

# SUSTAINABILITY IS AT THE CORE OF EVERYTHING WE DO

**12%**  
reduction in carbon emissions intensity<sup>1</sup> since 2019

**20%**  
(or 2 out of 10) of board directors were women<sup>4</sup>

CapitaLand Sustainability X Challenge (CSXC) 2023 received over  
**680**  
entries from 79 countries

**12%**  
reduction in energy consumption intensity<sup>2</sup> from 2019

**38%**  
of senior management were women

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

**19%**  
reduction in water intensity<sup>2</sup> from 2019

Over  
**36**  
training hours per staff

**24**  
CapitaLand properties in Singapore, China, India, Thailand and the USA. Another 10 innovations from CSXC 2023 are targeted to be piloted in 2024.

**60%**  
of global portfolio<sup>3</sup> achieved green building certification

For more information on our other performance metrics, please refer to page 80 to 82.

1 Figure represents a reduction in carbon emissions intensity (Scope 1 and 2) from January to December 2023 (with close to 90% coverage) compared to the baseline year of 2019.  
2 Figure represents a reduction in intensity for CLI operationally managed properties from January to December 2023 (with close to 90% coverage) compared to the baseline year of 2019.  
3 This refers to CLI's owned and operationally managed properties by m<sup>2</sup>.  
4 Figure represents board composition as at 31 December 2023. This proportion increased to 27% (or three female directors out of a total of 11 directors) with the appointment of Ms Belita Ong on 1 January 2024.

## 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 Investment 2030 Sustainability Master Plan (SMP), which was refreshed in 2023 as part of the review by the Board of Directors together with Management.

The CapitaLand Investment 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and stewarding responsible business conduct and governance. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). In 2023, 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 its 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 andGRESB. 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

The Board recognises the importance of sustainability as a business imperative and ensures that sustainability considerations are factored into CapitaLand Investment's (CLI) strategy development. This enables CLI to remain competitive and resilient in an increasingly challenging business environment.

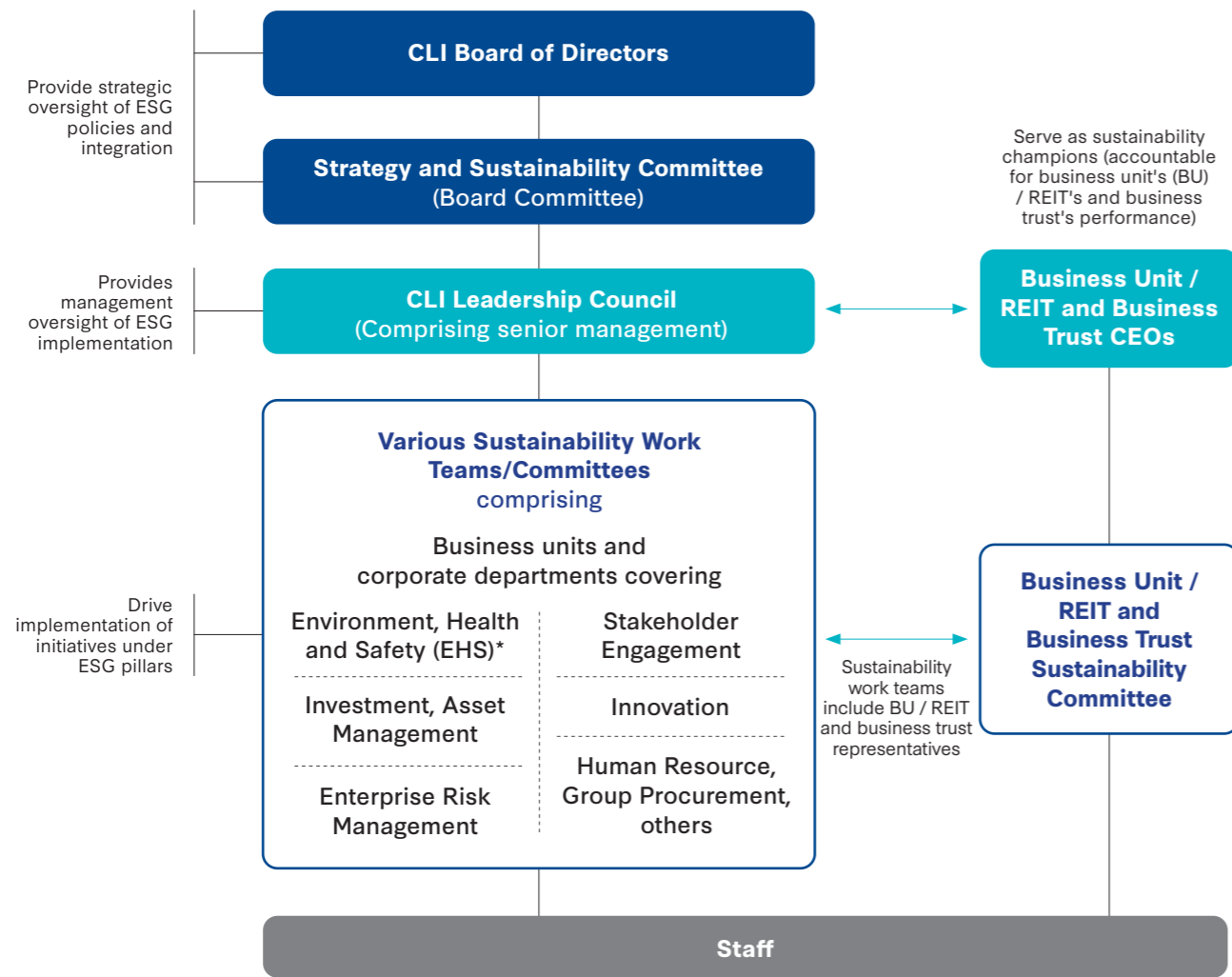
The Board is kept informed on a regular basis through the Strategy and Sustainability Committee (SSC) on the Group's sustainability management performance, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, the Board is typically updated by the Risk Committee and Audit Committee at least once a year and at ad-hoc Board meetings. The Board discusses matters relating to sustainability risks and relevant performance metrics, which include carbon emissions and our progress on achieving the reduction targets, green certification, human capital development, stakeholders' expectations on climate change, social impact and/or other matters. The Board is also informed of any incidents relating to workplace safety, business malpractice and environmental impact, 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 on page 89 of this report.

