

Pathways to Sustainability

We are at the dawn of a critical decade. Swift global action on the climate threat is needed to curb global carbon emissions.

Sustainability and climate change are mega forces that will shape every facet of our society for decades to come. Many now regard climate change as a global emergency.

Putting a Price on Carbon

Carbon pricing internalises the economic and social costs of carbon emissions, such as the increasingly negative consequences to liveability. The impact is wide-ranging, from acute risks such as extreme weather events, to chronic risks such as rising sea levels. As a result, the viability of businesses and economies will be impacted. Carbon pricing may need to surpass US\$100 per tonne of carbon dioxide equivalent (tCO₂e¹) by 2030 to drive effective decarbonisation and deliver on the Paris Agreement.

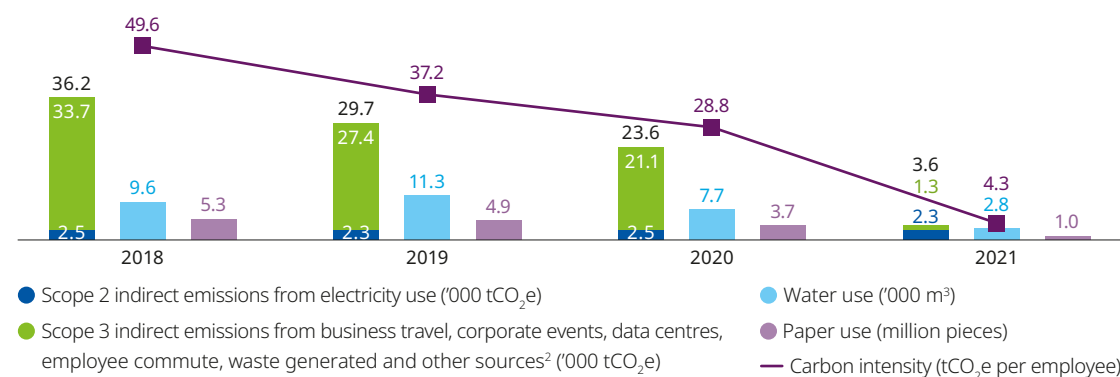
We have set an initial internal carbon price of US\$42 per tCO₂e to inform our investment decisions. A portion of our long term incentives will be aligned with our 10-year carbon targets. We will refine our carbon pricing strategies during this coming decade, likely with increasing internal carbon pricing, as we get further clarity on the economic and policy levers of change.

Enabling a Sustainable Company

Sustainability is at the core of what we do: a part of who we are, and our emphasis to do well, do right, and do good. Measuring and managing our environmental footprint remains a major enabler for change. We had set and achieved our target of carbon neutrality as a company two years ago, and have maintained this status.

(for year ended 31 March)

Annual Environmental Footprint



¹ tCO₂e refers to tonnes of carbon dioxide equivalent, a standard unit used in greenhouse gas emissions accounting and reporting.
² Prior to 2021, recorded Scope 3 indirect emissions only included data from business travel, corporate events and other sources. The emissions from waste generated only includes data from 1 January 2021.
³ The 2010 baseline (as reflected in FY2011) has been revised to 22 million tCO₂e as more refined company-level data sets and sub industry-level proxies have become available. Our 2030 target (to be reported on in FY2031) is 11 million tCO₂e, reflecting half of our 2010 baseline.

While Scope 3 indirect emissions relating to our operations have decreased, particularly due to COVID-related restrictions on business travel, we have progressed our plans to further reduce our emissions and resource use.

Investing for Impact and Returns

Last year, we committed to reducing the net carbon emissions attributable to our portfolio to half the 2010 levels by 2030, and also signalled our ambition for net zero carbon emissions by 2050.

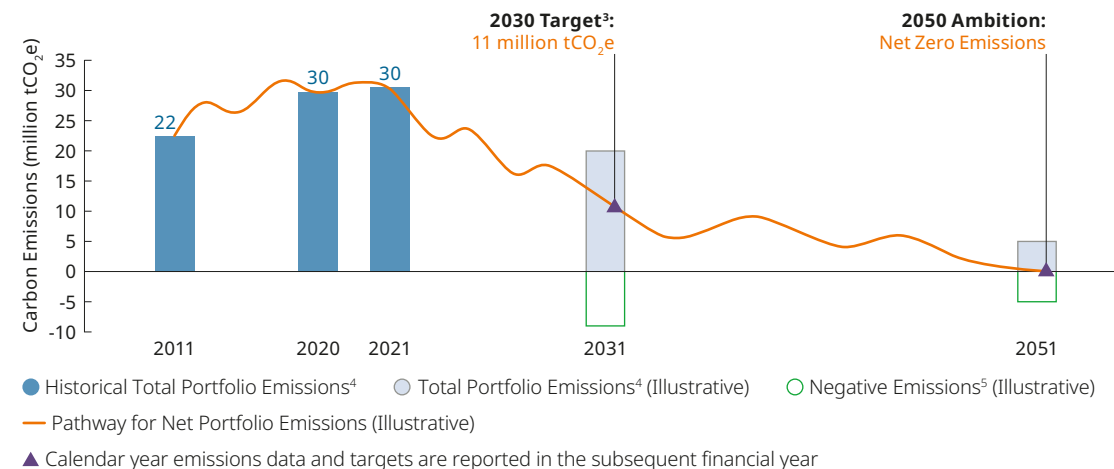
We have stepped up our efforts to invest in carbon avoidance opportunities, such as renewable energy and plant-based proteins. We look for carbon negative solutions, such as Carbon Capture, Utilisation and Storage, as and when these become feasible.

On the climate and carbon front, we have a three-pronged approach:

1. Investing in climate-aligned opportunities;
2. Enabling carbon negative solutions; and
3. Encouraging decarbonisation efforts in businesses.

(for year ending 31 March)

Towards Net Zero



Read more about our sustainability journey at temasekreview.com.sg/sustainability or scan the QR code



⁴ Our total portfolio emissions refer to the absolute greenhouse gas emissions (Scope 1 and Scope 2) associated with our equities portfolio, excluding private equity funds.
⁵ Negative emissions can comprise compensation (i.e. carbon avoidance) and neutralisation (i.e. carbon removals) acquired through investments and carbon credits.