

# Sustainability is at the Core of Everything We Do

52%  
of carbon emissions  
reduced<sup>1</sup> since 2008

58%  
of global portfolio<sup>2</sup>  
achieved green building  
certification

About  
40%  
of senior management  
were women

Over  
37  
training hours per staff

CapitaLand Sustainability X  
Challenge (CSXC) 2022 received over  
340  
entries from over 50 countries

20  
innovations sourced from  
CSXC 2022 and 2021  
are being piloted or planned at

24  
sites within CapitaLand  
properties in  
Singapore, China, India,  
Thailand, and the USA

For more information on our other performance metrics, please refer to page 86 to 88.

<sup>1</sup> Figure represents reduction in carbon emissions intensity (scope 1 and 2) from Jan to Dec 2022 (with 92% coverage) compared to baseline year of 2008. One of the dominant causes is the drop in activities at some of our properties amid COVID-19.

<sup>2</sup> This refers to CLI's owned and managed properties by m<sup>2</sup>.

## 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 (SMP), 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, CapitaLand Investment revised its SMP targets to elevate its SBTi-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment, and enhance focus on social indicators.

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 GRESB. 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.

## BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

The CLI Board recognises the importance of sustainability as a business imperative, and ensures that sustainability considerations are factored into CLI's strategy development to ensure CLI remains competitive and resilient in an increasingly challenging business environment.

The Board is kept informed on a regular basis through the Strategy and Sustainability Committee (SSC)<sup>1</sup> on the Group's sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, the Board is typically updated by the Risk Committee and Audit Committee at least once a year and at ad hoc Board meetings on matters relating to sustainability risks, and relevant performance metrics, which include carbon emissions performance, progress on achieving the reduction targets, green certification, human capital development, as well as stakeholders' expectations on climate change and/or other social matters. They are also informed of any work-related safety incidents, business malpractice incidents and

environmental incidents, which may include climate-related damage or disruptions.

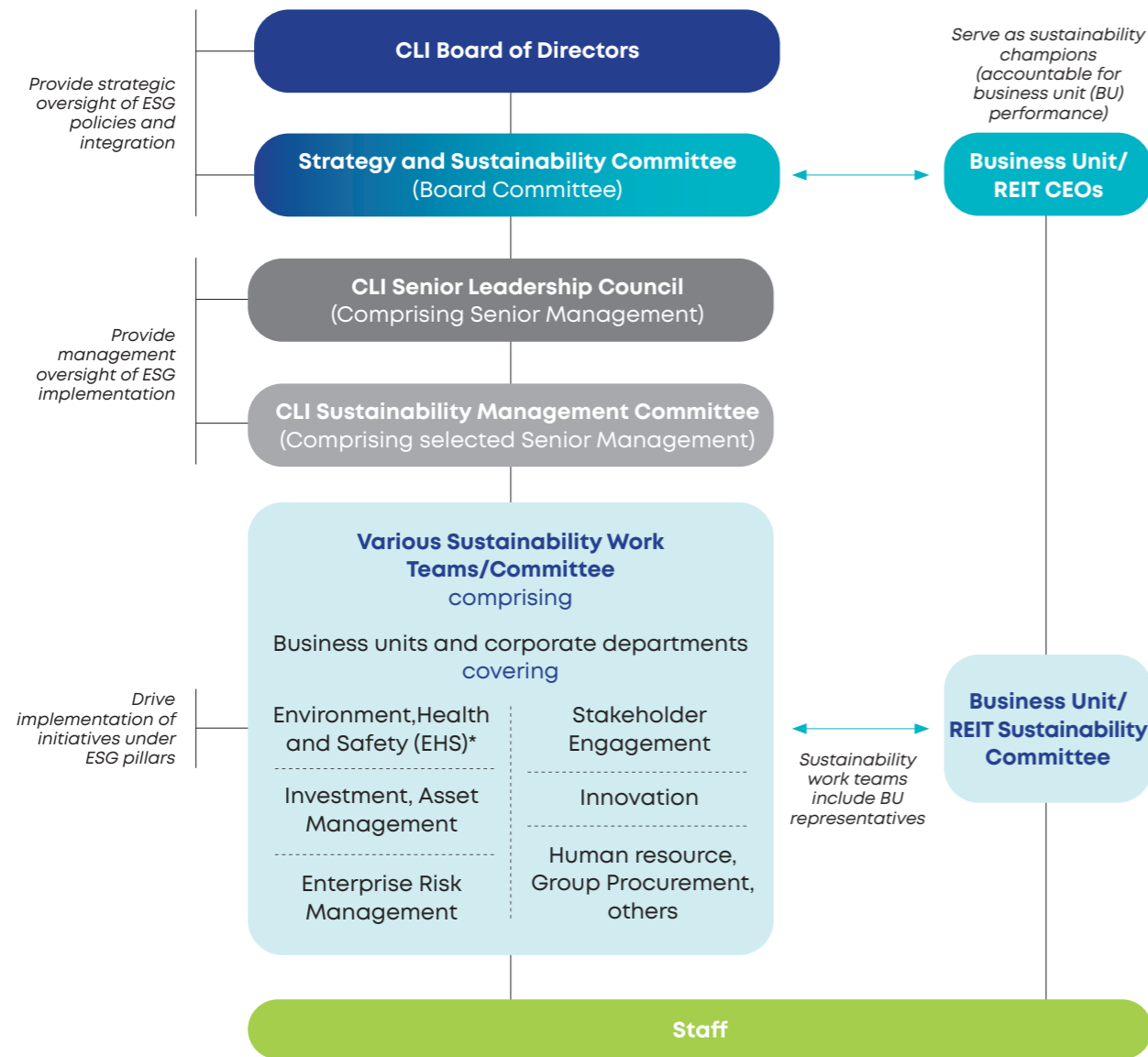
Lead Independent Director Mr Anthony Lim chairs the SSC which is a Board Committee. The SSC is responsible for overseeing CLI's sustainability strategies and goals, including providing guidance to Management and monitoring progress against achieving the goals of sustainability initiatives. The SSC typically meets twice a year, with additional meetings convened as necessary. These responsibilities are also detailed under Corporate Governance Board Matters Principle 1 in page 99 and 105 of this report.