The CLI Leadership Council makes strategic resource allocation decisions and meets on a regular basis. The CLI Leadership Council comprises the Group Chief Executive Officer (CEO), CEOs of the various business units and key management executives of the corporate office. The members of the council can be found on page 20 of this report.

The sustainability work teams comprise representatives from CLI's 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.

CLI SUSTAINABILITY MANAGEMENT STRUCTURE



\* Includes EHS Internal Audit and Environmental Tracking System.

**Maintaining Diversity on the Board**

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

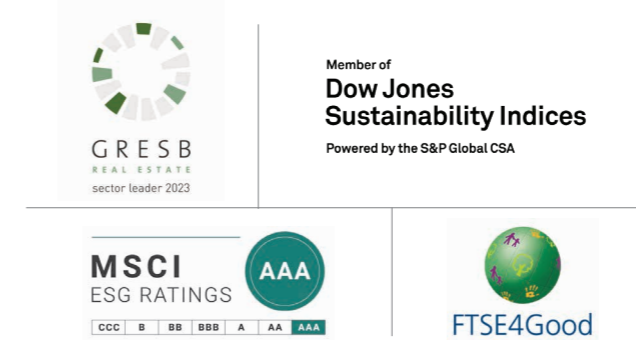
Our Board Diversity Policy, targets, plans and progress are detailed under Corporate Governance Board Matters Principle 2 on page 96 to 104 of this report.

**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 2023 will be published at [www.unglobalcompact.org](http://www.unglobalcompact.org). In February 2023, we also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of our commitment to invest responsibly.

For our efforts, we continue to be listed on the Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Global Sector Leader - Listed (Diversified) with the highest 5-star rating), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.



CLI's global 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, GRESB since 2013, Value Reporting Foundation's Integrated Reporting Framework since 2015, UN Sustainable Development Goals (SDG) Reporting since 2016, Task Force on Climate-related Financial Disclosures (TCFD)<sup>5</sup> 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 work towards preparing for International Sustainability Standards Board's (ISSB) standards relating to climate reporting. CLI's Global Sustainability Report (GSR) 2023 will be published by 31 May 2024 on the CLI website.

CLI's GSR will continue to be externally assured with reference to the International Standard on Assurance Engagements (ISAE) 3000, and will cover CLI'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.

