



**BECAUSE
SUSTAINABILITY
MATTERS**

**CAPITALAND
GLOBAL
SUSTAINABILITY
REPORT**

**20
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At CapitaLand, we place sustainability 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.

”



CORPORATE PROFILE

CapitaLand Limited (CapitaLand or the Group) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S\$133.3 billion as at 31 December 2020. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 220 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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FY 2020 HIGHLIGHTS



Launched

CapitaLand 2030 Sustainability Master Plan,

a strategic blueprint which outlines CapitaLand's ambitious goals with focus areas and targets



Science based carbon reduction

targets approved by SBTi for a 'well-below 2°C' scenario



Achieved

Green certification

of **92%** of CapitaLand's existing offices, malls, integrated developments and serviced residences in Singapore and **52%** of CapitaLand's global portfolio¹



Carbon Emissions intensity reduction of

53.8%

since 2008²



Energy and Water intensity reduction of

40.2% and **52.6%**

(per m² from base year 2008) respectively²



Utilities Cost Avoidance of

S\$270 million

since 2009 due to operational efficiency²



Diversity

About **36%** of senior management were women



Training Hours

Over **43** hours per staff



Workplace Injury Rate

1.6

(number of work-related injuries per million hours worked)



Inaugural

'CapitaLand Sustainability X Challenge'

to crowd-source the world for the best sustainability innovations



Raised **S\$3.8 billion** through sustainable finance, including the largest sustainability-linked bilateral loan of S\$500 million in Singapore's real estate sector³



"Global reporting coverage of over 400 properties, development sites, corporate offices, and 12,000 staff in over 20 countries, covering all asset types including commercial, retail, business park, industrial and logistics; integrated development, as well as lodging and residential."

1 This refers to CapitaLand's owned and managed properties and includes business parks, industrial and logistics buildings by m².

2 In 2020, 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.

3 Total of S\$3.8 billion includes sustainable finance raised by CapitaLand's business units, stable of Real Estate Investment Trusts (REITs) and business trusts up to 31 December 2020, which amounts to almost S\$2 billion. The S\$500 million sustainability-linked bilateral loan is secured in May 2020.

GROUP CEO'S MESSAGE

Dear Stakeholders,

The global COVID-19 pandemic has heightened the importance and increased scrutiny on how companies are addressing sustainability. Globally, average temperatures have already risen by 1°C with 2020 ranked as the second hottest year on record¹. More than ever, corporate leaders have to make strategic business decisions that go beyond addressing immediate challenges. At CapitaLand, we continue to be nimble to manage the evolving pandemic situation while transforming the Group to build a sustainable company that lasts.

NAVIGATING DIFFICULT TIMES WITH OUR STAKEHOLDERS

As we navigate these difficult times with our staff, tenants, customers and partners, CapitaLand continues to ensure that our efforts result in a positive impact for our stakeholders.

Despite the extraordinary challenges, CapitaLand continued to deliver credible financial performance from our operations, demonstrating the resilience of our diversified global portfolio across asset classes. We have embarked to restructure CapitaLand from a traditional development-focused business to a more asset-light and fee-income driven company. We also further diversified our portfolio with more investments into new economy assets.

The strength of our balance sheet and operating cashflow enabled us to provide over S\$340 million in rental rebate and marketing support for our tenants, as well as support for the wider community in the form of financial and healthcare assistance. Close to S\$9 million was contributed globally to provide medical equipment, meals and necessities to support healthcare workers, underprivileged children and the vulnerable elderly in the various communities we operate in.

We rationalised various businesses, stepped up our digitalisation efforts and upskilled our staff to ensure they remain relevant. Our disciplined reduction in operating costs and discretionary capital expenditure enabled us to achieve S\$250 million in total cost savings for the year. Much of these savings will be channelled to support our staff, business partners and the local communities.

The safety and well-being of our staff, tenants, customers, partners and contractors remain of utmost importance to us. Since the onset of COVID-19, we have expedited the implementation of contactless technologies, enhanced cleaning and safety measures and provided all staff and contractors at our operational properties with personal protective equipment. We also ensured that essential services to our tenants and customers were not disrupted while keeping in line with local regulations.

PLACING SUSTAINABILITY AT THE CORE OF EVERYTHING WE DO

CapitaLand has been at the forefront of shaping the built environment, touching the lives of millions of people every day. In October, we launched the CapitaLand 2030 Sustainability Master Plan (SMP), building upon our Group's sustainability achievements over the past 20 years. This strategic blueprint outlines our ambitious goals to elevate and accelerate our global sustainability efforts. CapitaLand aims to build a resilient and resource efficient organisation, enable thriving and future-adaptive communities, and accelerate sustainability innovation and collaboration.

To push the boundaries of transformation, the SMP contains ambitious targets that are aligned with the leading international standards and benchmarks. Among them is to transit to a low-carbon business that is aligned with climate science. Our elevated carbon emissions reduction targets have been approved by the Science Based Targets initiative for a 'well-below 2°C' scenario, in line with the goals of the Paris Agreement.

As we green our global diversified portfolio, we also integrate sustainability considerations throughout the real estate lifecycle and review all new investments against our 2030 Sustainability Master Plan targets.

We also prioritised eight² of the 17 United Nations Sustainable Development Goals (UN SDGs) that are most aligned with our SMP targets and where our Group can achieve the greatest positive impact.

In 2020, we achieved utilities cost avoidance of S\$270 million for the Group since 2009, from the reduction of our global property portfolio's energy and water consumption intensities³ by 40.2% and 52.6% respectively⁴. CapitaLand also expanded our use of renewable energy. The solar panels at our properties in India and Singapore generated almost 15 MWh of renewable energy, which would avoid about 7,500 tonnes of carbon, equivalent to removing 1,630 cars powered by fossil fuels from the road⁵. Power generated by solar panels at our Singapore properties also helped to meet the nation's 2020 solar deployment target of 350 megawatt-peak (MWp). This clean energy generated further enabled us to power CapitaLand's corporate offices of over 24,000 square metres in Singapore with 100% renewable energy.

1 This is according to the analysis by NOAA (National Oceanic and Atmospheric Administration) scientists.

2 They are UN SDGs 3, 7, 8, 9, 11, 12, 13 and 17.

3 Using 2008 as the base year.

4 The significant reduction may be partially attributed the impact of COVID-19 and the reduced activities at CapitaLand operational buildings.

5 This assumes that a typical passenger vehicle emits about 4.6 metric tons of carbon dioxide per year. Source: <https://www.epa.gov/greenvehicles/green-house-gas-emissions-typical-passenger-vehicle>.

GROUP CEO'S MESSAGE

We aim to measure the value created through our sustainability efforts and are developing a Return on Sustainability metric. Some of the tangible outcomes that contribute to value include utilities cost avoidance and savings from reduced interest rates on our sustainability-linked loans.

ACCELERATING SUSTAINABILITY INNOVATION AND COLLABORATION

At CapitaLand, we recognise that innovation and partnerships can accelerate our sustainability efforts to achieve our objectives. We launched our inaugural CapitaLand Sustainability X Challenge (CSXC) which attracted over 270 entries from more than 25 countries. This is the first sustainability-focused innovation challenge in the built environment on a global scale by a Singapore real estate company. Through the CSXC, we aim to source for promising solutions or technologies globally to accelerate our progress to meet our 2030 Sustainability Master Plan targets.

We continue to work with our network of financial institutions to dovetail our fund-raising efforts with sustainability through innovative sustainable finance solutions to distinguish our leadership position. By end 2020, CapitaLand secured about S\$3.8 billion⁶ of sustainable finance. In May 2020, we secured the largest sustainability-linked bilateral loan in Singapore's real estate sector at S\$500 million. We also secured Singapore's first loan pegged against the SORA (Singapore Overnight Rate Average), which was part of a S\$300 million sustainability-linked loan in June 2020. CapitaLand's continued leadership in sustainability and inclusion in renowned sustainability indices have allowed us to reap interest savings from our sustainability-linked loans. These savings are deployed to fund sustainability innovation initiatives, and we will continue to work with our capital partners to roll out more sustainable financial products and services.

GLOBAL SUSTAINABLE LEADER IN THE REAL ESTATE INDUSTRY

Since starting our sustainability journey in 2000, we have built a firm foundation that has made our business resilient to the sustainability and economic challenges faced by the real estate industry. We are glad that CapitaLand's sustainability efforts have received global recognition. The Group is listed for the ninth year in the Global 100 Most Sustainable Corporations in the World, and is the longest Singapore company in The Sustainability Yearbook and Dow Jones Sustainability World Index. We retained our Global Sector Leader status in the Diversified sector for the Global Real Estate Sustainability Benchmark (GRESB).

In our first-ever sustainability-themed non-deal roadshow to over 100 attendees from 70 institutions, we received positive feedback on our steadfast commitment to sustainability despite COVID-19. I have also joined CNBC's newly formed ESG Council and look forward to sharing CapitaLand's insights into the challenges, opportunities and pathways to a sustainable future on an international platform.

Earlier this year, we announced the proposed restructuring of CapitaLand's business. We seek to consolidate the Group's investment management platforms as well as lodging business, into a newly listed entity, CapitaLand Investment Management, while our real estate development business will be under private ownership. CapitaLand will remain unwavering in our commitment to excellence in sustainability.

We thank our staff for their hard work and dedication as well as our shareholders, customers and partners for their continued support. Together, we can continue to do good and do right, as we do well.

LEE CHEE KOON

Group Chief Executive Officer
CapitaLand Group



Mr Lee Chee Koon (Group CEO), Mr Andrew Lim (Group CFO) and Ms Lynette Leong (Chief Sustainability Officer) led the engagement session with about 900 staff attending the virtual session in October 2020.

6 This figure includes sustainable finance raised by CapitaLand's business units and stable of Real Estate Investment Trusts (REITs) business trusts up to 31 December 2020, which amounts to almost S\$2 billion.

ABOUT THIS GLOBAL REPORT

CapitaLand reiterates its commitment to sustainability with the publication of its 12th Global Sustainability Report.

The report outlines CapitaLand's approach in integrating sustainability into its policies, structure, management and operations, the Group's sustainability journey and provides insights into its strategies. It also highlights the economic, environmental and social aspects of the Group's global developments and operations. Through this report, CapitaLand hopes to share its sustainability commitment with its various stakeholders, including staff, investors, customers, business partners, suppliers and contractors, the community, and government.

INTERNATIONAL STANDARDS AND GUIDELINES

CapitaLand was one of the first companies in Singapore to voluntarily publish its annual Global Sustainability Report and adopt the internationally recognised Global Reporting Initiative (GRI) reporting framework. This report has been prepared in accordance with the GRI Standards: Core option. For the Materiality Disclosures Service, GRI Services reviewed that the GRI context index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

It continues to apply the Guiding Principles of the International Integrated Reporting Framework, ISO 26000:2010 Guidance on Social Responsibility, and reference the United Nations (UN) Sustainable Development Goals. It also references the Sustainability Accounting Standards Board (SASB) real estate sector-specific standards.

CapitaLand is a signatory to the UN Global Compact and committed to the 10 Principles. This report serves as its Communication on Progress (COP), which will be made available at www.unglobalcompact.org.

CapitaLand also participates in the annual Carbon Disclosure Project (CDP) Climate Change Programme and its footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol¹. It is taking steps to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in its reporting.

GLOBAL REPORTING SCOPE AND PERIOD*

This report covers CapitaLand's global portfolio and staff in over 20 countries, including its listed real estate investment trusts CapitalLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust, from 1 January to 31 December 2020 unless otherwise indicated. The reporting period aligns with the Group's financial year. This report is to be read in conjunction with the Group's Annual Report 2020 and other sustainability-related disclosures which can be found at www.capitaland.com. In line with CapitaLand's continued commitment to environmental sustainability, no hard copies have been printed.

This report and previous editions are available online at:
<https://www.capitaland.com/international/en/about-capitaland/sustainability.html>



* GRI 102-45

1 This is developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), which sets the global standard on how to measure, manage and report greenhouse gas emissions.

ABOUT THIS GLOBAL REPORT

INDEPENDENT ASSURANCE

CapitalLand appointed an independent third party, a consulting company specialising in business sustainability, to provide independent assurance for this report. The assurance covers the entire report and is focused on all figures, statements and claims related to sustainability during the reporting period of January 2020 to December 2020. The accuracy and reliability of the report's statements and figures are also validated.

The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). The assurance included the evaluation of the Group's sustainability behaviour and performance, based on the latest AA1000 Assurance Standard 2020. All underlying systems and processes that support the Group's sustainability framework were reviewed, in adherence to the AA1000 AccountAbility Principles of inclusivity, materiality, responsiveness and impact. The assurance also covers the report's overall compliance to the Singapore Exchange's principles and rules on sustainability reporting. The independent assurance statement provides a summary of the audit report findings.

FEEDBACK

Feedback from CapitalLand's stakeholders is welcome as it enables continual improvement in the Group's sustainability policies, processes and performance. Please send your comments and suggestions to ask-us@capitaland.com.

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MANAGING SUSTAINABILITY

BOARD STATEMENT

CapitaLand places sustainability at the core of what we do. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where we operate, as we deliver long-term economic value to our stakeholders.

The CapitaLand Board sets the Group’s risk appetite, which determines the nature and extent of material risks that the Group is willing to take to achieve our strategic and business objectives. The risk appetite incorporates environment, social and governance (ESG) factors such as fraud, corruption and bribery, environment, health and safety.

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.

SUSTAINABILITY COMMITMENT

In 2020, CapitaLand unveiled its 2030 Sustainability Master Plan to elevate the Group’s commitment to global sustainability in the built environment. The Master Plan focuses on three key pillars to drive CapitaLand’s sustainability efforts in the ESG pillars, enabling the Group to create a larger positive impact for the environment and society. It will be reviewed every two years and adjusted where necessary to complement the Group’s business strategy and in line with climate science.

CapitaLand’s 2030 Sustainability Master Plan



MANAGING SUSTAINABILITY

CapitaLand identified five pathways to achieve its sustainability objectives and will adapt its strategies as technologies evolve and new scientific data become available:

1 Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of the Group's 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 its business operations.

2 Strengthen innovation and collaboration to drive sustainability

CapitaLand will continue to source globally for new ideas and technologies to meet its 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 energy consumption, carbon emission, water usage, waste management, 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 CapitaLand tracks its sustainability progress, it will continue to validate its performance by external assurance, ensure timely and accurate disclosure, and align its Global Sustainability Report to international standards.

5 Increase engagement and communication with key stakeholders

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

Push Boundaries of Change

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, it had its 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. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact.

CapitaLand has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC) to globally source for innovative sustainability solutions and collaborate with like-minded parties to accelerate its sustainability efforts and meet its 2030 targets. The CSXC covers seven challenge statements and reflects 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 and externally assure the entire report. 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. CapitaLand is 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 its efforts, CapitaLand is 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.

Some of the awards and accolades obtained by CapitaLand Group and its properties are listed on page 41 to 43 of the CapitaLand Annual Report 2020.

MANAGING SUSTAINABILITY

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

CapitaLand's sustainability management comes under the purview of the CapitaLand Sustainability Council. Reporting to the CapitaLand Board, the Council comprises selected CapitaLand Board's independent directors and members of the CapitaLand 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. CapitaLand's Sustainability Council is chaired by Ms Goh Swee Chen, one of CapitaLand Board's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. Ms Goh is also the President of Global Compact Network Singapore (local chapter of the UN Global Compact). Another Sustainability Council member, Mr Anthony Lim, is CapitaLand Board's lead independent director and Chairman of its Audit 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. 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.

Strategic Sustainability Management Structure



* Includes two independent board members

MANAGING SUSTAINABILITY

CapitaDNA

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, home owners, 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 which entails the identification, assessment and documentation of 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.

It identifies and reviews material issues that are most relevant and significant to the company and its stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to the society and applicable to CapitaLand. For more information on stakeholder engagement, please refer to the Social and Relationship Capital, Human Capital and Environmental Capital chapters.

Prioritisation of ESG Material Issues

Environment	Social/Labour Practices	Governance
Critical		
<ul style="list-style-type: none"> Energy efficiency Climate change and emissions reduction Water management 	<ul style="list-style-type: none"> Occupational health and safety Employment Stakeholder engagement Supply chain management 	<ul style="list-style-type: none"> Compliance Business ethics Products and services*
Moderate and emerging		
<ul style="list-style-type: none"> Building materials Construction and operational waste and circularity Biodiversity 	<ul style="list-style-type: none"> Diversity Human rights 	

* This includes customer health and safety

* GRI 102-46, 102-47

MANAGING SUSTAINABILITY

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

The Guiding Principles of the International Integrated Reporting Council Framework are referenced in this report, and the material ESG issues are grouped 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 CapitaLand Sustainability Master Plan 2030 targets, and where CapitaLand 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 contribution to the sustainable development agenda.



Capitals	Materials ESG Issues	CapitaLand's Commitments	2020 Value Created
<p>Environmental Capital</p> <ul style="list-style-type: none"> Carbon emissions Energy management Water stewardship Waste and resource management <p>Manufactured Capital</p> <ul style="list-style-type: none"> Environmentally sustainable, healthy, safe and accessible quality buildings Innovative and sustainable construction methods and technologies <p><i>SDG 3: Good Health and Well-being</i> <i>SDG 7: Affordable and Clean Energy</i> <i>SDG 9: Industry, Innovation and Infrastructure</i> <i>SDG 11: Sustainable Cities and Communities</i> <i>SDG 12: Responsible Consumption and Production</i> <i>SDG 13: Climate Action</i></p>	<ul style="list-style-type: none"> Energy efficiency Climate change and emissions reduction Water management Building materials Construction and operational waste and circularity Biodiversity Stakeholder engagement Product safety and customer well-being 	<p>CapitaLand is committed to</p> <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 Green our global operational portfolio by 2030 Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern Actively embrace innovation to ensure commercial viability without compromising the environment for future generations Future-proof our developments by addressing the risks of climate change right from the design stage Preserve the biodiversity of our sites as well as the wider area where possible Build 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 	<ul style="list-style-type: none"> Carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario 53.8% reduction in carbon emissions intensity since 2008¹ Achieved 36 green building ratings for our new development projects and existing buildings S\$270 million in utilities cost avoidance since 2009, arising from 40.2% and 52.6% energy and water reduction (per m² from base year 2008) respectively¹ Launched CapitaLand Sustainability X Challenge to crowd-source the world for best sustainability innovations Retained ISO 14001 and ISO 45001 certification in 15 countries

¹ In 2020, 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.

MANAGING SUSTAINABILITY

Capitals	Materials ESG Issues	CapitaLand's Commitments	2020 Value Created
<p>Human Capital</p> <ul style="list-style-type: none"> • Health and safety • Job creation and security • Learning and development • Benefits and remuneration <p><i>SDG 3: Good Health and Well-being</i> <i>SDG 8: Decent Work and Economic Growth</i></p>	<ul style="list-style-type: none"> • Occupational health and safety • Supply chain management • Employment • Diversity • Human rights 	<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 • Occupational health and safety of our stakeholders is of utmost importance to CapitaLand. This includes all our staff, tenants, contractors, suppliers and the communities that use our properties 	<ul style="list-style-type: none"> • Global workforce <ul style="list-style-type: none"> ▶ About 90 nationalities working within the Group ▶ Males and females at a ratio of 47:53 ▶ About 70% of CapitaLand's global workforce was aged between 30 and 50 • About 36% of senior management were women • Over 43 training hours per staff • Zero staff fatality or permanent disability • 12 main contractors appointed for new development projects were both ISO 14001 and OHSAS 18001/ ISO 45001 certified and/or carry out EHS legal compliance audit on-site
<p>Social and Relationship Capital</p> <ul style="list-style-type: none"> • Stakeholder relations • Social licence to operate • Community development • Cross-sectoral Partnership <p><i>SDG 1: No Poverty</i> <i>SDG 2: Zero Hunger</i> <i>SDG 4: Quality Education</i> <i>SDG 8: Decent Work and Economic Growth</i> <i>SDG 17: Partnerships for the Goals</i> <i>(SDGs 1, 2 and 4 are applicable to CHF activities)</i></p>	<ul style="list-style-type: none"> • Stakeholder engagement • Products and services (include customer health and safety) 	<ul style="list-style-type: none"> • CapitaLand is committed to building 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 • 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 • Promote sustainability within the tenant community 	<ul style="list-style-type: none"> • CapitaLand invested close to S\$9 million through CapitaLand's philanthropic arm, CapitaLand Hope Foundation, to benefit underprivileged children and vulnerable elderly • CapitaLand committed about S\$100 million to support our stakeholders, including our retail tenants; as well as to help the governments and healthcare communities impacted by COVID-19 in the various markets where we operate • CapitaLand partnered with the Singapore National Environment Agency to roll out 11 reverse vending machines (RVM) at our Singapore malls since August 2020. As of 31 December 2020, these RVMs collected more than 287,000 drink containers

MANAGING SUSTAINABILITY

Capitals	Materials ESG Issues	CapitaLand's Commitments	2020 Value Created
<p>Organisational Capital</p> <ul style="list-style-type: none"> Leadership and culture Corporate governance Risk management 	<ul style="list-style-type: none"> Compliance Business ethics Stakeholder engagement 	<ul style="list-style-type: none"> CapitaLand is a signatory to the UN Global Compact 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 All staff are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices CapitaLand requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions CapitaLand requires main contractors to ensure no child labour and forced labour at CapitaLand project sites 	<ul style="list-style-type: none"> Refer to Corporate Governance section on page 76 to 113 of the CapitaLand Annual Report 2020 No reported incident relating to discrimination, child labour or forced labour in CapitaLand
<p>Financial Capital</p> <ul style="list-style-type: none"> Sustainable financing Earnings Equity Investments Assets 		<ul style="list-style-type: none"> Integrate CapitaLand's ESG performance with financial metrics Combination of operating income from investment properties and trading properties, disciplined capital recycling and growth of fee income Calibrated balance across product platforms and geographies 	<ul style="list-style-type: none"> CapitaLand raised S\$3.8 billion of loans through sustainable financing² Refer to Financial Highlights on page 13 of the CapitaLand Annual Report 2020

² Total of S\$3.8 billion includes sustainable finance raised by CapitaLand's business units, stable of Real Estate Investment Trusts (REITs) and business trusts up to 31 December 2020, which amounts to almost S\$2 billion.

