Keppel aims to be a global company at the forefront of its chosen industries, shaping the future for the benefit of all its stakeholders – Sustaining Growth, Empowering Lives and Nurturing Communities.

The Keppel Group of Companies includes Keppel Offshore & Marine (Keppel O&M), Keppel Land, Keppel Infrastructure, Keppel Telecommunications & Transportation (Keppel T&T) and Keppel Capital, among others.

Keppel O&M is a leader in offshore rig design, construction and repair, ship repair and conversion and specialised shipbuilding. Its Near Market, Near Customer strategy is bolstered by a global network of 20 yards and offices.

Keppel Land contributes to changing cityscapes across Asia as a choice developer with a sterling portfolio of award-winning residential developments, integrated townships and investment-grade commercial properties. Reputed for its quality and innovation hallmark, Keppel Land is committed to develop properties that harmonise with the urban and natural landscape for desirable live-work-play environments with enduring value for the community.

Keppel Infrastructure drives the Group’s strategy to invest in, own and operate competitive energy and environmental infrastructure solutions and services.

Keppel T&T is a leading service provider in the Asia-Pacific and Europe, with businesses in logistics and data centres. Its logistics division offers one-stop, integrated logistics solutions to help clients manage their entire supply chain, while the data centre division owns, acquires, develops and manages high-availability data centre facilities.

Keppel Capital is the Group’s asset management arm. As at December 2016, Keppel Capital has assets under management of approximately S$25 billion. It has a diversified portfolio that includes real estate, infrastructure and data centre assets in key global markets.
Keppel Corporation's commitment to sustainability and its high standards in environmental, social and governance (ESG) reporting is recognised through its inclusion in global sustainability indices. The company has also received accolades in sustainability-related awards.

### SUSTAINABILITY INDICES

Keppel Corporation was listed on the Dow Jones Sustainability Indices (DJSI) Asia Pacific Index for the fifth consecutive year in 2017. The index tracks the performance of the top 20% of the 600 largest Asia-Pacific organisations in the S&P Global Broad Market Index for businesses that lead the field in sustainability.

Keppel Corporation was listed as a constituent of the MSCI Global Sustainability Index for the third consecutive year in 2016. The index comprises companies with high ESG ratings relative to their regional sector peers.

Keppel Corporation was listed as an index component of the Euronext Vigeo World 120 Index for the fifth consecutive year in 2017. The index is composed of 120 of the highest-ranking listed companies globally in terms of performance in corporate responsibility.

Keppel Corporation is among the top 10 constituents of all four Singapore Exchange (SGX) Sustainability Indices – the SGX Sustainability Leaders Index, SGX Sustainability Leaders Enhanced Index, SGX Sustainability Index and SGX Sustainability Enhanced Index. Companies included in this benchmark meet minimum sustainability reporting requirements and are ranked above the 50th and 25th percentile in their Asia-Pacific peer group and global peer group respectively.

### REPORTING AND ASSURANCE

Keppel Corporation began its sustainability reporting journey in 2010. The Group has and continues to follow the internationally recognised Global Reporting Initiative (GRI) reporting guidelines.

Keppel's latest report was published in May 2017 and was assured by independent assurance provider DNV GL, and validated in accordance with the DNV GL Verification Protocol for Sustainability Reporting which draws on the AA1000 Assurance Standard and the International Standard on Assurance Engagements 3000. The underlying systems and process that support the Company’s sustainability framework were reviewed in adherence with the AA1000 principles of Inclusivity, Materiality, Responsiveness and Completeness, as well as the GRI Standards.

### KEY SUSTAINABILITY MILESTONES

**2010**
- Formation of the Group Sustainability Steering Committee, which is chaired by the CEO of Keppel Corporation, as well as the formation of the Group Sustainability Working Committee.

**2011**
- Publication of the company’s first Sustainability Report in accordance with the Global Reporting Initiative guidelines.
- Received the Best Workforce Award and attained Special Recognition for Strategy and Sustainability Management at the Sustainable Business Awards.
- Sustainability Report brought in line with the new SGX sustainability reporting requirements a year ahead of the 2018 deadline.