The sustainability work teams comprise representatives from CLI business units and corporate functions. Each business unit has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where it operates with support from various departments.

<sup>1</sup> With effect from 1 January 2023, the CapitaLand Investment Board Committee, Strategy Committee, was renamed to Strategy and Sustainability Committee.

# Sustainability

## CLI SUSTAINABILITY MANAGEMENT STRUCTURE



\* Includes EHS Internal Audit and Environment Tracking System (ETS)

### Maintaining Diversity on the Board

The Company embraces diversity and has in place a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives, with due consideration to diversity in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.

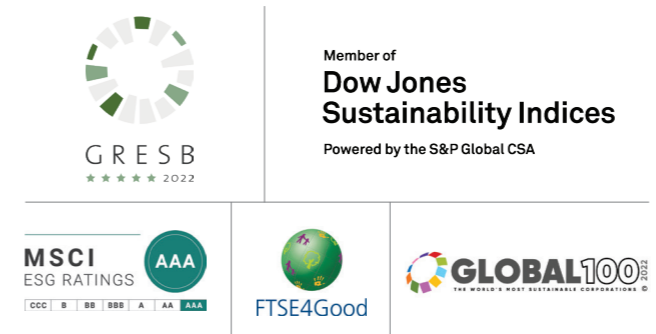
Our Board Diversity Policy, targets, plans and progress are detailed under Corporate Governance Board Matters Principle 2 in page 105 to 111 of this report.

## RECOGNITION BY GLOBAL BENCHMARKS

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report since FY 2009, and has had the entire report externally assured 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 have been a signatory to the United Nations (UN) Global Compact since 2015 and our Communication on Progress for FY 2022 will be made available at [www.unglobalcompact.org](http://www.unglobalcompact.org) when published. In February 2023, we also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of our commitment to investing responsibly.

For our efforts, we are listed on the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB, FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. Our CLI Global Sustainability Report 2022 will be published by 31 May 2023 on the [CLI website](http://cli.com.sg).



CLI's sustainability reporting has evolved into a uniquely hybrid model using the Global Reporting Initiative (GRI) Standards and Greenhouse Gas (GHG) Protocol (operational control method) since 2009, CDP since 2010, GRESB since 2013, Value Reporting Foundation's Integrated Reporting Framework since 2015, UN SDG Reporting since 2016, Taskforce

for Climate-related Financial Disclosures (TCFD) framework since 2017, and Sustainability Accounting Standards Board (SASB) Standards since 2020.