MANAGING SUSTAINABILITY

STAKEHOLDER ENGAGEMENT*

Stakeholders are groups on which CapitaLand’s business has a significant impact and who have a vested interest in the Group’s operations. Key stakeholders include staff, investors/shareholders, customers, business associates, builders and suppliers, and the local community. Other groups include regulators and key government agencies, non-governmental organisations (NGOs), representatives of the capital market and the media. They are mapped into groups based on their impact on CapitaLand. Through the various engagement channels, CapitaLand seeks to understand its stakeholders’ views, communicate effectively with them and respond to their concerns.

Stakeholder	Engagement Channel	Topics	Capitals
People (Staff)	<ul style="list-style-type: none"> Regular dialogue sessions with senior management Regular staff engagement surveys Volunteer programmes Recreation club activities 	<ul style="list-style-type: none"> Work-life balance Remuneration and benefits Staff welfare 	<ul style="list-style-type: none"> Human Capital Social and Relationship Capital
Investor (Investors, analysts and media)	<ul style="list-style-type: none"> Annual general meetings Quarterly financial results announcements Media releases and interviews Annual reports and sustainability reports Company website Regular analyst and investor meetings Responses to sustainability surveys 	<ul style="list-style-type: none"> Operational efficiency, monetary savings, cost avoidance Return on equity, earnings, business strategy, market outlook ESG risks and opportunities 	<ul style="list-style-type: none"> Organisational Capital Financial Capital Social and Relationship Capital
Customers (Homebuyers and residents, tenants, shoppers)	<ul style="list-style-type: none"> Homebuyers: welcome parties, welcome kits Residents: resident activities including exercise and volunteer events Tenants: survey, green fit-out guide, green lease, enrichment events such as Biz+ events Shoppers: mall campaigns, exhibitions, social media campaigns CapitaLand’s social media channels 	<ul style="list-style-type: none"> Workmanship, design Facilities management Customer experience 	<ul style="list-style-type: none"> Environmental Capital Social and Relationship Capital
Community (Supply Chain – main contractors, vendors, suppliers)	<ul style="list-style-type: none"> CapitaLand’s Supply Chain Code of Conduct Environmental, Health and Safety (EHS) management system Quarterly EHS monitoring Vendor evaluation, events, meetings and trainings Active engagement with supply chain 	<ul style="list-style-type: none"> Design and quality Occupational health and safety practices Workers’ welfare and well-being Environmental compliance 	<ul style="list-style-type: none"> Environmental Capital Human Capital Social and Relationship Capital
Community (Government/ national agencies/ Community and NGOs)	<ul style="list-style-type: none"> Senior management representation on boards of various industry bodies and sustainability-related public discussions Regulatory readiness to support the Singapore Government’s commitment to manage carbon emissions Longstanding partner to various national programmes Public communications plan for residents within a 100-metre radius of our new developments Sustainability reports Participation in external conferences/forums/ workgroups to express thought leadership, share experience and collaborate with government officials, academics, NGOs, business associations and industry ecosystem CapitaLand Sustainability X Challenge (CSXC) 	<ul style="list-style-type: none"> Sustainable building developments Stakeholder programmes to advocate sustainable tenant/guest/customer behaviours Advocacy of best practices Sustainability innovation and collaboration 	<ul style="list-style-type: none"> Social and Relationship Capital

* GRI 102-40, 102-42, 102-43, 102-44

ENVIRONMENTAL AND MANUFACTURED CAPITAL

1. COMMITMENT TO MINIMISING ENVIRONMENTAL IMPACT

CapitaLand is committed to minimising its environmental impact as a real estate owner, developer and manager. It believes that lowering the environmental footprint of its buildings through innovation creates long-term economic value for its stakeholders.

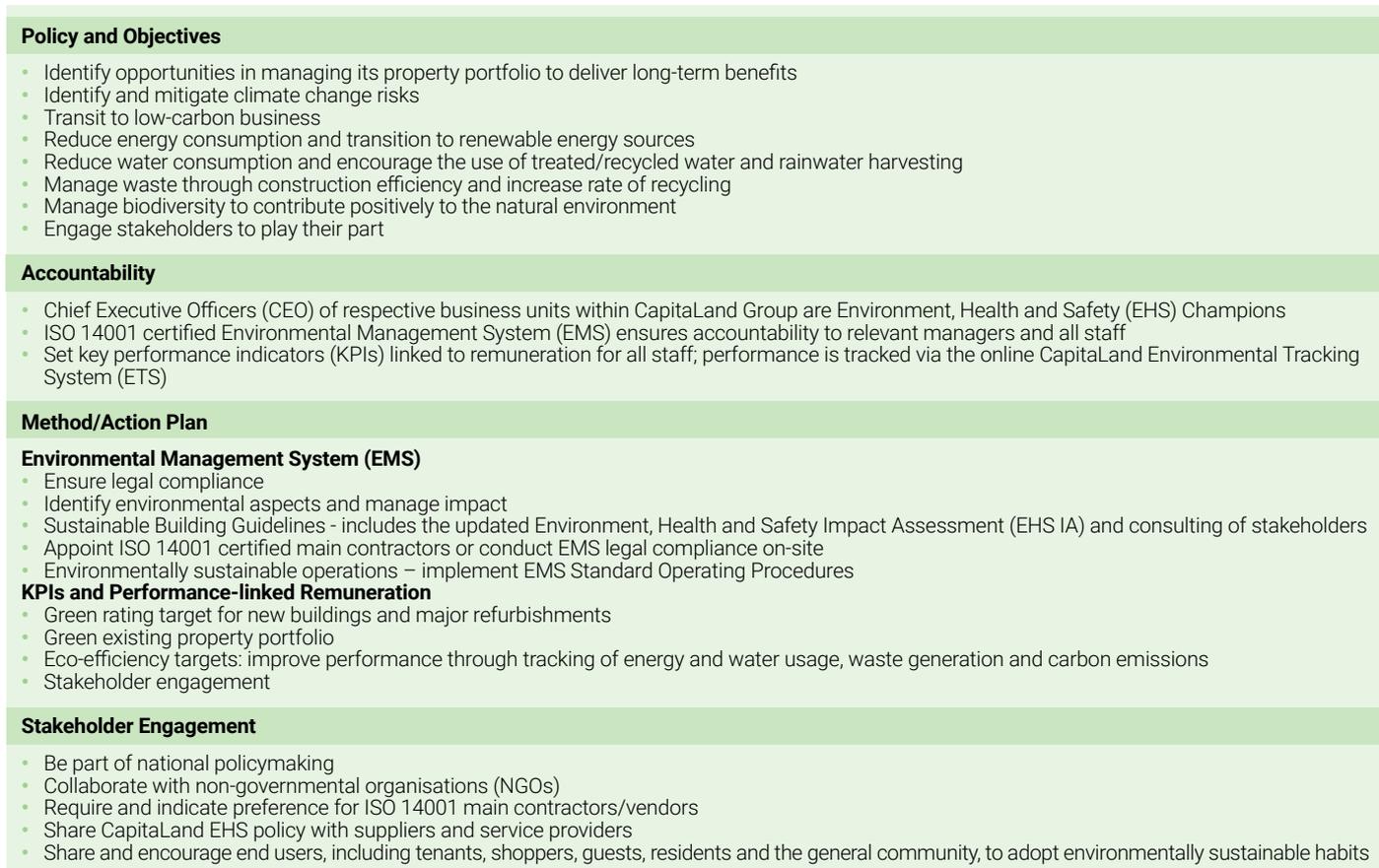
The Group incorporates environmental sustainability in its life cycle management, in all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. Monitoring environmental impact is integral to its business operations, as the efficient use of environmental resources such as energy and water contributes to the operational efficiency and long-term sustainability of the Company.

The following are the material environmental aspects of CapitaLand’s business functions including investment, property development, property management as well as corporate office management.



Portfolio Resilience and Resource Efficiency

The efficient use of environmental resources such as energy and water, responsible waste management and consideration of the surrounding community, contribute to the operational efficiency and long-term sustainability of CapitaLand’s real estate portfolio. This will build resilience throughout CapitaLand’s operations and future-proof its real estate portfolio to guard against climate change risks and avoid premature obsolescence. This will also present new opportunities in differentiating the Company in the markets that it has a presence in.



* GRI 102-40, 102-42, 102-43, 102-44

ENVIRONMENTAL AND MANUFACTURED CAPITAL

MITIGATING CLIMATE CHANGE RISKS AND IDENTIFYING OPPORTUNITIES

According to the Global Risks Report 2021 by the World Economic Forum (WEF), among the highest likelihood risks of the next 10 years are extreme weather, climate action failure and human-led environmental damage; as well as digital power concentration, digital inequality and cybersecurity failure. The report called for more innovative and collaborative approaches to resilience.

At CapitaLand, climate change risks and opportunities are identified and mitigated through CapitaLand's Enterprise Risk Management (ERM) framework and the externally certified ISO 14001 Environmental Management System (EMS). The Group is focused on low carbon transition, mitigating physical risks and has in place a target to achieve green certification of its existing properties worldwide by 2030. It is also ISO 14001 certified for its EMS in 15 countries.

To this end, CapitaLand aims to future-proof its developments by addressing the risks of climate change right from the design stage through the implementation of its CapitaLand Sustainable Building Guidelines (SBG). SBG aims to address issues of adaptation and mitigation, to build high-quality buildings capable of delivering operational resilience over their lifetime. For more details, please refer to the later segment on "Integrating Sustainability in CapitaLand's Real Estate Lifecycle".

Task Force On Climate-Related Financial Disclosures (TCFD)

CapitaLand understands the impact that climate change can have on its global portfolio and has been reporting on climate-related risks in its Global Sustainability Report. CapitaLand has pledged its support for the recommendations and voluntarily disclosed climate-related financial disclosures in four key areas as recommended by the TCFD¹.

The UN Intergovernmental Panel on Climate Change's report in October 2018 showed the urgency of the need to limit global warming to 1.5°C above pre-industrial levels and even half a degree more will significantly worsen the risks of drought, floods, and extreme heat. Globally, average temperatures have already risen by 1°C, with 2020 ranked as the second hottest year on record according to the analysis by NOAA (National Oceanic and Atmospheric Administration) scientists. The likelihood and severity of extreme weather events are also increasing every year.

TCFD suggests the development of different plausible climate change scenarios, including one adhering to the Paris Agreement, to test the resiliency of the organisation in different climate change futures. With the implementation of CapitaLand 2030 Sustainability Master Plan, CapitaLand has elevated its commitment to build resilience throughout its operations, future-proof its real estate portfolio to guard against climate change risks and to avoid premature obsolescence. It has set an elevated carbon emissions reduction target for a 'well-below 2°C' scenario, approved by the Science Based Targets Initiative (SBTi), linking its carbon reduction targets with the science of climate change. The scenario is in line with the Paris Climate Agreement² to keep global temperature rise 'well-below 2°C' in this century.

This scenario would see a market-led transition to a lower carbon future through the commitment by government organisations globally to the Paris Agreement. Transitional risks towards a low carbon economy will see increased carbon costs to businesses through the implementation of carbon tax, higher energy costs, higher expectations on energy efficiency due to change in regulations and increasing expectations from stakeholders. There is potential indirect impact due to unavailability and higher cost of more sustainable construction materials as well.

In 2020, CapitaLand conducted a global portfolio baseline study to better understand its portfolio's physical climate risk in relation to flood. (Please see below for more details). CapitaLand's next steps would include an analysis of its key portfolio at risk due to climate change that is consistent with TCFD recommendations, on the Group's key markets using commonly agreed sector/subsector scenarios and time horizons. It will continue to explore the relevance and feasibility of setting an internal carbon price, to better anticipate and manage climate risks, as well as identify climate-related opportunities. Please refer to TCFD Recommendations in the Appendix of this report for more details.

1 The Taskforce on Climate-related Financial Disclosure (TCFD) was created by the Financial Stability Board (FSB), an international body set up by the G20 to monitor risks to the financial system. It recommended a framework to give investors, lenders and underwriters greater clarity on how future-proof a company is in a world that is getting worryingly warmer and is an attempt to move climate-related issues into the mainstream of financial filings. The financial risks from climate change, outlined in this report, range from abrupt changes in energy costs and hiked insurance premiums, to property damage from floods and storms and the upfront cost of low-emissions technology.

2 At the United Nations Climate Change Conference (COP 21) in Paris, on 12 December 2015, parties to the United Nations Framework Convention on Climate Change reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Climate Change Resilience – Flood Risk and Mitigation through Thoughtful Design and Operational Readiness

Building business resilience against climate change is a priority for CapitaLand. It continues to integrate climate change resilience and adaptation considerations into the design, development and management of its properties. It constantly reviews current and new climate-related risks and trends for its global portfolio.

A global baseline study was conducted to better understand the flood risk and mitigation measures for CapitaLand's owned and managed properties. This included insight into whether the properties were located in low lying plains, encountered flooding in previous years, have equipment located in the basement, etc. Globally, most of CapitaLand's properties already have flood control features/measures in place, such as flood barriers, sensors, water level pumps and flood emergency response plans. To further strengthen climate resilience to flood risk, CapitaLand will regularly engage its business units to ensure flood emergency response plans are implemented across its portfolio.

On 20 August 2020, Chongqing in China faced the worst flood in decades. Peak flood water level of the Yangtze River measured 191.62 metres – its highest in decades. Parts of Chongqing city abutting the river, including key arterial roads, were flooded.

In Chongqing, CapitaLand operates Raffles City Chongqing, an integrated development comprising a shopping mall, residential apartments, office towers, a hotel, a serviced residence. Located on the historic Chaotianmen site at the confluence of Yangtze and Jialing rivers, the design and development of Raffles City Chongqing incorporated advanced flood mitigation engineering solutions at the outset. Its reinforced concrete flood barrier was built to 195 metres, the highest flood level recorded locally in 100 years. This was higher than the peak flood water levels that passed through Chaotianmen on 20 August 2020. Although Raffles City Chongqing's flood barrier was not breached, a team remained on standby to check on potential water leakages and ensured that the property's drainage systems were functioning optimally. The basement car park was also not affected by the flood, and the entire Raffles City Chongqing remained open for business.

To ensure the safety of shoppers, tenants, residents, guests and employees in Raffles City Chongqing, CapitaLand worked closely with the local authorities on the necessary measures. These include maintaining close communication with stakeholders and temporarily closure of selected basement car parks. Property staff took shifts to monitor neighbouring water levels around the clock and serviced residence guests in high flood risk properties were relocated in advance.



Photos of Raffles City Chongqing which remained open for business when the city was hit by the worst flood in decades on 20 August 2020. It had incorporated advanced flood mitigation engineering solutions at the outset. (Photo credit: Zhang Kun Kun 张坤琨)



ENVIRONMENTAL AND MANUFACTURED CAPITAL

2. TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CapitaLand's Environmental, Health and Safety (EHS) Committee maintains the Group's EHS Management System³. Each Strategic Business Unit (SBU) also has its own EHS Committee to drive initiatives in countries where they operate with support from various departments. The CapitaLand EHS Committee doubles up as the CapitaLand Environment Sustainability Working Team and supports the work of CapitaLand's Sustainability Council. Please refer to the Introduction for details on the Sustainability Management Structure.

All staff are involved in reducing CapitaLand's environmental footprint. They are encouraged to be forthcoming and to report all incidences of environmental-related issues and complaints, as well as incidences of non-compliances and non-conformities.

KEY PERFORMANCE INDICATORS (KPIs) TIED TO REMUNERATION

To measure its performance, CapitaLand has incorporated KPIs, most of which are linked to remuneration for its staff including top management.

2020 Key Performance Indicators

Indicator	Targets	Performance
Environmental Management System (EMS)	ISO 14001 certification for its EMS	Retained ISO 14001 certification in 15 countries.
	Manage risks of environmental impact	EMS is audited annually, providing assurance to top management and external investors on the Company's compliance and alignment to best practices.
Supply Chain Management	All main contractors appointed are to be ISO 14001 certified or, to comply fully with local environmental laws and regulations, and audited annually by an independent accredited assessor.	12 main contractors appointed in 2020 are ISO 14001 certified or will implement an external audit on environmental legal compliance by an independent accredited assessor.
Resource Consumption Management	All new development projects to meet minimum green rating target set.	Achieved a total of 36 green building ratings for new development projects and existing buildings, including LEED (Leadership in Energy and Environmental Design), Green Mark and Green Building Evaluation Label ⁵ .
	<ul style="list-style-type: none"> Singapore – Green Mark Gold^{PLUS} award Overseas – certification by a green rating system administered by a national government ministry/agency or a World Green Building Council (WGBC) recognised Green Building Council. Green rating for iconic projects⁴ to be one level higher than certification 	Estimated energy and water reduction exceeding S\$39 million (over 180,000 MWh/ year and 1.6 million m ³ /year) from completed projects and projects under construction that are green rated ⁶ , while estimated carbon emission reduction is about 83 million kgCO ₂ e/year.
		Five projects under development have been designed to harvest renewable energy on-site.

³ Integration of the CapitaLand EHS Management System is still ongoing. Former Ascendas-Singbridge (ASB) Singapore and India Business Park achieved ISO 14001 and 45001 certifications in 2020.

⁴ Iconic projects refer to Raffles City developments, Grade A offices and projects involving a world-renowned architect.

⁵ Green Building Evaluation Label (GBEL) administered by China's Ministry of Housing and Urban-Rural Development.

⁶ This is computed from 60 completed projects and projects under construction, based on their submissions for Singapore's Building and Construction Authority (BCA) Green Mark and LEED green rating.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Indicator	Targets	Performance
	<p>All existing buildings to achieve a minimum green rating:</p> <ul style="list-style-type: none"> • Singapore offices, malls, integrated developments and serviced residences – by 2020⁷ • Other buildings in Singapore and overseas – by 2030 	<p>92% of CapitaLand's existing offices, malls, integrated developments and serviced residences in Singapore (by m²) have achieved a green rating⁸.</p> <p>52% of CapitaLand's global portfolio (by m²) has achieved a green rating⁹.</p> <p>Eight existing buildings achieved/renewed its green ratings, with estimated energy and water reduction exceeding 33,000 MWh/year (avoidance of 15,000 tonnes CO₂e/year) and 108,000 m³/year.</p>
Operational Efficiency¹⁰	<p>2020 performance would not be representative nor comparable against a normal operating year due to COVID-19 related lockdowns and reduced activities at some of the properties. As such, no specific like-for-like targets were established. The priority was to ensure continued efficiency and onsite safety of the properties.</p>	<p>25.9% and 30.1% reduction in energy and water consumption per m² (vs. 2019 like-for-like set of properties).</p> <p>27.6% reduction in carbon emissions intensity (vs. 2019 like-for-like set of properties).</p> <p>53.8% carbon emissions reduction, 40.2% energy reduction and 52.6% water reduction per m² (using 2008 as the base year).</p> <p>Achieved significant reduction in energy, water and carbon emissions intensities in 2020 as compared to 2019 as well as baseline year of 2008 likely due to the significant drop in activities at its properties amid COVID-19.</p> <p>Achieved cost avoidance of about S\$270 million¹¹ from utilities savings since 2009 for its operational properties.</p>
Stakeholder Engagement	<p>Organise environmental outreach activities to encourage an environmental conscious mindset among staff and stakeholders.</p>	<p>Over 200 CapitaLand properties participated in World Wide Fund for Nature's (WWF) Earth Hour, by turning off non-essential lights through the night on 28 March 2020. In light of COVID-19, no in-person activities were organised during that period.</p> <p>CapitaLand partnered with the Singapore National Environment Agency to roll out 11 reverse vending machines (RVM) at its malls in Singapore since August 2020. As of 31 December 2020, these RVMs collected more than 287,000 metal and plastic drink containers.</p>

7 The target for Singapore excludes former ASB operating properties. These properties will aim to achieve 100% green certification by 2030.

8 The remaining three properties had achieved green ratings, but these had expired. They will seek recertification by 2030.

9 Refers to CapitaLand's owned and managed properties and includes business parks, industrial and logistics buildings.

10 Computation of consumption per m² and intensity performance considered only operating properties with full year data. It excludes new properties which have been in operation for less than 12 months, properties undergoing asset enhancement initiatives and corporate offices.