**2012**
- Launch of Keppel Care Foundation.
- Rolled out online system, CR360, to track and analyse sustainability performance data online.
- Engaged external assurance for the Group’s sustainability reporting.
- Received the Strategy and Sustainability Management Award at the Sustainable Business Awards.
- First included in the Global 100 Most Sustainable Corporations in the World 2016 rankings by Corporate Knights.

**2013**
- First included as a component of the DJSI Asia Pacific Index and the NYSE Euronext Vigeo World 120 Index.
- Awarded President’s Award for Philanthropy.

**2016**
- Won the Sustainable Business Award (Merit) by the Singapore Business Federation.
- First included as a constituent of the MSCI Global Sustainability Index.

**2017**
- Received the Singapore Apex Corporate Sustainability Award 2016 in the Sustainable Business Category for Large Organisations.
- Listed among the top 10 constituents of all four SGX Sustainability Indices.

**2014**
- Received the Strategy and Sustainability Management Award at the Sustainable Business Awards.
- First included in the Global 100 Most Sustainable Corporations in the World 2016 rankings by Corporate Knights.
KEPPEL’S SUSTAINABILITY EXCELLENCE

SUSTAINABILITY FRAMEWORK
Keppel’s Vision, Mission, Core Values and Operating Principles define its purpose, strategy and values and how the company measures success. Keppel’s Sustainability Framework articulates its commitment to deliver value to its stakeholders through Sustaining Growth in its businesses, Empowering Lives of people and Nurturing Communities wherever the company operates. The Framework guides Keppel’s investments in host countries and local communities, and is underpinned by:

- Policies and guidelines including its Employee Code of Conduct, which establishes a clear tone at the top with regard to employees’ business and ethical conduct, Anti-Bribery and Corruption Statement, Health, Safety and Environment Policy, Corporate Statement on Human Rights and Supplier Code of Conduct;

- Management systems including ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health & Safety Management System, which help the company to align its practices with best-in-class international standards; and

- Sustainability performance targets including Keppel’s target to achieve a 16% improvement in carbon emissions from 2020 business-as-usual levels.

SUSTAINABILITY MANAGEMENT STRUCTURE
Sustainability issues are managed and communicated at all levels of the Group.

The Keppel Corporation Board has oversight over the material ESG factors of the Company.

The Group Sustainability Steering Committee provides guidance on strategic and operational issues. The committee is chaired by Keppel Corporation’s CEO and Executive Director Loh Chin Hua and comprises senior management from across the Group.

To ensure consistent development of the Group’s strategy, high-level matters pertaining to sustainability issues are addressed at the annual Group Sustainability Steering Committee meeting. Supporting the Steering Committee is the Working Committee, which comprises eight discipline-specific working groups with representatives across Keppel’s different businesses. The committee executes and reports on the Group’s efforts across its material ESG topics, which are:

- Economic sustainability
- Corporate governance
- Environmental performance
- Product excellence
- Safety & health
- Labour practices & human rights
- Supply chain management
- Community development

SUSTAINABLE DEVELOPMENT GOALS
Keppel welcomes the introduction of the United Nations’ Sustainable Development Goals (SDGs) and believes that businesses play a pivotal role in helping communities achieve these goals. Keppel has reviewed how its different businesses can contribute to the SDGs and where appropriate, have incorporated the goals as a supportive framework for its sustainability strategy. In its 2016 Sustainability Report, Keppel identified eight SDGs that it is most able to contribute to:

- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Partnerships for the goals

As a multi-business company providing solutions for sustainable urbanisation, Keppel contributes to the SDGs through the different solutions offered by its businesses. For example, Keppel Infrastructure leverages the advanced technology solutions of its subsidiary, Keppel Seghers, to address a wide
spectrum of environmental issues in solid waste and wastewater. Waste-to-Energy (WTE) plants by Keppel generate green energy from waste and help in landfill diversion by as much as 90% through reduction in the volume of waste disposed. Keppel Land adopts a proactive approach towards environmental management in the development of its properties, while Keppel O&M is strengthening its suite of innovative solutions in Liquefied Natural Gas, which is considered to be one of the cleanest carbon-based fuels available, and offers significant potential for industries to reduce emissions.

SINO-SINGAPORE TIANJIN ECO-CITY
The Sino-Singapore Tianjin Eco-City (Eco-City) is on track to realising its vision of becoming a model for sustainable urbanisation since breaking ground more than nine years ago. The master developer for the project is Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC), a 50-50 joint venture between a Singapore Consortium led by the Keppel Group and a Chinese Consortium led by Tianjin TEDA Investment Holding Co., Ltd.

