td> <td data-bbox="999 1581 1353 1818">Page 7 – <i>Our Sustainability Vision 2025</i></td> </tr> </tbody> </table> <p>No exceptions noted from the procedures performed.</p>		KPIs	Corresponding pages of the Company's FY2020 Sustainability Report	KPI 1: Revenue from sustainable products and solutions equal to or more than 30% of the total annual company turnover by 2025	Page 6 – <i>Our Sustainability Vision 2025</i>	KPI 2: Installed capacity of solar panels within Sembcorp Marine's premises equal to or more than 8.5 MWp or 12 MWp by 2025	Page 36 – <i>Addressing Environmental Challenges</i>	KPI 3: Avoid 15,000 tCO ₂ e of GHG emissions, comprising scope 1 and scope 2, across Sembcorp Marine's shipyards operating in Brazil, Indonesia and Singapore, annually by 2025	Page 36 – <i>Addressing Environmental Challenges</i>	KPI 4: Maintenance of the Workplace Injury Rate below the national benchmark throughout the bond tenor	Page 7 – <i>Our Sustainability Vision 2025</i>
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4.0	Calibration of Sustainability Performance Targets (SPTs) for sustainability-linked bonds	Factual Findings
4.3	For each SPT where quantitative measures are outlined in the Framework, check that a predefined timeline for the achievement of the SPT has been set for the future.	No exceptions noted from the procedures performed.