



Seatrium Limited

Sustainable Finance Framework

July 2024

Contents

1	Sustainability Strategy.....	3
1.1	Company Overview.....	3
1.2	Approach to Sustainability.....	3
1.3	Sustainability Governance at Seatrium	4
1.4	Sustainability Vision 2030	5
1.5	Sustainability Disclosures, Membership and Ratings	6
2	Rationale for Setting up Sustainable Finance Framework	7
3	Sustainability-Linked Finance Framework.....	8
3.1	Selection of Key Performance Indicators (KPIs).....	8
3.2	Calibration of Sustainability Performance Targets (SPTs).....	13
3.3	Financial Characteristics	17
3.3.1	Sustainability-Linked Bonds	17
3.3.2	Sustainability-Linked Loans and/or Other Sustainability-Linked Instruments	17
3.3.3	Fallback Mechanisms	17
3.4	Reporting	18
3.5	Verification.....	18
4	Green Finance Framework	19
4.1	Green Use of Proceeds.....	19
4.2	Project Selection and Evaluation Process	21
4.3	Management of Proceeds.....	22
4.4	Reporting	22
5.	Second Party Opinion	24
6.	Framework Review and/or Amendment	24
7.	Disclaimer.....	25

1 Sustainability Strategy

1.1 Company Overview

Seatrium Limited (“**Seatrium**”, and together with its subsidiaries, the “**Group**”) is the merger between Sembcorp Marine and Keppel Offshore & Marine – two marine & offshore engineering titans now sailing as one.

It provides innovative engineering solutions to the global offshore, marine and energy industries. Headquartered in Singapore, the Group has over 60 years of track record in the design and construction of rigs, floaters, offshore platforms, and specialised vessels, as well as in the repair, upgrading and conversion of different ship types.

The Group’s key business segments include Oil & Gas Newbuilds and Conversions, Offshore Renewables, Repairs & Upgrades, and New Energies, with a growing focus on sustainable solutions to advance the global energy transition and maritime decarbonisation.

At Seatrium, sustainability is integral to its operations, guiding its strategy and product development. It leads the offshore and marine industry’s energy transition by designing and building new ships like the hybrid tugs that speed the greening of our ports. The Group is also increasingly focusing on renewable and greener solutions such as offshore windfarm fixed platforms and wind turbine installation vessels.

Seatrium operates shipyards, engineering & technology centres and facilities in Singapore, Brazil, China, India, Indonesia, Japan, Malaysia, the Philippines, Norway, the United Arab Emirates, the United Kingdom, and the United States.

1.2 Approach to Sustainability

At the heart of Seatrium’s mission and vision is its unwavering commitment to the Sustainability of its economy, environment, and society.

At Seatrium, sustainability is more than a passion, it is good business. We aspire to be a positive force for change in the communities we operate in, as we create long-term value for all stakeholders.

Seatrium’s commitment to achieving net-zero emissions underscores its dedication to sustainability and guides its financial practices and strategic initiatives. By embracing sustainability-linked finance, it harnesses a transformative opportunity to align its business activities with its sustainability vision, ensuring every financial decision contributes to its overarching objective of building a thriving low-carbon economy. This approach not only demonstrates its commitment to environmental stewardship but also positions Seatrium as a frontrunner in sustainable business practices. By integrating sustainability into its financial

approach, it paves the way for a future where economic growth is harmoniously coexists with environmental responsibility, thereby benefiting both Seatrium and the planet.

1.3 Sustainability Governance at Seatrium

The Board of Directors (the “**Board**”) of Seatrium prioritises sustainability and continual ESG enhancement, integrating these principles into the company’s core values and culture. The Board provide strategic guidance and oversight on sustainability. This commitment extends to managing ESG risks and opportunities for long-term stakeholder value and positive societal and environmental impact. The Board’s comprehensive approach address various sustainability issues, including climate, biodiversity, and Diversity, Equity, and Inclusion (“**DEI**”) concerns, integrating across all business operations.



1.4 Sustainability Vision 2030

In 2023, Seatrium conducted a review and recast its sustainability vision for 2030 to be in line with the present outlook. On 8 December 2023, it publicly launched its Sustainability Vision 2030 and 2050 Net-zero ambitions.

Seatrium’s business centres around the three sustainability pillars as follows:

- Operating a Responsible Business
- Engineering a Sustainable Future
- Caring for our People and Communities

These pillars guide Seatrium towards a holistic view of its long-term success, as it works towards a cleaner and greener future.

The Sustainability Vision 2030 and Net-zero ambition enable its customers to achieve their sustainability goals and drive sustainability responsibly across its global operation with economic, environmental, and social impact.

OPERATING A RESPONSIBLE BUSINESS

40% of our annual net orderbook from renewables and cleaner/green projects¹

95% customer satisfaction in all projects

100% contracted responsible procurement spend in compliance with our codes of conduct

Uphold **HIGH STANDARDS** of corporate governance

ZERO TOLERANCE POLICY towards fraud, bribery and corruption

ENGINEERING A SUSTAINABLE FUTURE

40% reduction of Scope 1 & Scope 2 emissions from 2008 levels

ZERO harm to the environment

Adopt **NET-ZERO** pathway to 2050

Achieve **100%** compliance with product safety and health requirements

CARING FOR OUR PEOPLE AND COMMUNITIES

Build a **DIVERSE, EQUITABLE** and **INCLUSIVE** workplace

Achieve **22** training hours per employee per year

VISION ZERO incidence target

Workplace injury rate **BELOW** national benchmark

S\$3 million annual investment for community engagement

>15,000 hours of participation in community projects and volunteering activities by employees








Seatrium has aligned its sustainability vision & programmes with 11 relevant United Nations Sustainable Development Goals (“**UN SDGs**”) and other international frameworks, driving progress toward sustainable development.