We will continue to enhance our disclosures in accordance with these standards, and will be reporting in accordance with the updated GRI Universal Standards 2021 which came into effect for reports published on or after 1 January 2023. 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, CapitaLand Ascendas REIT, CapitaLand Ascott Trust, CapitaLand China Trust, CapitaLand India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

## MATERIALITY

CapitaLand has a regular review, assessment and feedback process in relation to ESG topics. The annual Group-wide Risk and Control Self-Assessment exercise<sup>1</sup> is a key component of this process, as it helps to identify, assess and document material risks and the corresponding internal controls to manage those risks. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

Guided by our 2030 SMP to elevate the Group's commitment to global sustainability, CLI identifies and reviews material ESG issues that are most relevant and significant to the Company and its stakeholders. These material ESG issues are assessed and prioritised based on the likelihood of and its potential impact on CLI's business continuity. For external stakeholders, priority is given to issues important to the community and applicable to CLI. For more information on stakeholder engagement and our sustainability strategy, please refer to the CLI Global Sustainability Report 2022.

<sup>1</sup> For more information on CLI's Enterprise Risk Management and Group-wide Risk and Control Self-Assessment exercise, please refer to page 92 of this report.



# Sustainability

## PRIORITISATION OF MATERIAL ESG ISSUES



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

CLI's material ESG issues and the value created, aligned to CapitaLand's 2030 SMP focus areas and commitments<sup>1</sup>, are mapped to six integrated reporting Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is further mapped against eight UN SDGs that are most aligned with CapitaLand's 2030 SMP focus areas, and where CLI can achieve the greatest positive impact.

The UN SDGs call on companies everywhere to advance sustainable development through the investments they make, the solutions they develop, and the business practices they adopt. In doing so, the goals encourage companies to reduce their negative impacts while enhancing their positive contributions to the sustainable development agenda.

For more information, please refer to the CLI Global Sustainability Report 2022.


<sup>1</sup> CapitaLand's 2030 SMP is regularly reviewed where necessary to ensure that it remains relevant to the Group's business strategy and alignment with climate science. The first scheduled review in 2022 is in progress and will be published before end May 2023.

Our Commitments	2022 Value Created
<b>Environment</b> <ul style="list-style-type: none"> <li>• Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy.</li> <li>• Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern.</li> <li>• Green our global operational portfolio by 2030.</li> <li>• Strengthen our portfolio's climate resilience by addressing climate related risks and opportunities throughout the real estate lifecycle.</li> </ul>	<ul style="list-style-type: none"> <li>• 52% reduction in carbon emissions intensity since 2008<sup>1</sup>.</li> <li>• 42% and 51% energy and water reduction (per m<sup>2</sup> from base year 2008) respectively<sup>1</sup>.</li> <li>• Achieved green building certifications for 58% of global portfolio<sup>2</sup>.</li> <li>• Continued to implement the recommendations of the TCFD and improve TCFD reporting. In the midst of conducting detailed climate risk assessment and scenario analysis for our portfolio<sup>3</sup>.</li> </ul> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center;"> <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;"> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <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 style="text-align: center;"> <p>13 CLIMATE ACTION</p> </div> <div style="text-align: center;"> <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div>

Our Commitments	2022 Value Created
<b>Environment (Cont'd)</b> <ul style="list-style-type: none"> <li>• Actively embrace innovation to ensure commercial viability without compromising the environment for future generations.</li> <li>• Influence our supply chain to operate responsibly in the area of environmental management through CapitaLand's Supply Chain Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• From the submissions received through CapitaLand Sustainability X Challenge 2021 and 2022, 20 innovations are being piloted or planned at 24 sites within CapitaLand properties in Singapore, China, India, Thailand, and the United States of America, with focus on improving building energy and water efficiency as well as indoor air quality.</li> <li>• Retained ISO 14001 certification in 15 countries for more than a decade.</li> </ul>
<b>Social</b> <ul style="list-style-type: none"> <li>• CapitaLand believes staff can make a significant contribution based on their talent, expertise and experience, regardless of ethnicity, age or gender. We adopt consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under CapitaLand's direct hire.</li> <li>• CapitaLand aims to provide a safe work environment that contributes to the general well-being of our staff, tenants, contractors, suppliers and the communities that use our properties.</li> <li>• CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of human rights, and health and safety.</li> <li>• CapitaLand is committed to activities that are aligned with our focus on community investment. We engage our stakeholders to raise awareness in the areas of philanthropy, environment, health and safety, as well as promote sustainability within the tenant community.</li> </ul>	<ul style="list-style-type: none"> <li>• Global workforce (more than 9,000 staff). <ul style="list-style-type: none"> <li>- More than 85 nationalities working within the Group.</li> <li>- Males and females at a ratio of about 47:53.</li> <li>- About 69% of CapitaLand's global workforce was aged between 30 and 50.</li> </ul> </li> <li>• About 40% of Senior Management were women.</li> <li>• 83% staff engagement score, with 91% survey participation.</li> <li>• Over 37 training hours per staff.</li> <li>• More than 83% staff attended at least 1 ESG training.</li> <li>• Zero staff work-related fatality and permanent disability.</li> <li>• One contractor work-related fatality<sup>4</sup> and zero contractor work-related permanent disability.</li> <li>• No reported incidents relating to discrimination, child labour or forced labour in CapitaLand.</li> <li>• Retained ISO 45001 certification in 15 countries for more than a decade.</li> </ul> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center;"> <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="text-align: center;"> <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div>