This flagship bilateral project between the governments of China and Singapore has been lauded for its eco-friendly features, such as its wide green belts, green transport, renewable energy, green buildings, ‘sponge city’ development as well as waste reduction and recycling initiatives. The Eco-City has received numerous accolades, including being named China’s first National Green Development Demonstration Zone, first Integrated Smart-Grid Demonstration Zone and National Green Building Base. The Low Carbon Living Lab, developed by SSTEC, is the first building in China to be awarded the Green Mark Platinum Award by the BCA. It encourages test-bedding and demonstration of green building features, energy-saving building technologies and renewable energy adoption.

SUSTAINABILITY PERFORMANCE
Keppel Corporation conducts regular reviews to identify and prioritise the Company’s material ESG issues. The resulting Keppel Corporation Materiality Matrix illustrates the relative importance of the issues as seen by both internal and external stakeholders (see diagram).

ENERGY AND ENVIRONMENTAL RESOURCE CONSERVATION
Energy efficiency in business operations is key to reducing a company’s total environmental footprint. Through annual reviews and audits, energy reduction opportunities are identified and implemented. Keppel is on track to achieving its target of a 16% improvement in CO₂ emissions from 2020 business-as-usual levels.

Across its business operations, Keppel has over 65 developments in Singapore that have received Green Mark Awards from the Building and Construction Authority (BCA), which recognise innovative energy efficiency and environmental features of a building. Energy savings are achieved through optimising operations and processes; adopting sustainable building designs and materials, and using energy-efficient equipment.
The Group is estimated to have saved 519,026 GJ of energy from its energy efficiency initiatives in 2016 and from Keppel Land’s Green Mark developments. The total energy saved is equivalent to nearly 5.6% of the Group’s total energy consumption in 2016, and translates to estimated cost savings of about S$27 million and avoidance of approximately 62,000 tonnes of carbon dioxide (t-CO₂) emissions.

Keppel also strives to decrease its reliance on fossil fuels and increase its use of renewable sources of energy. In 2016, Keppel Land’s corporate office at Bugis Junction Towers became the first Green Mark-certified office to be fully powered by solar energy. The solar energy is purchased from Keppel Electric. In this offsite solar purchase scheme, renewable energy is harvested from photovoltaic panels installed in premises operated by Keppel Infrastructure, and transferred to Keppel Land. With this new initiative, Keppel Land is expected to offset about 150 t-CO₂ emissions every year.

Water is a precious resource for everyone, and the Group encourages all employees and stakeholders to do their part in reducing excessive usage. To enhance water efficiency, modern water-saving equipment has been installed in most offices and in key water processing plants. Through these efforts, Keppel Corporation achieved water savings of over 230,000 m³ in 2016.

HEALTH AND SAFETY PERFORMANCE
Safety is one of Keppel's core values and the company is committed to provide a safe and healthy workplace for all its stakeholders. Keppel’s major operational facilities are certified to internationally-recognised standards for occupational health and safety, and environmental management (OHSAS 18001 and ISO 14001 respectively). The Group's management system is routinely audited by independent consultants and internal audit teams.

Safety is also a key focus area for our Board of Directors. The company's Board Safety Committee (BSC) adopts a hands-on approach in setting the strategic direction to ensure that consistently high safety standards are maintained across the Group. Regular site visits are conducted by the BSC to engage operational staff and understand the challenges faced on the ground.
The Group’s health, safety and environment (HSE) policy sets the overall tone as to how Keppel seeks to achieve zero incidents and strengthen its safety record. The Keppel safety and health strategy entails putting in place a strong integrated safety framework for businesses worldwide; adopting best practices, systems, standards and processes; cultivating strong safety ownership at all levels and engaging relevant stakeholder groups.

Keppel Corporation invested over S$37 million in 2016 to enhance infrastructure, upgrade systems and build knowledge and skillsets across the Group. In 2016, the Group’s global accident frequency rate and global accident severity rate was 0.15 reportable accidents per million man-hours and 254 man-days lost per million man-hours respectively. For its excellence in workplace safety, Keppel bagged a total of 36 awards from the Workplace Safety and Health Council and Ministry of Manpower in 2017.

