

# Sustainability at the Core

We need to take urgent and sustained action against the climate crisis, reverse nature loss, and build a more inclusive and equitable society.

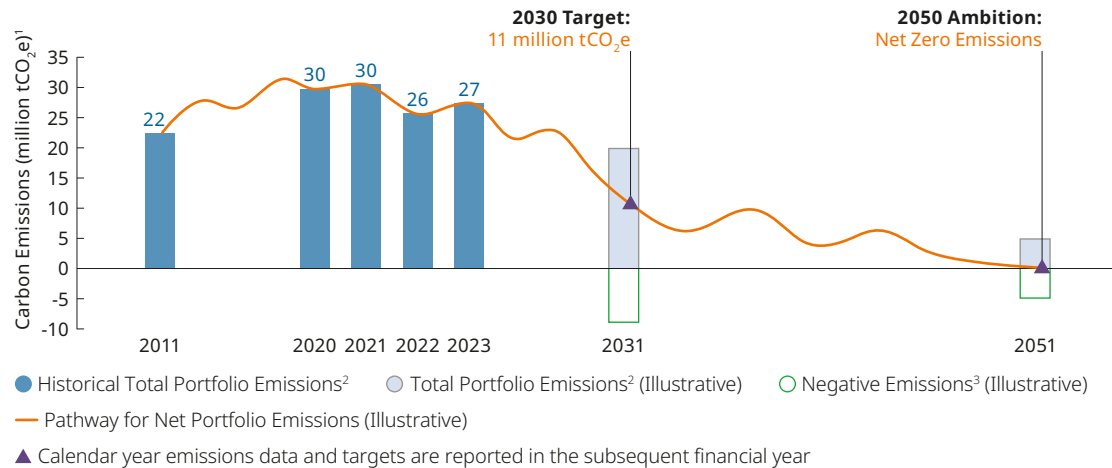
At Temasek, sustainability is at the core of everything we do — from our mandate to deliver sustainable value over the long term, to our strategy of how we operate as an institution, shape our portfolio, and engage our portfolio companies to build sustainable businesses.

## Focus on Portfolio Emissions

We target to reduce the net carbon emissions attributable to our portfolio to half the 2010 levels by 2030, as we aim for net zero portfolio emissions by 2050.

(for year ending 31 March)

### Towards Net Zero



The reopening of borders post-pandemic, among other factors, saw our reported Total Portfolio Emissions<sup>2</sup> increasing slightly over the year. Our Portfolio Weighted Average Carbon Intensity<sup>4</sup> has decreased from 119 tCO<sub>2</sub>e/\$M revenue for the financial year ended 31 March 2022 to 116 tCO<sub>2</sub>e/\$M revenue for the financial year ended 31 March 2023.

As we continue stepping up efforts to encourage decarbonisation across our portfolio and to invest in less carbon-intensive businesses, we expect the emissions associated with our portfolio, in absolute and intensity terms, to decrease over time.

<sup>1</sup> tCO<sub>2</sub>e refers to tonnes of carbon dioxide equivalent, a standard unit of measurement used in greenhouse gas emissions accounting and reporting.

<sup>2</sup> Total Portfolio Emissions reflect the absolute emissions (Scope 1 and Scope 2) associated with our portfolio, expressed in tCO<sub>2</sub>e. Our investment positions in private equity funds, credit, and other assets are excluded.

<sup>3</sup> Negative emissions acquired through investments and high quality carbon offsets.

<sup>4</sup> Portfolio Weighted Average Carbon Intensity reflects our portfolio's exposure to carbon-intensive companies by revenue, expressed in tCO<sub>2</sub>e/\$M revenue. Emissions are allocated based on portfolio weights (market value of the investment relative to the market value of the portfolio).

## Pathways Towards Our Climate Targets

We have identified three pathways towards our climate targets:



Investing in climate-aligned opportunities



Enabling carbon negative solutions



Encouraging decarbonisation efforts in businesses

We continue to accelerate efforts to catalyse and invest in businesses and funds that support the decarbonisation and transition of various sectors, especially hard-to-abate sectors such as aviation.

Our long term investment horizon, which can span decades, puts us in a unique position to support companies to become more sustainable and adopt carbon abatement strategies.

Beyond deploying capital in start-ups and growth sectors, and partnering industries to pilot or scale sustainable solutions, we invest alongside portfolio companies as they transition their businesses, and regularly engage our major portfolio companies on their climate transition plans.

Our Environmental, Social, and Governance framework guides our investment process from pre-investment due diligence to post-investment engagement. A key component is the application of an internal carbon price of US\$50 per tCO<sub>2</sub>e, which we expect to increase to US\$100 per tCO<sub>2</sub>e by 2030.

In addition, a portion of our long term incentives is aligned with our portfolio carbon emissions reduction targets.

## Fostering Sustainability in Temasek

As a company, we uphold our commitment to carbon neutrality, and we make continuous efforts to reduce the environmental impact of our operations. This includes the procurement of electricity from renewable energy sources for our Singapore office.

Our staff is our most important asset, and we are committed to creating an inclusive and cohesive work environment that respects and celebrates unique personalities, diverse perspectives, skill sets, and experiences. Today, our staff represents 34 nationalities with a gender mix of 54% male to 46% female. Our senior management is 75% male and 25% female.

Read more about how we are building a sustainable portfolio at [temasekreview.com.sg/sustainability](https://temasekreview.com.sg/sustainability) or scan the QR code

