

CLIMATE-RELATED DISCLOSURES IN THE FOUR KEY TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) AREAS

GOVERNANCE <i>Disclose the organisation's governance around climate-related risks and opportunities</i>	STRATEGY <i>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.</i>	RISK MANAGEMENT <i>Disclose how the organisation identifies, assesses and manages climate-related risks.</i>	METRICS & TARGETS <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</i>
<p>a. <i>Describe the board's oversight of climate related risks and opportunities</i></p> <p>In 2023, Seatrium established a sustainability governance structure led by the Board of Directors, which oversees strategies, stakeholder feedback, and sustainability performance. The Corporate Social Responsibility Committee (CSRC) supports the Board by meeting quarterly to provide expert guidance on key sustainability matters, including climate-related risks and opportunities. The CSRC plays a central role in reviewing the progress of sustainability targets and adapting strategies to address climate-related challenges, ensuring the Company stays ahead of regulatory requirements and industry best practices.</p> <p>These climate-related risks are reported to the Board with support from the Audit and Risk Committee (ARC), which oversees the overall governance of the Group's risk management, including sustainability-related risks. The ARC ensures that sustainability-related risks, including climate-related ones, are adequately managed and controlled, contributing to the Board's decision-making process.</p> <p>To embed sustainability deeply within Seatrium's culture, senior management's performance evaluations are directly linked to the achievement of sustainability-related targets. These targets influence both annual remuneration and long-term incentives, ensuring accountability at all levels of the organisation. This alignment reinforces Seatrium's commitment to integrating climate considerations into its corporate strategy and incentivising leadership to achieve climate-related goals. For more information on the specific sustainability targets and their integration into performance evaluations, please refer to pages 76 to 77 of the Company's Annual Report 2024 (AR2024).</p> <p>b. <i>Describe management's role in assessing and managing climate-related risks and opportunities.</i></p> <p>The Group's Senior Leadership Team (SLT), led by the Chief Executive Officer, sets direction and evaluates sustainability performance through monthly meetings to review progress and address emerging issues.</p> <p>The Sustainability Secretariat, reporting to both the CSRC and SLT, collaborates closely with the Group's eight material factor working committees to implement strategies, identify emerging issues from day-to-day</p>	<p>a. <i>Describe the climate-related risks and opportunities the organisation has identified over the short-, medium- and long-term.</i></p> <p>Seatrium has conducted a Climate Change Risk Assessment to identify key climate-related risks and opportunities across short-, medium-, and long-term horizons.</p> <p>Short-Term (Present–2030):</p> <ul style="list-style-type: none"> Transition Risks: Carbon pricing mechanisms, regulatory pressures, and market shifts pose financial risks. These could increase significantly under a rapid transition scenario (NZE), reaching over S\$30 million annually by 2030. Physical Risks: Extreme weather events such as heavy rainfall, flooding, and high wind speeds currently pose an estimated annualised S\$70 million risk, particularly for assets in the US, Philippines, Singapore, Indonesia, China, Brazil, and India. Opportunities: Immediate opportunities exceeding S\$30 million exist, primarily in offshore wind, low-carbon product development, and R&D-driven innovations. <p>Medium to Long-Term (2030 and beyond):</p> <ul style="list-style-type: none"> Transition Risks: In the medium term, transition risks are expected to rise with regulatory and market shifts, potentially increasing financial risks to over S\$50 million annually. In the long term, market shifts away from oil and gas could pose significant challenges if diversification is not effectively managed. Physical Risks: Extreme weather events, including heavy rainfall, flooding, and high wind speeds, will continue to present financial risks for assets in the medium term. This risk is anticipated to increase by 7%–15% compared to baseline scenarios, depending on temperature changes. In the long term, these physical risks may escalate further under extreme climate scenarios, requiring more robust adaptation strategies. Opportunities: Over both the medium and long term, opportunities for growth are expected, including the demand for low-carbon technologies, expansion into offshore wind and hydrogen sectors, favorable financing conditions, and potential long-term growth in offshore renewable energy and carbon capture technologies. 	<p>a. <i>Describe the organisation's processes for identifying and assessing climate-related risks.</i></p> <p>Seatrium recognises that climate change poses a significant challenge to the Group's long-term stability, growth, and operational continuity, impacting both current and future strategies. The Group identifies and assesses climate-related risks through its IAF. "Climate Change and Decarbonisation" has been identified as a strategic risk with significant potential impact on our objectives and operations. This encompasses both climate-related risks and opportunities that could affect the business across short-, medium-, and long-term horizons.</p> <p>To further assess potential impacts, we conducted a climate scenario analysis with an external consultant, stress-testing our business strategy and quantifying potential financial impacts under various scenarios.</p> <p>b. <i>Describe the organisation's processes for managing climate-related risks.</i></p> <p>Seatrium systematically identifies, evaluates, mitigates, and controls material risks, including climate-related risks, through its IAF. For more details on how the Group manages these risks, please refer to pages 85 to 89 of the Company's AR2024.</p> <p>c. <i>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.</i></p> <p>The processes for identifying, assessing, and managing climate-related risks are integrated into Seatrium's broader risk management framework. Climate-related risks are systematically identified, assessed, and controlled through the IAF, ensuring they are considered alongside other material risks. The strategic risk of "Climate Change and Decarbonisation" is closely monitored, with mitigation actions implemented by the operations team.</p>	<p>a. <i>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</i></p> <p>Seatrium utilises a comprehensive set of metrics and targets to manage and monitor exposure to climate-related risks and opportunities in line with our strategy and risk management processes.</p> <p>As part of our commitment to advancing sustainability across Seatrium's global operations, we aim to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 40% by 2030 and adopt a pathway towards achieving net-zero emissions by 2050. We will continuously review and update our decarbonisation roadmap for both 2030 and 2050, using multi-strategic approaches that include business growth assessments and carbon abatement levers.</p> <p>To mitigate the risk of rising energy costs from potential future carbon taxes, we track the proportion of renewable energy in our energy mix and monitor Scope 2 GHG emissions from purchased energy consumption.</p> <p>Additionally, we have set targets to capitalise on climate-related opportunities. We aim to double (i.e., a 100% increase in) revenue from renewable energy solutions by 2030, compared to a 2023 baseline, and to generate at least 40% of our annual net orderbook from these solutions by 2030.</p> <p>b. <i>Disclose Scope 1, Scope 2 and , if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</i></p> <p>For information on Seatrium's Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks, please refer to pages 41, 62, 66, and 67 of Seatrium's Sustainability Report 2024.</p>