11 This is based on computation of data from 126, 142, 148, 164, 161, 172, 174, 178, 192, 175, 198 and 202 properties for the period from 2009 to 2020 respectively. Excluded properties undergoing asset enhancement initiatives, and newly acquired operational properties. Cost avoidance is computed by multiplying the absolute energy (kWh) and water (m³) savings against the annual average tariff rate for Singapore on a business-as-usual (BAU) basis.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

3. MANAGING OUR ENVIRONMENTAL FOOTPRINT

CapitaLand's Environmental Management System (EMS) is a key tool in managing the Group's environmental footprint across its global and diverse portfolio. The EMS is integrated with CapitaLand's Occupational, Health and Safety Management System (OHSMS) to form CapitaLand's Environmental, Health and Safety Management System (EHSMS). CapitaLand's EHSMS is audited by a third-party accredited certification body to ISO 14001 and ISO 45001 standards. ISO 14001 and ISO 45001 are internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses, respectively.

CapitaLand's Environmental, Health and Safety (EHS) Committee and its business units' EHS Committees are responsible for implementing the EHSMS.

CapitaLand Environmental, Health and Safety Policy¹²

As an international corporate social citizen, CapitaLand is committed to protecting the environment and upholding the occupational health and safety of everyone in the workplace*, and will

- ▶ Carry out exemplary EHS practices to minimise pollution and health and safety risks
- ▶ Seek continual improvement on its EHS performance
- ▶ Comply with pertinent legislations and other requirements
- ▶ Implement the CapitaLand Sustainable Building Guidelines and Occupational Health and Safety programmes

We make this policy readily available to all staff, suppliers, service providers and partners.

* This includes implementing the EHSMS.

Since 2012, the Group achieved ISO 14001 certification for its EMS in 15 countries – Singapore, Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, United Kingdom (UK) and Vietnam. This encompasses all business functions including property development, property management as well as corporate management and operations.

Risk Management of Environmental Aspects and Impact

As part of the certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually. In 2020, CapitaLand complied with the environmental laws and regulations in Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, Vietnam and UK. Despite all efforts to ensure compliance, there were seven non-compliances¹³ in Singapore. Thorough investigations were conducted and all necessary follow-up actions were immediately undertaken.

CapitaLand's EMS provides a systematic process to manage the Group's environmental impact and to continuously improve its environmental performance. A key element is to identify and manage significant environmental aspects of its business operations that can potentially have a negative impact on the environment. The significance level of each environmental aspect and impact is assessed using a risk assessment technique based on factors comprising the likelihood of occurrence, severity of the impact and control measures to be implemented.

CapitaLand strives to minimise impacts such as resource depletion, carbon emissions and waste generation. This is done by setting environmental targets such as green building rating targets; carbon emissions, energy, water and paper usage reduction targets; stakeholder engagement activities; and implementing various measures to achieve them. The targets are linked to the remuneration for staff including top management. For more details, please refer to the table "2020 Key Performance Indicators" above.

¹² This EHS Policy was made publicly available to all CapitaLand staff and the public.

¹³ These incidents include mosquito breeding, water test exceeding limit and lack of certain provisions in a handicap toilet.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Training

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are conducted for all staff. New staff are inducted to the EHSMS, and they are briefed on CapitaLand's EHS policy and the roles they play. For the implementation of CapitaLand's EHSMS, Heads of Departments in administration, operations, and project development, including heads of operating properties, design managers and project managers, undergo a more detailed training programme. In 2020, more than 6,900 CapitaLand staff attended at least one EHS-related training amounting to more than 71,000 training hours. In light of COVID-19, more web-based learning sessions were conducted in 2020.

To overcome the challenge of its extensive international portfolio, CapitaLand has a "Train the Trainer" method for its "EHS Implementor Training Programme". This ensures that there are trainers based in countries where CapitaLand operates to minimise the need for overseas travel.

Global Internal and External Audits

CapitaLand has in place an internal audit system to ensure the conformance and effective implementation of its EMS to ISO 14001 international standards.

Internal audits are conducted at least once a year in 15 countries, covering at least 50% of the sites in each country. In addition, external audits are conducted annually by an accredited third-party certification body. An annual audit of the EMS Management System provides assurance to top management and external investors of CapitaLand's EMS, legal compliance requirements and commitment to best practices. Despite COVID-19, CapitaLand continued to conduct internal audits within the group. Alternative audit modes such as virtual and/or hybrid of virtual and physical site audits were introduced to ensure the safety of CapitaLand staff and external auditors.

HIGH PERFORMANCE SUSTAINABLE DEVELOPMENTS AND ASSETS

Green building ratings and certifications help assure and demonstrate the quality of CapitaLand's portfolio. These ratings serve as an external validation that key environmental aspects have been considered in the Group's project design, development and operations.

Green Building Rating

Green building rating targets are determined at the outset of CapitaLand projects¹⁴. This aids in resource management as green-rated buildings are more resource efficient to construct and operate.

The minimum target for CapitaLand's projects in Singapore is a Green Mark Gold^{PLUS} rating administered by the Building and Construction Authority in Singapore (BCA). The target for projects outside Singapore is a certification by a green rating system administered by a national government ministry/agency or a Green Building Council recognised by the World Green Building Council (WGBC). The green rating target for iconic projects outside Singapore is set at one level above certification.

Greening Existing Buildings

CapitaLand targets to green all its existing properties by 2030 with each property achieving a minimum certification level by a green rating system administered by a national government ministry/agency or a WGBC recognised Green Building Council. In 2020, 52% of CapitaLand's global portfolio (by m²) has achieved a green rating.

¹⁴ This is for new projects or development projects with gross floor area of at least 2,000 m².

ENVIRONMENTAL AND MANUFACTURED CAPITAL



Collaboration in Developing Green Building Certification

The Excellence in Design for Greater Efficiencies (EDGE)¹⁵ is a green building certification system created by International Finance Corporation (IFC), a member of the World Bank Group. In 2018, CapitaLand's wholly-owned lodging arm, The Ascott Limited (Ascott) signed an Memorandum of Understanding with IFC to pioneer a green certification for the serviced residence industry, as part of the IFC's EDGE programme. Since then, Ascott has obtained certifications for seven properties across Asia and Europe, including two properties which obtained the EDGE Advanced certification¹⁶.

Citadines Arnulfpark Munich achieved the EDGE Advanced certification in December 2020. It was the first hospitality development in Europe and the first building in Germany to achieve this recognition. The serviced residence is designed to be highly resource efficient, with features such as high thermal performance glass, LED light fittings, water-efficient fixtures and lighting controls in the corridors. These measures are estimated to reduce energy and water consumption by 45% (974 MWh/year) and 54% (10,122 m³/year) respectively, as compared to the base case in the EDGE assessment tool. The annual utility cost avoidance is estimated to be S\$150,000.



45% more energy efficient

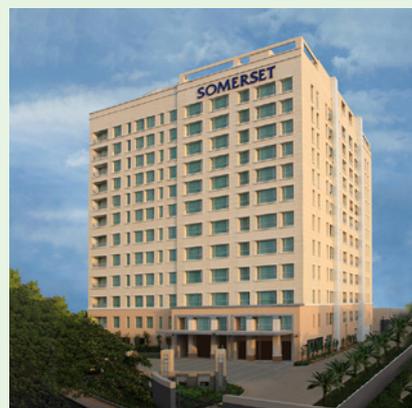


54% more water efficient



S\$150,000 cost avoidance

Somerset Greenways Chennai achieved the EDGE Advanced certification in December 2020. Opened in 2011, Somerset Greenways Chennai utilises higher thermal performance glass and external shading devices to reduce the amount of external heat permeating through the facade. It has upgraded its centralised air conditioning plant with energy efficient chillers and variable speed drives for its pumps and cooling tower fans. Along with the installation of heat pump and energy-saving light bulbs, Somerset Greenways Chennai achieved energy savings of 42% (1,565 MWh/year). Somerset Greenways Chennai has also adopted water-efficient fixtures, such as low-flow faucets, dual flush closets, and a grey water treatment and recycling system, which reduced water consumption by 55% (11,900 m³/year). Through the implementation of multiple sustainable strategies, the project's estimated annual utility cost avoidance is S\$240,000.



42% more energy efficient



55% more water efficient



S\$240,000 cost avoidance

Green Lease

Beyond developing environmentally sustainable properties, and operating them according to best practices, CapitaLand understands the important role that end-users of its buildings play. Collaboration with tenants becomes all the more important, to influence and support their sustainability goals. A green lease programme is implemented at its business parks and retail properties in Singapore where minimum equipment and lighting efficiency requirements are stipulated to tenants. For its other properties in Singapore and globally, a green fit-out guide is given to new tenants to encourage tenants to adopt greener fit-outs and promote green practices and behaviour. CapitaLand aims to implement its green lease programme at its properties globally and work together with its tenants to improve their sustainability performance.

15 To qualify for EDGE certification, a building must achieve a 20% reduction in energy, water, and embodied energy in materials compared to a conventional building. EDGE works for a variety of residential and commercial buildings in over 160 countries, including homes and apartments, hotels and resorts, office buildings, health care facilities, and retail establishments. EDGE online assessment tool provides country specific advice and can be utilised by competent building professional.

16 A building must achieve at least 40% predicted energy savings in addition to at least 20% predicted (or estimated) savings in water and embodied energy (or embodied carbon) in materials to qualify for EDGE Advanced certification. The savings are compared to the base case in the EDGE assessment tool.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

LIFE CYCLE MANAGEMENT: CAPITALAND SUSTAINABLE BUILDING GUIDELINES

CapitaLand's Sustainable Building Guidelines (SBG) is an in-house guide developed since 2007 to ensure environmental considerations are factored in at all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. It covers developments and refurbishments, and joint venture developments where CapitaLand has management control and the largest stake. The SBG is regularly reviewed to ensure continuous improvement, with a focus on four key objectives of minimising carbon footprint and energy consumption, water management, reducing the generation of waste, and promoting biodiversity in the life cycles of its developments.

Mitigating Climate Change Risks and Identifying Opportunities Through Design

Climate change brings about different effects in different geographies such as rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. As countries rally for action to mitigate climate change, more stringent regulations may be expected and companies will face increased expectations from stakeholders. By adopting the SBG, CapitaLand aims to future-proof its developments by addressing the risks of climate change right from the design stage. The localised context of each project is to be studied in detail, and appropriate measures taken into consideration of climate change. SBG also sets guidelines for buildings to be less energy reliant, e.g. setting green rating targets above legal requirements, and also encourages the use of renewable energy whenever possible. CapitaLand developments that are future-proofed against changing climatic conditions and of higher operating efficiency would likely be more valued in the long term by stakeholders.

Environment Health and Safety Impact Assessment (EHS IA)

A key component of the SBG is the mandatory Environmental Impact Assessment (EIA). An EIA is carried out during the feasibility study stage of investment into operational asset and development project. The significant findings of the EIA and their cost implications, if any, are incorporated in the investment paper submitted to the Board of Directors for approval. The EIA focuses on identifying any environmental threats or opportunities related to the project site and its surroundings, covering areas such as floods, biodiversity, air quality, noise, connectivity, heritage and resources.

With the launch of CapitaLand's 2030 Sustainability Master Plan, the EIA has been enhanced to become the Environment, Health and Safety Impact Assessment (EHS IA) and implemented since October 2020. This would guide the businesses to consider Environment, Health and Safety risks and opportunities upfront and identify mitigation measures earlier. CapitaLand is at the nascent stage of developing a new metric, Return on Sustainability (ROS)¹⁷ to quantify the risks and value-creation opportunities for each project.

Biodiversity

The World Economic Forum's (WEF) Global Risks Report 2021 identified biodiversity loss as one of the top 10 highest likelihood risks of the next decade. CapitaLand is committed to preserving the biodiversity of its sites as well as the wider area wherever possible. This is done by addressing any distinctive ecological features of the site, taking into consideration nature reserves on or near the site, protecting plant and animal species on the site and removing invasive plant species on or near the site. External experts will be engaged to provide advice where appropriate.

Most CapitaLand projects and properties are located in urban and built-up areas. There are no sites located within protected areas and hence no material biodiversity risk identified. Instead, CapitaLand encourages greenery within its projects as it enhances the wellness of its end users and the vitality of the surrounding communities over the long term. SBG encourages the use of certified wood (e.g. wood products with Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification (PEFC) certifications) and other more sustainable wood materials and products, such as composite wood, engineered wood and bamboo.

¹⁷ The metric is intended to quantify the value created through CapitaLand's sustainability efforts.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Integrating Sustainability in CapitaLand's Real Estate Lifecycle

OBJECTIVES

Minimise Carbon Footprint and Energy Consumption

- ▶ Understand and minimise the amount of embodied carbon
- ▶ Use energy-efficient equipment
- ▶ Reduce direct and indirect carbon emissions (through consumption of fuelled energy) from construction and operation activities
- Use renewable energy

Minimise Resource Depletion

- ▶ Reuse grey water and harvest rainwater
- ▶ Use water-efficient fittings

Enhance Biodiversity

- ▶ Create, enhance and conserve habitat for flora and fauna, particularly protected species, both on-site and in the wider area
- ▶ Consult experts, local authorities and communities
- ▶ Eliminate or minimise environmental impact to the site through control measures
- ▶ Use more sustainable materials like certified wood and bamboo

Minimise Generation of Waste

- ▶ Adopt Building Information Modelling (BIM)
- ▶ Implement reduce, reuse and recycle waste hierarchy for building components and materials

#3 Operations

- ▶ Asset planning to align with SMP – resource efficiencies in budget, future-proofing of portfolio
- ▶ Embed best practices for sustainable operational excellence
- ▶ Innovate and collaborate
- ▶ EHS Committee
- ▶ Evaluate, monitor and report performance
- ▶ Share lessons learnt and seek improvement



#1 Investment

- ▶ Align with Sustainability Master Plan (SMP) targets
- ▶ Conduct EHS IA and gap analysis with SMP
- ▶ Identify opportunities for innovation and value-creation and quantify Return on Sustainability (ROS)

#2 Design, Procurement, Construction and Redevelopment

- ▶ Design in accordance with CapitaLand Sustainable Building Guidelines
- ▶ Align with SMP targets
- ▶ Testbed innovations
- ▶ Adopt EHS best practices and appoint EHS certified main contractors
- ▶ Monitor and report performance, including embodied carbon of materials

TRAINING OF STAFF STAKEHOLDER AND COMMUNITY ENGAGEMENT

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Sustainable Development Showcase**RAFFLES CITY THE BUND, SHANGHAI, CHINA****Gold Level Certification, LEED – CS (Core & Shell)
US Green Building Council**

Raffles City The Bund in Shanghai, China is an integrated development comprising two 50-storey Grade A office towers, linked at the base by a seven-storey shopping mall. Various innovative sustainable strategies were implemented in the design of Raffles City The Bund, in relation to energy optimisation, water efficiency, material resources and indoor air quality.

**Sustainable Building Material (Embodied Carbon) and Construction Waste Management**

Materials with recycled content constituted more than 24% of total materials cost used during construction. Low-emitting volatile organic compound materials (such as paint, adhesives and sealants) have been used to improve the indoor environmental quality. During the construction period, the contractors diverted more than 98% of its on-site generated construction waste from landfill.

**>10% energy efficient****47% more water efficient****S\$1.1 million cost avoidance****Energy and Water Efficiency**

Raffles City The Bund utilised refrigerants and HVAC (heating, ventilation, and air conditioning) systems that minimised or eliminated the emission of compounds contributing to ozone depletion and global climate change. The integrated development also has a wide range of energy-saving features including chilled water storage system, natural ventilation, daylight sensors and high-efficiency lighting system. High-efficiency mechanical equipment were installed, such as energy-efficient air-conditioning system with high performance cooling towers and variable speed drives for pumps.

Low Impact Development (LID) systems were implemented in Raffles City The Bund alongside its green infrastructure design. Stormwater runoff from its green roof is collected through a central stormwater system and stored in a 715 m³ storage tank. The treated rainwater is then reused for irrigation, basement and street washing, and cooling towers to reduce stormwater runoff and replicate the natural hydrology process.

The installed irrigation systems use captured rainwater and recycled greywater to reduce dependence on potable water for irrigation. In addition, the installation of high-efficiency flush fixtures in Raffles City The Bund would result in reduction in potable water use by 47%¹⁸. Total water savings annually is expected to be approximately 38,000 m³.

Total operational energy usage reduction was expected to exceed 10%¹⁹, or 5,300 MWh/year. This will help to mitigate more than 260,000 tonnes of carbon emissions per year.

Overall, the estimated annual utility cost avoidance is 13%, RMB 5.5 million (S\$1.1 million).

Connectivity and Low Carbon Transport

Raffles City The Bund is well connected to the public transportation system with a direct link to Line 12 and an upcoming Line 19, two major metro lines with high number of interchange stations in the city. It advocated low carbon transportation by providing 93 preferred parking spaces for low-emitting and fuel-efficient vehicles, more than 2,600 bicycle storage facilities as well as 56 shower and changing facilities.

Conducive Indoor Environmental Quality and Stakeholder Comfort

Raffles City The Bund maintains a high standard of indoor air quality with MERV²⁰ 13 filters installed to reduce pollutants. It also has an outdoor air delivery monitor (supplement to the ventilation system) to ensure good indoor air quality levels within the building. By measuring both external and internal air quality, it will ensure an adequate concentration of fresh air within the building by pumping in fresh air when sensors identify a 10% variance in CO₂ levels from the design value. Green fit-out guides were also made available to tenants to implement environmentally sustainable practices within their spaces.

18 This is compared with the fixture performance requirements set in the US Energy Policy Act-1992.

19 This is compared with the minimum energy efficiency standard, or base requirements for buildings designed to reduce energy consumption, set by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE).

20 Minimum Efficiency Reporting Value, commonly known as MERV, is a measurement scale designed to report the effectiveness of air filters. Higher MERV values correspond to a greater percentage of fine particulate matter (PM) captured on each pass.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

4. TRACKING OUR ENVIRONMENTAL RESULTS

CapitaLand's Eco-efficiency Commitments (incorporating the new 2030 Sustainability Master Plan targets)

CapitaLand's 2030 Sustainability Master Plan outlined the Group's new 2030 targets and pathways for its transition to a low-carbon business. It elevated the earlier established targets for the reduction of carbon emissions, energy and water usage per m² in its properties worldwide. CapitaLand's new and ambitious carbon emissions intensity reduction target was computed from its science-based targets approved by Science Based Targets Initiative (SBTi), to better track its day-to-day operational efficiency improvements. It also established new 2030 targets to improve resource use and enable a circular economy.

	2020 Targets	2030 Elevated Targets
 Carbon Emissions Intensity*:	 23%	 78%
 Energy Intensity*:	 20%	 35%
 Water Intensity*:	 20%	 45%

* Using 2008 as baseline

New 2030 Targets



Renewable Electricity:

35% of total electricity consumption from renewable sources



Recycling Rate:

Achieve **25%** recycling rate in day-to-day operations

Divert **75%** of construction waste from landfill

CapitaLand Environment Tracking System

CapitaLand has been tracking its energy and water usage, waste generation and carbon emissions of its managed and owned operational properties via an online Environmental Tracking System (ETS) since 2008. CapitaLand ETS includes its global portfolio of commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging assets. ETS also includes the tracking of environmental performance of CapitaLand development sites as well as the energy and paper consumption of CapitaLand's corporate offices in Singapore and overseas. CapitaLand also uses the platform to survey the various initiatives implemented at the properties including efficiency measures and biodiversity and habitat risks, as well as water management and flood risk within its global portfolio.

The management team of each property submits monthly data and uploads supporting documentation online. The consolidated data is analysed at the SBU and Group levels against reduction targets. This facilitates a better understanding of consumption patterns and identification of areas for eco-efficiency improvements. The enhanced ETS has further reduced data entry inaccuracies, expedite benchmarking on consumption patterns and helped identify opportunities for further operational efficiency improvements. Regular desktop audits are conducted to further minimise data entry inaccuracies.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

a. Carbon Emissions

CapitaLand is committed to addressing climate change risks through the reduction of its energy consumption and carbon emissions in its business operations. Typically, buildings and construction account for more than 35% of global energy use and nearly 40% of energy-related CO₂ emission²¹. Improving energy efficiency represents the largest and most cost-effective way to mitigate those emissions. CapitaLand is also working towards setting an internal carbon price for its global portfolio.

CapitaLand's total scope 1 and 2 carbon emissions²² in 2020 was 632,016 tonnes CO₂e. Operational properties²³ account for the largest proportion of CapitaLand's scope 1 and 2 emissions and remain the focus of CapitaLand's energy efficiency initiatives. CapitaLand's corporate offices account for about 0.1% of CapitaLand's total carbon emissions²⁴.

CapitaLand's Science Based Targets



CapitaLand is the first real estate company in Asia (excluding Japan), and in Singapore to have its carbon reduction targets set using a science-based approach validated by Science Based Targets Initiative (SBTi) for a 'well-below 2 degrees Celsius' scenario. CapitaLand commits to reducing its absolute scope 1 and 2 emissions by 28% by 2030 from a 2019 base year. Scope 1 emissions refer to direct emissions from activities controlled by CapitaLand, and scope 2 emissions are indirect emissions associated with its consumption of purchased energy. The targets cover CapitaLand's managed properties globally. It has also committed to reducing scope 3 greenhouse gas (GHG) emissions from capital goods by 22% per square metre by 2030 since 2019.

