

Sustainability is at the Core of Everything We Do

Build

47%

carbon emissions intensity reduced¹ since 2008

Enable

About

40%

of senior management were women

Accelerate

\$50M

CapitaLand Innovation Fund of which at least 50% will be set aside for sustainability innovation

¹ Figure represents reduction in energy, water and carbon emissions intensities from Jan to Sep 2021 compared to baseline year of 2008. One of the dominant causes is the drop in activities at some of our properties amid COVID-19.

For more information on our other performance metrics, please refer to page 73 to 74.

As a global sustainability leader in real estate, CLI is committed to doing our part to address climate change and reduce our carbon footprint in countries where we operate. Our carbon emissions reduction targets have been approved by Science-Based Targets initiative. Guided by CapitaLand's 2030 Sustainability Master Plan (SMP), we have made significant progress since launching it in 2020 and are on track to achieving our ambitious goals. We have reduced carbon emissions intensity by 47% from January to September 2021 against the 2008 baseline. On the social front, CLI embraces diversity and adopts fair labour policies and practices in rewarding as well as developing CLI staff. About 40% of senior management are women. CLI and its listed REITs and business trusts have raised \$7 billion in sustainable finance as of 31 December 2021. As part of the pioneering of our Return on Sustainability metric, we have set a shadow internal carbon price since 3Q 2021 to gauge the environmental costs of each new investment's greenhouse gas emissions and take appropriate mitigation measures.

We have also intensified our global search for innovations through our CapitaLand Sustainability X Challenge (CSXC) to accelerate our decarbonisation and other sustainability efforts. The inaugural CSXC received over 270 entries from more than 25 countries and supported by over 50 institutional partners. Six commercially ready pilots are taking place in our properties in Singapore, China and the USA with the aim to improve energy and water efficiencies and indoor air quality. We launched the second CSXC 2022 in December 2021 with increased project funding.

Our sustainability efforts have been consistently recognised globally. In 2021, CLI retained endorsement by GRESB as Global Sector Leader, Regional Sector Leader and Asia Sector Leader in the Diversified - Listed Category. We remained the first and longest standing company in Singapore to be listed on Dow Jones Sustainability Indices and was, for the ninth time, ranked among the world's most sustainable corporations in Corporate Knights' 2021 Global 100 index.

In the coming year, we will elevate our disclosures recommended by the Task Force on Climate-Related Financial Disclosures in our externally assured, annual Global Sustainability Report, and embark on enhanced ESG initiatives to deliver measurable outcomes and long-term economic value to our stakeholders.



Lynette Leong
Chief Sustainability Officer,
CapitaLand Investment

Sustainability

BOARD STATEMENT

At CapitaLand Investment, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of Directors together with management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). During the first scheduled review in 2022, the CapitaLand 2030 Sustainability Master Plan will incorporate CapitaLand Group's restructuring and CLI's listing in September 2021.

The Board is responsible for overseeing the Company's sustainability efforts, and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Group's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation.

Our sustainability performance has consistently been highly ranked by globally recognised indices such as Dow Jones Sustainability World Index and Global Real Estate Sustainability Benchmark. As an industry leader, CapitaLand Investment will continue to push the boundaries to adopt meaningful ESG practices and enhance sustainability in the real estate sector.

SUSTAINABILITY COMMITMENT

In 2020, we unveiled CapitaLand's 2030 Sustainability Master Plan to elevate the Group's commitment to global sustainability in the built environment given our presence in more than 200 cities and over 30 countries. The Master Plan focuses on three key objectives.

- Build portfolio resilience and resource efficiency
- Enable thriving and future-adaptive communities
- Accelerate sustainability innovation and collaboration.

We identified five pathways to achieve our sustainability objectives and will adapt our strategies as technologies evolve and new scientific data becomes available:

1. Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of our investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of our business operations.

2. Strengthen innovation and collaboration to drive sustainability

We will continue to source globally for new ideas and technologies to meet our sustainability ambitions and work with like-minded partners to create shared values.

3. Leverage sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emissions, and health and safety. These measurements along with social indicators are key to driving performance improvement across our operating properties and development projects.