1.5 Sustainability Disclosures, Membership and Ratings

Sustainability is also embedded within Seatrium’s core values and mission. It supports and discloses relevant indicators against global reporting standards, such as the Global Reporting Initiative (“GRI”) standards, SGX guidelines for sustainability reporting, Sustainability Accounting Standards Board (“SASB”) framework, the recommendations by the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (“TCFD”) to enhance its ESG disclosures. The below are some key recent recognitions.



In 2023, Seatrium maintained its position as a constituent of both the SG ESG Leaders Index and the SG ESG Transparency Index. These indices recognise SGX-listed companies that fulfil sustainability reporting criteria and are regarded as leaders in ESG practices.



In August 2023, Seatrium secured the 38th position out of 373 companies in the Singapore Governance and Transparency Index (“SGTI”) rankings, achieving an overall score of 94, which

incorporates a bonus score of 12. The SGTI evaluates Singapore Exchange (SGX)-listed companies on their corporate governance disclosure and practices.



In March 2023, Seatrium’s ESG Rating Assessment improved from ‘BBB’ to ‘A’, reflecting its enhanced management of financially pertinent ESG risks and opportunities. The MSCI ESG Rating assesses companies based on ESG criteria.



FTSE4Good

In June 2023, Seatrium maintained its position as an index constituent of the FTSE4Good Index Series for the 6th consecutive year. This index recognises companies that exhibit robust ESG practices in alignment with internationally acknowledged standards.



In 2023, Seatrium achieved a ‘B-’ rating for its climate change disclosure by the CDP (formerly known as the Carbon Disclosure Project), a global environment impact disclosure system that assesses companies’ effort to manage and mitigate climate change risks. A ‘B-’ rating signifies that the company is managing its impact on environment.

2 Rationale for Setting up Sustainable Finance Framework

In 2023, Seatrium has successfully secured over S\$2 billion in sustainable and green financing. This significant milestone is a demonstration of its ongoing efforts in pursuing sustainability within its business operations. It underscores its steadfast commitment to long-term stakeholder value creation and reaffirms its pivotal role in driving the energy transition within its industry¹.

In line with growing this for the future, this Sustainable Finance Framework (“**SFF**” or “**Framework**”) is Seatrium’s first SFF after the combination of Sembcorp Marine and Keppel Offshore & Marine on 28 February 2023.

Seatrium’s Sustainable Finance Framework comprises a Sustainability-Linked Finance Framework which are linked to the achievement of specific sustainability performance objectives within the lifetime of the financing instruments and a Green Finance Framework which will be utilised to finance eligible green use of proceeds.

¹ Refer to page 19 of Seatrium’s Sustainability Report 2023.

3 Sustainability-Linked Finance Framework

Seatrium’s Sustainability-Linked Finance Framework (“**SLFF**”) is aligned with the recommendations of the Sustainability-Linked Bond Principles (“**SLBP**”), published by the International Capital Market Association (“**ICMA**”) in June 2023², and the Sustainability-Linked Loan Principles (“**SLLP**”) ³, administered by the LMA, APLMA and LSTA.

Seatrium may use this SLFF to issue debt securities including Sustainability-Linked Bonds (“**SLB**”) and Sustainability-Linked Loans (“**SLL**”).

The following five core components of the SLBP/SLLP form the basis of Seatrium’s SLFF:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Bond / Loan Characteristics
4. Reporting
5. Verification

3.1 Selection of Key Performance Indicators (KPIs)

Under this Framework, Seatrium has decided to focus on three KPIs, described below. These KPIs were chosen because they are core, relevant, and material to Seatrium’s business and measure the sustainability improvements of the Group.

KPI 1: Scope 1 and 2 Greenhouse Gases (GHG) Emissions

KPI 1 relates to the Environmental Sustainability priority listed in the materiality matrix and is also part of the pillar of “Engineering a Sustainable Future” within its Sustainability Vision 2030.

Definition	Per the GHG Protocol, Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased electricity. For the avoidance of doubt, the KPI is determined without the use of carbon credits.
Units	Tons of CO ₂ equivalent (tCO ₂ e).
Scope & Boundary	Seatrium adopts an operational control approach to identify its GHG emissions. The boundaries of Seatrium’s reported Scope 1 & 2 emissions currently comprise its shipyards operating in Singapore, Indonesia, the Philippines, China, USA, and Brazil, excluding joint ventures.

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slb/>

³ <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

Rationale	<p>Seatrium aims to reduce GHG emissions for several reasons, aligning with its commitment to sustainability and environment responsibility.</p> <p>Firstly, by reducing GHG emissions, Seatrium contributes to mitigating climate change, which poses significant risks to ecosystems, communities, and economies worldwide.</p> <p>Moreover, reducing GHG emissions enhances Seatrium’s competitiveness and resilience in an evolving business landscape. By adopting cleaner and more efficient practices, Seatrium can reduce operating costs and minimise regulatory risks associated with carbon emissions.</p> <p>Through innovation, collaboration, and responsible business practices, Seatrium strives to be a leader in sustainable maritime solutions, setting an example for the industry and inspiring positive change across sectors.</p> <p>GHG Emission has been selected as a meaningful metric to demonstrate Seatrium’s commitment to decarbonise amidst continued business growth.</p>															
Historical Data Baseline /	<table border="1"> <thead> <tr> <th></th> <th>2008 (baseline)</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Scope 1 and 2 Emissions (tCO₂e)⁴</td> <td>255,462</td> <td>212,235</td> <td>191,045</td> <td>182,653</td> </tr> <tr> <td>% of reduction from 2008 baseline</td> <td>NA</td> <td>-17%</td> <td>-25%</td> <td>-28%</td> </tr> </tbody> </table>		2008 (baseline)	2021	2022	2023	Scope 1 and 2 Emissions (tCO ₂ e) ⁴	255,462	212,235	191,045	182,653	% of reduction from 2008 baseline	NA	-17%	-25%	-28%
	2008 (baseline)	2021	2022	2023												
Scope 1 and 2 Emissions (tCO ₂ e) ⁴	255,462	212,235	191,045	182,653												
% of reduction from 2008 baseline	NA	-17%	-25%	-28%												