Operational Properties' Carbon Emissions Intensity (kgCO₂e/m²)

CapitaLand reduced its carbon emissions intensity²⁵ to 3.31 kg CO₂e/m²/month, a 53.8% reduction compared to 2008 baseline intensity levels.

Development Projects – Scope 3 (including embodied carbon)

The carbon emissions from its main contractors' energy consumption at 31 construction projects was approximately 18,693 tonnes in 2020.

CapitaLand has been reporting on its embodied carbon emissions since 2013. It aims to minimise its carbon footprint not only through reducing carbon emissions arising from the consumption of fuelled energy from its construction and operations but also from the embodied carbon in the production and distribution of building materials. For five projects in China that were completed in 2020, embodied carbon emissions arising from materials usage at these projects was about 267,800 tonnes²⁶ or 456 kg/m². The data collated is based on the entire construction period.

As part of CapitaLand's SBTi approved carbon emissions reduction targets, CapitaLand is also committed to reducing scope 3 GHG emissions from capital goods by 22% per square metre by 2030 from a 2019 base year. CapitaLand is working to establish embodied carbon intensity reduction targets for its new development projects. It will continue to carry out embodied carbon assessments to identify opportunities to use low carbon designs and continue to source for low carbon materials. It aims to manage cost considerations through mindful design in using low carbon materials and aggregating the procurement of certain low carbon building materials for its projects.

21 "Global Status Report 2017 – Towards a zero-emission, efficient, and resilient buildings and construction", United Nations Environment Programme (UNEP).

22 This is computed mostly from purchased electricity consumption under scope 2, and some direct energy consumption under scope 1 as defined by the Greenhouse Gas (GHG) Protocol (operational control approach) and using individual country CO₂ emission factors retrieved from the International Energy Agency (IEA) Statistics – CO₂ emission factors from fuel combustion 2020 edition.

23 The Group's portfolio of operational properties increased from 142 in 2008 to 167 in 2009, 182 in 2010, 195 in 2011, 210 in 2012, 199 in 2013, 204 in 2014, 228 in 2015, 244 in 2016, 263 in 2017, 257 in 2018, 353 in 2019 and 353 in 2020.

24 This includes scope 3 emissions due to staff business travel by air which is 83 tonnes CO₂e.

25 Computation of carbon emissions intensity excludes newly acquired properties or new properties which have been in operation for less than 12 months, properties undergoing asset enhancement initiatives and corporate offices. The number of properties are 127, 145, 152, 174, 189, 175, 191, 174, 178, 192, 175, 198 and 293 for the period from 2008 to 2020 respectively.

26 The materials are concrete, cement, sand and aggregate, steel, bricks, aluminium, glass, paint, ceramic tiles and granite. Densities and coefficients used for computation of the embodied carbon emissions of these materials are obtained from the Inventory of Carbon & Energy (ICE) Version 2.0.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

b. Energy Performance and Efficiency

In 2020, the Group's total energy consumption for its operational properties and corporate offices was 1,434 GWh (5.16 million GJ). Indirect energy consumption accounted for about 91% (4.72 million GJ) and total fuel consumption accounted for about 9% (0.44 million GJ²⁷) of total energy consumption.

CapitaLand's corporate offices in eight countries accounted for 0.2% of the Group's total energy consumption in 2020. These offices consumed 2,593 MWh of electricity, a 41% improvement in electricity consumption per m² compared to 2009.

The energy consumption of 31 CapitaLand projects under construction in Singapore, China, Indonesia, Malaysia and Vietnam was about 41,722 MWh.

Operating Properties' Energy Intensity (kWh/m²)

Despite an increase in total energy use due to the expansion of its operational portfolio, CapitaLand reduced its energy intensity²⁸ measured in kWh per m² by 40.2% from base year 2008.

The reduction in energy intensity or energy usage per m² is computed at the property and SBU level. The reduction targets are KPIs for property managers and the SBU CEOs.

The Group continues to implement various energy conservation measures, some of which are listed below. It also focuses on innovation to reduce energy consumption.

Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none"> Natural ventilation to reduce cooling demands Use of sun shades and cool paints to reduce heat gain Use of daylight, sun pipes/light shelves to reduce the need for artificial lighting
Energy Efficiency	<ul style="list-style-type: none"> Upgrade to more efficient air-conditioning equipment Use more efficient lighting such as LED (light-emitting diode), integrated with smart controls Install high-efficiency boiler and heat pump
Control, Metering and Monitoring	<ul style="list-style-type: none"> Roll out a centralised Intelligent Building Platform (IBP) with analytical capabilities to 42 properties in Singapore (which enabled about 5% avoidance in electricity consumption) Conduct energy audits at the properties to improve energy efficiency
Renewable energy	<ul style="list-style-type: none"> Established a new renewable energy consumption target of 35% by 2030 to catalyse the transition to a low-carbon economy through on-site installation of renewable energy generation and purchase of green power

Renewable Energy

While energy efficiency is the most cost-effective and material way for CapitaLand to reduce carbon emissions, there remains an urgent need to transit to a low-carbon economy. This can be expedited with the use of renewable energy to avoid emissions. However, this remains challenging due to limited rooftop spaces at CapitaLand properties where renewable sources of energy such as solar energy could be optimally generated. Green power remains limited in various markets, e.g. in Singapore, and generally more expensive. In 2020, about 3.2% (34,573 MWh) of the Group's total electricity use was from renewable energy sources, which helped to mitigate about 24,072 tonnes of carbon emissions. This was attributed to the 13 properties in Singapore, China, Australia, Belgium, India, UK and seven business parks in India that were fully or partially powered by renewable energy; as well as four corporate offices in Singapore that were fully powered by renewable energy, via on-site renewable energy systems or purchased partial or full green power (component of electricity generated from renewable sources).

²⁷ Direct energy consumption from gas, diesel and other fuels (petrol, LPG) are approximately 408,702 GJ, 25,953 GJ and 6,960 GJ respectively.

²⁸ Computation of energy intensity excludes new properties which have been in operation for less than 12 months, properties undergoing asset enhancement initiatives (AEI) and corporate offices. The number of properties are 127, 145, 152, 174, 189, 175, 191, 174, 178, 192, 175, 198 and 293 for the period from 2008 to 2020 respectively.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Leading the way for renewable energy consumption in India and Singapore

In 2020, 940 kW of rooftop solar panels were installed across buildings in aVance Hyderabad, aVance Pune and International Tech Park Gurgaon in India. Adding on to the rooftop solar panels that have been installed at International Tech Park Bangalore (ITPB), International Tech Park Chennai, CyberVale IT Park in Chennai and CyberPearl IT Park in Hyderabad, rooftop solar panels with a total capacity of 3.1 MW have been installed across buildings in CapitaLand’s business parks in India, generating approximately 4,500 MWh annually.

Additionally, all electricity consumption for common areas and air conditioning at ITPB was fully sourced from solar energy from an off-site solar farm. CapitaLand’s serviced residences (Citadines OMR Chennai and Somerset Greenways Chennai) purchased most of their electricity from an off-site wind farm, and will transit to purchase 100% wind power. Collectively, the installed solar panels and the purchased solar and wind energy accounted for approximately 29,800 MWh, or 45% of the total electricity consumption for CapitaLand’s properties in India. This will result in an estimated avoidance of about 22,400 tonnes of carbon emissions annually.

In Singapore, CapitaLand partnered Sembcorp Industries to install about 21,240 rooftop solar panels atop six CapitaLand properties. In 2020, these solar rooftops generated around 10,350 MWh of energy annually and potentially avoided over 4,300 tonnes of carbon emissions. Some of the renewable energy certificates (RECs) generated at these rooftops were used to offset the CapitaLand corporate offices’ carbon footprint in Singapore.

CapitaLand continues to explore renewable energy options for its global portfolio, including opportunities to purchase green power, and carry out feasibility studies to install solar panels across its portfolio.



Aerial view of the 6 MWp rooftop solar installations at 40 Penjuru Lane, Singapore. (Photo credit: CapitaLand and Sembcorp)



Rooftop solar panels at CapitaLand India business parks.



Supporting Low-Carbon Transportation

The transport sector accounts for 23% of global energy related GHG and is the main cause of air pollution in cities. Decarbonising transport is therefore instrumental for countries to achieve their commitments set out in the Paris Agreement.

As of end 2020, more than 1,200 electric vehicle (EV) charging stations are installed at 59 CapitaLand managed properties in Singapore, China, Belgium, Germany and Japan. The total electricity charged by the EVs at these stations exceeded 720 MWh (estimated travel distance of more than 3.7 million km²⁹) in 2020.

Over 95% of CapitaLand’s properties worldwide are conveniently located in close proximity to public transport hubs such as bus stops and train/subway stations. This allows easy access to its properties, without the use of privately-owned vehicles. Free shuttle bus services to these public transport hubs are also made available at some of its shopping malls. Close to 25,000 bicycle parking facilities are available at more than 140 of its properties³⁰.

29 This is computed using “2020 Tesla Model S Standard Range” efficiency of 5.19 km/kWh (FuelEconomy.gov).

30 Refers to CapitaLand’s owned and managed properties and includes business parks, industrial and logistics buildings.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

c. Water Conservation and Resilience

A strategic approach to water management and quality enhances the efficiency, resilience and long-term value of the Group’s portfolio. CapitaLand is committed to reducing water consumption, reusing water and preventing water pollution, especially in countries where the availability of clean water and sanitation are of concern. A regular survey was conducted to better understand water source and discharge for each property. Almost all of CapitaLand’s operational properties’ water consumption is derived from municipal supplies³¹. Based on studies by WRI Aqueduct Projected Water Stress Country Rankings³², Singapore, China and India are among the top 50 most water-stressed countries by 2040. To reduce reliance on potable water, CapitaLand’s properties in India has on-site wastewater recycling facilities and reuses the wastewater for non-potable uses where applicable.

In 2020, the Group’s operating properties’ total water consumption was about 11.7 million m³. The decrease in water consumption is largely attributed to COVID-19 related lockdowns and reduced activities at some of the properties. This includes the use of about 0.4 million m³ of water recycled on-site and 0.8 million m³ of NEWater³³, accounting for 11% of its total consumption. Majority of its water usage goes to cooling towers, toilets, washing activities and landscaping.

CapitaLand recognises the importance of effectively managing water consumption and the quality of water run-off leaving its project sites. It requires its main contractors appointed to be ISO 14001 certified and monitors the wastewater discharge into watercourse or sewer. CapitaLand’s projects under construction in Singapore, China, Indonesia, Malaysia and Vietnam consumed about 860,400 m³ of water. At its Singapore development sites, wastewater is generally recycled and reused for vehicular washing.

Operating Properties’ Water Intensity (m³/m²)

CapitaLand reduced its water intensity³⁴ measured in m³/m² by 52.6% from baseline year 2008. The reduction in water usage per m² is computed at the property and SBU level. This forms a critical part of the KPIs for the property managers and the SBU CEOs.

CapitaLand continues to implement the following initiatives to ensure efficient operations and minimise water wastage.

Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none"> Flow regulators; self-closing delayed action faucets/motion-activated faucets; dual flush/low flush toilets Choice of local plant species and drought resistance plants; irrigate plants in the morning or late afternoon to minimise evaporation loss
Control, Metering and Monitoring	<ul style="list-style-type: none"> Water audit; sub-metering to track consumption and early leak detection
Recycling and reducing reliance on potable water	<ul style="list-style-type: none"> Grey water recycling; condensate recovery Rainwater harvesting for landscape irrigation

d. Waste Management and Circular Economy

Waste Recycled

According to the World Economic Forum’s Circular Economy Initiative, over 92 billion tonnes of materials were extracted and processed, contributing to about half of global CO₂ emissions in 2019, with the resulting waste taking its toll on the environment and human health. Achieving this transition to a circular economy would require unprecedented collaboration given that in 2019, only 8.6% of the world was deemed circular.

CapitaLand aims to play its part by managing waste at its properties responsibly. As waste generated at its operational properties is mostly from its tenants, guests and the general public, CapitaLand engages its stakeholders through various means to reduce and recycle waste. Recycling bins are made available at its properties for its tenants, shoppers and guests.

31 One property extract groundwater for use with the appropriate treatment system in place. Meters are installed to monitor water usage. This usage accounts for about 41,500 m³ or 0.4% of CapitaLand’s total water usage. Surface water extraction due to rainwater harvesting accounts for less than 0.01% of its total water usage.

32 Water stress measures total annual water withdrawals (municipal, industrial, and agricultural) expressed as a percentage of the total annual available water.

33 NEWater is treated wastewater produced by PUB, the national water agency of Singapore, which has been further purified using advanced membrane technologies and ultraviolet disinfection, as well as recycled water from on-site wastewater treatment.

34 Computation of water intensity excludes newly acquired properties or new properties which have been in operation for less than 12 months, properties undergoing asset enhancement initiatives and corporate offices. The number of properties are 123, 141, 148, 169, 186, 172, 188, 171, 175, 189, 172, 195 and 290 for the period from 2008 to 2020 respectively.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

CapitaLand implements waste management strategies as part of its EMS. However, data in certain countries and properties is not readily available or cannot be consolidated due to local supply chain challenges. CapitaLand aims to improve tracking of waste data tracking at its properties and will continue implementing measures to reduce waste generation and achieve 25% recycling rate by 2030 in its day-to-day operations. In 2020, more than 5,380 tonnes of recyclable waste³⁵ was collected from 189 properties in 15 countries. CapitaLand launched its e-waste recycling initiative at its office buildings and malls in Singapore in 2016, targeted at its tenants and shoppers. It ensured proper disposal and recycling through the appointment of certified e-waste vendors. In 2020, the total amount of e-waste collected at its properties in Singapore was 4.6 tonnes.

Encouraging circularity through automatic waste segregation in India

The International Tech Park Bangalore (ITPB) installed an automated waste segregation system within its premises to separate its collected waste into biodegradable and non-biodegradable waste. Biodegradable waste collected can be used to create compost, while non-biodegradable waste was further converted into particle boards which can be reused for furniture, roofing tiles and partition walls. The system improves efficiency of waste segregation and waste recovery, as well as reduces the number of trips for waste collection. In 2020, ITBP collected more than 30 tonnes of recyclable waste and achieved recycling rate of more than 65%.



Paper Consumption Management in CapitaLand's Corporate Offices

Paper accounts for most of the waste generated from CapitaLand's corporate offices. CapitaLand reduced paper usage by 82% per staff in its corporate offices compared to 2009. Initiatives implemented included the use of "Follow-me" printing to better track paper usage and minimise wastage, the movement of work processes online to reduce paper consumption as well as the implementation of e-signatures for its corporate functions in Singapore. Recycling bins (including secured bins) are conveniently located at its corporate offices to encourage staff to recycle used paper. The implementation of e-signatures for its corporate functions in Singapore potentially saved 2,500 kg of paper usage, as well as reduced courier runs and costs.

CapitaLand actively promotes the use of environmentally-friendly paper, such as FSC-certified paper. This CapitaLand Global Sustainability Report is not printed and made available on CapitaLand's website.

Resource Management at Development Projects

CapitaLand requires its main contractors to implement proper waste management procedures to minimise construction waste, and to properly manage and dispose the waste generated. It sets a target to divert 75% of its construction waste from landfill by 2030. In 2020, an estimated 49,300 tonnes of construction waste were recorded for its development projects in Singapore, China, Indonesia and Malaysia, and 38% of the construction waste was diverted from landfill.

CapitaLand continues to leverage Building Information Modelling (BIM) technology in its development projects to improve its design and construction processes through a more integrated project coordination. BIM can perform clash detection before construction and identify situations where mechanical and electrical pipes will clash with structural members. This detection saves time, cost of remedial work and minimises material waste.

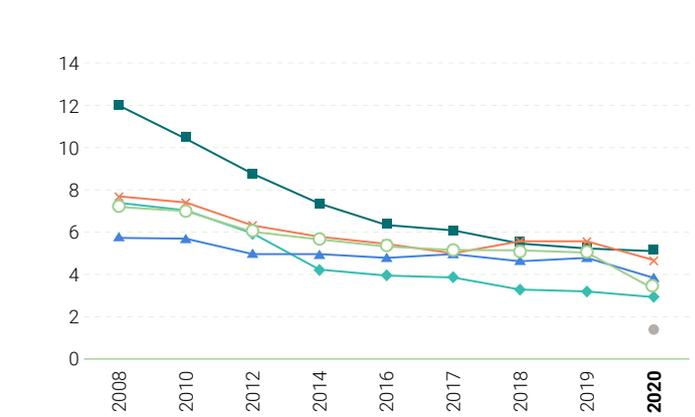
³⁵ Whilst recycling facilities are made available at CapitaLand properties, not all public waste collectors are able to furnish the recycled waste collected in weight as requested for reporting purposes. In 2020, about 98,500 tonnes of non-recyclable waste was generated at 258 properties.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Carbon Emissions (Scope 1+2)
(tonnes CO₂e)



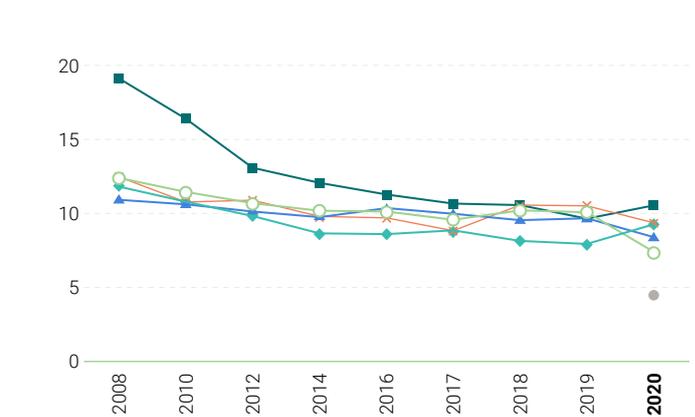
Carbon Intensity
(kgCO₂e/m²/month)



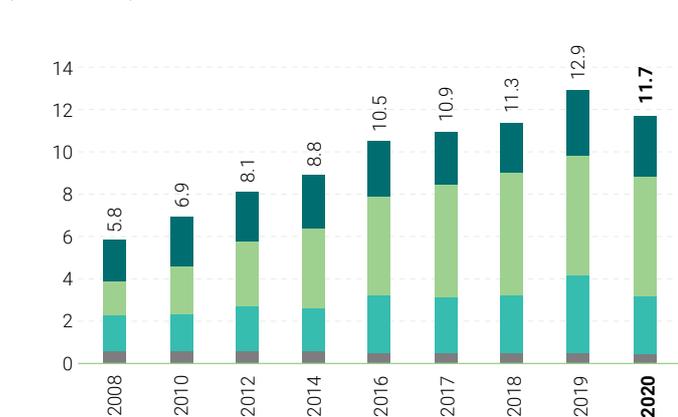
Energy Usage*
(GWh)



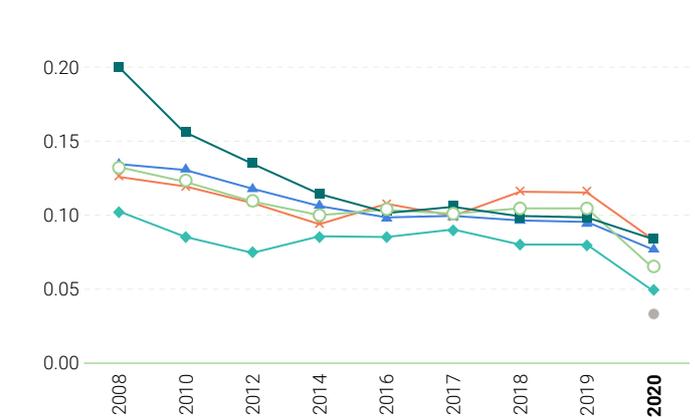
Energy Intensity
(kWh/m²/month)



Water Usage
(million m³)



Water Intensity
(m³/m²/month)



- Singapore
- China (Including Hong Kong)
- Other Asia (excluding Singapore & China)
- Europe & Others

- ✕ Shopping Malls
- ◆ Commercial
- Integrated Developments
- ▲ Serviced Residences
- Business Park, Industrial & Logistics
- CapitaLand Group Average

Note: Intensity figures are computed for operational properties with full year data and thus exclude data from the business park, industrial & logistics asset class for FY 2019 as the data was from 1 July 2019 for these assets. District heating and district cooling energy consumption are newly included in the computation of carbon intensity and energy intensity figures from 2020 onwards.

HUMAN CAPITAL

COMMITMENT TO A SAFE AND HEALTHY WORKPLACE

Occupational health and safety (OHS) of CapitaLand’s staff, tenants, contractors, suppliers and the communities who use its properties, is of utmost importance to CapitaLand. Effective OHS management is part of risk management and is deemed to enhance staff productivity and morale.

CapitaLand’s OHS framework includes identifying material issues, setting policies, ensuring accountability within the Company, developing action plans and engaging stakeholders.