4. Monitor and report progress to ensure transparency

As we track our sustainability progress, we will continue to validate our performance by external assurance and align our Global Sustainability Report to international standards.

5. Increase engagement and communication with key stakeholders

It is key to build awareness among our employees, investors, customers and communities, and collectively effect transformational change to achieve our 2030 targets.

SUSTAINABILITY FRAMEWORK



GENERATING VALUE IN SIX CAPITALS



BUILD

46% of CapitaLand's global portfolio¹ achieved green building certification

Estimated **\$300mil** utilities cost avoidance since 2009 due to operational efficiencies²

ENABLE

over **41** training hours per staff

ACCELERATE

CapitaLand Sustainability X Challenge received over **270** entries from over 25 countries

¹ This refers to CLI's owned and managed properties by m²
² Figure is for 2021 Jan to Sep. In 2021, there is significant reduction in energy, water and carbon emissions intensities as compared to baseline year of 2008 likely due to the significant drop in activities at its properties amid COVID-19

PUSH BOUNDARIES OF CHANGE

CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, we had our carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century, and we will continue to align with SBTi's standards as we transition to a low carbon economy. CapitaLand is also developing a new metric, Return on Sustainability, in addition to financial returns to measure the Group's ESG impact.

CapitaLand has also launched the CapitaLand Sustainability X Challenge (CSXC), the first sustainability focused innovation challenge by a Singapore headquartered real estate company. The objective of CSXC is to globally source for emerging sustainability technologies and solutions in the built environment. The CSXC covers seven challenge statements and reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and secure S\$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

MEASURED AGAINST GLOBAL BENCHMARKS

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report since FY 2009 and externally assured the entire report since FY 2010. Benchmarking against an international standard and framework that is externally validated helps us to overcome the challenges in sustainability reporting that may arise from our portfolio of diverse asset types and geographical presence globally.

We are also a signatory to the United Nations (UN) Global Compact and our Global Sustainability Report serves as our Communication on Progress, which will be made available at www.unglobalcompact.org when published.

For our efforts, we are listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index,

Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. Our CapitaLand Investment Global Sustainability Report 2021 will be published by 31 May 2022.

We will continue to prepare our sustainability report in accordance with the Global Reporting Initiative Standards: Core option and apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility. In addition, we will continue to reference the UN Sustainable Development Goals (UN SDGs), and the Sustainability Accounting Standards Board (SASB). We will enhance our climate-related disclosure and implementation in line with the Taskforce for Climate-related Financial Disclosure (TCFD). The report will continue to be externally assured to AA1000 Assurance Standard and will cover the Group's global portfolio and employees, including our listed real estate investment trusts (REITs) and business trusts - CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

CapitaLand's sustainability management is guided by the CapitaLand Sustainability Council. The Sustainability Council comprises selected independent directors of CapitaLand Investment's Board and senior management of CapitaLand's Executive Committee. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CapitaLand Investment Board's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units and corporate functions. Each business unit has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where the Group operates with support from various departments.

The CapitaLand Board is also updated regularly through the Risk Committee and Audit Committee on matters relating to sustainability risks and business malpractice incidents. The Board is also updated on the sustainability management performance of the Group, key material issues identified by stakeholders and the planned follow-up measures.

At the Board level, we recognise the importance of sustainability as a business imperative which is consistent with the principle that the Board plays an important role in considering and building sustainability considerations as part of its strategic development. With effect from January 2022, a CLI Board Committee, the Strategy Committee, will be charged with the responsibility of overseeing sustainability strategies and plans, including providing guidance to Management and monitoring progress against achieving the goals of any sustainability initiatives. The Board Strategy Committee replaces the Sustainability Council which was stepped down on 31 December 2021.

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE



CORE VALUES
Winning Mindset | Enterprising | Respect | Integrity

COMMITMENT TO OUR STAKEHOLDERS

We create great customer value and experiences through high-quality products and services



for our Customers
Tenants, shoppers, residents

We deliver sustainable shareholder returns and build a strong global network of capital partners



for our Investors
including business partners

We develop high-performing people and teams through rewarding opportunities



for our People
Staff

We care for and contribute to the economic, environmental and social development of communities



for our Communities
Government agencies/ NGOs, general public, the environment, suppliers/contractors

MATERIALITY

CapitaLand has a regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise to identify, assess and document material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.