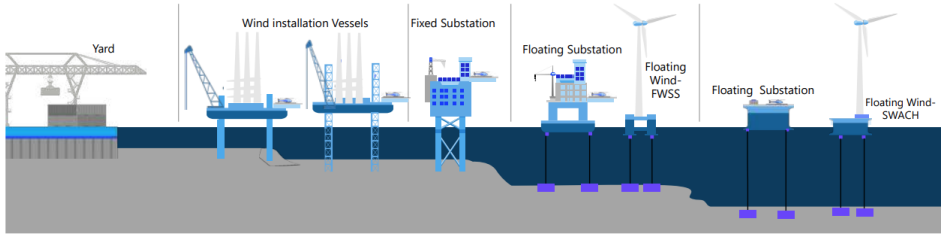
KPI 2: Growth of Renewable Energy Solutions (Revenue S\$ million)

KPI 2 relates to the pillar of “Operating a Responsible Business” under Seatrium’s Sustainability Vision 2030.

Definition	<p>Revenue from renewable energy solutions refers to the portion of the group’s revenue that can be attributed to activities that align with the Renewable Energy Use of Proceeds category of the SFF only.</p> <p>The KPI will focus on doubling revenue from renewable energy solutions by 2030 from 2023 baseline⁵.</p> <p>For avoidance of doubt, no LNG-related projects are included (refer to section 4.1 Green Use of Proceeds of this SFF).</p>
Unit	% of growth

⁴ The figures in 2008, 2021, and 2022 represented a combined GHG Scope 1 & 2 for both Sembcorp Marine and Keppel Offshore & Marine for the years before the merger.

⁵ Seatrium’s revenue from renewable energy solutions is a better measurement than net orderbook which is impacted by orders secured and the delivery status of projects.

Scope	Covers all operations globally under Seatrium’s control during the financial year.											
Rationale	<p>Seatrium is strategically positioned to lead in a low-carbon future. Our key business segments include the Oil & Gas Newbuilds and Conversions, Offshore Renewables, Repairs & Upgrades, New Energies and Carbon Capture, Utilisation and Storage (“CCUS”), with a growing focus on sustainable solutions to advance the global energy transition and maritime and decarbonisation. Within the Offshore Renewables segment, Seatrium focuses on providing products and services in the entire Offshore Wind value chain, including wind turbine installation vessels, wind farm foundations, fixed/floating offshore High Voltage Alternating Current (“HVAC”) substations and High Voltage Direct Current (“HVDC”) substations / converter platforms, offshore installation, commissioning, and maintenance.</p> <p>Offshore Renewables Value Chain</p>  <p>Increasing its revenue from renewable energy solutions aligns with Seatrium’s strategic vision and commitment to sustainability for several reasons. Firstly, it allows Seatrium to capitalise on the growing demand for renewable energy solutions in the maritime industry. Furthermore, increasing its revenue from renewable energy solutions presents opportunities for Seatrium to diversify its revenue streams.</p> <p>Increasing its revenue from renewable energy solutions not only supports Seatrium’s growth and profitability but also reinforces its commitment to environmental sustainability, innovation, and responsible business practices. Seatrium strives to adopt a balanced approach in managing Energy Security, Energy Equity and Environmental Sustainability. The growth in the revenue from renewable energy solutions will also serve as a positive indicator of the transition towards a more sustainable energy future.</p>											
Historical Data Baseline /	<table border="1" data-bbox="456 1470 1393 1642"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Seatrium’s annual revenue from renewable energy solutions (S\$ million)</td> <td>138</td> <td>113</td> <td>687</td> </tr> </tbody> </table>		2021	2022	2023	Seatrium’s annual revenue from renewable energy solutions (S\$ million)	138	113	687			
	2021	2022	2023									
Seatrium’s annual revenue from renewable energy solutions (S\$ million)	138	113	687									

KPI 3: Average Workplace Injury Rate (3-year rolling average) in relation to the Singapore National Benchmark for the Marine industry (3-year rolling average)

KPI 3 relates to the Workplace Safety & Health, which is a core value and material topic for Seatrium. Seatrium’s approach to HSE management is guided by Seatrium’s Journey Zero Strategy. The strategy outlines actionable items to reduce workplace fatalities to zero through our four strategic thrusts, namely Harnessing Technologies, Forefront Ownership, Culture of Care & Industry Outreach. As part of this pillar, Seatrium has set a target of VISION ZERO incidence target as well as Workplace injury rate below Singapore national benchmark.

Definition	<p>Workplace Injury Rate (“WIR”) refers to the total number of fatal and non-fatal workplace injuries as per the definition provided by the Ministry of Manpower (MOM)⁶.</p> $\text{Total Workplace Injury Rate} = \frac{\text{No. of fatal and non-fatal workplace injuries}}{\text{No. of employed persons}} \times 100,000$ <p>The 3-year rolling average for each given year is calculated as the simple average of the WIR figure for the given years and the past two years. For example, the 3-year rolling average figure of Seatrium’s Group WIR is calculated by averaging the annual figures between 2021-2023 figures. $(219.2 + 292.5 + 194.4) / 3 = 235.4$</p> <p>Seatrium’s Group WIR is assessed in relation to national statistics for the Marine sector published by the MOM annually in the Workplace Safety & Health report (Singapore National Benchmark – Marine).⁷ Similar to Seatrium’s Group WIR, a 3-year rolling average is applied to the Singapore National Benchmark – Marine before a 25% hair cut is applied (by applying a 25% reduction in each figure). Using 2023 as an example, the 3-year rolling average figure for the Singapore National Benchmark – Marine is calculated by averaging the annual figures between 2021-2023 figures. $(509 + 488 + 489) / 3 = 495.3$. The benchmark figure which is after applying a 25% haircut would be $371.5 = 495.3 \times (1 - 25\%)$.</p> <p>The haircut will progressively increase from 25% in 2024 to 30% in 2029/2030 to demonstrate Seatrium’s commitment to increasing its safety ambition.</p>
Units	Number of injuries per 100,000 workers.
Scope	Covers all operations globally under Seatrium’s control during the year.

