

TCFD Recommended Disclosures	Our 2020 Response	
 <p>Governance</p> <p>Disclose the organisation's governance around climate-related risks and opportunities</p>	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Climate-related issues are managed through our Climate Change Working Committee (CCWC), led by the Executive Vice President, Group President & CEO Office. The CCWC reports to the Sustainability Steering Committee (SSC), which in turn reports to the board's Risk Committee on sustainability issues including climate change. The achievement of our climate change targets is monitored and incentivised via the performance scorecards of our Group President & CEO and other relevant senior executives. The CCWC oversees key initiatives on risk mitigation, opportunities, greenhouse gas (GHG) mitigation, GHG accounting, and engagements and disclosures.</p>
 <p>Strategy</p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.</p>	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>The key risks related to climate change that Sembcorp's businesses face are changes in policy and regulation, technology, customer demand, weather disruption and stakeholder expectations. In 2017, we have evaluated our current and anticipated power generation portfolio using the International Energy Agency (IEA) 2°C scenario. The findings from our climate-related scenario analysis has shaped our strategy towards achieving a more balanced energy portfolio. We will restrict our investments in coal-fired power plants, improve the energy efficiency of our existing plants, and grow our renewables portfolio and our green business lines.</p>
 <p>Risk Management</p> <p>Disclose how the organisation identifies, assesses, and manages climate-related risks.</p>	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>We evaluated our key climate-related risks (as mentioned above) and opportunities using near-term (2020 to 2022), medium-term (2023-2030) lenses, and also considered long-term (2031-2050) trends.</p> <p>In 2019, we conducted a high level physical risk assessment of our energy and water operations. In 2020, we established a priority list for review of high risk assets.</p> <p>We manage climate related risks and opportunities through the:</p> <p>a) Inclusion of climate-related metrics in our Group President & CEO's performance scorecard</p> <p>b) Transparent accounting and reporting of performance against climate-related metrics and set targets including responding to the CDP climate change programme and alignment of climate-related disclosures to TCFD recommendations</p>

		<p>We have an Integrated Assurance Framework (IAF) which puts emphasis on the three lines of defence (LOD) model. Through the IAF structure, the respective LOD work together to ensure that key financial, operational, compliance and IT risks are reviewed and tested using a robust assurance process. We have commenced incorporating elements of climate risks in our IAF. In addition, the CCWC defined climate change topics and identified topic owners who have specific roles and responsibilities to establish and maintain a framework, process and workplan to identify, assess and manage climate-related risks and opportunities.</p>
 <p>Metrics and Targets</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<ul style="list-style-type: none"> a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. 	<p>The key metrics and targets we have set relate to reductions in our GHG emissions intensity and the growth of our renewables portfolio.</p> <p>In 2020 our GHG emissions intensity by equity share approach was 0.54 tonnes of CO₂ equivalent per megawatt hour (tCO₂e/MWh). In 2018, we set emissions intensity targets in line with the scale of reductions required to keep the increase in the global average temperature to 2°C above pre-industrial levels as per projections in the IEA World Energy Outlook 2016. Our target is to reduce our GHG emissions intensity to 0.42 tCO₂e/MWh by 2022, and to less than 0.40 tCO₂e/MWh by 2030 from 2017 baseline. We also aim to double our 2017 baseline renewables capacity from 2,000MW to 4,000MW by 2022.</p> <p>We plan to achieve these targets through two key thrusts.</p> <ul style="list-style-type: none"> a) Reduce negative impact by reducing emissions; b) Move towards a balanced portfolio of low-carbon energy assets by growing our renewables capacity. <p>We grew our gross renewables capacity comprising wind, solar and battery storage assets to 3,218MW, from 2,721MW at end of 2019. The energy generation from our renewable assets in operation avoided approximately 4.1 million tCO₂e which is equivalent to taking approximately 900,000 cars off the road for a year. Our global energy and water facilities undertook a total of 24 energy optimisation projects that resulted in the reduction of over 60,000MW of electricity consumption, the equivalent of avoiding over 21,000 tCO₂e emissions.</p>