With the restructuring of CapitaLand into CapitaLand Investment and CapitaLand Development, these ESG material issues are prioritised based on the likelihood and potential impact of issues affecting business continuity of CapitaLand Investment. For external stakeholders, priority is given to issues important to the society and applicable to CapitaLand Investment. For more information on stakeholder engagement, please refer to the upcoming CapitaLand Investment Global Sustainability Report 2021.

Prioritisation of ESG Material Issues

ENVIRONMENT	SOCIAL/LABOUR PRACTICES	GOVERNANCE
Critical		
<ul style="list-style-type: none"> Climate change and carbon reduction Energy efficiency Water management 	<ul style="list-style-type: none"> Occupational health & safety Human capital Stakeholder engagement Supply chain management Diversity (board and staff) 	<ul style="list-style-type: none"> Product and services Compliance Business ethics
Moderate and emerging		
<ul style="list-style-type: none"> Waste management Biodiversity 	<ul style="list-style-type: none"> Human rights 	

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

The Guiding Principles of the International Integrated Reporting Council Framework were referenced in this report, and the value we create is mapped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is also mapped against eight UN SDGs that are most aligned with our CapitaLand Sustainability Master Plan 2030 targets, and where CapitaLand Investment can achieve the greatest positive impact. For more information, please refer to the CapitaLand Investment Global Sustainability Report 2021 which will be published by 31 May 2022.

SMP Pillars and Focus Area	Our Commitments	2021 Value Created
BUILD Portfolio Resilience and Resource Efficiency • Low Carbon Transition • Water Conservation and Resilience • Waste Management and Circular Economy	<ul style="list-style-type: none"> Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern Green our global operational portfolio by 2030 Strengthen climate resilience of our portfolio by addressing climate related risks and opportunities throughout the real estate lifecycle 	<ul style="list-style-type: none"> 47% reduction in carbon emissions intensity since 2008¹ \$5300 million in utilities cost avoidance since 2009, arising from 41% and 45% energy and water reduction (per m² from base year 2008) respectively¹ Achieved 17 green building ratings Continued to enhance implementing the recommendations of the TCFD and improve TCFD reporting <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Environmental Capital</p>  </div> <div style="text-align: center;"> <p>Manufactured Capital</p>  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div style="text-align: center;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> </div> <div style="text-align: center; margin-top: 10px;"> <p>13 CLIMATE ACTION</p>  </div>

¹ Data provided is for the period from 1 January to 30 September 2021. The full year data from 1 January to 31 December 2021 will be available in CapitaLand Investment Global Sustainability Report 2021.

SMP Pillars and Focus Area	Our Commitments	2021 Value Created
ENABLE Thriving and Future-Adaptive Communities <ul style="list-style-type: none"> Dynamic Human Capital Healthy and Safe Buildings Proactive Customer Relationship Management Robust Supply Chain Management 	<ul style="list-style-type: none"> CapitaLand believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under the direct hire of CapitaLand CapitaLand is a signatory to the UN Global Compact CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of our staff, tenants, contractors, suppliers and the communities that use our properties CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management CapitaLand requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions CapitaLand is committed to activities that are aligned with our focus on community investment. We engage our stakeholders in raising awareness in the areas of philanthropy, environment, health and safety, as well as promote sustainability within the tenant community 	<ul style="list-style-type: none"> Global workforce (more than 9,900 staff) <ul style="list-style-type: none"> About 86 nationalities working within the Group Males and females at a ratio of about 47:53 About 70% of CapitaLand's global workforce was aged between 30 and 50 About 40% of senior management were women Over 41 training hours per staff Close to 93% of staff attended Fraud, Bribery & Corruption (FBC) awareness online training Zero contractor work-related fatality and permanent disability No reported incident relating to discrimination, child labour or forced labour in CapitaLand
ACCELERATE Sustainability Innovation and Collaboration <ul style="list-style-type: none"> Sustainable Operational Excellence Sustainable Finance Sustainability Innovation and Technology 	<ul style="list-style-type: none"> Maintain safe, accessible, vibrant and quality real estate developments to enhance the lives of our shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community Integrate CapitaLand's ESG performance with financial metrics Actively embrace innovation to ensure commercial viability without compromising the environment for future generations 	<ul style="list-style-type: none"> Retained ISO 14001 and ISO 45001 certification in 15 countries for more than a decade Inaugural CSXC received over 270 entries from over 25 countries and supported by over 50 institutional partners. Currently piloting 6 innovative projects from United States of America, Singapore and China in the area of improving building energy and water efficiencies as well as indoor air quality. To date, CLI raised S\$2.2 billion of loans through sustainable financing. This includes two sustainability-linked loans secured in Sep and Dec 2021 amounting to S\$800 million