⁶ A workplace injury is any personal injury, disease (acute) or death resulting from a workplace accident. Workplace Injuries cover those sustained by employees and: i) Resulting in more than 3 consecutive days of medical leave; or ii) Resulting in at least 24 hours of hospitalisation.

⁷ The latest report was entitled “Workplace Safety and Health Report 2023”, published in March 2024 by the Ministry of Manpower. <https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2023.pdf>

<p>Rationale</p>	<p>Seatrium’s stance on HSE is articulated in its HSE Policy, which applies to all employees and third parties working at its premises. Seatrium is committed to improving its HSE performance, and continuous efforts are taken to strengthen the safety culture across the Group by utilising technology, facilitating open communications, providing regular training opportunities, as well as reviewing and improving safety systems.</p> <p>Prioritising the safety and well-being of employees is a fundamental responsibility of any organisation. By monitoring and reducing workplace injury rate, Seatrium demonstrates its commitment to creating a safe and healthy work environment for its employees, which is crucial for employee morale, retention, and productivity.</p> <p>Including workplace injury rate as a KPI is essential for safeguarding employee health and well-being and aligning with the company’s values of safety, sustainability, and social responsibility.</p> <p>As part of the Sustainability Vision 2030, Seatrium aims to achieve Workplace Injury Rate well below Singapore national benchmark.</p>																												
<p>Historical Data / Baseline</p>	<table border="1"> <thead> <tr> <th>Workplace Injury Rate</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Singapore National Benchmark – Marine</td> <td>509.0</td> <td>488.0</td> <td>489.0</td> </tr> <tr> <td>Singapore National Benchmark – Marine (3-year rolling average)</td> <td>481.0</td> <td>467.8</td> <td>495.3</td> </tr> <tr> <td><u>Benchmark</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Singapore National Benchmark – Marine (3-year rolling average) after a 25% haircut</td> <td>360.8</td> <td>350.9</td> <td>371.5</td> </tr> <tr> <td>Seatrium Group WIR</td> <td>219.2</td> <td>292.5</td> <td>194.4</td> </tr> <tr> <td>Seatrium Group WIR (3-year rolling average)</td> <td>240.5</td> <td>244.5</td> <td>235.4</td> </tr> </tbody> </table>	Workplace Injury Rate	2021	2022	2023	Singapore National Benchmark – Marine	509.0	488.0	489.0	Singapore National Benchmark – Marine (3-year rolling average)	481.0	467.8	495.3	<u>Benchmark</u>				Singapore National Benchmark – Marine (3-year rolling average) after a 25% haircut	360.8	350.9	371.5	Seatrium Group WIR	219.2	292.5	194.4	Seatrium Group WIR (3-year rolling average)	240.5	244.5	235.4
Workplace Injury Rate	2021	2022	2023																										
Singapore National Benchmark – Marine	509.0	488.0	489.0																										
Singapore National Benchmark – Marine (3-year rolling average)	481.0	467.8	495.3																										
<u>Benchmark</u>																													
Singapore National Benchmark – Marine (3-year rolling average) after a 25% haircut	360.8	350.9	371.5																										
Seatrium Group WIR	219.2	292.5	194.4																										
Seatrium Group WIR (3-year rolling average)	240.5	244.5	235.4																										

3.2 Calibration of Sustainability Performance Targets (SPTs)

SPT 1: 30% reduction of Scope 1 and 2 emissions by 2030 from 2008 baseline

Baseline: 2008

SPT1: 30% reduction of Scope 1 and 2 emissions by 2030 from 2008 baseline	Historical Performance				SPT
	2008 (Baseline)	2021	2022	2023	2030
Total GHG Emissions (tCO ₂ e) ⁸	255,462*	212,235*	191,045*	182,653	178,823
% of reduction from 2008 baseline	N.A.	-17%	-25%	-28%	-30%

*Figures in 2008, 2021, and 2022 represented a combined GHG Scope 1 & 2 for both Sembcorp Marine and Keppel Offshore & Marine for the years before the merger.

Alignment with Seatrium's Sustainability Strategy

- Seatrium uses 2008 as the baseline year to align with its public commitment and IMO strategy. While Seatrium has a public target to reduce 40% of Scope 1 & 2 GHG emissions by 2030 from 2008 target, the 30% reduction as the SPT excludes the use of carbon credits. The historical figures also did not involve the use of carbon offsets.
- The SPT, which is a medium-term target with a target observation date of 2030, is intended to be used in SLBs.
- While Seatrium has achieved 28% reduction in 2023 from 2008 baseline, its business is expected to grow significantly. By 2028, Seatrium aspires to grow revenue by around 50% from 2023. Hence, a 30% reduction (excludes the use of carbon credits) from a 2008 baseline by 2030 remains ambitious.

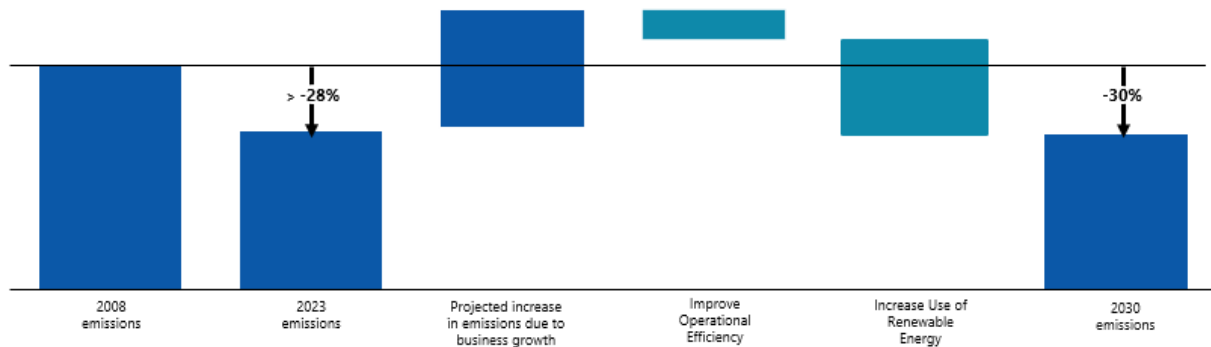
Strategy to Achieve the SPT

- We will achieve this ambitious SPT through a combination of renewable energy pathways, energy efficiency measures and new business operation models.
- Seatrium's strategies to reduce GHG emissions include:
 1. Improve Energy Efficiency
 2. Optimise Production and Capacity
 3. Increase Use of Renewable Energy (includes installing solar panels, purchasing renewable electricity, and acquiring renewable energy certificates)
 4. Switch to Sustainable Fuel⁹

⁸ Excludes any use of carbon credits.