<sup>1</sup> Data provided is as of 31 December 2022 (with 92% coverage). The full year data from 1 January 2022 to 31 December 2022 will be available in the CLI Global Sustainability Report 2022.  
<sup>2</sup> Covers CLI owned and managed properties (by m<sup>2</sup>).  
<sup>3</sup> For more information, please refer to the CLI Global Sustainability Report 2022.  
<sup>4</sup> Despite CapitaLand's best efforts to assure site safety, there was one workplace fatality involving CLI's contractor staff in Singapore. Detailed investigations were undertaken, and remedial, as well as improvement actions, were implemented by the contractor. Lessons learnt from the incident were shared across business units globally, and the Group's commitment to strengthen its safety standards was further reinforced.

# Sustainability

Our Commitments	2022 Value Created	
<b>Governance</b> <ul style="list-style-type: none"> <li>CapitaLand has in place a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives, with due consideration to diversity in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.</li> <li>CapitaLand is committed to meeting high standards of risk management in the way it conducts its business. All employees are required to understand and be responsible for ensuring that risks are managed effectively in their day-to-day work.</li> <li>CapitaLand requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions.</li> <li>CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the area of anti-corruption.</li> </ul>	<ul style="list-style-type: none"> <li>About 20% of the Board were women.</li> <li>Close to 90% of staff attended Fraud, Bribery &amp; Corruption awareness online training.</li> <li>More than 80% of staff attended Whistle-blowing training.</li> <li>More than 60% of staff attended Cybersecurity training.</li> <li>100%<sup>5</sup> of CLI's supply chain agreed to abide by CapitaLand's Supply Chain Code of Conduct.</li> </ul>	Organisational Capital  Human Capital  
<b>Economic</b> <ul style="list-style-type: none"> <li>Integrate CapitaLand's ESG performance with financial metrics.</li> </ul>	<ul style="list-style-type: none"> <li>CLI and its listed REITs and business trusts raised S\$4.7 billion of sustainable financing in FY 2022.</li> <li>Please refer to the following sections in the CLI Annual Report 2022:               <ul style="list-style-type: none"> <li>Performance Highlights, page 7</li> <li>Three-Year Financial Summary &amp; Performance Review, pages 33 to 37</li> <li>Value Added Statement, page 276</li> </ul> </li> </ul>	Financial Capital

5 Property maintenance and project related contracts for owned and managed properties and projects. This includes supply chain complying with their own code of conduct which is equivalent or more stringent than CapitaLand's Supply Chain Code of Conduct.

## LEVERAGING SUSTAINABLE FINANCE FOR DECARBONISATION

Since 2018, over S\$11.6 billion has been raised in sustainable finance by CLI Group including its listed REITs and business trusts.