Effective OHS management is part of risk management and deemed to enhance staff productivity and morale

<p>Policy and Objectives</p> <ul style="list-style-type: none"> Promote a culture of individual ownership and responsibility for OHS management from CapitaLand’s top management, staff and stakeholders including tenants and supply chain (main contractors, vendors and service providers) Actively participate in industry and national programmes to raise OHS standards Identify and reduce occupational injury rates to achieve zero harm Implemented a robust OHS Management System to meet and exceed OHS legal requirements 			
<p>Accountability</p> <ul style="list-style-type: none"> CEOs are accountable International Organization for Standardization (ISO) 45001 certified OHS Management System ensures accountability to relevant managers and all CapitaLand staff Key performance indicators (KPIs) are linked to remuneration of all CapitaLand staff 			
<p>Method/Action Plan</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>OHS Management System</p> <ul style="list-style-type: none"> Legal compliance Identification of hazards and risk assessment Sustainable Building Guidelines – Design for Safety (DfS) Safe operations – OHS Standard Operating Procedures (SOPs) <p>KPIs</p> <ul style="list-style-type: none"> OHS performance of CapitaLand staff and contractor Stakeholder engagement </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> Appoint ISO 45001/ OHSAS 18001¹ certified main contractors or carry out OHS legal compliance audit on site Give preference to ISO 45001/ OHSAS 18001 certified supply chain (vendors/ service providers); non-ISO 45001/ OHSAS 18001 certified supply chain (vendors/ service providers) in Singapore are required to achieve bizSAFE Level 3 and above </td> </tr> </table>		<p>OHS Management System</p> <ul style="list-style-type: none"> Legal compliance Identification of hazards and risk assessment Sustainable Building Guidelines – Design for Safety (DfS) Safe operations – OHS Standard Operating Procedures (SOPs) <p>KPIs</p> <ul style="list-style-type: none"> OHS performance of CapitaLand staff and contractor Stakeholder engagement 	<ul style="list-style-type: none"> Appoint ISO 45001/ OHSAS 18001¹ certified main contractors or carry out OHS legal compliance audit on site Give preference to ISO 45001/ OHSAS 18001 certified supply chain (vendors/ service providers); non-ISO 45001/ OHSAS 18001 certified supply chain (vendors/ service providers) in Singapore are required to achieve bizSAFE Level 3 and above
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<p>Stakeholder Engagement</p> <ul style="list-style-type: none"> Be part of national policy-making Share CapitaLand Environmental, Health and Safety (EHS) policy with suppliers and service providers Educate key stakeholders, including residents, shoppers, tenants, guests and the public 			

¹ OHSAS 18001 will be replaced by ISO 45001 as the new international standard for occupational health and safety management. Organisations certified to OHSAS 18001 will need to migrate to ISO 45001 by the end of September 2021.

HUMAN CAPITAL

TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CapitaLand champions OHS with commitment from the top management and staff participation through an integrated EHS Management System and stakeholder engagement activity. CEOs are accountable for the OHS performance of their strategic business units (SBUs). All staff assume personal responsibility towards OHS and are encouraged to be forthcoming in reporting all OHS related incidents, including non-compliances and non-conformities to the relevant business unit management representatives. The list of business unit representatives is updated on the CapitaLand intranet.

Key Performance Indicators (KPIs) Tied to Remuneration

CapitaLand incorporates OHS KPIs which are linked to the remuneration of all CapitaLand staff, including top management.

ROBUST OHS MANAGEMENT SYSTEM

CapitaLand's approach to health and safety is guided by its OHS Management System. Established in Singapore since 2009, it has extended to Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, Vietnam and the United Kingdom (UK). CapitaLand's EHS policy outlines the Company's commitment to manage OHS issues. Please refer to the EHS policy outlined in the Environmental Capital chapter of this report.

Certified to International Standards

The OHS Management System has been externally audited by a third-party accredited certification body to ISO 45001 standards, a recognised international standard for OHS Management Systems since 2009. Since 2012, the Group has achieved the OHSAS 18001 certification for its OHS Management System in 15 countries² and in 2020, CapitaLand successfully completed the migration to the ISO 45001 standards. This coverage encompasses all business functions including property management and operations, project development and corporate office management.

Global Internal and External Audits

CapitaLand has put in place an internal audit system to ensure conformance and effective implementation of its OHS Management System is aligned to the ISO 45001 standards.

Internal audits are scheduled at least once a year in 15 countries, covering 50% of the sites in each country. In addition, external audits are scheduled annually with an accredited third-party certification body. An annual audit of the OHS Management System provides assurance to top management and external investors of CapitaLand's OHS Management System, its legal compliance and commitment to best practices. Due to COVID-19 and compliance to the local authorities' requirements on properties in certain countries, the 2020 audit plans were impacted. Regardless, CapitaLand continued to conduct internal audit within the Group's portfolio and completed its external audit in early 2021. Alternative audit modes such as virtual and/or hybrid of virtual and physical site audits were implemented to ensure the safety of CapitaLand staff, customers, contractors and external auditors, as well as compliance to local requirements.

Compliance

Legal requirements are reviewed on a quarterly basis, and compliance to these requirements are evaluated annually. Despite all efforts to ensure compliance, its operations in Singapore and China incurred four non-compliant incidents relating to fire safety. Thorough investigations were conducted and necessary follow-up actions were immediately taken. Lessons learnt from the incidents were shared across business units, and the Group's commitment to strengthen its safety standards was reinforced.

Risk Management of OHS Hazards

Identifying OHS hazards and assessing their risks are key components in CapitaLand's OHS Management System. CapitaLand strives to eliminate or minimise such hazards and risks through various measures. Hazards Identification and Risk Assessments (HIRA) are reviewed annually or when appropriate, for example, following a change in processes. OHS hazards are identified for the administration, development and operational functions of CapitaLand's businesses and their risks are assessed. Examples of hazards include slip, trip and fall hazards, falling from height, falling objects and working in a confined space. The SBUs have put in place various standard operating procedures (SOPs) to minimise the occurrence of such hazards.

² CapitaLand staff located in these 15 countries account for 99% of the CapitaLand total staff strength.

HUMAN CAPITAL

Training and Awareness

To facilitate the effective implementation of its OHS Management System, training and awareness programmes are organised for CapitaLand staff. In 2020, more than 50% of staff attended at least one EHS related training which included safety and emergency response. Please refer to the Environmental Capital chapter of this report for more details on EHS training programmes. In addition, staff are briefed on how to respond to OHS incidents at the workplace as well.

Measures to Mitigate Risks of Serious Diseases

CapitaLand is able to respond to the threat of serious diseases in a timely manner by putting in place appropriate measures to mitigate risks. When necessary, the Human Resource department disseminates medical and travel advisories to all staff. Information on pandemic planning is also made readily available to all staff on the intranet.



Heightened focus on health, safety and wellness

From the onset of the COVID-19 pandemic, CapitaLand's priority was to ensure the health and safety of its stakeholders and support tenants in need.

- CapitaLand worked closely with its service partners to provide a safe environment for all to use. Enhanced safety measures were put in place with increased frequency of cleaning and disinfection of high contact points, and innovative solutions were implemented to enhance contactless access. The contactless solutions included thermal scanners for temperature screening at entry points, as well as contactless lift activation, to minimise physical contact and provide seamless service to tenants and guests amid COVID-19.
- The CapitaStar@Work app for its office tenants in Singapore offered features for its tenants to conduct staff and visitor contact tracing within their premises and customised health and wellness surveys.
- CapitaLand's lodging arm, The Ascott Limited (Ascott) deployed self-check-in kiosks with facial recognition technology and unmanned service robots at selected properties. Ascott Orchard Singapore implemented radio frequency identification (RFID) tapping points and QR codes to provide guests with easier access to the internet, reducing the contact between guests and staff. To allow prospective guests to engage in an interactive online tour of Ascott's apartments, 360 degree virtual tours were introduced in countries such as Singapore and China.

Ascott launched "Ascott Cares" to further raise the standards of care for its guests, staff and partners with the implementation of stringent health and cleanliness measures at its properties. The comprehensive protocols which are in compliance with the World Health Organization (WHO) standards and local regulations, were rolled out progressively to 144 properties globally from June 2020. Ascott collaborated with Bureau Veritas to develop a holistic programme where Bureau Veritas' Health, Safety and Hygiene experts audited and certified the implementation of "Ascott Cares" commitments at its properties.

Ascott's properties in Singapore also achieved the "SG Clean" certification issued by Singapore's National Environment Agency and its properties in Malaysia obtained the "Clean & Safe Malaysia", a hygiene and safety label supported by the Ministry of Tourism, Arts & Culture of Malaysia.

In the UK, Ascott was recognised as an International Serviced Accommodation Accreditation Process (ISAAP) Quality Accredited and Compliance Assured Provider. The awards, which are reviewed annually, showcase Ascott's dedication and commitment to more than 250 rigorous ISAAP quality considerations, in addition to specified regulations and best practice standards of safety, security and a duty of care.

HUMAN CAPITAL

MEASURING OUR SAFETY PERFORMANCE

2020 Occupational Health and Safety Targets and Performance

Targets	Performance
Conversion to ISO 45001 certification for CapitaLand's OHS Management System	<ul style="list-style-type: none"> Successfully converted from OHSAS 18001 to ISO 45001 certification in 15 countries
Zero incident resulting in CapitaLand staff fatality and permanent disability	<ul style="list-style-type: none"> Zero CapitaLand staff work-related fatality Zero CapitaLand staff work-related permanent disability
All main contractors appointed are to be OHSAS 18001/ISO 45001 certified (or to comply fully with local OHS laws and regulations, and annually audited by an independent accredited assessor)	<ul style="list-style-type: none"> 12 main contractors appointed in 2020 are OHSAS 18001/ISO 45001 certified, or will implement an external audit on EHS legal compliance by an independent accredited assessor
Zero incident resulting in contractor staff fatality and permanent disability	<ul style="list-style-type: none"> Five contractor staff work-related fatality Zero contractor staff work-related permanent disability

CapitaLand's OHS performance monitoring includes all staff (both full-time and part-time) and contractors involved in the daily operations and project management of its development sites.

In 2020, there were 42 work-related injuries³ involving CapitaLand staff, mostly from the operations teams. Thorough investigations were conducted where possible, and all necessary follow-up actions have been taken. As part of its OHS Management System, CapitaLand will continue to monitor its OHS performance, reinforcing safety standards and fine-tuning its SOPs for improvement.

CapitaLand Staff	2020				2019	2018
	Singapore	China	Rest of the World	Group Overall	Group Overall	Group Overall
Number of work-related injuries	4	10	28	42	45	47
Work-related fatalities/permanent disabilities	0	0	0	0	0	0
Injury rate ⁴ (number of work-related injuries per million hours worked)	0.7	0.8	3.1	1.6	1.5	1.8
Lost day rate ⁴ (number of lost man-days per million hours worked)	21.7	44.0	258.3	112.7	38.8	44.7
Absentee rate ⁵ (% of total work days scheduled)	1.8	0.7	1.3	1.1	1.2	1.6

³ This is based on work-related incidents that resulted in more than three days of medical leave or more than 24 hours of hospitalisation.

⁴ Injury rate and lost day rate were computed based on scheduled work hours. In 2020, the injury rate was 1.2 and 1.9 per million hours worked for CapitaLand male and female staff respectively. The increase in lost day rate in 2020 is attributed to a number of incidents with longer medical leave given, in one country. However due to privacy laws, selected cases could not be investigated to determine the root cause of these incidents, including any pre-existing conditions.

⁵ Absentee rate was based on medical leave taken by CapitaLand staff, regardless of whether it was a work-related illness or not. In 2020, the absentee rate was 0.8% and 1.4% of scheduled work-days for male and female staff respectively. The absentee rate of the Group was 1.6% of scheduled work-days in 2017.

HUMAN CAPITAL

Staff Wellness

CapitaLand aims to provide a work environment that is safe and contributes to the well-being of its staff. CapitaLand implemented a Total Well-Being Programme, which included an annual free onsite health screening in Singapore and China. In view of COVID-19, this screening was held offsite via appointment booking at the clinics in 2020. More than 350 staff in Singapore and 3,400 China staff participated in this complimentary health screening in 2020⁶.

In 2020 when most CapitaLand staff had to work from home due to various COVID-19 related lockdowns, CapitaLand organised more online programmes to support its staff to better manage stress. In 2020, 280 participants attended resilience related training such as mental wellness. Weekly virtual workout sessions and talks were conducted in Singapore to engage its staff. At least 40 programmes were organised in 2020 with about 600 participants attending the virtual workout sessions.

Financial assistance, employee assistance programmes and healthcare hotlines were already in place. During the COVID-19 pandemic, CapitaLand rolled out additional policies and schemes, complementing its existing initiatives such as financial assistance, employee assistance programmes and healthcare hotlines to support its staff.

CapitaLand mobilised its global network to secure Personal Protective Equipment (PPE) for its frontline staff at its properties and businesses. Working from home became the default mode of working for most CapitaLand staff except for frontline employees, thus reducing the risk of exposure during commuting.

OHS STAKEHOLDER ENGAGEMENT*

CapitaLand understands the important role that end-users of its buildings and its supply chain play. It actively involves its staff, tenants, contractors, suppliers as well as the wider community to promote total well-being, health and safety.

National Policy Making

CapitaLand actively participates in national efforts towards workplace health and safety. In Singapore, this includes being a member of the Workplace Safety and Health (WSH) Council (Construction and Landscape) Committee and Tripartite Oversight Committee on Workplace Safety and Health.

Tenants and Community

As part of CapitaLand's OHS Management System, emergency response procedures are in place to address potential OHS risks. Periodic briefings and annual evacuation drills are conducted to ensure that tenants are familiar with the response plan.

In China, CapitaLand continued to collaborate with more than 110 local fire departments, government agencies and associations to organise fire drills at 53 offices, business parks and malls to raise safety awareness among more than 34,000 participants including tenants and shoppers. These fire drills included simulation of fire and evacuation, and involvement of local fire departments. These were well-received by the local authorities. CapitaLand also organised other emergency response drills on lift and escalator incident, and anti-riot exercise with more than 4,500 participants including tenants.

CapitaLand Integrated Commercial Trust (CICT) in 2019 launched a signature tenant programme "Live It Up!" in Singapore aimed at promoting a holistic approach to health, well-being and environmental conscientiousness to the office community. The event took on a fresh format and went fully digital. A series of content were shared over 12 days from November to December 2020 to encourage the office community to live a healthier and greener lifestyle. The programme featured the "Water The Plant Challenge" in collaboration with tenants and government agencies. The challenge aimed to encourage the community to create positive change to the environment and their well-being by pledging to take on the daily challenges. More than 380 participants joined the challenge, of which more than 50 were CICT tenants.

* GRI 102-40, 102-42, 102-43, 102-44

6 Based on 2020 health screening profile in Singapore, high total cholesterol indicator improved compared to the year before and remained better than the national average, whilst weight management remained an area of concern. To encourage healthy living, Wellness Wednesday Programme was introduced in Singapore to encourage CapitaLand staff to take charge of their well-being. CapitaLand staff are encouraged to participate in CapitaLand wellness related activities such as health talk on the management of three highs: "High Cholesterol, High Blood Pressure and High Blood Sugar", vision care, desk stretches workout, yoga classes, running and circuit training. Tips on healthy living and exercise are also shared.

HUMAN CAPITAL

Supply Chain Management

CapitaLand works closely with its contractors and suppliers who are committed to high quality environmental, health and safety standards. The CapitaLand Procurement Policy, and the CapitaLand Supply Chain Code of Conduct form the basis for CapitaLand’s engagement with its supply chain to influence them to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management. There is a structured procurement process, and contracts are awarded after rigorous tender selection involving a balanced evaluation of financial and non-financial criteria including safety requirements.

In 2020, 86% of CapitaLand’s supply chain acknowledged to abide by the CapitaLand Supply Chain Code of Conduct.



Review and engagement of CapitaLand’s supply chain

In 2020, CapitaLand conducted a supply chain baseline study of its entire operational portfolio and development sites, managed by CapitaLand, to engage its business units on the importance of influencing supply chain on sustainability matters. The objective was also to better understand the presence of migrant workers within the CapitaLand supply chain, and the onsite provision of facilities for its contractors’ workers⁷.

The study found that migrant workers were present within the CapitaLand supply chain, mainly in the main contractor workforce in CapitaLand development sites in Singapore, Malaysia and Indonesia. These main contractors were ISO 45001 certified for occupational health and safety management, with regular performance monitoring of onsite safety. For operational properties in the lodging portfolio, there was a high percentage of migrant workers among the vendors and service providers workforce in countries such as Malaysia, Germany, and UK. These properties are part of CapitaLand’s OHS Management System which is externally assured to ISO 45001 for occupational health and safety. For more information on the efforts put in place to ensure the well-being of the supply chain workers, please refer to the following write up below.

With regards to the provision of facilities on CapitaLand development sites for its contractor staff, due to physical site constraints, it was not always possible to have permanent and/or separate facilities onsite. Regardless, almost 70% of the development sites surveyed have dedicated rest areas. The main contractor would be required to ensure the health and well-being of its staff onsite. For CapitaLand operational properties, 95% have a dedicated rest area for contractor staff.

COVID-19: Ensuring the safety of the cleaning and security contractors in Malaysia

The CapitaLand’s operations team visited the accommodations of the workers of its cleaning and security contractors to ensure a decent hygiene level and living conditions.

In addition, CapitaLand referenced the list of active COVID-19 clusters furnished by the Malaysian Health Ministry and mapped it against the locations of the accommodations for its cleaners and security officers deployed at CapitaLand’s malls. Following which, CapitaLand would proactively work with its contractors to monitor the situation to take early preventive measures.



Site visit by CapitaLand’s operations team to a women’s dormitory for its cleaning contractor crew



Dormitory disinfection process at a dormitory for its cleaning contractor crew

* GRI 102-40, 102-42, 102-43, 102-44

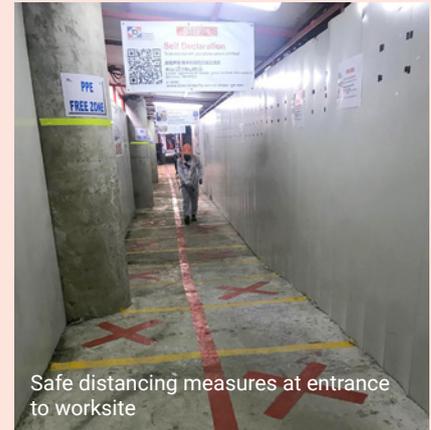
7 This study referenced the International Labour Organisation (ILO) definitions of migrant worker and provision of rest areas/facilities for outsourced workers, as well as the Singapore Tripartite Advisory on rest spaces.

HUMAN CAPITAL

COVID-19: Keeping CapitaLand development sites safe

Several measures were implemented to keep the CapitaLand worksites safe from COVID-19 and ensure regulatory compliance. At the CapitaSpring development site in Singapore, the following measures were put in place:

- Ensuring worksite safety awareness. Main contractor's workers were required to attend the Building & Construction Authority's Online COVID Safe Training Course and Examination before they could be mobilised on site. There was also a COVID-19 Safety Induction Session to brief these workers on their roles and responsibilities and good practices in personal hygiene.
- Enforcing health monitoring and contact tracing. Main contractor's workers take their temperatures twice a day and a COVID-19 test once every 14 days. To ensure all workers are traceable and accessible, besides the mandatory SafeEntry and TraceTogether mobile applications⁸, the main contractor used geolocation devices to monitor movements, control the density of workers and minimise interaction between teams within the worksite.
- Minimising interaction within the worksite. The workers were split into separate teams for different colour-coded work zones. To minimise interaction between the teams, the teams had designated toilets and rest areas, as well as staggered schedules, off days, and rostered usage of shared facilities.
- Worksite sanitation. Stringent cleaning measures were enforced at the worksite. Thermal cameras were deployed at site entrances and a disinfection chamber was used to automatically sanitise a person. Machines were cleaned daily and common facilities were cleaned every two hours. The emergency evacuation plan was updated to cordon off and disinfect affected areas immediately, and a dedicated sickbay and isolation facilities were provided for any suspected or confirmed COVID-19 cases.



Safe distancing measures at entrance to worksite



Conducting COVID-19 safety sessions for the workers

Vendors and Service Providers

For building operations, CapitaLand's contractor management guidelines require all contractors to comply with local government and other legal requirements. Vendors and service providers in Singapore and overseas are required to submit a copy of their risk assessments in cases where their activities may affect the occupational health and safety of CapitaLand staff or visitors.

Vendors and service providers are sent a copy of CapitaLand's EHS Policy. They have to ensure that their staff are sufficiently trained or briefed on environmental, health and safety measures. Contractor house rules stipulate requirements such as deploying personal protective equipment, reporting of accidents and proper disposal of debris and toxic waste.

Since 2012, CapitaLand properties in Singapore only appoint bizSAFE⁹ Level 3 and above certified vendors and service providers when signing new contracts or renewing existing contracts. Where possible, CapitaLand intends to stipulate similar requirements for its overseas properties. In 2020, over 93% of CapitaLand appointed vendors and service providers¹⁰ in Singapore were bizSAFE Level 3 and above certified.

Despite best efforts to ensure site safety, there were three workplace fatalities involving CapitaLand's vendor staff in Singapore, India and China. Detailed investigations were undertaken, and it ensured that the contractors quickly completed all necessary follow-up actions. CapitaLand actively monitors the actions taken against the contractors by the local authorities and would also implement appropriate actions. Lessons learnt from the incidents were shared across business units, and the Group's commitment to strengthen its safety standards was reinforced. This included enhancing the safety component in the CapitaLand staff and contractor performance review.

* GRI 102-40, 102-42, 102-43, 102-44

⁸ These apps are developed by the Singapore government and mandated for use at workplaces.

⁹ The bizSAFE programme is advocated by the WSH Council in Singapore to promote workplace safety and health in small and medium enterprises. There are five levels.