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<p>operations, and engage stakeholders on sustainability matters, including climate-related risks and opportunities. The Sustainability Secretariat works with the Risk Management team to integrate climate-related risks and opportunities into the Group's Integrated Assurance Framework (IAF). For detailed information on the Group's Risk Management Framework, Risk Governance, and Assurance, please refer to pages 85 to 89 of the Company's AR2024.</p>	<p>b. <i>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</i></p> <p>Seatrium's business operations, strategy, and financial planning are significantly influenced by climate-related risks and opportunities:</p> <p>Strategic Adaptation:</p> <ul style="list-style-type: none"> • Seatrium is investing in offshore wind, carbon capture, and new green technologies to mitigate transition risks. • Expansion into renewable energy services is key to ensuring long-term revenue stability. <p>Financial Planning Adjustments:</p> <ul style="list-style-type: none"> • Need for increased investment in climate resilience and low-carbon innovation. • Ensuring access to green financing mechanisms to support sustainability projects. <p>c. <i>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</i></p> <p>Seatrium is integrating climate risk and transition planning into its long-term strategy, focusing on reducing carbon emissions, enhancing energy efficiency, investing in sustainable technologies, and growing revenue through renewable energy solutions.</p> <p>The Group is adapting its physical assets to manage the increasing risks from extreme weather events, ensuring operational continuity and minimising financial exposure.</p> <p>Additionally, Seatrium is engineering offshore wind solutions, ammonia solutions, and carbon capture technologies, all of which are expected to mitigate transition risks and capitalise on emerging opportunities as the market shifts towards low-carbon energy. Key opportunities include:</p> <ul style="list-style-type: none"> • Expanding its footprint in the offshore wind sector, driving long-term revenue growth. • Continuing to engineer new low-carbon product solutions that align with global decarbonisation trends. <p>The Group is also pursuing sustainable financing to support these initiatives, ensuring resources for sustained growth in a low-carbon economy. Its proactive approach, focused on renewable energy and sustainable technologies, ensures resilience in a 2°C or lower scenario and beyond. By diversifying its portfolio and strengthening adaptation plans for both transition and physical risks, Seatrium is well-positioned to thrive in a climate-conscious world.</p>		