⁹ Seatrium is exploring the use of biodiesel and biomethane amongst other sustainable fuel sources.

Seatrium GHG Emission (ktCO₂e)



SPT 2: Doubling (i.e., 100% increase in) revenue from renewable energy solutions by 2030 from 2023 baseline

Baseline: 2023

SPT 2: Doubling (i.e., 100% increase in) revenue from renewable energy solution by 2030 from 2023 baseline	Historical Performance			SPT						
	2021	2022	2023 (Baseline)	2024	2025	2026	2027	2028	2029	2030
Growth in revenue from renewable energy solutions from 2023 baseline (%)	N.A.	N.A.	N.A.	10%	25%	40%	55%	70%	85%	100%
Revenue from renewable energy solutions (S\$ million)	138	113	687	756	859	962	1,065	1,168	1,271	1,374

Alignment with Seatrium's Sustainability Strategy

- Seatrium uses 2023 as the baseline year to show its ambition to grow the revenue from renewable energy solutions.
- The SPT calls for a doubling of revenue from renewable energy solutions by 2030 from 2023 baseline.

Strategy to Achieve the SPTs

- Offshore wind capacity is expected to grow to c.800GW by 2040, representing a cumulative S\$100-150 billion opportunity up to 2028¹⁰.
- Seatrium has a strong track record in substation and wind turbine installation vessel. It intends to capture value from floating wind in the future, which includes opportunities from floating substation and improving designs, piloting, and commercialisation of floating wind foundations.

¹⁰ Source: McKinsey Global Energy Perspective

- Seatrium plans to capture value from floating wind and add value in the floating substation and floating wind foundation. It is well-positioned for opportunities in energy transition through the following strategies:
 1. Create franchise in series-build fixed offshore wind substations.
 2. Expand footprint in emerging Brazil offshore wind market.
 3. Build repeatable high-spec wind turbine installation vessels, with our proprietary designs.
 4. Commercialise in-house floating wind solutions.

SPT 3: Workplace Injury Rate below Singapore National Benchmark - Marine

Baseline: 2023

	Historical Performance			SPT						
SPT 3: Workplace Injury Rate below Singapore National Benchmark – Marine	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Benchmark Singapore National Benchmark – Marine (3-year rolling average) after a 25% haircut	360.8	350.9	371.5	To be published by Singapore’s Ministry of Manpower (MOM)						
Seatrium Group WIR (3-year rolling average)	240.5	244.5	235.4	Seatrium Group WIR (3-year rolling average) < Singapore National Benchmark – Marine (3-year rolling average) after a haircut. % Haircut below						
% Haircut	N.A.	N.A.	N.A.	25%	26%	27%	28%	29%	30%	30%

Alignment with Seatrium's Sustainability Strategy

- Seatrium decided to use a 3-year rolling average for its WIR to smoothen out impacts of individual years. Seatrium has set its target for WIR in relation to the national benchmark for the maritime sector, noting that this is also expected to improve over time, which will require further improvements in Seatrium’s own performance.
- While Seatrium has operations across multiple countries, we decide to use the Singapore National Benchmark – Marine because Singapore is known to have safety standards of a high calibre. For example, in 2023, Singapore achieved the Workplace Safety & Health (“WSH”) 2028 workplace fatal injury rate target of less than 1.0 per 100,000 workers for the first time, other than 2020 when Covid-19 disrupted work. Only four Organisation for Economic Cooperation and Development countries, namely the United Kingdom, Netherlands, Sweden, and Germany, have consistently achieved this¹¹. Similar to Seatrium’s Group WIR, a 3-year rolling average is applied to the Singapore National Benchmark – Marine before a 25-30% hair cut is applied (by applying a reduction in each figure, per above table)

¹¹ “Workplace Safety and Health Report 2023”, published in March 2024 by the Ministry of Manpower. <https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2023.pdf>

- Seatrium intends for change in financial characteristics to result from the achievement or non-achievement of this KPI to be on a penalty-only basis (i.e. Seatrium will not obtain any financial benefit or incentive e.g. margin or coupon reduction from the achievement of this KPI).

Strategy to Achieve the SPTs:

- Health, Safety and Environment (“HSE”) Policy & Framework: Seatrium’s HSE framework is championed by the Board and Senior Leadership Team, employees, contractors, and stakeholders. Its Corporate Social Responsibility Committee steers the HSE policies and framework, and 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. Its HSE Policy applies to all employees and third parties working at its premises.
- Training Centre & Courses: Seatrium Academy uses a competency-based, technology-driven development framework that aligns with business needs to build engineering and operational excellence without its workforce. HSE comprised of 44% of its course offering in FY 2023. These courses prioritise employee safety awareness and mindsets, prevent accidents, encourage proactive behaviours, and promote mental well-being for a healthier work environment.
- HSE Technology: It is a key enabler in improving workplace safety and outcomes as it changes the way work is performed. Seatrium leverages technology and innovation to drive higher HSE standards in our operations. In 2023, Seatrium’s two Singapore yards organised WSH Innovation Conventions for employees to present solutions developed to improve safety and health standards at its workplaces.
- In 2023, Seatrium invested more than S\$30 million in enhancing HSE-related infrastructure and systems and building HSE capabilities.