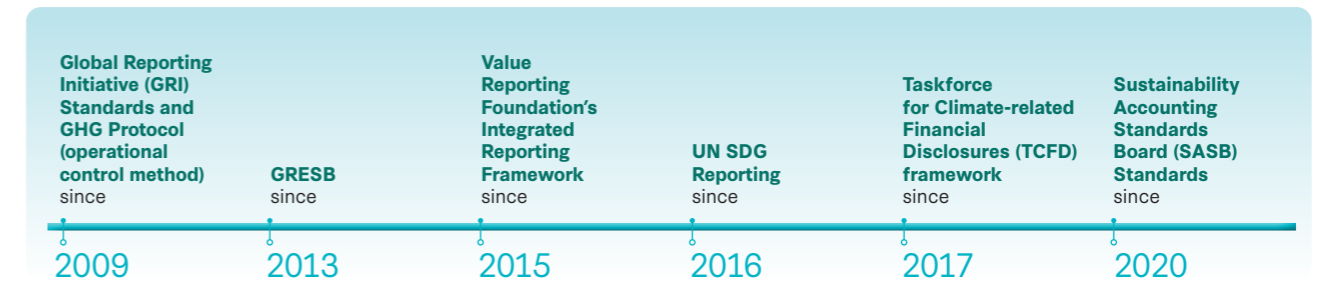
**MATERIALITY**

CLI identifies and prioritises the management of material ESG issues that are most relevant and significant to the company and its stakeholders. The company adopts a double materiality approach, considering issues which are material from either the impact perspective or financial perspective<sup>6</sup> or both.

Potentially material ESG issues arising from activities across CLI's value chain (including potential risks and opportunities in the immediate and longer term) are primarily identified via ongoing engagement with CLI's business units and external stakeholders, and reviews of sources including investor questionnaires, as well as ESG surveys, sustainability benchmarks and frameworks such as Dow Jones Sustainability Indices, GRESB and SASB.

In addition, CLI has a regular review, assessment and feedback process in relation to ESG topics. Identified material issues are reported in our corporate risk register through the annual Group-wide Risk and Control Self-Assessment (RCSA) exercise<sup>7</sup>, which identifies, assesses and documents 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. Identified material ESG issues are then prioritised based on the likelihood and potential impact of issues affecting the business continuity of CLI. For external stakeholders, priority is given to issues important to the community and applicable to CLI. In FY 2023, the material ESG topics that were identified were approved by the SSC.

For more information on stakeholder engagement and our sustainability strategy, please refer to CLI's GSR 2023 that will be published by 31 May 2024.



5 The Financial Stability Board (FSB) set up the TCFD in 2015 to address concerns around insufficient disclosure of climate-related risks and opportunities. Following the publication of IFRS S1 and IFRS S2, and at the FSB's request, the TCFD itself is now being subsumed into the ISSB with the standard-setter taking over the monitoring of the progress on companies' climate-related disclosures from 2024.  
 6 To identify ESG issues which are potentially financially material, CLI takes reference from the SASB Standards for Real Estate and Real Estate Services, which identify sustainability factors that are material to short, medium, and long-term enterprise value for the industry.  
 7 For more information on CLI's Enterprise Risk Management and Group-wide Risk and Control Self-Assessment exercise, please refer to page 83 of this report.

PRIORITISATION OF MATERIAL ESG ISSUES



i This includes green leases and tenant engagement on ESG matters.  
 ii This includes products and services promoting customer health and safety, and green certified buildings.  
 iii This includes consideration of compliance, economic performance and cybersecurity.  
 iv This relates to CLI's zero tolerance stance towards child/forced labour.

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

CLI's material ESG issues and the value created, aligned to CLI 2030 SMP focus areas and commitments, are mapped to the International Integrated Reporting Commission (IIRC) Framework's 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 CLI 2030 SMP focus areas, and where CLI can achieve the greatest positive impact.


For more information, please refer to CLI's GSR 2023.

Our Commitments	2023 Value Created
<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increased 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<sup>iii</sup>.</li> <li>• Strengthen our portfolio's climate resilience by addressing climate-related risks and opportunities throughout the real estate lifecycle.</li> <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 CLI's Supply Chain Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• 12% reduction in carbon emissions intensity (per m<sup>2</sup> from 2019 baseline)<sup>i</sup>.</li> <li>• 12% and 19% reduction in energy and water intensity (per m<sup>2</sup> from 2019 baseline) respectively<sup>ii</sup>.</li> <li>• Achieved green building certifications for 60% of our global portfolio<sup>iii</sup>.</li> <li>• Publishing CLI Climate Resilience Report with climate risk assessment and scenario analysis for our portfolio<sup>iv</sup>.</li> <li>• From the submissions received through the first two CSXC editions, 20 innovations are being piloted or planned at 24 CapitaLand properties in Singapore, China, India, Thailand, and the USA, with a focus on improving building energy and water efficiency as well as indoor air quality.</li> <li>• Retained ISO 14001 certification in 19 countries.</li> </ul> <p><b>Environmental Capital</b></p> <p><b>Manufactured Capital</b></p>

