OUR SUSTAINABILITY GOVERNANCE

JC&C has a robust governance structure to ensure effective management of sustainability issues, with the Board of Directors (the "**Board**") maintaining the highest level of oversight. Annually, the Board re-evaluates and endorses the material Environmental, Social and Governance ("**ESG**") topics to ensure their integration into the Group's overarching strategy and portfolio management. The Board oversees the management and monitoring of these material ESG topics and is responsible for JC&C's sustainability reporting. The Board-level Audit & Risk Committee ("**ARC**") oversees all risks, including ESG and climate-related concerns. The Board meets five times a year and sustainability is a recurring agenda item for every meeting.

The Executive Committee ("**Excom**"), or JC&C's leadership team, shapes the overall sustainability strategy. By setting the ESG agenda and incorporating relevant elements into annual budget discussions and long-term planning, the Excom ensures that sustainability goals are aligned with performance objectives. Furthermore, the Excom ensures that all new investments or significant capital expenditures undergo a sustainability analysis, with due diligence reports reviewed by the Board. As part of JC&C's sustainability commitment, ESG considerations influence management's performance incentives, particularly for our top ESG material topics highlighted in the Double Materiality Matrix on page 60.

A cross-functional Sustainability Committee comprising Excom members and Heads of Function, meets quarterly to set goals, plan initiatives and develop action plans. These plans are operationalised and executed by the Sustainability Working Group, a diverse team of employees from various levels and functions who meets monthly to discuss issues, implement strategy and monitor trends.

The ESG & Sustainable Development department reports directly to the Group Managing Director and coordinates sustainability initiatives across the Group. This team collaborates with internal functions as well as portfolio company-level sustainability teams, providing strategic ESG guidance for decision-making. The department is also responsible for the consolidation of ESG data and reporting efforts. For a detailed description of Corporate Governance at JC&C, please refer to pages 32 to 57.

Our Sustainability Governance

Our Sustainability Framework

Rooted in the principles of good governance and transparency, our sustainability framework is a comprehensive approach that empowers us to strive for our 2030 goals and create evermore opportunities for our many stakeholders in the region. It is driven by a steadfast commitment to safeguard shareholder value, uphold ethical practices and embrace a forward-thinking mindset.

With long-term strategic planning, responsible resource management and targeted investments in individual and societal growth, we maintain our social license to operate while enhancing the long-term resilience of our businesses and profits. The framework incorporates portfolio decarbonisation and profit rebalancing, strategically adapting our operations to transition towards a low-carbon future.

Moreover, our commitment to social responsibility is an integral part of our sustainability strategy. By actively engaging in initiatives that positively impact our communities and aligning our efforts with the United Nations' Sustainable Development Goals ("**UN SDGs**"), we aim to foster meaningful avenues for positive change, with an emphasis on areas such as mental health and education.

We firmly believe in sustainable business practices – that our success is intertwined with the well-being of the communities we serve. With investments in established market-leading businesses of Southeast Asia, our sustainability framework aims to support building resilience in our portfolio businesses while creating positive change.

Our Sustainability Progress

In 2023, we made advances towards our long-term ambitions and targets.

Over
US$1 BILLION
invested towards low-carbon transition since 2019

Almost
360MW
of additional renewables capacity generated since 2019

Over
10%
reduction in Scope 1 and 2 absolute emissions from 2019 baseline

Over
40%
of energy consumption derived from renewable sources in 2023

Over
98%
of solid waste diverted in 2023

15%
reduction in water withdrawal intensity from 2019 baseline

54%
female representation in management at JC&C head office in 2023

Over
S$722,000
pledged to MINDSET since 2019

33
scholarships awarded since 2019

Our ESG Materiality Approach

We review and validate our material ESG topics annually. Our approach to assessing materiality is presented in Figure 1.

1 Identify	2 Prioritise	3 Validate & Approve	4 Embed
Determine a comprehensive list of ESG matters that are potentially relevant to JC&C's strategy and business activities, based on peers, parent and portfolio companies, sustainability standards and frameworks, regulations, megatrends and external reports on JC&C.	Rank the proposed material topics based on their impact to JC&C's businesses as well as to the environment and society, according to the findings from the stakeholder engagement.	Review the prioritised topics from Step 2 and seek approval from the Board.	Integrate the approved material ESG topics into the business strategy and ensure management of performance.