3.3 Financial Characteristics

3.3.1 Sustainability-Linked Bonds

Seatrium will set out the relevant KPI, SPT, as well as financial implications in the event of its failure to achieve or achieve the SPT in the documentation of the financial instrument.

The exact financial mechanism and subsequent impacts of the achievement/ failure to reach pre-defined SPTs will be detailed fully in the documentation of each specific financial transaction.

Seatrium will notify the holders of the instrument or the lenders whether the SPT is met or not, as soon as possible after the calculation date (as defined in the instrument's terms and conditions). If for any reason the SPT cannot be calculated, observed, or reported in a timely and satisfactory manner (as defined in the instrument's documentation), the defined bond or loan characteristic change will be triggered as if the SPT was not met.

The exact variation mechanism will be described in the relevant documentation of each SLB. In the event that the SPTs cannot be calculated, the fallback mechanisms described in section 2.3.3 will take into effect.

3.3.2 Sustainability-Linked Loans and/or Other Sustainability-Linked Instruments

Alongside the pre-determined KPIs and SPTs, Seatrium will agree with the lender(s) on the resulted economic outcome based on the company's performance against the KPIs/SPTs. For example, the economic outcome could include an adjustment in the interest margin.

KPIs and SPTs 2 and 3 are envisaged to be incorporated in the future SLLs and/or other sustainability-linked instruments.

3.3.3 Fallback Mechanisms

The relevant documentation of any SLB or SLL transaction may stipulate that the SPTs and/or the historic values of KPIs may be subject to recalculation based on specific circumstances, such as changes in the calculation methodology or significant changes in Seatrium's corporate structure (e.g., acquisition, divestiture, mergers, insourcing or outsourcing).

In event of changes to the calculation methodology of the KPI, in data due to better data accessibility (i.e. adaption and incorporation of gathered experience in data collection); or change in the corporate structure (i.e. in the event of any acquisition or disposal of assets or any other relevant re-organisations), which, individually or in aggregate, has a significant impact on the level(s) of the historic value(s) of the KPI and/or the level of the SPT(s), Seatrium may review the Framework and the SPT(s) may be recalculated, without the prior consultation of the holders of Seatrium's SLBs and SLLs, in good faith to reflect such change, provided that:

- The rationale for such change will be disclosed in the annual reporting on the KPIs; and

- An external verifier confirms that the proposed revision is in line with or more ambitious than the initial level of ambition of the SPT(s).

Any such change will be communicated as soon as reasonably practicable by Seatrium in accordance with the terms and conditions of the SLBs and SLLs.

3.4 Reporting

In order to provide investors and lenders of any instruments under this Framework and other related stakeholders with adequate information on the progress of Seatrium's KPIs, it will, annually, and in any case for any date/period relevant for assessing the trigger of the SPT performance leading to potential adjustments in financial instruments, include the progress performance in in Seatrium's Sustainability Report or its corporate website. Such report will at least, but not limited to, include:

- Up-to-date information on the performance of the selected KPI, including the baseline where relevant.
- A verification assurance report ("Limited Assurance" or better) relative to the SPT outlining the performance of the KPI against the SPT; and any other relevant information which may enable investors to monitor the progress of the selected KPI.

Information may also include when feasible and possible:

- A qualitative or quantitative explanation of the contribution of the main factors, the evolution of the performance/KPI on an annual basis.
- Where suitable data is available, an illustration of the positive sustainability impacts of the performance improvement.
- Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, where applicable (e.g. in case of extreme events).

3.5 Verification

Annually, and in any case for any date/ period relevant for assessing the KPI performance against the SPT leading to a potential financial adjustment, such as a step-up / step-down coupon or a premium payment / discount on the instrument, until after the KPI trigger event of a SLB / SLL has been reached, Seatrium will seek independent and external verification of the performance level for the stated KPI by the Assurance Provider.

The Assurance Provider means any qualified provider of third-party assurance or attestation services appointed by Seatrium, who will provide a verification assurance report in the form of a "Limited Assurance" or better. The verification of the performance of the KPI, along with the Assurance Provider's verification report, will be made publicly available on Seatrium's website: <https://www.seatrium.com/our-economic-contribution.php>.

4 Green Finance Framework

Seatrium intends to use this Green Financing Framework as the basis to issue Green Bonds, Loans, and other debt instruments (“**Green Financing Instruments**”). The Green Financing Instruments will fund Eligible Green Projects that conform to the green finance principles listed below:

- The **ICMA** Green Bond Principles (“**GBPs**”) 2021¹²; and/or
- The Loan Market Association (“**LMA**”), Asia Pacific Loan Market Association (“**APLMA**”) and Loan Syndications and Trading Association (“**LSTA**”) Green Loan Principles (“**GLPs**”) 2023¹³.

In aligning with the above principles and guidelines, Seatrium’s Green Finance Framework is presented through the four core components of the GBPs and GLPs as well as their recommendation for external review:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Framework may be used to govern the financing of proceeds of which are intended to be used for a portfolio of eligible green projects (the “**Eligible Green Projects**” or the “**Eligible Green Project Portfolio**”) defined, selected, tracked, and reported on in accordance with this Framework.

Bond(s) and Loans issued under this Framework may take the form of public transactions or private placements, in bearer or registered format, and may take the form of senior unsecured or subordinated issuances. Such bonds and any loans entered under this Framework will be standard recourse-to-the-issuer obligations and investors will not bear the credit risk of the underlying allocated eligible asset exposures.

4.1 Green Use of Proceeds

In line with the GBP and GLP, Seatrium will allocate an amount equal to 100% of the net proceeds of the Green Financing Instruments issued under the Framework to finance and/or refinance, in whole or in part, projects that meet the eligibility criteria of the following Eligible Green Project Categories, outlined in Table 1 below.









Investment includes any Acquisition of ‘pure play’ companies with over 90% of revenues that is aligned with the Eligible Green Projects criteria defined below.