Our Commitments	2023 Value Created
<p><b>Social</b></p> <ul style="list-style-type: none"> <li>• CLI 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 CLI's direct hire.</li> <li>• CLI 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>• CLI'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>• CLI 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 9,900 staff).                     <ul style="list-style-type: none"> <li>– More than 90 nationalities working within the Group.</li> <li>– Males and females at a ratio of about 46 : 53.</li> <li>– More than 67% of CLI's global workforce is aged between 30 and 50.</li> </ul> </li> <li>• More than 38% of senior management were women.</li> <li>• 84% staff engagement score, with 93% survey participation.</li> <li>• Over 36 training hours per staff.</li> <li>• More than 90% of staff attended at least one ESG training.</li> <li>• Zero staff work-related fatality and permanent disability incidents.</li> <li>• One contractor work-related fatality<sup>v</sup> and zero contractor work-related permanent disability incident.</li> <li>• No reported incidents relating to discrimination, child labour or forced labour in CLI.</li> <li>• Retained ISO 45001 certification in 19 countries.</li> <li>• CLI contributed more than S\$3.1 million to CapitaLand Hope Foundation (CHF) and CHF (India)<sup>vi</sup>. CHF donated over S\$3.5 million<sup>vii</sup> globally in 2023.</li> <li>• More than 1,500 CLI staff tapped on the volunteer service leave to contribute more than 13,500 hours for various activities.</li> </ul> <p><b>Human Capital</b></p> <p><b>Social and Relationship Capital</b></p> <p><b>Manufactured Capital</b></p>

i Data provided is for Scope 1 and 2 carbon emissions from 1 January 2023 to 31 December 2023 (with close to 90% coverage). The full year data from 1 January 2023 to 31 December 2023 will be available in CLI's GSR 2023.  
 ii Data provided is for CLI operationally managed properties from 1 January 2023 to 31 December 2023 (with close to 90% coverage). The full year data from 1 January 2023 to 31 December 2023 will be available in CLI's GSR 2023.  
 iii Covers CLI-owned and operationally managed properties (by m<sup>2</sup>).  
 iv For more information, please refer to CLI's GSR 2023.  
 v Despite CLI's best efforts to assure site safety, there was one workplace fatality involving CLI's contractor staff in Indonesia. This has undergone proper investigation. For more information, please refer to CLI's GSR 2023.  
 vi CapitaLand Hope Foundation (India) (CHF) is a non-government, private, unlisted Section 8 company, incorporated in April 2019 along with necessary registration under Indian Income Tax (IT) Act to carry out CSR activities that qualify as CSR expenditure under Indian Companies Act, 2013. CHF also adopted CapitaLand's corporate governance framework including internal policies, procedures and codes of business conduct (e.g. anti-corruption and whistle-blowing policies) and CHF's constitution also states that no grant or assistance shall be given in aid of any political organisation or purpose.  
 vii This amount included donations made under CHF (India), which is a separate entity from CHF as well as CapitaLand Development.

# SUSTAINABILITY

Our Commitments	2023 Value Created
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• CLI has in place a Board Diversity Policy which ensures that the Board comprises talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives. This is with due consideration to diversity in gender, age, tenure, ethnicity, culture and geographical background including nationality, as well as any other relevant aspects of diversity.</li> <li>• CLI 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>• CLI requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions.</li> <li>• CLI'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>• 20% of the Board were women<sup>viii</sup>.</li> <li>• Close to 91% of staff attended Fraud, Bribery and Corruption and Whistle-blowing training<sup>ix</sup>.</li> </ul> <p><b>Organisational Capital</b></p> <p><b>Human Capital</b></p> 
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Integrate CLI'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\$4.5 billion in sustainable finance in FY 2023.</li> <li>• For more details, please refer to the following sections in CLI's Annual Report 2023:             <ul style="list-style-type: none"> <li>- Performance Highlights, page 6-7</li> <li>- Three-Year Financial Summary and Financial Performance, page 30-37</li> <li>- Value Added Statement, page 272</li> </ul> </li> </ul> <p><b>Financial Capital</b></p>

viii Figure represents board composition as at 31 December 2023. This proportion increased to 27% (or three female directors out of a total of 11 directors) with the appointment of Ms Belita Ong on 1 January 2024.

ix Training completion rate is monitored based on staff strength as at 21 Aug 2023 (training launch date).

## LEVERAGING SUSTAINABLE FINANCE FOR DECARBONISATION

(As at December 2023)

Since 2018, over S\$16.1 billion has been raised in sustainable finance by CLI, including its listed REITs and business trusts.