Figure 1: Materiality assessment process

In 2023, we conducted a comprehensive materiality assessment, applying the concept of double materiality[1] to re-evaluate ESG material topics crucial to both internal and external stakeholders. Representatives from six key stakeholder groups rated potential topics based on their impact to JC&C's businesses as well as to the environment and society. The scores from each topic were calculated as weighted averages and charted into the Double Materiality Matrix (Figure 2). In addition to identifying the ESG topics most material to JC&C, our 2023 stakeholder engagement efforts identified three "topics of ongoing importance", which now incorporates GRI 205: Anti-Corruption.

1 We considered the impact materiality (our businesses' actual and potential impact on the environment or society) as well as the financial materiality (the topics' actual and potential impact on JC&C's enterprise value).

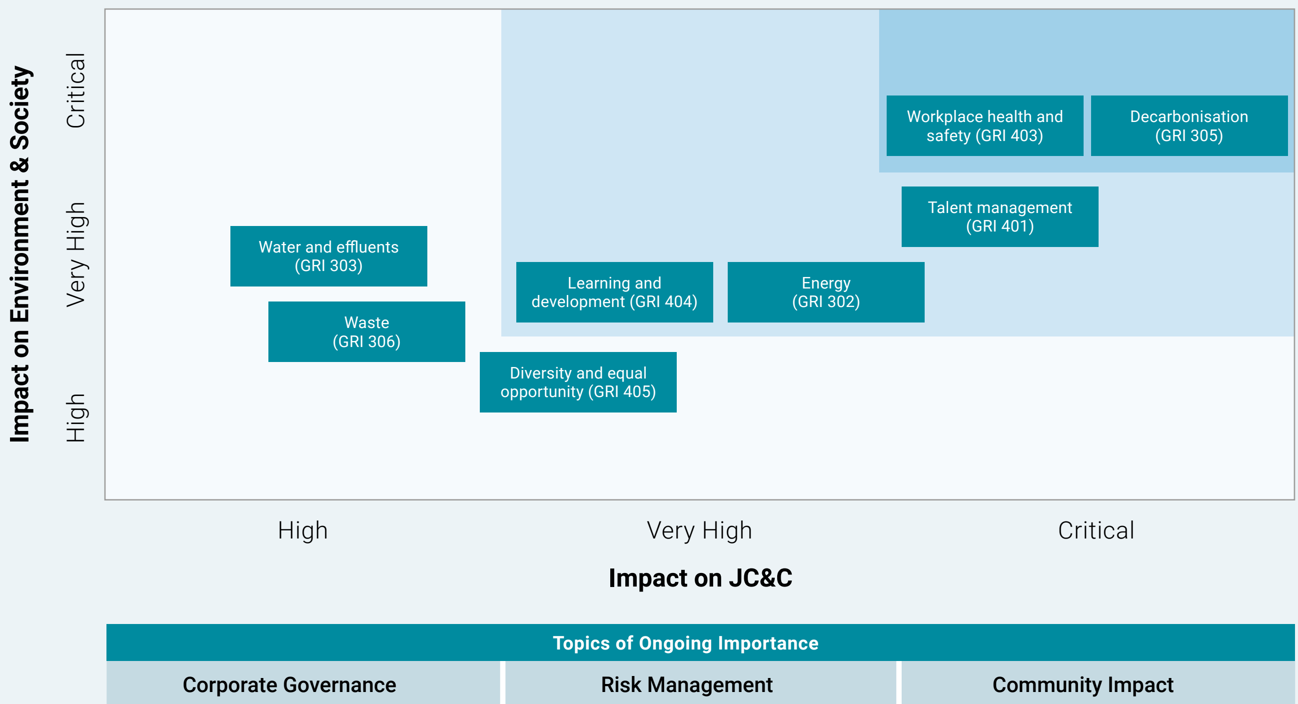

Figure 2: Double materiality matrix

SUSTAINABILITY REPORT 2023 SUMMARY

The Sustainability Report 2023 ("**SR2023**") describes the ESG activities and progress of JC&C for the financial period from 1st January to 31st December 2023. The report is prepared with reference to the Global Reporting Initiative Universal Standards 2021 and complies with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Rules 711A and 711B. The report also incorporates SGX-ST's enhanced disclosure requirements on climate-related information released in 2021. In compliance with Rule 711(B)(3) of the SGX-ST Listing Manual, our sustainability reporting process is periodically reviewed by internal auditors, with the latest review in November 2022.