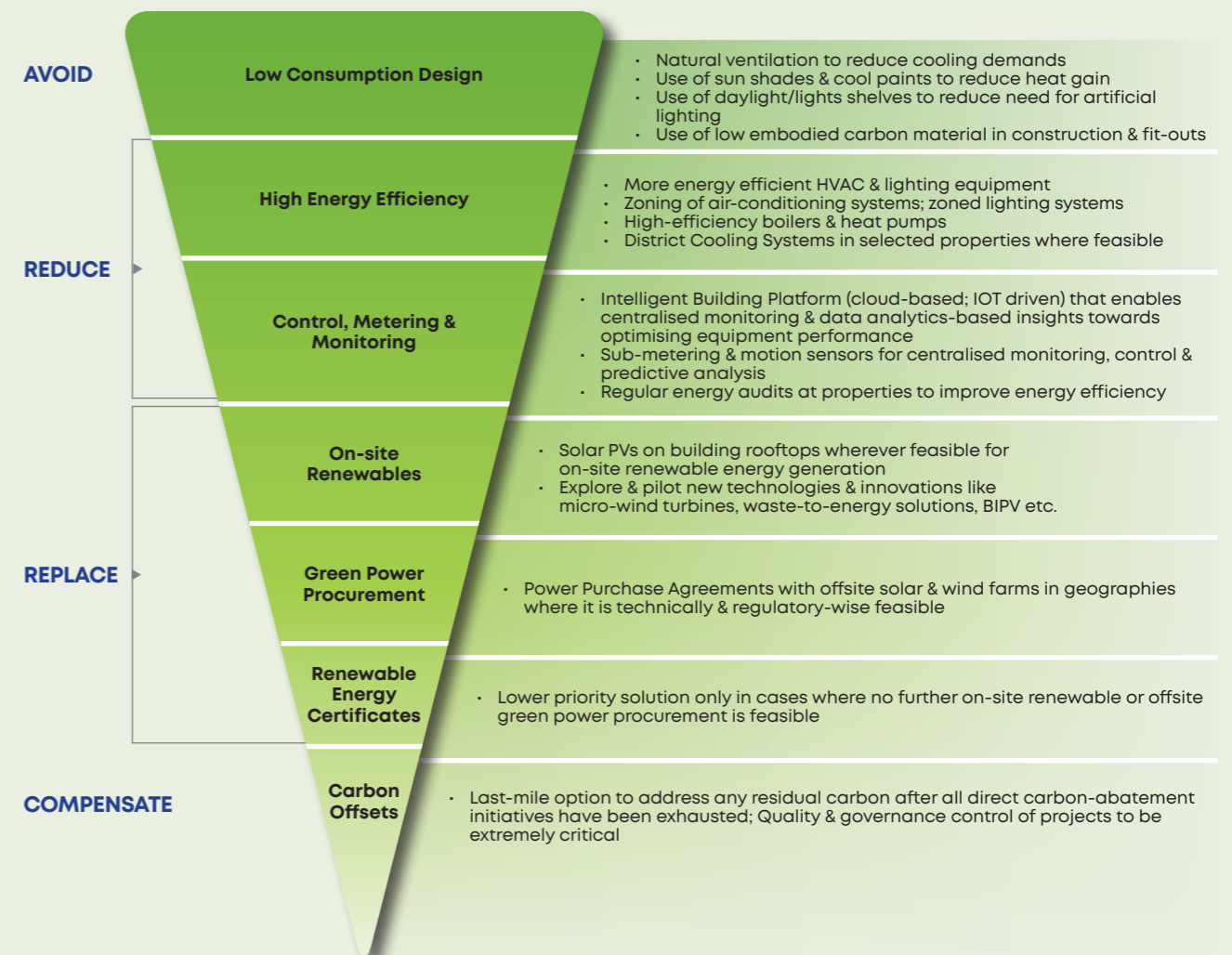
## COMMITTING TO NET ZERO BY 2050 AND ELEVATING CAPITALAND'S CARBON EMISSIONS REDUCTION TARGET TO 1.5°C SCENARIO

In 2022, CapitaLand Group elevated its scope 1 and 2 carbon emissions reduction targets which were validated by SBTi to be in line with a 1.5°C trajectory<sup>1</sup>, currently the most ambitious designation available through the SBTi process. This will translate to Net Zero by 2050.

Aligned with the Group's elevated science-based target, CLI commits to reducing its absolute scope 1 and 2 emissions by 46% by 2030 from a 2019 base year and aims to achieve Net Zero by 2050, consistent with the effort required to limit global temperature increase to below 1.5°C.

To operationalise its SBTi-approved carbon emissions reduction target for scope 1 and 2 emissions, CLI is reviewing its carbon intensity reduction targets and other environment targets, including changing reference to 2019 as the baseline year instead of 2008<sup>2</sup>. CLI also aims to conduct a comprehensive review of its scope 3 emissions to better track and disclose its material scope 3 emissions, and is committed to developing scope 3 emission goals aligned to science-based targets.