¹⁰ This refers to term contractors/service providers where their work is on-site at CapitaLand properties or offices.

HUMAN CAPITAL

Safety training for CapitaLand contractors

The operations teams in CapitaLand's business parks in Singapore developed nine work safety videos to enhance workplace safety and health awareness and standards for CapitaLand staff as well as its contractors. The videos covered higher risk work activities including working at height, entry into confined spaces, hot works, emergency response, and COVID-19 measures. Six virtual training sessions were conducted by CapitaLand for 30 contractor workers.



Main Contractors

CapitaLand requires main contractors appointed for its development projects to be ISO 45001/ OHSAS 18001 certified (or equivalent) or to engage an independent accredited assessor to conduct OHS legal compliance audits on site. Twelve main contractors appointed in 2020 fulfilled these requirements. As the workers' health and safety performance are linked to their health condition and relevant training provided, CapitaLand leverages this third party certification to ensure that the workplace health and safety conditions on site follow the best practices on the industry level. CapitaLand also encourages its main contractors to implement innovative solutions to further enhance onsite safety.

CapitaLand mandates no forced/ child labour at CapitaLand development sites and regular updates on safety performance are conducted on site. It also requires an undertaking from its main contractors at its development sites to engage legal workers and ensure decent living conditions for the contractor workers deployed at CapitaLand sites. CapitaLand also embeds key principles where main contractors must comply with prevailing legal compliance requirements to ensure the contractors remain vigilant on new standards expected.

CapitaLand also tracked the health and safety performance of its main contractors at its worksites in Singapore and overseas. In 2020, there were no contractor injuries at its Vietnam development sites. Injury rate at its Singapore, China and Indonesia construction sites was about 1.3, 0.1 and 1.0 cases per million work hours, respectively.

Despite best efforts to ensure site safety, there were two workplace fatalities involving CapitaLand's contractor staff in China and Indonesia. Detailed investigations were undertaken, and CapitaLand ensured that the contractors quickly completed all necessary follow-up actions. Lessons learnt from the incidents were shared across business units, and the Group's commitment to strengthen its safety standards was reinforced. This included enhancing the safety component in the CapitaLand staff and contractor performance review.

CapitaLand strongly encourages its main contractors in Singapore to apply for the Workplace Safety and Health (WSH) Safety and Health Award Recognition for Projects (SHARP)¹¹ awards and for overseas main contractors to apply for accredited local safety awards. In 2020, Funan Singapore obtained The Royal Society for the Prevention of Accidents (RoSPA)¹² Gold Award for its workplace safety performance.

Embracing Innovation to enhance workplace safety at development sites

At La Botanica, Xi'an, China, the main contractor set up a virtual reality centre (VRC) where its workers could be trained on emergency evacuation responses, safe measures required for electrical works, etc. These workers experienced potential hazards and risks in a simulated virtual interactive environment to further raise their safety awareness. Unmanned aerial vehicles (UAV) were also deployed for site monitoring, especially for inspection of works that are dangerous and difficult for workers to access.



Main contractor staff experiencing the virtual reality training

* GRI 102-40, 102-42, 102-43, 102-44

11 Safety and Health Award Recognition for Projects (SHARP) Award recognises projects or worksites that have good safety and health performance, and workplace safety and health management systems.

12 The Royal Society for the Prevention of Accidents, UK (RoSPA) Award recognises organisations with strong and ongoing commitment to raising health and safety standards.

HUMAN CAPITAL

HUMAN RIGHTS

CapitaLand has an integrated human capital strategy to recruit, develop and motivate staff. Key performance indicators (KPI), both for the business as well as for people development, are in place to ensure that staff's performance goals are aligned with the Group's business objectives. Staff are provided with the appropriate development opportunities to perform well in their job.

CapitaLand has a Social Charter which sets out commitments to support the preservation of human dignity and self-respect of every individual, covering topics on human rights, child labour, forced labour, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance. Applicable to all CapitaLand staff, the policy guides CapitaLand towards ensuring a supportive and respectful environment for individuals across all aspects of CapitaLand's business and operations.

Anti-Child Labour and Anti-Forced Labour

With a global workforce of more than 12,300 staff, CapitaLand is committed to be a workplace of choice for its staff. CapitaLand is a signatory of the United Nations Global Compact (UNGC) and is committed to the 10 principles in the areas of human rights, labour, environment and anti-corruption. These 10 Principles of the UNGC are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

In Singapore, CapitaLand signed the Employers Pledge for Fair Employment Practices with the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP¹) and is committed to the five key principles of fair employment².

In 2020, CapitaLand had no reported incident relating to discrimination, child labour or forced labour, and no staff was below the age of 16³.

Diversity and Inclusion

As an international company, CapitaLand embraces diversity and inclusivity regardless of age, religion, gender, race, nationality and family status. CapitaLand believes that staff can make a significant contribution based on their talent, expertise and experience. There are about 90 nationalities working within the Group.

CapitaLand adopts a localisation strategy for its overseas operations where reasonable and practicable. This ensures that the teams on the ground have a good grasp of the local socio-political and cultural sensitivities to help deliver targeted business outcomes for the Group. In 2020, locals accounted for more than 81% of the staff based in Singapore and 98% of staff based in China.

CapitaLand identifies talent internally and externally to build bench strength as well as talent pipeline for leadership succession planning. CapitaLand recruits talent through a network of local and overseas universities, and also attracts young talent with less than two years of working experience through its Graduate Development Programme. Apart from fresh graduates, CapitaLand also employs experienced and mid-career professionals as well as industry veterans. New hires represented 13% of the total headcount in 2020⁴.

CapitaLand's vibrant, motivated and qualified workforce has given the Group a competitive edge. About 70% of CapitaLand's global workforce is aged 30 to 50. Over 78% of CapitaLand's staff hold tertiary qualifications and above (this includes holders of diploma, and bachelor's and master's degree qualifications).

1 The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) was formed in May 2006 to promote non-discriminatory employment practices and to shift mindset among employers, staff and the general public towards fair and progressive employment practices for all workers in Singapore. Members include employer representatives, union leaders and government officials.

2 The five key principles of fair employment are:

- › Recruit and select staff based on merit, such as skills, experience and ability, regardless of age, race, gender, religion or family status.
- › Treat staff fairly and with respect and implement progressive human resource management systems.
- › Provide staff with equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential.
- › Reward staff fairly based on their ability, performance, contribution and experience.
- › Abide by labour laws and adopt Tripartite Guidelines which promote fair employment practices.

3 In 2018 and 2019, CapitaLand had no reported incident relating to discrimination, child labour or forced labour, and no staff was below the age of 16. In Singapore, the Ministry of Manpower stipulates specific forms of work which are unsuitable for children below the age of 16.

4 Singapore and China accounted for about 14% and 53% of the total number of new hires respectively.

HUMAN CAPITAL

Gender Diversity and Pay Parity

According to the Global Gender Gap Report 2021 by the World Economic Forum, the impact of COVID-19 has increased the global gender gap by a generation, and it will take 135.6 years to close the global gender gap. Despite progress in education and health, women still face economic hurdles as well as workplace challenges. The report calls for strategies and policies that emphasise investment in the care sector, equal hiring practices and skills development.

CapitaLand's global workforce comprises an almost equal proportion of males and females, at a ratio of 47:53⁵. The Company's female staff are represented at the middle and senior management levels. In the past three years, more than 50% of the managerial staff were female. In 2020, about 36% of senior management were female with seven of them holding C-suite appointments within the Group. Over the past three years, between 31% and 36% of the senior management were females.

CapitaLand rewards men and women fairly based on merit, ability and experience for comparable roles across the organisation's hierarchy. Its incentive systems focuses on performance and is gender-agnostic. Staff pay is also market-benchmarked based on job roles using gender-neutral pay surveys provided by independent remuneration consultants and from the 2020 exercise showed no major pay gap but reflecting the lower representation of women at the more senior levels of the organisation⁶.

Job Creation and Employment

CapitaLand is committed to talent mobility where staff are given opportunities to rotate across different job functions, subject to skills/competency requirements and business needs. CapitaLand is committed to providing meaningful jobs for its staff. This is in line with the revised Tripartite Guidelines on Managing Excess Manpower and Responsible Retrenchment issued by the Singapore Ministry of Manpower (MOM) together with its tripartite partners, Singapore National Employers Federation (SNEF) and the National Trades Union Congress (NTUC).

CapitaLand has a re-employment policy of extending employment to staff who have reached the mandatory retirement age but are still able and willing to continue contributing to CapitaLand⁷. This policy is applicable to all staff globally. In 2020, there were 151 staff above the retirement age⁸, of which 143 staff were rehired post-retirement.

In 2020, other than the reconfiguration of certain functions, no major reorganisation was implemented in CapitaLand. There were no major layoffs arising from these changes as well.

5 In Singapore, the proportion of male to female staff is 42:58; in China, the ratio is 46:54.

6 The average gender pay gap (comparison is for base salary and other cash incentives) is about 8% in favour of females at non-executive levels; 1% in favour of males at executive levels; and 8% in favour of males at middle management levels. At senior management levels with female representation, the average gender pay gap ranges from 5% in favour of males for one level to about 19% in favour of females in another level. Excluding the Group CEO, there is only one level of senior management without female representation.

7 The Singapore government implemented the retirement and re-employment legislation in 2012 to enable more people to work beyond the current statutory

8 This is based on the retirement age in the respective countries.

HUMAN CAPITAL

Respect for Freedom of Association

CapitaLand respects its staff's right to freedom of association and being members of trade unions. In Singapore, CapitaLand is guided by the Industrial Relations Act that allows the representation of staff by trade unions for collective bargaining, thus providing them with an avenue to seek redress for any industrial disputes. CapitaLand and the unions enjoy a cordial working relationship, promoting positive working conditions and improving productivity for the mutual benefit of staff and the Company. About 57% of CapitaLand's workforce in Singapore⁹ and 23% of the global workforce are covered by collective agreements*.



Partnership with the union

Ascott was the first in the hospitality industry in Singapore to form a jobs and skills training partnership with the Food, Drinks and Allied Workers Union (FDAWU), echoing the Labour Movement's strategy of upskilling workers in tandem with industry's transformation through the ground up efforts of the Company Training Committee (CTC).

Since the formation of the CTC, Ascott kick-started efforts in enhancing digital awareness for the staff to ensure that they continue to retrain, upskill and remain relevant as the Company transits into the future economy. Ascott installed self-check-in kiosks with facial recognition and implemented an automated workforce management system, that automates the scheduling of operations such as housekeeping and maintenance, and to track guests' requests. These initiatives resulted in improved operational efficiencies and sustainable gainsharing with the employees.

At Ascott's coliving property, lyf Funan Singapore, its "lyf Guards" are multi-skilled employees who are adept across a variety of hospitality operations. This include being community managers, city and food guides, bar keepers, etc, thus allowing them to command a higher minimum starting salary.

The Chief Executive Officer of The Ascott Limited, Kevin Goh was honoured by the National Trades Union Congress (NTUC), with the May Day Medal of Commendation in 2020 for his strong advocacy for productivity improvements and upgrading of staff capabilities to ensure a dynamic and digitally-savvy workforce.

Talent Management

CapitaLand seeks innovative, dynamic and talented staff to take the Company into its next phase of growth and adopts a multi-pronged approach to manpower planning, i.e. developing internal talent and hiring young talent, mid-career professionals and industry veterans. CapitaLand continuously builds its management bench strength through the identification of high potential talent as part of its regular succession planning process.

The Board's Executive Resource and Compensation Committee (ERCC) regularly reviews the succession plans for the key positions in the Company including Group Chief Executive Officer (CEO) and other key management personnel in CapitaLand.

On an annual basis, CapitaLand identifies and reviews suitably qualified candidates from both within and outside of the Group who could be considered for key positions when the need arises in the immediate, medium, or long term.

* GRI 102-41

9 This represents 100% of our bargainable workforce (staff who are entitled to join unions) in Singapore.

HUMAN CAPITAL

Positive Work Environment

CapitaLand recognises that a positive work environment is essential to attract, motivate and retain talent. Its overall well-being programme promotes personal development, health and work-life harmony. Initiatives of the programme include a flexible medical and benefits plan, flexible work arrangements, staff engagement initiatives and subsidised rates for staff staying at CapitaLand's wholly owned lodging business unit's properties. Part-time staff are also entitled to the same benefits on a pro-rata basis. Its robust performance management system ensures that all staff receive regular performance and career development reviews.

All CapitaLand staff are entitled to parental leave. In 2020, 346 eligible female staff went on maternity leave and 285¹⁰ returned to work. CapitaLand also provides paid paternity leave to all male staff in Singapore and other countries where practicable with 150 eligible male staff who took paternity leave in 2020 and returned to work¹¹.

The Group adheres to the respective social security contribution or pension plan obligations of the countries where it operates. In Singapore, the Central Provident Fund (CPF) is a comprehensive social security savings plan introduced by the Singapore government to enforce savings by salaried workers for a more secure retirement. Under the CPF scheme, CapitaLand and its staff make monthly contributions to the staff's CPF account in accordance with the prevailing regulations.

Supporting CapitaLand staff through the COVID-19 pandemic has been an unexpected focus during the year, with the work-from-home arrangement extended group-wide. This presented various challenges for staff, including difficulties in juggling workload and the home-schooling responsibilities of their children, increased isolation and maintaining mental health. Many of these challenges were addressed by the proactive measures put in place during this period. For instance, communications and webinars explaining the effective use of remote working tools such as Microsoft Teams were held. Other measures included staff virtual town hall meetings where staff could post questions and receive real-time responses from the top management, regular email updates on CapitaLand's response to COVID-19 pandemic, as well as activities on how to maintain workplace connections and team cohesion such as virtual fitness classes and e-learning. Flexible medical benefits were also extended to include personal purchase of COVID-19 protection equipment and swab-tests. An additional hardship subsidy was extended to eligible staff to assist them with their financial situation.

Fair Remuneration

All staff have signed employment contracts with the key employment terms and conditions clearly spelt out. This allows staff to understand both their rights and obligations, as well as those of the Company, thus minimising potential employment disputes in future. Key employment terms specified in the employment contract include the job title and description, duration of employment, working hours, salary and allowances, (statutory) contributions/deductions, leave entitlements, probation and notice periods, and key insurance and medical benefits etc.

To ensure that CapitaLand remains competitive and continues to attract and retain the right talent, the Group engages external independent remuneration consultants to benchmark the Company's compensation packages against the relevant talent markets. Salaries are reviewed against the benchmarks and the specific job scope and responsibilities of each staff are taken into consideration. All regular full-time staff will undergo an annual performance review where there is an open discussion on the staff's performance, areas for improvement, developmental needs and career plans.

The Group rewards and motivates staff with a comprehensive and competitive compensation package and benefits programmes. The Group observes a pay-for-performance philosophy that rewards for superior performance, which aligns staff and shareholder interests to deliver business results. CapitaLand's overall annual variable bonus pool is determined based on the Group's achievement against a holistic set of quantitative and qualitative targets in the balanced scorecard dimensions of Financials, Execution, Future Growth, Talent Management and Sustainability (including Environment, Social and Governance factors). These are cascaded down throughout the organisation, thereby creating alignment across the Group. In view of the COVID-19 crisis during 2020, additional performance measures were introduced relating to preparing and positioning the Group for recovery, protecting the well-being of employees and the community, and managing stakeholders.

¹⁰ This figure excludes staff whose paternity/maternity leave crossed over into 2021 and hence have not returned to work in 2020.

¹¹ In 2019, 230 female and 146 male staff who took parental leave (maternity and paternity leave) continued to work in CapitaLand 12 months after they returned from parental leave.

HUMAN CAPITAL

The amount of bonus awarded to staff are further based on their relative contributions and individual performance. Staff at managerial grades are also eligible to receive performance-based long-term share awards. The share awards will vest over three years and subjected to the achievement of pre-determined Group profitability and shareholder return targets.

The performance and remuneration of key management executives are based on both quantitative and qualitative targets within the balanced scorecard framework, including their efforts in building management bench strength and talent.

CapitaLand also monitors the movement of its workforce closely. In 2020, staff turnover¹² rate was 13.4%. In Singapore, the turnover rate was 10.9%, which was below the national average of 18%¹³. In China, the turnover rate was 14.2%, which was below the national average of 16.4%¹⁴. Given CapitaLand's business in the labour-intensive hospitality industry and the large number of non-executive staff, this staff movement is deemed normal.

More than 48% of staff globally have been with the Group for five years or longer. The Company also interviews resigning staff as part of its continuing efforts to improve its retention policies and initiatives.

Upskilling The Workforce For The Future

CapitaLand recognises the impact of technology in the workplace and has implemented the 'Building Capabilities Framework' (BCF) to build a future-ready workforce with the digital mindset, competencies and capabilities to stay competitive in the future real estate landscape. The BCF framework was launched in Singapore in 2019 and rolled out globally by 2020.

In 2020, 83% of CapitaLand's global staff participated in at least one digital-related programme. Despite the challenges brought by COVID-19, CapitaLand continued to equip its staff worldwide with a suite of programmes under this framework. A Virtual Learning Festival was held during the August and September period with a dedicated day to raising awareness on technology applications and trends.

Some examples of new digital capabilities included

- Robotic Automation Process (RPA) introduced to improve work efficiency with more than 700 staff trained and more than 20 new automation projects implemented.
- More than 500 staff were also trained to use a paperless signatory document software.

To address in the increasing risk of cyber-security, more than 9,000 staff attended the cyber awareness training to acquire knowledge on how to detect potential cyber breaches especially with the increased reliance on digital services.

Other courses like change management and diversity-related training saw more than 180 staff participants clocking in over 260 hours. Overall, almost 94% of CapitaLand's global staff attended at least one learning event, and the average number of training hours completed by each staff for the year was more than 43 hours¹⁵.

While the impact could not be wholly measured in monetary terms, staff survey outcomes showed that more than 74% of staff agreeing that they were equipped with skills and knowledge to stay relevant in the workforce and that they will undertake training to further develop themselves professionally.

BUILDING CAPABILITIES FRAMEWORK



¹² This refers to voluntary turnover and does not include figures attributable to internal transfers from one entity to another entity, non-renewal of contracts, etc.

¹³ Data by Ministry of Manpower, Singapore.

¹⁴ Data by an external human capital and management company.

¹⁵ The drop in average number of training hours per staff from 55 hours per staff in 2019 was expected as the Company pivoted to mostly online training due to COVID-19. Such online training sessions are usually much shorter in duration.

HUMAN CAPITAL

STAFF ENGAGEMENT*

CapitaLand actively engages its staff through various avenues, including regular communication sessions held by senior management for effective flow of information and alignment of business goals and objectives across all levels of the workforce.

Quarterly staff communication sessions by the Group CEO allow the Group’s senior management team to communicate and interact with staff. These sessions are webcast live to CapitaLand offices in Singapore and overseas. During these staff communication sessions, information on the Group’s financial results and key business focus is shared with staff. Staff can pose questions via an online platform prior to the session. Between April and August 2020, the frequency was increased, and all three sessions were conducted virtually, in compliance with COVID-19 safe distancing requirements and to actively engage CapitaLand staff.



CapitaLand top management engaging staff at virtual staff townhall sessions.

CapitaLand practises an open-door policy, allowing all staff to obtain a fair review and a prompt response to problems or concerns relating to any aspect of their employment with the Group. This includes harassment, grievance handling and whistle-blowing policies applicable to all staff. Staff can also raise their concerns to a higher level of management or to the Human Resource (HR) department.

Information such as employment terms, benefits and practices, Ethics and Code of Business Conduct, as well as Fraud, Bribery and Corruption Risk Management Framework is made available to all staff through CapitaLand’s intranet portal, CLICK.

To further engage with staff working from home, CapitaLand organised several activities such as #StayHome #StayFun, CapitaLander Snap & Win contest where staff globally were invited to submit a photograph or video of their time working from home, and quizzes were also conducted to help reinforce staff knowledge on dealing with the COVID-19 pandemic. More than 250 entries were received and 22 winners won prizes.

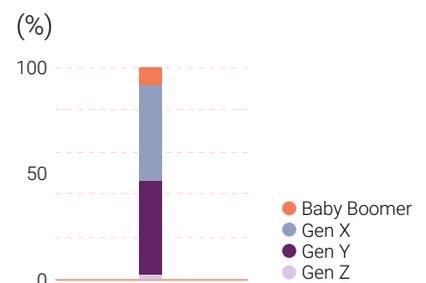
2020 Employee Pulse Survey (EPS)

In 2020¹⁶, 47% of CapitaLand Group’s staff from over 20 countries participated in the Employee Pulse Survey (EPS) conducted internally. The EPS allowed the Company to analyse staff sentiments on the changes and impact of COVID-19. On average, 79% of staff expressed that they were supported by their immediate supervisor, were confident in CapitaLand senior leadership team and found the on-going communication efforts to have been helpful to them in accessing relevant information and resources.

In addition, two remote work pulse surveys were conducted in Singapore during the circuit breaker period (which included a stay-at-home order) between April and July 2020 to “check-in” with the Singapore-based staff. Through the constructive feedback gathered from the two surveys, the CapitaLand management team was able to find out how staff were doing and understand their needs and challenges faced in adapting to the new normal.

The HR Business Partners have been working with the respective CEOs to address the key issues within the respective business units. On the Group level, initiatives will be rolled out to address concerns in the areas of work processes, collaboration and teamwork.