ACCELERATING INNOVATION



The judging panel at the inaugural CSXC graced by Guest-of-Honour, Minister Grace Fu (Minister for Sustainability and the Environment of Singapore) (on screen). Seated from left: Dr Cheong Koon Hean (Chair, Lee Kuan Yew Centre for Innovative Cities and Chair, Centre for Liveable Cities Singapore), Mr Rohit Siphimalani (Chief Investment Officer and Head, South East Asia, Temasek), Ms Goh Swee Chen (Non-Executive Independent Director, CapitaLand Investment) and Mr Lee Chee Koon (Group CEO, CapitaLand Investment). Judges not in the photo are Mr Rushad Nanavatty (Managing Director, Urban Transformation, Rocky Mountain Institute) and Dr Chris Luebkehan (Leader, Strategic Foresight Hub, Office of the President, ETH Zurich, Switzerland).

Sustainable technology and innovations are key to our decarbonisation journey. But smart ideas can come from anywhere. So, we invited startups around the world to join our global fight against climate change.

Launched in 2020, CapitaLand Sustainability X Challenge (CSXC) is the first global sustainability-focused innovation challenge in the built environment by a Singapore real estate company. Through the challenge, CapitaLand aims to accelerate its progress to meet its 2030 Sustainability Master Plan targets, with decarbonisation and circularity as key pillars.

CapitaLand provides our innovators with access to a range of real estate asset classes globally and typologies in varying climatic conditions to apply their solutions, allowing them to demonstrate conclusively how their systems will function under real-world conditions. CapitaLand has set aside S\$50 million for innovation from which at least half is deployed to funding the piloting of promising sustainability solutions from various initiatives.

Two winners plus eight other promising innovations from its inaugural CSXC in 2021 were selected from among over 270 entries from over 25 countries to take advantage of this critical differentiator to select excellent test sites to demonstrate the efficacy of their innovations.

Oregon-based INOVUES will test its insulating glass retrofit technology at one of CapitaLand's buildings in Creekside Corporate Park in Portland, USA. By reducing heat gain in the building during summer and heat loss during winter, insulating glass retrofit is projected to lower energy consumption for cooling

and heating buildings by up to 40%. This technology does not require any dismantling of existing windows and does not result in any downtime.

Singapore-based Climatec will pilot its unique process to treat cooling tower water without using chemicals or power at CapitaGreen, CapitaLand's office tower in Singapore that has received international recognition for its sustainability features. Using photon vibration frequency technology created through strong magnetic fields and ceramic-based composites to treat water, this solution is projected to reduce energy consumption by up to 5% and achieve water savings of 60% to over 90%. Water can be recycled for other uses in the building such as plant irrigation or toilet flushing.

CapitaLand has launched the 2nd CSXC after a successful inaugural run in 2021 and upped the ante for CSXC 2022 by committing up to S\$650,000 to pilot up to 10 innovations.

Building a culture of innovation

Innovation thrives when businesses have a culture that supports new ways of doing things. CapitaLand not only places sustainability at the core of what we do, we empower our employees to be creative in deploying solutions to make a positive impact on the environment through the CapitaLand Innovation Fund.

Since opening in October 2020, the Smart Urban Co-Innovation Lab brings together leaders in the smart cities space to collaborate, co-create and test solutions. Since launching this initiative, it has welcomed more than 500 companies and onboarded more than 70 members.