¹² In alignment with ICMA Green Bond Principles, June 2021, <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

¹³ In alignment with LMA Green Loan Principles, February 2023, <https://www.lsta.org/content/green-loan-principles/>

A maximum 36-month look-back period would apply for refinanced projects and Seatrrium expects to fully allocate proceeds of any issuance under the Framework within a 24-month period or between drawdown of funds and maturity, whichever is shorter.

Table 1. Eligible Green Projects

Project Category	Eligibility Criteria	UN Alignment SDG
Renewable Energy	<p>Investment and expenditure in relation to development, construction, installation, and operation of renewable energy generation projects, assets, and installations, including direct & virtual long-term power purchase agreements (PPAs) and on-site renewable energy generation:</p> <ul style="list-style-type: none"> • Solar photovoltaic power; • Onshore and offshore wind power; and • Research and/or development and pilot initiatives relating to hydrogen/ammonia/electro-fuels (such as e-methanol, e-methane) production as well as related infrastructure such as storage, distribution and transportation that aims to facilitate the buildup of a hydrogen/ammonia supply chain. <p>Investment and expenditure in relation to design, construction and maintenance of renewable energy technologies and associated assets wholly dedicated and used for purpose of supporting renewable energy generation facilities, for example the development, manufacturing, or purchase of vessels (boats, barges, ships) fully dedicated to the construction or other services of marine renewables, such as wind turbine installation vessels. For the avoidance of doubt, the above criteria can be extended to existing vessels that are dedicated to offshore renewable energy generation and transmission activities as well as other activities.</p>	 
Clean Transportation	<p>Investment and expenditure in relation to design, construction, and maintenance of clean and sustainable vessels such as:</p> <ul style="list-style-type: none"> • LNG Fuelled Vessels; • LNG Dual Fuelled Vessels; • Methanol Dual Fuelled Vessels; and • Hydrogen and Ammonia Fuelled Vessels <p>This includes vessels whose Energy Efficiency Design Index (“EEDI”) values has achieved or are designed to achieve at least 10% below IMO’s EEDI requirements applicable on 1 April 2022 <u>OR</u> vessels that have zero direct (tailpipe) CO₂ emissions.</p> <p>Investment and expenditure in low carbon transport infrastructure such as Electric Vehicles including passenger cars and light commercial vehicles, and infrastructure such as electric charging stations and low carbon fuelling stations.</p>	  
Energy Efficiency	<p>Investment and expenditure related to reduction of energy consumption in the shipyards and terminals, including but not limited to:</p> <ul style="list-style-type: none"> • Energy efficient products and appliances (e.g. LED roll-out, HVAC systems renovation and improvement); and • Identifying real time energy usage through remote heating and cooling control. <p>Investment and expenditure related to improvement in vessel fuel efficiency, including but not limited to vessel optimisation technologies such as:</p> <ul style="list-style-type: none"> • New and improved propellers, bulbous bows, shore power enablement. 	
Green Buildings and Facilities	<p>Investments and expenditure in construction, acquisition, operation, and renovation of new and existing buildings in the shipyards and terminals, meeting eligible internationally and/or nationally recognised certification including but not limited to:</p> <ul style="list-style-type: none"> • BCA-IMDA Green Mark Gold^{PLUS} or better; • LEED Gold or better; and • BREEAM Excellent or better. <p>Building or facility renovation that achieve a minimum 30% improvement in energy use and/or carbon emissions compared to a mandated local or regional baseline or code.</p>	 

<p>Pollution Prevention and Control</p>	<p>Investments, expenditure, and operation of the following, either onboard vessels or at its sites of operations including but not limited to:</p> <ul style="list-style-type: none"> • Water treatment facilities (e.g. Ballast Water Treatment); • Wastewater treatment facilities; • Materials recovery and recycling facilities; and • Exhaust gas scrubber. <p>Investment and expenditure in relation to technologies aimed at lifecycle GHG emissions savings, including but not limited to:</p> <ul style="list-style-type: none"> • Developing and expanding the usage of paint and varnish with less air pollution such as Volatile Organic Compounds. <p>The proceeds under this category will go toward ensuring that vessels and yard operations will comply to environmental regulations ahead of the enforcement date, so as to encourage early adoption rather than sole compliance.</p>	
<p>Carbon Capture, Utilisation and Storage</p>	<p>Investment and expenditure in carbon capture utilisation and/or storage projects whereby carbon emissions are captured for further use or permanently sequestered. For the avoidance of doubt, CCUS projects that lead to fossil fuel lock-in will be excluded.</p>	

Exclusion criteria

For avoidance of doubt, proceeds from Seatrium’s Green Finance Framework will not be used to finance any of the following activities:

- Vessels dedicated to the transportation of fossil fuels.
- Renewable energy projects and infrastructure which directly supply electricity to oil & gas activities.
- Fossil Fuel-related exploration, extraction, production, and distribution.
- Military Contracting and Weapons.

4.2 Project Selection and Evaluation Process

A Sustainable Financing Framework Working Committee (“**SFFC**”) consisting of representatives from Seatrium’s Sustainability, Treasury, and Finance teams shall be responsible for the assessment and selection of Eligible Projects to ensure alignment with this Framework.

The SFFC will:

- Meet at least once each year.
- Ratify Eligible Green Projects, initially proposed by constituent team members. The process includes final review and approval by the SFFC.
- Undertake regular monitoring of the asset pool to ensure the eligibility of Green Projects with the criteria set out above in section 4.1, Use of Proceeds, whilst replacing any ineligible Sustainable Projects with new eligible Green Projects.
- Facilitate regular reporting on any Green issuance in alignment with our Reporting commitments.
- Manage any future updates to this Framework.

Seatrium complies with all local and regional required regulations at its sites. Additionally, Seatrium undertakes to conduct comprehensive environmental and social risk assessment of

assets to identify, analyse, evaluate, and treat material issues related to projects to minimise any adverse impacts of its operations.

4.3 Management of Proceeds

The proceeds of each Seatrium Green Financing Instrument will be deposited in Seatrium's general funding accounts and earmarked for allocation towards the Eligible Green Projects using the Green Finance Register.