Employee Pulse Survey July 2020 Participation

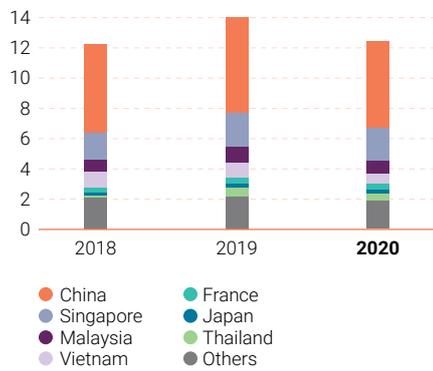


* GRI 102-40, 102-43, 102-44

16 In 2019, 93% of the Group’s staff in over 20 countries participated in the Group’s third Employee Engagement Survey (EES) and employee engagement score was 80%. This exceeded the global real estate, property and asset management norm. An independent consultancy firm was appointed to administer the survey and to ensure confidentiality in soliciting honest responses from the staff.

HUMAN CAPITAL

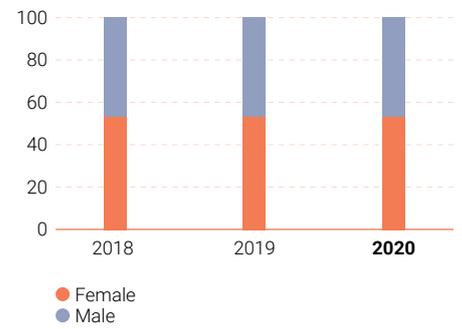
Global Staff By Nationality
(‘000)



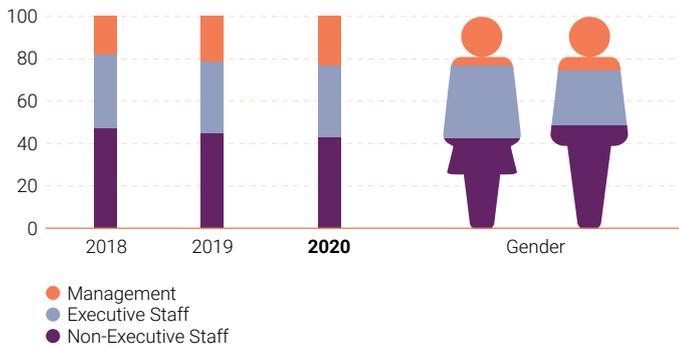
Global Staff By Educational Qualifications
(%)



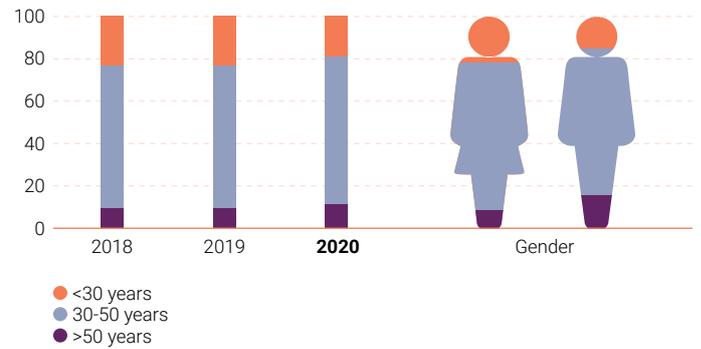
Global Staff By Gender
(%)



Global Staff by Seniority and Gender Profile
(%)



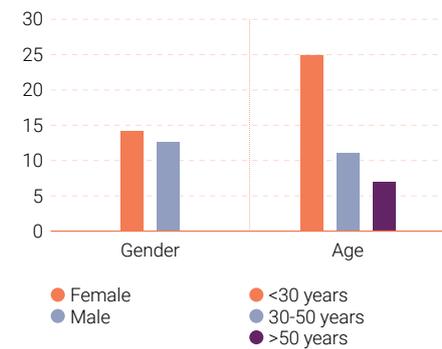
Global Staff by Age and Gender Profile
(%)



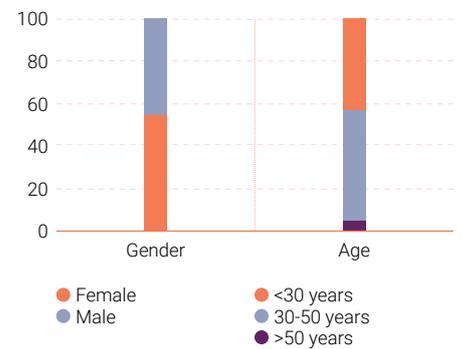
Global Staff: Voluntary Turnover Rate
(%)



Voluntary Turnover by Gender and Age (2020)
(%)



Global Staff: New Hires by Gender and Age (2020)
(%)



SOCIAL AND RELATIONSHIP CAPITAL

CapitaLand's social and relationship capital are built up through our community investments. Over the long-term, this strengthens CapitaLand's social license to operate and our ability to deliver sustainable value to our stakeholders.

Stakeholders are groups that its business has a significant impact on and those with a vested interest in our operations. Its key stakeholders include employees, customers, business associates, builders and suppliers, and the local community. Other stakeholders include regulators and key government agencies, non-governmental organisations (NGOs), representatives of the capital market and the media.

Through the various engagement channels, CapitaLand seeks to understand its stakeholders' views, communicate effectively with them and respond to their concerns. Issues that are of interest to its various stakeholders are outlined in the following sections.

STAKEHOLDER ENGAGEMENT*

Staff

CapitaLand actively engages its staff through various avenues, including regular staff communication sessions held by senior management, for the effective flow of information and to ensure an alignment of business goals and objectives across all levels of the workforce. Amidst the disruptions in 2020, CapitaLand continued to hold its staff townhalls, albeit virtually, to ensure that staff remained engaged. Groupwide pulse surveys were also conducted to understand changes happening in its workforce due to COVID-19. For more details on the employee pulse survey and staff programmes, please refer to the staff engagement section in the Human Capital chapter.



Inaugural Sustainability Fireside Chat

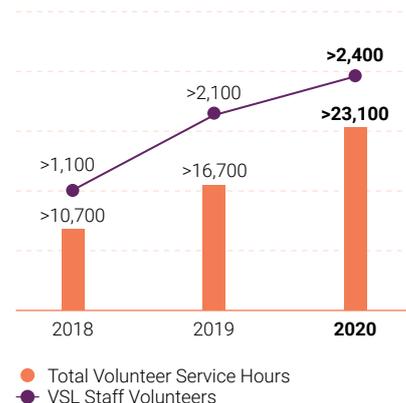
To further raise CapitaLand staff's awareness about sustainability, CapitaLand organised its first virtual fireside chat for the launch of its 2030 Sustainability Master Plan. Through the fireside chat, attendees learnt about the 2030 Sustainability Master Plan targets and the strategic importance of sustainability to CapitaLand. Staff were encouraged to play their part in helping to realise CapitaLand's sustainability commitments and targets.

* GRI 102-40, 102-42, 102-43, 102-44

SOCIAL AND RELATIONSHIP CAPITAL

CapitaLand is a strong advocate of volunteerism and was one of the first companies in Singapore to formalise three days of Volunteer Service Leave (VSL) for its staff. In recognition of staff's social contribution as volunteers, CapitaLand's philanthropic arm, CapitaLand Hope Foundation¹ (CHF) donates S\$500² to an approved Institution of a Public Character (IPC) in Singapore or an International Non-Profit Organisation, or RMB1,000 to a China-based children's charity of the staff's choice when he/she has taken all three days of VSL within the year.

In 2020, over 2,400 staff in CapitaLand properties tapped on the VSL policy to volunteer more than 23,100 hours³ for various activities in Asia and beyond. The estimated salary cost to CapitaLand in 2020 based on VSL taken was over S\$516,900. In 2020, 183 staff qualified for the donation incentive and CHF pledged to donate about S\$75,000.



CapitaLand also encourages its staff to volunteer during their personal time and over 160 staff dedicated more than 1,900 hours of their personal time on CapitaLand initiatives.

Based on post-volunteer event surveys, more than 90% of the respondents feel a sense of pride working in CapitaLand, and enjoy working in a company with a positive and vibrant corporate culture.

Customers

CapitaLand conducts regular satisfaction surveys at its shopping malls, office buildings, business parks and serviced residences. The feedback obtained is reviewed and relevant follow-up actions are taken to improve the experience of its guests at its serviced residences and to improve service levels to its tenants.

CapitaLand's lodging business unit, The Ascott Limited (Ascott), tracks and monitors its properties' service performance via a Guest Rating Score™ (GRS™), an independent assessment of the individual properties' quality rating based on more than 100 million consumer reviews in 40 languages from more than 100 leading online travel agencies and review sites. This allows CapitaLand to benchmark and respond by making the necessary operational and service improvements to create a better customer experience for its guests.

A tenant satisfaction survey was conducted at 66 CapitaLand business parks, malls and offices in China. About 98% of the malls' tenants, 86% of the offices' tenants and 48% of the business parks' tenants participated. CapitaLand garnered feedback on matters pertaining to cleanliness, security, ambience and comfort, adequacy of car park lots, and frequency of building maintenance. On average, more than 89% of the respondents in China were satisfied with the services rendered, which was above the target of 85% satisfaction rate.

CapitaLand Vietnam's customer service quality management system is externally audited by a third-party accredited certification body to ISO 10002 for Quality Management – Customer Satisfaction.

Implemented since 2018, it covers 12 residential projects and two retail properties targeted at potential homebuyers, homeowners and retail tenants. Feedback logged into the system will be assigned to relevant departments for follow up on a timely basis. The dashboard displays real time customer-centric indicators such as feedback resolution status, customer satisfaction ratings based on service quality, response time, resolution, staff service level, etc. In 2020, CapitaLand Vietnam handled 236 feedback through the system and achieved an overall 85% satisfaction rate.

* GRI 102-40, 102-42, 102-43, 102-44

- 1 CHF is a corporate foundation governed under the Singapore Charities Act. It engages with the Inland Revenue Authority of Singapore (IRAS) and Singapore's Ministry of Culture, Community and Youth to ensure legal compliance. CHF undergoes an annual audit of its financial accounts and statements for submission to the Commissioner of Charities, Singapore and IRAS, which is also filed with Accounting and Corporate Regulatory Authority (ACRA). It is aligned to CapitaLand's corporate governance including internal policies, procedures and codes of business conduct (e.g. anti-corruption and whistle-blowing policies). The CHF's constitution also states that no grant or assistance shall be given in aid of any political organisation or purpose.
- 2 The donation must be used to support programmes that align with CHF's objective of helping underprivileged children aged 21 years and below in the areas of education, healthcare and shelter or vulnerable seniors in the areas of healthcare, deeper social integration and better living conditions in communities where CapitaLand operates.
- 3 The Group calculates its VSL based on leave taken during office hours.

SOCIAL AND RELATIONSHIP CAPITAL



Supporting tenants in adapting to the post-COVID-19 new normal

In addition to financial support beyond the legislative requirement to adversely affected tenants, CapitaLand curated a suite of value-added services such as ecommerce and digital solutions to support tenants gearing up to return to their premises and adapt to the new normal.

- CapitaStar@Work offered features for its tenants to conduct contact tracing of their staff and visitors within their premises and customised health and wellness surveys with real-time data retrieval and analysis.
- CapitaLand leveraged its CapitaStar platform and introduced two new digital platforms, Capita3Eats and eCapitaMall in June 2020. The platforms onboarded over 550 brands, giving them direct access to CapitaStar's 1.1 million members. It increased the retail options for shoppers on CapitaStar and provided the retailers a reliable digital channel to build brand awareness and grow online sales.

Investors and Media

CapitaLand believes that corporate transparency and two-way communication will engender stakeholder confidence. Its investor relations (IR) policy, which is available on CapitaLand's website at www.capitaland.com, provides the framework to execute its communications activities effectively.

Its key objectives are firstly, to ensure stakeholders are equipped with accurate and timely information to make sound judgements about the Company; and secondly, to cultivate trust and confidence, through regular and clear communication with its stakeholders. There are two dedicated teams – one overseeing its engagements with the investment community, and another focusing on the media and public communication to ensure these objectives are met. CapitaLand strives to disclose information that pertains not only to its financials and operations but also to its environmental, social and governance (ESG) matters, which has increasingly become a deciding factor for many investment mandates. This engagement is managed via multiple touchpoints, including one-on-one meetings, website, investor roadshows and participation in industry conferences and forums. In October, CapitaLand held its first sustainability-themed non-deal roadshow virtually with over 100 attendees from 70 institutions.

All material information is announced in a timely manner on SGXNet and on CapitaLand's corporate website, often with accompanying news releases, to ensure the Group's perspectives and corporate actions are easily understood. It keeps stakeholders abreast of the Company's news through print, broadcast and digital media, as well as email alerts to those who are registered on CapitaLand's mailing list via the Company's website. CapitaLand organises various events, and participates in conferences throughout the year, with opportunities for the investment community and the media to interact with its senior management team and learn more about the Group's businesses.

For more information on CapitaLand's investor and media relations efforts, please refer to Our Stakeholders section, page 22 to 26 in the CapitaLand Limited Annual Report 2020.

* GRI 102-40, 102-42, 102-43, 102-44

SOCIAL AND RELATIONSHIP CAPITAL

Supply Chain

CapitaLand works closely with its contractors and suppliers who are committed to high quality environmental, health and safety (EHS) standards. Contractors are only appointed for its projects upon meeting the Group's stringent selection criteria in areas including environment, health and safety.

For building operations, CapitaLand's contractor management guidelines require all contractors to comply with local government and other legal requirements. Preference is given to ISO 14001 and ISO 45001/ OHSAS 18001 certified companies.

CapitaLand requires main contractors appointed for its development projects to be ISO 14001 and ISO 45001/ OHSAS 18001 certified, or to engage an independent accredited assessor to conduct EHS legal compliance audits. In line with CapitaLand's global commitment to human rights, it is mandatory for main contractors appointed by the Group to ensure that there is no child labour and/or forced labour at CapitaLand project sites.

The CapitaLand Supply Chain Code of Conduct aims to influence its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management.

For more information on monitoring the performance of contractors and suppliers, please refer to the Supply Chain Management segment in the Human Capital chapter.

Government Agencies and Regulators

CapitaLand participates in stakeholder consultations organised by key government agencies to furnish feedback on proposed regulatory changes that may impact the Company's business. This allows CapitaLand to plan ahead, in view of the cost of regulatory alignment. Engaging regulators and relevant industry bodies has also allowed CapitaLand to be aware of the latest industry challenges, placing the Company in a better position to leverage existing and future opportunities for growth.

CapitaLand is committed to regulatory compliance. Procedures are in place to ensure that its activities and operations comply with existing regulatory requirements through regular monitoring, evaluation and audit of the CapitaLand EHS management systems. For more details, please refer to the Environmental Capital chapter.

Community/ NGOs

CapitaLand is a signatory to the United Nations Global Compact and member of the Global Compact Network Singapore. It is also a founding member of the Singapore Green Building Council. It is a supporter of the Task Force on Climate-Related Financial Disclosure (TCFD) and World Wide Fund for Nature's (WWF) Earth Hour campaign.

CHF invests in the fundamental education, healthcare and shelter needs of underprivileged children to relieve them of hardship and help them to eventually break the poverty cycle. It also aims to improve quality of life for the vulnerable elderly in Singapore through healthcare, deeper social integration and better living conditions. It focuses on communities where CapitaLand operates in as the long-term success of CapitaLand's business is closely intertwined with the health and prosperity of these communities. Every year, CapitaLand allocates up to 0.5% of its net operating profit to CHF and supports its day-to-day operations with staff from the various functional departments within the Company. In 2020, CapitaLand invested close to S\$9 million in support of the community including donations through CHF to benefit underprivileged children and vulnerable elderly. CapitaLand measures the impact of its community development investments in sustained programmes. For more details on the CHF programmes, please visit: <https://www.capitaland.com/international/en/about-capitaland/sustainability/capitaland-hope-foundation/overview.html>.

SOCIAL AND RELATIONSHIP CAPITAL

CapitaLand organises activities that are aligned with its focus on community investment, raising awareness and stakeholder engagement in the areas of philanthropy, environment, health and safety. In Singapore, CapitaLand offers venue sponsorship for events in collaboration with national agency Health Promotion Board to promote better health and wellness. Members of the public and tenants can sign up for these events at CapitaLand malls and office buildings. The social capital generated in these focus areas supports CapitaLand's business and sustained growth.



Support for Communities Affected by COVID-19

Since the COVID-19 outbreak, CapitaLand has moved swiftly to support efforts in combating the virus. In 2020, the Group has donated over S\$6 million globally to support over 160,000 people including vulnerable elderly, underprivileged children, community care staff and healthcare workers impacted by the pandemic. This includes setting up a RMB10 million (about S\$2 million) healthcare fund in China to support nationwide medical and healthcare related efforts such as the provision of medical equipment, meals and necessities to support healthcare workers, underprivileged children and the vulnerable elderly.

More than 1,000 CapitaLand staff and community volunteers were also mobilised through activities such as meal deliveries in Singapore and donation of care packs at CapitaLand Hope Schools in Vietnam.

SOCIAL INTEGRATION OF CAPITALAND PROPERTIES

The world's population is ageing rapidly. Living arrangements and family support for older persons have become increasingly important for policymakers, especially in countries at advanced stages of population ageing, according to the World Population Ageing Report 2020⁴. Understanding the interconnections between the living arrangements of older persons and their health and well-being has particular relevance in light of the pledge that no one will be left behind, made by Governments in the 2030 Agenda for Sustainable Development.

By 2050, those aged 65 years or above will double from 2020 to over 1.5 billion persons, with women comprising a majority. In this regard, CapitaLand has taken the lead in implementing designs to promote social integration into its CapitaLand Sustainable Building Guidelines (SBG) to ensure that they are considered at the start of the project development process.

CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, guests, homeowners and members of the community. Its social integration criteria in its SBG include:

- Ensuring accessibility in the built environment to people of different age groups and varying abilities;
- Connectivity to public transport, roads, amenities and between buildings; and
- Providing community spaces as public gathering points.

Universal Design (UD) considerations also help to ensure that public spaces in CapitaLand projects are accessible to users of different age groups and varying abilities. These include:

- Seamless connectivity to the external surroundings, e.g. bus stops, adjacent buildings, streets and sidewalks;
- Barrier-free access from accessible (handicapped) parking lots and family lots to lift lobbies;
- Sheltered and barrier-free drop-off areas;
- Accessible (handicapped) parking lots and family lots;
- Designated pedestrian lanes in carparks; and
- Amenities such as accessible (handicapped) toilets, lifts and nursing rooms.

* GRI 102-40, 102-42, 102-43, 102-44

4 By the United Nations Department of Economic and Social Affairs.

SOCIAL AND RELATIONSHIP CAPITAL

For its new projects in Singapore, a target has been set to achieve at least a UD Mark Gold certification as assessed by Singapore's Building & Construction Authority (BCA). In 2020, CapitaLand obtained three UD Gold^{PLUS} Awards from BCA.

The Group's overseas developments are to comply with local UD/barrier-free codes and guidelines, and are encouraged to adopt BCA's UD Guide in the absence of local codes and guidelines.

The following key figures represent CapitaLand's overall alignment to the social integration criteria and are based on the floor area of its owned and managed properties⁵.

- Over 95% of CapitaLand's properties worldwide have at least one access-enabled facility for the disabled. These facilities include accessible alighting and boarding bays, lifts, parking lots and public toilets. Its office buildings in Singapore and shopping malls in Singapore and Japan are also guide-dog friendly.
- Over 95% of CapitaLand's properties worldwide are conveniently located in close proximity to transport hubs such as bus stops and train/subway stations. This allows easy access to the nearby communities and facilities. Free shuttle bus services are also available at some of its shopping malls. Bicycle parking facilities are also provided at many of its properties. CapitaLand's integrated developments are also well-connected with public transport facilities.
- Over 90% of CapitaLand's shopping malls, office buildings and integrated developments have atrium event spaces and/or children play areas. These communal spaces promote community engagement. Family or nursing rooms are also common features at CapitaLand's shopping malls.

Almost all CapitaLand residential projects have disability access-enabled facilities, including accessible alighting and boarding bays, lifts, parking lots and public toilets.



Innovative Community Spaces

CapitaLand aims to take the lead in creating innovative community spaces at its properties. In Singapore, CapitaLand was the first company to partner the National Council of Social Services (NCSS) to offer rent-free office space to volunteer welfare organisations (VWOs) in 2005. It also utilised the Urban Redevelopment Authority Community/Sports Facilities Scheme which promotes the integration of community facilities.

CapitaLand shopping malls which have tapped on these schemes include the Junction 8 office tower with VWO tenants, Singapore Dance Theatre's dance studios and supporting facilities at Level 7 of Bugis+, the collaboration with the Singapore Sports Council to locate an Olympic-sized ice-skating rink at Level 3 of JCube, the Westgate Wonderland – a thematic outdoor playground touted as the largest rooftop mall playground in Singapore, and Singapore theatre company Wild Rice's performing arts complex at Funan.

⁵ Percentage coverage computed based on gross floor area of CapitaLand owned and managed properties.