The report maintains a Group-wide scope, covering our head office and operationally-controlled portfolio companies: Astra and the Cycle & Carriage businesses in Singapore, Malaysia and Myanmar. Each pillar of ESG is summarised in the following paragraphs. A comprehensive review of our ESG performance as well as our climate-related risks and opportunities will be provided in the full report to be published in Q2 2024.

Environmental

To progress towards a low-carbon future, the priorities for JC&C and our portfolio companies continue to be decarbonisation and energy transition. In 2023, our energy efficiency and renewables development programmes continue to bolster our decarbonisation efforts, resulting in over 10% reduction in our net Scope 1 and 2 absolute emissions compared to our base year.

We also aim to future-proof our overall portfolio and ensure its resilience in the face of climate change. Since 2019, we allocated over US$1 billion to invest in the low-carbon transition. The majority of the capital was strategically invested in nickel, a key transition metal needed in the production of EV.

Moving forward, we continue to implement our plans to install more solar panels at our facilities and explore opportunities for investment into electrification and low-carbon solutions.

Social

At JC&C, we strive to advance people and communities by creating social and economic development opportunities for our diverse stakeholders across the region.

We seek to foster a safe and inclusive workplace for our employees. We adopt Jardines' group-wide policies on health and safety, human rights, diversity and inclusion and code of conduct.

For our communities, we pursue opportunities that generate positive social impact. Our corporate social responsibility programmes at the head office primarily focus on mental health and education, in support of the UN SDGs 3 and 4. Since 2019, JC&C has pledged over S$722,000 to our mental health charity, MINDSET, and awarded 33 scholarships to students across Southeast Asia.

While we encourage our portfolio companies to adopt the same philanthropic philosophy, each portfolio company independently conducts their own initiatives. Further details can be found on their respective websites or sustainability reports.

Governance

We recognise the fundamental role robust governance plays in shaping both our sustainability aspirations and overall business excellence. In 2023, corporate governance and risk management were highlighted by our internal and external stakeholders as topics of ongoing importance. This collective emphasis underscores our enduring commitment to uphold high standards of transparency and accountability across our operations, allowing us to effectively build trust within our stakeholder community as a reliable partner in the region.

During the year, JC&C continued to be placed in the top 10% of the Singapore Governance and Transparency Index. The index, published by the National University of Singapore Business School and The Business Times, evaluates the corporate governance disclosures and practices among Singapore-listed companies.

For more information on our corporate governance practices as well as our Board and Board-level committees, refer to the 2023 Corporate Governance Report on pages 32 to 57.

Scholarship presentation ceremony at the Vietnam National University

OUR CLIMATE RESPONSIBILITY

Our climate-related disclosures ("**CRD**") follow the framework set out by the Task Force on Climate-related Financial Disclosures ("**TCFD**") as mandated by SGX. In late 2023, TCFD has been superseded by the IFRS S2 Climate-related Disclosures ("**IFRS S2**"), issued by the International Sustainability Standards Board ("**ISSB**"). We are in the early stages of aligning our CRD with the IFRS S2 requirements. The information is detailed in our SR2023, to be published in Q2 2024, with a summary provided here.

Governance

A robust governance structure underpins the Group's sustainability strategy, which includes climate-related risks and opportunities ("**CRROs**"). The Board meets five times a year whilst the ARC meets every quarter. Both the Board and ARC are informed about climate-related issues through presentations and information papers prepared by management. As such, the Board reviews and guides the Group's strategy, risk management policies, annual budgets and business plans with climate considerations in mind, in accordance with the Board's terms of reference. For major capital expenditure, acquisition and divestiture decisions, the Board takes into consideration the ESG due diligence assessment, which includes an analysis of the relevant CRROs and trade-offs. The Board-level Nominating Committee is responsible for the selection and appointment of directors and identifies the mix of skills, qualities and experience required for the Board to function competently and efficiently. It is also responsible for reviewing and recommending training for the directors.

