



Company Registration Number: 196300098Z



Sembcorp Marine Secures First Sustainability-linked Loan Facility with DBS Bank

First SORA-based Sustainability-linked Loan for the Maritime Industry

Singapore, 4 March 2021 - Sembcorp Marine Ltd has secured a Sustainability-linked financing facility which references the Singapore Overnight Rate Average ("SORA") from DBS Bank, through its wholly owned subsidiary, Sembcorp Marine Financial Services Pte. Ltd.

This S\$500 million facility is believed to be the first SORA-based Sustainability-linked loan for the maritime industry. The loan's interest rate comprises two components: (1) a compounded daily SORA rate calculated in arrears, and (2) an applicable margin. The loan features interest rate discounts linked to pre-determined Environmental, Social and Governance ("ESG") targets. As these ESG targets are achieved, Sembcorp Marine will enjoy savings in borrowing costs.

Commenting on the Sustainability-linked facility, Sembcorp Marine's Group Finance Director, Mr William Goh, said: "The inclusion of green financing dovetails with our strategic transformation and pivot since 2015 to provide innovative engineering solutions to the global offshore & marine and energy industries, with a keen focus on cleaner, greener and renewable energy solutions. This Sustainability-linked financing complements our ongoing efforts to proactively manage the environmental impact of our business."

DBS' Head of Oil and Gas, Mr Dorian Delteil, said, "As a purpose-driven bank, we believe financial institutions have a strategic and pivotal role to play in proactively supporting industries work towards a lower-carbon future. We remain dedicated and committed in helping our clients navigate and structure their sustainability roadmaps – as the journey is different from corporate to corporate, and from industry to industry. Every transitional step will contribute to making an important difference, and we strive to continue engaging with like-minded clients, such as Sembcorp Marine, in making the shift towards more sustainable operations and working towards achieving a net zero emissions economy."

In 2019, some S\$530 million of Sembcorp Marine's projects were related to green solutions including scrubber and ballast water management system retrofits, and gas and renewable energy projects.

Sembcorp Marine has also introduced more green features in its operations. In 2019, Sembcorp Marine partially replaced its grid-supplied electricity with clean energy harnessed from the solar-roof installed at its steel fabrication facility at its Tuas Boulevard Yard. This solar source generated more than 5,000 MWh of electricity (or clean energy to power about 1,100 four-room flats annually), enabling Sembcorp Marine to avoid emissions of approximately 2,100 tonnes of carbon (tCO₂e).

To increase its support for businesses seeking to achieve their sustainability ambitions, DBS has committed to finance S\$50 billion in renewable, clean-energy and green projects by 2024, more than doubling its earlier target of S\$20 billion. DBS is also the first Singapore bank to offer Transition Financing and launched the world's first sustainable and transition finance framework and taxonomy to help clients advance on sustainability agenda.

With the impending discontinuation of interest rate benchmarks such as the London Inter-bank Offered Rate (LIBOR) and Swap Offer Rate (SOR), DBS has been partnering its clients to achieve a smooth and seamless transition to alternative Risk Free Benchmark Rates (RFRs). DBS has closed more than SGD 1 billion in loans referencing the RFRs in 2020 and along the way, broke new grounds such as the first Singapore Overnight Rate Average (SORA) club loan coupled with a cross currency swap and Singapore's first business property mortgage loan referencing SORA.

Mr William Goh added: "We are glad to play our part in supporting the transition of the industry benchmark from SOR to SORA. Receiving interest cost savings through meeting our ESG targets is a practical and tangible way by the financial community to acknowledge the efforts and milestones of our sustainability journey."

The ESG targets in this facility are aligned with Sembcorp Marine's performance targets set out in the Group's Sustainability Report. For more information on Sembcorp Marine's sustainability practices, please download the Group's Sustainability Report 2019 by clicking [here](#).



Solar panels (left) at Sembcorp Marine Tuas Boulevard Yard powers the Group's steel fabrication facility with clean energy. On the right is the Yard's goliath cranes with 30,000 tonne lifting capacity and 100m hook height that enable mega-block installation, helping customers fulfil business objectives of safety, quality, time and cost.

Editor's Notes

Please click [here](#) to download high-resolution version of the above image.

About Sembcorp Marine

Sembcorp Marine provides innovative engineering solutions to the global offshore, marine and energy industries. Headquartered in Singapore, the Group has close to 60 years of track record in the design and construction of rigs, floaters, offshore platforms and specialised vessels, as well as in the repair, upgrading and conversion of different ship types. Sembcorp Marine's solutions focus on the following areas: Renewables, Process, Gas, Ocean Living and Advanced Drilling Rigs.

Sembcorp Marine's customers include major energy companies, owners of floating production units, shipping companies and cruise and ferry operators. They are supported by four commercial units: Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding.

Sembcorp Marine operates shipyards and other facilities in Singapore, Indonesia, the United Kingdom, Norway and Brazil.

Discover more at www.sembmarine.com.

About DBS

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "World's Best Bank" by Euromoney, "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for 12 consecutive years from 2009 to 2020.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. For more information, please visit www.dbs.com.

For more information, please contact:

Sembcorp Marine

Ms Chua Mun Yuen
Head, Investor Relations and Communications
Tel No: +65 6971 7039
Email: munyuen.chua@sembmarine.com

Mr Lin Daoyi
Manager, Corporate Communications
Tel No: +65 6971 7040
Email: daoyi.lin@sembmarine.com

DBS

Ms Jean Khong,
Executive Director, Group Strategic Marketing & Communications
Email: jeankhong@dbs.com

Mr Tim Mou Hui
Assistant Vice President, Group Strategic Marketing & Communications
Tel No: +65 9336 4550
Email: mouhuitim@dbs.com