The Green Finance Register will contain the following information:

- I. Green Financing Instrument (Bond/Loan etc.) details: pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc.
- II. Amount of Allocated Proceeds:
The Eligible Green Projects List, including for each Eligible Green Project, the Eligible Green Project category, project description, project location, total loan amount, the Bank's loan amount, amount disbursed, settled currency, etc.
- III. Amount of Unallocated Proceeds.

Seatrium will strive, over time, to achieve a level of allocation for the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments. In the case of divestment or if a project no longer meets the Eligible Green Project eligibility criteria listed above, Seatrium intends to reallocate the funds to one or more other Eligible Green Projects as soon as reasonably practicable.

For avoidance of doubt, for bonds and loans issued by Seatrium and its subsidiaries, Seatrium will ensure that the same project will not be listed twice in the allocation of net proceeds to prevent double counting of eligible projects.

Pending allocation, an amount equal to the net proceeds may be temporarily invested in cash, cash equivalents in accordance with Seatrium's liquidity management policy.

4.4 Reporting

On an annual basis, Seatrium will publish an allocation report and an impact report on its Eligible Green Projects, as detailed below. This reporting will be updated annually until full allocation of the net proceeds of any Green Finance Instrument issued, or until the Green Finance Instrument is no longer outstanding.

Seatrium intends to show the allocation and impact of the net proceeds of the Use of Proceeds Instrument to the Eligible Green Project Portfolio at least at the category level and on an aggregated basis for all Seatrium's Green Financing Instruments that are outstanding from time to time.

The allocation report will provide, on a portfolio basis, on indicators such as:

- List of eligible Green Projects.

- Total amount of proceeds allocated to eligible projects.
- Balance of unallocated proceeds.
- Amount or the percentage of new financing and refinancing.
- Select examples of projects financed.

Where possible and subject to data availability, Seatrium will provide reporting on the environmental benefits of the Eligible Green Projects. Subject to data availability and confidentiality, impact reporting may cover the following impact reporting metrics listed below, and where available, taking reference from the relevant indicators suggested in the ICMA Harmonised Framework for Impact Reporting¹⁴. In addition, calculation methodologies and key assumptions will be disclosed.

Table 2. Examples of potential impact reporting metrics for each Green Project Category

Project Category	Impact Reporting Metrics
Renewable Energy	<ul style="list-style-type: none"> • Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Renewable electricity consumed/generated (MWh) • Annual GHG emissions reduced/avoided (tCO₂e)
Clean Transportation	<ul style="list-style-type: none"> • Number of clean and sustainable vessels financed • Vessel size/capacity • EEDI of Vessels financed • Annual GHG emissions reduced/avoided (tCO₂e) • Number of low carbon transport infrastructure financed • Number of EV charging points across vehicle types
Energy Efficiency	<ul style="list-style-type: none"> • Energy savings of electricity (MWh) • Annual GHG emissions reduced/avoided (tCO₂e)
Green Buildings and Facilities	<ul style="list-style-type: none"> • Number of Green Buildings and Level of Green Building Certification attained • GHG emissions reduced/avoided (tCO₂e) over a building's lifetime or annually • Embodied carbon quantified (kgCO₂e/square foot by project)
Pollution Prevention and Control	<ul style="list-style-type: none"> • Expected improvement in material recovery rate or other target for improved resource use • Annual water consumption and volume of wastewater vs recycled (m³) • Annual water consumption and volume of water vs recycled (m³) • Annual GHG emissions reduced/avoided (tCO₂e)
Carbon Capture, Utilisation and Storage	<ul style="list-style-type: none"> • Number and volume (\$) of contracted CCS development projects • Installed CCS capacity (tonnes of CO₂ captured per annum) • Annual GHG emissions captured (tCO₂e)

Both the allocation reporting and impact reporting will be made available on Seatrium's website: <https://www.seatrium.com/our-economic-contribution.php>

¹⁴ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

5. External Review

a. Second Party Opinion

Seatrium has appointed Environmental Resources Management (S) Pte Ltd (“ERM”) to review the Sustainability-Linked Finance Framework and its alignment with the SLBPs and SLLPs, the Green Finance Framework and its alignment with the GBPs and GLPs and provide a Second-Party Opinion (“**SPO**”) accordingly.

The SPO will be made available on Seatrium’s website:

<https://www.seatrium.com/assets/reports/Second-Party-Opinion-Report.pdf>

b. Post issuance external verification

In order to provide timely and transparent information about the reporting of the funds from Green Finance Instruments issued under this Framework, Seatrium intends to engage a third-party reviewer to provide an annual assessment on the alignment of the allocation and tracking of funds in line with the Framework’s criteria.

Any such external verification will be made publicly available on Seatrium’s website in the case of a bond, or to Lenders directly in case of a loan.

6. Framework Review and/or Amendment

Seatrium will review and update this Framework as and when necessary, including material changes in the perimeter, methodology, KPIs and/or calibration of the SPTs. The updated Framework, if any, will be published on Seatrium’s website and will replace this Framework.

Seatrium will review this Framework on a regular basis, including its alignment to updated versions of the Principles as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of the Group and ERM. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external reviewer. The updated Framework, if any, will be published on Seatrium’s website and will replace this Framework.

7. Disclaimer

This Framework and the information herein have been prepared for Seatrium and the Group solely for the purpose as set out in section 4 (Green Finance Framework). All the information provided in this Framework, as may be updated from time to time, is provided on an “as is” and “as available” basis and should not be relied upon by any party or person other than Seatrium and the Group for any other purpose.

Seatrium gives no warranty and accepts no responsibility or liability for the accuracy, or the completeness of the information and materials contained in the Framework. Under no circumstances will Seatrium or the Group be held responsible or liable in any way for any claims, damages, losses, expenses, costs or liabilities whatsoever (including, without limitation, any direct or indirect damages for loss of profits, business interruption or loss of information) resulting or arising directly or indirectly from any third party’s use of or reliance on this Framework and the information herein.