Supporting the oversight of CRROs is the management-level Sustainability Committee, represented by the JC&C leadership team (i.e. Excom) and the heads of various internal functions. The committee conducts CRRO assessments, develops goals and initiatives related to climate and decarbonisation, as well as monitors and reports on implementation and progress to the Board. JC&C's enterprise risk management ("**ERM**") framework also covers climate-related risks as further elaborated in the *Risk Management* section below. These controls and procedures help to ensure alignment with the overall business strategy. The Sustainability Committee is informed about climate-related issues through internal research conducted by the Sustainability Working Group and engagements with stakeholders. The Sustainability Working Group also helps to execute and manage the climate-related initiatives.

For details on our overall governance structure, refer to 'Our Sustainability Governance' on page 58.

Risk Management

JC&C's ERM framework integrates the processes for identifying, assessing and managing all risks including climate-related risks, and adopts both top-down and bottom-up assessments. This involves evaluating risks at the Group-level factoring in the overall business strategy and objectives, as well as assessing risks at the operational-level considering specific business units or processes. The process incorporates diverse data sources, including market trends, regulatory updates and expert insights, to provide a comprehensive foundation for our risk assessment process.

Our risk management processes aim to align these overarching objectives with robust risk mitigation measures. These processes are mapped out in our policies, which remained unchanged from the previous reporting period. These processes are also defined by detailed procedures, methodologies, evaluation criteria and documentation requirements.

Climate-related risks are identified in the process as described above. They include both acute and chronic physical risks as well as transition risks covering existing and emerging regulation or policy, legal, market, technology and reputation. The potential impact is evaluated based on the nature of the risk, its likelihood, financial impact, reputational damage and the velocity at which the risk materialises. JC&C manages the risk by taking one of four approaches – tolerate, terminate, transfer or treat – depending on the magnitude and scope of the risk. Climate-related risks are monitored on an ongoing basis. The progress and mitigation strategies are reviewed at the Board and ARC meetings.

The Group does not view the risks associated with climate change as a new risk category. The relevant significance and financial impact of climate-related risks in relation to other risks will be determined and prioritised in the manner described above.

Opportunities are embedded within our business strategies taken to mitigate the identified risks. For example, in managing our climate risks related to coal, we view diversifying towards non-coal minerals and renewables as an opportunity. Likewise in our automotive business, supporting the EV transition is another opportunity for us. We work together with our portfolio companies to assess, prioritise and monitor these opportunities; examples are provided in the subsequent *Strategy* section.

We comprehensively analyse CRROs when evaluating significant capital expenditure or new investment prospects. For instance, we closely monitor the emergence of new governmental and market regulations such as carbon taxes, to ensure that our insights and strategies are aligned with the evolving landscape of climate change impacts.

For more information on our risk governance structure and management framework as well as definitions of risk terminology used, refer to pages 47 to 50.

Strategy

In 2021, JC&C conducted a scientifically-based, top-down scenario analysis to understand the potential material financial impact of climate change to our investment portfolio. We chose two scenarios, namely, IEA WB2DS and IPCC RCP 4.5. The time horizons chosen were determined based on when we expect the risks to materialise in each scenario. Further details on the CRROs identified as well as its impact on our businesses, strategies and financial planning are elaborated in our SR2023.

Scenario	Short-term	Medium-term	Long-term
Well-below 2°C (IEA WB2DS)	Now-2025	2025-2030	2030-2050
Above 2°C scenario (IPCC RCP 4.5)	Now-2030	2030-2050	Beyond 2050

During the year, we reviewed the results from our 2021 TCFD assessment and concluded that the identified CRROs continue to be applicable as our portfolio has not changed significantly. We continue to focus on the transition risks as they were found to have a larger financial impact in the near-term. The top two businesses that face the most transition risks are coal and automotive. Together, they make up over 50% of our underlying profit in 2023. To manage our risks, we have reviewed our strategies and revised our business and financial plans, with the intention to deploy significant capital to transition our businesses towards a low-carbon future.