Over the next decade, as part of CLI's roadmap to Net Zero, CLI will prioritise the decarbonisation levers below, and in particular, continue to source globally for new ideas and technologies to achieve higher energy efficiency and intensify its renewable energy integration efforts.



<sup>1</sup> The carbon emissions reduction target in line with a 1.5°C trajectory was elevated from its target of a "well-below 2°C" trajectory set in 2020.

<sup>2</sup> It is reviewed as part of the scheduled review of CapitaLand's 2030 SMP in 2022 and will be published before end May 2023.

# Pushing the Boundaries for a Sustainable Built Environment with Innovation

The CapitaLand Sustainability X Challenge (CSXC) is a global platform to advance innovation and collaboration in sustainability within the built environment. Through CSXC, CapitaLand aims to source for emerging solutions and technologies globally to solve sustainability challenges impacting the built environment.

**20\***  
innovations being piloted or planned at  
**24\***  
sites within CapitaLand properties in  
**5\***  
countries

\* As at 28 February 2023

CSXC 2021:  
**>270**  
entries from  
**25**  
countries

CSXC 2022:  
**>340**  
entries from  
**>50**  
countries

## SUCCESSFUL CSXC 2021 PILOT



**NEW GENERATION BIO WATER SAVING STICK**  
Irrigation via transfer of humidity from air to ground

› One landscape zone in Aperia, Singapore (Integrated development)

**ACHIEVED** › Up to **33%** irrigation water savings

## CSXC 2022 PILOTS

IN PROGRESS



**CLEANAIR.AI**  
ALVI CleanAir Safety System™: sensors & active polarisation provide buildings with HEPA-class air quality



› Perimeter Four (USA)  
› 6 Battery Road (SG)



› **10%** Improvement in IAQ  
› Up to **6,000kWh** energy savings per AHU



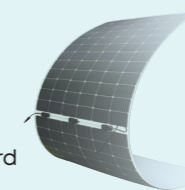
**SUNMAN ENERGY**  
World's first glass-free, lightweight & flexible solar panel, can be used on roofs that are unable to support glass modules for structural reasons



› Jiangsu Kunshan Logistics Park (CN)



› Comparable performance to standard glass solar panel with **70% reduced** weight of panel



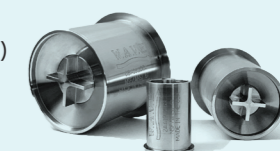
**ECOFLOW**  
Air-compression valve to improve water meter accuracy



› Ascott Sathorn (TH)  
› 9 Tai Seng (SG)  
› Funan (SG)



› **▼ 10%** water cost



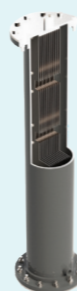
**HYDROLEAP**  
On-site electro-oxidation to reduce cooling tower blowdown



› 9 Tai Seng (SG)



› **▼ 40%** blowdown water



**SLIDELUVRE**  
Smart voltaic louvres



› 6-20 Clunies Ross Street (AU)



› Solar energy yield up to **200 kWh/m<sup>2</sup>** slat area/year



**WI.PLAT**  
Intelligent building leak detection system



› CQ@Clarke Quay (SG)



› **More than 2** detection & locations of unobserved water leaks



IN PLANNING



**ENEXOR BIOENERGY**  
Renewable energy system: converts organic, biomass, or plastic waste into onsite renewable electricity & thermal power while offsetting significant volumes of carbon dioxide



› **▼ 20%** energy and waste cost



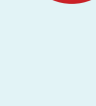
**LOH AND SONS PAINT CO (In partnership with SolCold)**  
Nanoparticle material using sunlight for active cooling



› **▼ 10%** energy consumption



**PASSIVE EDGE TECH**  
Phase-change material for thermal control and storage



› **▼ 25%** air-conditioning energy consumption



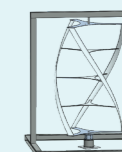
**MAINI RENEWABLES**  
Efficient micro wind turbine



› ITPP- Cyprus (IN)



› **15,000** kWh energy generation



Note: Targets as provided by innovators & CLI is currently working with them to establish the pilot savings targets for the pilots at CapitaLand assets. Depending on nature of innovation & control/comparisons required, not all innovations are initially tested at full building or project level.