PEOPLE MANAGEMENT

Employee training and skills upgrading, engagement programmes and a strong relationship with trade unions are central to Keppel’s people management strategy. The Group has over 20,000 employees, with 45% based in its Singapore offices. Approximately 38% of Keppel’s global workforce is covered under collective agreements and 60% of employees are recruited from local communities. The global employee turnover rate was 12.3% in 2016, a relatively low figure for a large business conglomerate.

In 2016, the Group surveyed its employees and a 87% majority indicated that they would “go beyond norm” to contribute to the organisation’s success. This is indicative of the Group’s workplace culture which values hard work and efficiency.

The Keppel Leadership Institute offers a diverse range of leadership and development programmes, delivered in modular and blended approaches. These programmes are designed in consultation with senior management and are regularly refreshed to suit the Group’s evolving needs. The Institute grooms global Keppel leaders, equipping them with the capability and confidence to drive its businesses into the future.

COMMUNITY-BASED PROGRAMMES

Community development is a material topic for Keppel. In partnership with organisations that share its values, Keppel commits up to 1% of the Group’s net profit to worthy social and environmental causes. These contributions are coordinated and disbursed by Keppel Care Foundation, the Group’s philanthropic arm, which is governed by its own Board of Directors. The
Foundation has disbursed S$25 million to worthy causes to date, since its launch in 2012. In 2016, the Group’s total social investment spend was S$5.21 million.

Beyond monetary contributions, Keppel’s philanthropic giving is bolstered by its volunteer movement, Keppel Volunteers. Employees are given two days of paid volunteer leave annually. Keppel Volunteers organise regular and diverse activities with beneficiaries, such as students of Care Corner and senior citizens of Thye Hua Kwan Senior Activity Centres. In 2016, employees across the Group in Singapore achieved over 8,000 hours of community service, an increase of 3,000 hours over the 5,000 hours in 2015.

Since its inception, Keppel Care Foundation has disbursed over S$11 million to educational causes, which include scholarships and bursaries for students of local universities and institutes of higher learning. Over 200 scholarships, academic awards, bursaries and study grants have been given to deserving students from low-income families. Keppel also offers on-the-job training and career placements to students.

In support of the arts, Keppel has committed S$12 million to the establishment of the Keppel Centre for Art Education in the National Gallery Singapore. The Centre provides creative learning spaces for families, students and educators to experience, create and talk about art, and is the region’s first art education facility of its kind. The company also supports Keppel Nights, developed in partnership with Esplanade – Theatres on the Bay to provide students from heartland schools with access to world-class performances.

In support of environmental conservation efforts, Keppel contributed S$2.08 million towards Keppel Discovery Wetlands, a 1.8 hectare restored forest wetland ecosystem at the Singapore Botanic Gardens.

CONCLUSION

Keppel places sustainability at the heart of its strategy and operations. Sustainability is viewed by stakeholders as an integral part of the Company’s long-term business success. The individual business units work together to achieve the Company’s ESG targets, while bolstering the company brand through its products and solutions for sustainable urbanisation.
Global Compact Network Singapore and Nanyang Business School, Nanyang Technological University wish to thank the following organisations and individuals for their invaluable support towards the production of this publication.

THE WINNERS OF THE INAUGURAL SINGAPORE APEX CORPORATE SUSTAINABILITY AWARDS 2016 ARE:

EN-TRAK  
KEPPEL CORPORATION  
LOOLA ADVENTURE RESORT  
MEINHARDT GROUP  
ONG&ONG GROUP  
SINGTEL  
STARHUB LTD  
SUNSEAP  
WENERGY GLOBAL PTE LTD

THE AUTHORS FROM NANYANG TECHNOLOGICAL UNIVERSITY ARE:

DR. S. VISWANATHAN  
Professor and Associate Dean (Research), Nanyang Business School

MR. TAYEF QUADER  
Research Associate at the Centre for Business Sustainability, Nanyang Business School

THE AUTHORS FROM GLOBAL COMPACT NETWORK SINGAPORE ARE:

DR. RYAL WUN  
Deputy Executive Director and Legal Director, Global Compact Network Singapore

MS. DIANA CHNG  
Manager, Projects, Global Compact Network Singapore

MS. NUR AMIRAH SENIN  
Senior Executive, Global Compact Network Singapore