For coal, we have been scaling up our investments in renewable energy as well as diversifying into non-coal mining. Over the past five years, from 2019 to 2023, we have deployed or approved over US$1 billion. The majority of the capital was strategically invested in nickel, a key transition metal needed in the production of EV batteries.

For automotive, we continue to work closely with our original equipment manufacturer (“**OEM**”) partners on their transition. In Singapore, we offer consumers a range of EV models through our brands Mercedes-Benz, Kia, Citroën and Maxus. In 2023, we brought on ORA, adding another EV brand to our product mix. In Indonesia, Astra has six battery EV models and 13 hybrid EV models under Toyota, Lexus and BMW as well as one battery-electric motorcycle model, the EM1 e, under Honda.

Honda's battery-electric motorcycle, EM1 e

Our scenario analyses suggested that physical risks will become financially material in the longer term, with most of the impact felt around 2070. However, we saw in 2023 the increased occurrence of extreme weather events across the globe and given the unpredictability of natural disasters, we are taking precautionary measures to manage potential physical risks within our portfolio by ensuring that the businesses are procuring appropriate insurance as part of its risk management and building flood resilience measures at relevant sites.

In addition to the opportunities identified in the previous paragraphs, we continue to see renewable energy and related innovations in Indonesia and Vietnam as having the largest potential to drive impact and maintain the resiliency of our portfolio. Our ambition is in line with what was announced at COP28, where the conference called upon Parties to drastically increase the world's renewable energy capacity by 2030. JC&C aims to generate an additional 1,000MW of renewable energy capacity from 2019 to 2030 and to-date we have generated almost 360MW of new capacity.

Ambition Generate an additional 1,000MW of renewable energy capacity from 2019 to 2030*	
2019	471MW (Baseline)
2020	598MW (+127MW)
2021	721MW (+250MW)
2022	803MW (+332MW)
2023	**827MW (+356MW)**

* Figures are accumulative

Metrics & Targets

As JC&C advances its efforts to address climate-related issues, we continue to monitor our climate-related performance. In addition to our metrics around investing in the low-carbon transition and generating additional renewables capacity as mentioned in the *Strategy* section, we are also closely monitoring and disclosing our Scope 1, 2 and 3 greenhouse gas ("**GHG**") emissions. We measure our emissions in line with the GHG Protocol, using the operational control approach. More information on the measurement approach, inputs, assumptions and rationale as well as explanations for any changes will be detailed in our SR2023.

To instil accountability in our management's pursuit of climate-related targets, specifically in the focus areas of decarbonisation and profit rebalancing, we integrate ESG considerations into their remuneration.

In 2022, we announced our commitment to reduce 30% of our net Scope 1 and 2 absolute emissions by 2030 from a 2019 baseline. In 2023, we have achieved over 10% reduction from the base year[2]. This was due to a combination of improving operational efficiencies, reducing fuel consumption, increasing the use of biodiesel and installing more solar panels and solar lamps.

Previously, we also started the process of quantifying the JC&C head office Scope 3 emissions. We began by disclosing Category 6 (business travel) and Category 7 (employee commuting). In 2023, we expanded to include Category 2 (capital goods), Category 3 (fuel- and energy-related activities) and Category 4 (upstream transportation and distribution)[3] from our head office. Our total head office Scope 3 emissions accounted for in 2023 is 561 tCO_2e.

We have been working on our internal carbon pricing methodology and began piloting on some M&A transactions and capital expenditures throughout 2023. Our model assumptions are derived from a mixture of pricing from carbon regulations and market instruments. We will continue to improve our methodology through further studies and trials.

Moving forward, we plan to continue maximising our renewable energy generation on-site as well as exploring electrification and low-carbon solution opportunities. We look to continue providing progress updates on our targets as well as expanding our Scope 3 measurement and disclosures.

2 For Scope 1 and 2 GHG emissions, we cannot disaggregate the emissions between the consolidated accounting group and other investees as we follow the operational control approach. The parent and its consolidated subsidiaries contribute to 100% of Scope 1 and 2 emissions. Further details on the GHG emissions figures will be provided in our SR2023.

3 Category 4 emissions associated with upstream transportation and distribution is accounted for under Category 2 due to the methodology applied.