SOCIAL AND RELATIONSHIP CAPITAL

FUNAN, SINGAPORE **Universal Design Mark Gold^{PLUS} Award**

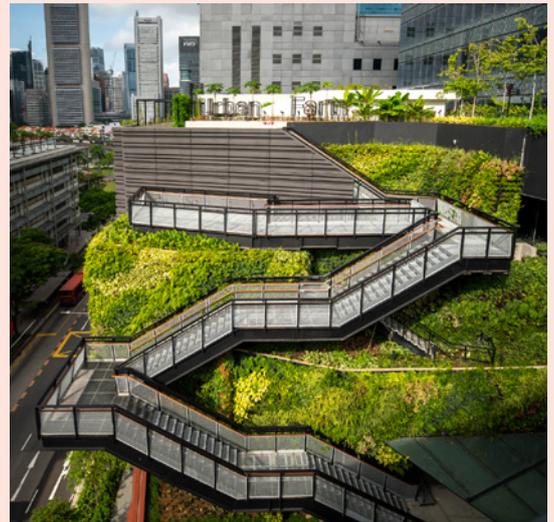
Funan is an integrated development located in Singapore's Civic & Cultural District. It comprises a six-storey retail component, a premium Grade A office and a coliving serviced residence, lyf Funan Singapore.

Featuring a porous streetscape with multiple access points and gentle slopes, Funan allows bicycles, wheelchairs and other personal mobility vehicles to enter the building easily, supporting Singapore's move towards an inclusive and car-lite society. Funan is Singapore's first commercial building to allow cycling through the building. It also offers fast charging electric vehicle stations and will offer a direct connection to a mass rapid transport station.

All facilities are accessible to wheelchair and pram users, including the futsal court and urban greenery at the roof. There is a 18,000 square feet (sq ft) food garden and within the food garden is a 5,000 sq ft urban farm where the public can learn more about the origins of their food. The swimming pool, accessible to guests at lyf Funan Singapore, features steps and a transfer platform with handrail for handicap users.

Funan is guide dog friendly and all levels of the property are accessible via handicap accessible lifts. Accessible parking lots and family parking lots are located close to the lift lobbies to allow easy access for users. There are also Braille indicators on staircase handrails and child-height handrails at certain areas of the development.

For families, there are designated family restrooms fitted with adult and child-friendly sanitary facilities such as wash basins and toilets for children, as well as nursing rooms with a diaper changing station etc.



ORGANISATIONAL CAPITAL

CapitaLand Group strived, where applicable, to align its policies and practices to regional and international standards, surveys or indices including:

- ISO 14001 – Environmental Management
- ISO 45001/ OHSAS 18001 – Occupational Health and Safety Management
- ISO 26000 – Guidance on Social Responsibility
- Dow Jones Sustainability Indices (DJSI)
- Global Real Estate Sustainability Benchmark (GRESB)
- Carbon Disclosure Project (CDP)
- FTSE4Good Index Series

CORPORATE GOVERNANCE

CapitaLand (together with its subsidiaries) embraces the tenets of sound corporate governance including accountability, transparency and sustainability. It is committed to enhancing value to its shareholders over the long term with the appropriate people, processes and structure to direct and manage the business and affairs of the Company, to achieve operational excellence and deliver the Group's long-term strategic objectives, enhancing value to its shareholders over the long-term. Its values, ethics and practices provide the foundation for a trusted and respected business enterprise. The Board of Directors (Board) is responsible for and plays a key role in setting CapitaLand's corporate governance standards and policies. This sets the tone from the top and underscores its importance to the Group.

The Corporate Governance Report in the CapitaLand Limited Annual Report 2020 sets out the corporate governance practices for financial year (FY) 2020 benchmarked against the Code of Corporate Governance 2018 (Code).

CapitaLand was ranked 4th out of 577 listed companies in the Singapore Governance and Transparency Index 2020. This annual study was conducted by the National University of Singapore Business School's Centre for Governance, Institutions and Organisations.

For detailed disclosure on the CapitaLand Governance Framework and application of its corporate governance practices with reference to the Code, please refer to the Corporate Governance Report on page 76-113 in the CapitaLand Limited Annual Report 2020.

Board Independence, Diversity and Performance

The Board, through the Nominating Committee (NC), reviews from time to time the size and composition of the Board and Board Committees, with a view to ensuring that the size of the Board and Board Committees is appropriate in facilitating effective decision-making. The Board and Board Committees have a strong independent element and their compositions reflect diversity of thought and background. The review takes into account the scope and nature of the Group's operations, and the competition the Group faces.

The Company has and continues to have a significant majority of independent Directors. Its Board Charter provides that at least one-third of the Board shall comprise of independent Directors. The Board Charter also provides that, in the event that the Chairman is not an independent Director, the Company will appoint a lead independent Director and ensure that the Board comprises a majority of independent Directors.

The Board has a strong independent element - 9 out of 11 Directors, including the Chairman, are non-executive independent Directors. The non-executive Deputy Chairman and the Group CEO are the only non-independent Directors. Other than the Group CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. A lead independent Director was not appointed during FY 2020 as the Chairman is an independent Director.

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On 3 November 2020, CapitaLand announced that Mr Ng Kee Choe will retire as Chairman and Director of the Company at the conclusion of the Company's next AGM scheduled to be held in April 2021. Mr Miguel Ko, Deputy Chairman, will succeed him as Chairman. As Mr Ko is a non-independent Director, CapitaLand will have a Lead Independent Director named Mr Anthony Lim Weng Kin. He will assume the duties and responsibilities of Lead Independent Director (LID) after the conclusion of the 2020 AGM, in conjunction with Mr Ko assuming the role of Board Chairman. As LID, Mr Lim's main duties will facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Chairman may be (or may be perceived to be) in conflict, to support effective Board objectivity in business judgement and oversight, and to serve as an independent leadership contact for shareholders, Directors and Management especially where contact through the normal channels of communication with the Chairman or Management (as the case may be) is inappropriate or inadequate.

The Board, taking into account the views of the NC, assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual of the SGX-ST (Listing Manual), the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he/she has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his/her independent business judgement in the best interests of the Company.

The Company follows a rigorous process to evaluate the independence of independent Directors. For more details please refer to the Corporate Governance Report in CapitaLand Limited Annual Report 2020 page 83-88.

The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity, including but not limited to, diversity in business or professional experience, age and gender, ethnicity and culture, geographical background and nationalities.

The Board believes in diversity and values the benefits diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that CapitaLand has the opportunity to benefit from all available talent and perspectives.

The NC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of Board appointments to the Board, considers diversity factors such as age, educational, business and professional background of its members. Female representation is also considered an important aspect of diversity. It notes the Council of Board Diversity Singapore's target of 30% women on boards of listed companies by 2030.

In line with the Board Diversity Policy, the current Board comprises 11 members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience in areas such as finance, banking, real estate, legal, accounting, general management and technology. The current Board has one female member who is also a NC member. No new Directors were appointed during the year under review. None of the non-executive Directors is a former CEO of the Company in the past two years.

For more information, please refer to CapitaLand Limited Annual Report 2020 page 88-89.

Each year, the NC undertakes a process to evaluate the effectiveness of the Board as a whole and the various Board Committees. For an objective and independent evaluation, an external consultant was engaged to facilitate the evaluation process in FY 2020. The consultant is independent of and is not related to the Company or any of its Directors. As part of the process, questionnaires were sent by the consultant to the Directors and interviews were conducted where required. The objective of the interviews aims to seek clarifications on the feedback obtained from the responses in the questionnaires, during which broader questions might also be raised to validate certain survey findings.

The evaluation categories covered in the questionnaires included Board composition, information management, Board processes, corporate integrity and social responsibility, managing Company's performance, CEO development and succession planning, Director development and management, communication and engagement with shareholders and stakeholders, risk management and Board Committee effectiveness. Senior Management members also provided their feedback on areas including Board composition, information management, developing strategy and monitoring the strategy, managing risks and working with Management. The findings and recommendations of the consultant which include benchmarking information and best practices of other boards, are considered by the Board and follow-up action is taken, where necessary. Overall, the Board has maintained a positive trajectory for its performance and effectiveness.

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In respect of individual Directors, a formal evaluation is also carried out on an annual basis. For FY 2020, the Board Chairman and NC Chairman jointly evaluated each individual Director using an agreed evaluation framework as a guide. Feedback from selected Senior Management members was also sought as part of the process. Formal evaluation is also carried out by the NC as and when a Director is due for retirement by rotation and is seeking reelection. The NC also takes into consideration the contributions and performance of individual Directors when it reviews Board composition.

The Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct & Ethics which provides for every Director to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code of Business Conduct & Ethics. This sets the appropriate tone from the top in respect of the desired organisational culture, and ensures proper accountability within the Company. In line with this, the Board has a standing policy which requires each Director to not allow himself/herself to get into a situation where there is a conflict between his/her duty to the Company and his/her own interests. The Company also has a policy that it does not provide loans to Directors.

Fraud, Bribery and Corruption (FBC) Risk Management Framework

CapitaLand adopts a zero-tolerance stance against any FBC¹ in the conduct of its business activities and expects all its employees to be committed to the highest standards of integrity in their work and business dealings.

The FBC Risk Management framework has been set in place to manage FBC risks in an integrated, systematic and consistent manner.



Together with various CapitaLand’s policies and procedures, the FBC Risk Management Policy is published on the Group’s intranet and accessible by staff. The policies CapitaLand has implemented aim to help detect and prevent FBC by:

- offering a fair compensation package to staff, based on practices of pay-for-performance and promotion based on merit; and providing various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures faced by its staff.
- documenting policies and work procedures which incorporate internal controls to ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.
- building and maintaining the right organisational culture through its core values, educating its staff on business conduct and ethical values.

1 (a) Fraud is the use of deception with the intention of obtaining an advantage, or avoiding an obligation or causing loss to another party. Fraud can be perpetrated by employees, third parties or a collusion between employees and third parties.
 (b) Bribery and Corruption is the offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location, in violation of applicable law. These are usually made as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

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In addition, these various policies and guidelines call upon the staff to observe ethical principles in the conduct of business activities which include:

- Abiding by CapitaLand’s Ethics and Code of Business Conduct Policies which deal with matters such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment, grievances are also in place². Donations are not to be made to any political causes through CapitaLand and/or its philanthropic arm, CapitaLand Hope Foundation.
- Acting professionally and with integrity;
- Practising fair competition;
- Honouring contractual commitments made;
- Not making inaccurate or misleading statements;
- Making decisions or representations only when duly authorised;
- Ensuring appropriateness of frequency and venue when conducting business activities;
- Maintaining security and confidentiality of data and information; and
- Not manipulating business relationships for personal gains or interests.

CapitaLand’s zero-tolerance policy on FBC extends to its business dealings with third parties (including contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of CapitaLand). Pursuant to this policy, it requires that certain agreements of the Group incorporate anti-corruption provisions.

Staff	Supply Chain/ Partners
Communication/Signing of Code of Conduct	
<ul style="list-style-type: none"> • FBC Risk Management Policy • Annual declaration through the ‘CapitaLand Pledge’ to uphold CapitaLand’s core values, and not to engage in any corrupt practices • Relevant training 	<ul style="list-style-type: none"> • FBC Risk Management Policy • CapitaLand Supply Chain Code of Conduct³, and anti-corruption clause in key contracts
Feedback Channels	
<ul style="list-style-type: none"> • Whistle-blowing reporting 	<ul style="list-style-type: none"> • Whistle-blowing reporting

A whistle-blowing policy and other procedures are in place to provide the Group’s staff and external parties who have dealings with the Group, with a well-defined, accessible and trusted channel to report suspected FBC, dishonest practices or other improprieties in the workplace. It also allows for the independent investigation of any reported incidents and determining appropriate actions for follow up. The objective of the whistle-blowing policy is to encourage the reporting of such matters – that staff or external parties making any report in good faith will be able to do so with confidence, that they will be treated fairly, and to the furthest extent possible, be protected from reprisal if any.

Substantiated cases are reported quarterly to the CapitaLand Audit Committee and shared with the risk champions regularly. Actions taken can include the termination of staff’s contract, and/or reporting to the appropriate external authorities. In 2020, eight cases were substantiated⁴. CapitaLand staff involved in two of these cases were either terminated and/or reported to appropriate external authorities. Some had also resigned on their own accord. There were no cases involving anti-competition or money laundering behaviour.

CapitaLand made no payment/donations to politicians or political parties as it expects to be judged on its own merits. CapitaLand Hope Foundation’s constitution also states that no grant or assistance shall be given in aid of any political organisation or purpose.

2 This includes the Securities Dealing Policy. It sets out prohibitions against dealings in the Company’s securities (i) while in possession of material unpublished price-sensitive information, (ii) during the one month preceding, and up to the time of announcement of the Company’s results for the full financial year. Directors and/or staff are also required to refrain from dealing in securities of the Company and other relevant listed entities in the Group if they are in possession of unpublished price-sensitive information of the Company and other listed entities by virtue of their status as Directors and/or staff. As and when appropriate, they would be issued an advisory to refrain from dealing in the relevant securities. Under the policy, Directors and staff are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment, in connection with securities transactions of such companies or entities.

3 Progressively rolled out from end 2017.

4 These cases are reported regardless of the financial amount.

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Other Ethical Management Issues

CapitaLand is committed to best practices and complies with the relevant legislations and requirements.

CapitaLand supports the ethical marketing of its products and services, including the marketing of its real estate projects. CapitaLand adheres to the Singapore Code of Advertising Practice (SCAP) and any other rules and regulations that apply. The SCAP was formulated against the background of Singapore's national law, international law and practice, including the International Code of Advertising Practice published by the International Chamber of Commerce. CapitaLand's communications/ marketing Code of Conduct is made available on its intranet. CapitaLand ensures that timely and accurate information is disseminated in the markets where it operates. This is particularly important in its residential developments where marketing collaterals and sales gallery presentations are done as accurately as possible to avoid misleading potential homebuyers. In Singapore, CapitaLand adheres to the Urban Redevelopment Authority's Housing Developers Rules.

Marketing activities relating to shopping malls and office spaces, such as advertisements and promotions (A&P), are generally guided by external A&P consultants, and are in compliance with local marketing requirements as stipulated by CapitaLand.

Training

CapitaLand implemented initiatives to ensure that all staff understand the Group's core values and principles that shape the way the Group works and functions. This is a compulsory module in the CapitaLand Immersion Programme (CIP) for new staff from various countries. For existing staff, there are dedicated training courses in Singapore such as "CapitaDNA: Strengthening Core Values", where specific examples and applications of the Company's core values in the workplace are shared. As the majority of CapitaLand's staff are based in China, this training module is also offered there. In 2020, 27 new staff participated in the CIP and more than 2,200 staff attended CapitaDNA-related courses. In addition, over 1,800 CapitaLand staff clocked in over 3,900 hours of training pertaining to ethics and code of conduct, such as preventing and detecting money laundering, profiling and investigation techniques. Over 7,700 staff clocked in more than 5,900 hours of training relating to enterprise risk management. This includes sharing of FBC incidents as well as CapitaLand's FBC Policy and Framework.

Enterprise Risk Management (ERM)

Risk management is an integral part of CapitaLand's business at both the strategic and operational levels. Its objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk appetite levels set by the Board. CapitaLand takes measured risks in a prudent manner for justifiable business reasons. Its Board of Directors is responsible for the governance of risks across the Group.

CapitaLand's ERM Framework is adapted from the ISO 31000 International Risk Management Standards. It is also guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework and other relevant best practices and guidelines. It specifies the required environmental and organisational components needed to manage risks in an integrated, systematic and consistent manner. The ERM Framework and related risk management policies are reviewed annually.

A robust internal control system and an effective, independent review and audit process underpin the Group's ERM Framework. While line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the Internal Audit function reviews such design and implementation to provide reasonable assurance to the Audit Committee (AC) on the adequacy and effectiveness of the risk management and internal control systems.

Annually, the Group Risk Management (GRM) coordinates a Group-wide Risk and Control Self-Assessment (RCSA) exercise that requires business units and corporate functions to identify, assess and document material risks which include environment, social and governance (ESG)-related risks; along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed at the Group level before they are presented to the Risk Committee (RC), AC and the CapitaLand Board.

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Awareness and preparedness for potential risks affecting its business continuity help CapitaLand minimise the impact of disruption to its business operations. CapitaLand has a Business Continuity Management Policy to guide the business units in the implementation of business continuity plans. Periodic exercises have been conducted with its results recorded for continual improvements to be made.

Ongoing business digitalisation exposes CapitaLand to information technology (IT)-related threats, which may result in compromising the confidentiality, integrity and availability of the Group's information assets and/or systems. This could also have a negative impact on customer experience, financials and/or regulatory compliance. CapitaLand has in place the following key mitigation actions:

- Execute CapitaLand's Cyber Security Strategy through ongoing review against existing/evolving threat landscapes and institute measures to minimise vulnerability exposure and manage threat vectors;
- Roll out ongoing staff IT Security Awareness Training to reduce the probability of staff being targeted by cyber threats;
- Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy;
- Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incident;
- Conduct annual Disaster Recovery Plan exercise to ensure timely recoverability of business critical IT systems;
- Engage independent security service providers to conduct vulnerability assessment to further strengthen the IT systems; and
- Regularly update the RC on the state of Cyber Security risk activities and key control improvements.

CapitaLand has in place Group-wide policies and procedures which set out the governance and controls of IT/Cyber Security risks. This is under the purview of Group Technology, which is part of CapitaLand's Group Centre of Excellence for Digital & Technology. This is overseen by a member of the CapitaLand Management Committee.

CapitaLand believes that having the right risk culture and people with the right attitude, values and knowledge are fundamental to the Group's success. Therefore, the GRM continues to proactively enhance risk management knowledge by conducting regular workshops targeted at different management levels and functions. It also promotes a culture of risk awareness which embeds risk management principles in decision making and business processes. The ESG risks identified include fraud, bribery and corruption risk, environmental risk, health and safety risk as well as regulatory and compliance risk.

For more information regarding Enterprise Risk Assessment, please refer to the CapitaLand Limited Annual Report 2020 page 114-117.

FINANCIAL CAPITAL

CapitaLand Limited posted S\$1,574.3 million net loss for FY 2020, against a profit of S\$2,135.9 million in FY 2019. The net loss was mainly attributed to revaluation of investment properties, and impairment of projects and equity investments, which were non-cash in nature. The revaluation losses were limited to a few assets most impacted by COVID-19, while the rest of CapitaLand's portfolio remained resilient.

Year	2020	2019	2018	2017	2016
Revenue (S\$ million)	6,532.6	6,234.8	5,602.4	4,618.2	5,252.3
Earnings before interest and tax (EBIT) (S\$ million)	231.5	5,067.6	4,145.0	3,302.2	2,359.5
Profit attributable to shareholders (PATMI) (S\$ million)	(1,574.3)	2,135.9	1,762.5	1,569.6	1,190.3
Operating PATMI (S\$ million)	769.9	1,057.2	872.2	927.2	865.3
Earnings per share (cents)	(31.0)	46.4	42.1	37.0	28.0
Net Tangible Assets per Share (S\$)	4.09	4.44	4.40	4.20	4.05
Return on Equity (ROE) (%)	(7.0)	10.0	9.3	8.6	6.6
Ordinary dividend per share (cents)	9.0	12.0	12.0	10.0	9.0

Sound risk management coupled with good corporate governance policies and practices are vital in driving the Group's long-term sustainable growth and shareholder value.

The Group maintains a prudent capital structure and actively reviews its cashflows, debt maturity profile and overall liquidity position on an ongoing basis. The main sources of the Group's operating cashflows are derived from residential sales, fees and rental income from its commercial, business parks, integrated developments, shopping malls, fund management and lodging businesses. To support its funding requirements, investment needs and growth plans, the Group actively diversifies its funding sources by putting in place a combination of bank facilities and capital market issuances.

As at 31 December 2020, the Group's gross debt stood at S\$35.2 billion. With a cash balance of S\$9.2 billion, the net debt as at 31 December 2020 was S\$26.0 billion and the Group's net debt-to-equity ratio was 0.68 times (FY 2019: 0.63 times). The net debt position increased marginally by S\$0.7 billion mainly due to additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction, partially offset by higher cash balances. The Group maintained a healthy balance sheet and has unutilised bank facilities of about S\$10.6 billion. To ensure financial discipline, the Group constantly reviews its loan portfolio to mitigate any refinancing risks, avoid concentration and extend its maturity profile where possible.

CapitaLand continued to explore new ways to improve its financial flexibility and resilience through sustainable financing instruments, reinforcing the Group's commitment towards responsible growth. In 2020, the Group obtained two bilateral green loans amounting to S\$400 million to catalyse the greening of the Group's global portfolio by 2030. The Group secured the largest sustainability-linked bilateral loan in Singapore's real estate sector of S\$500 million. CapitaLand also secured the first SORA (Singapore Overnight Rate Average) loan, which was part of a S\$300 million sustainability-linked loan. These sustainability-linked loans are tied to CapitaLand's achievements in the Global Real Estate Sustainability Benchmark (GRESB). With CapitaLand maintaining its listing on the Dow Jones Sustainability World Index (DJSI) and GRESB performance, along with the achievement of other environmental, social and governance (ESG) indicators in 2020, CapitaLand received savings from the reduced interest rates on its sustainability-linked loans. The savings would be redeployed to support the Company's ESG initiatives, spurring better sustainability outcomes. CapitaLand's business units and listed Real Estate Investment Trusts (REITs) have also secured a sustainability-linked loan, green loans, green bond and green perpetual securities.

FINANCIAL CAPITAL

For a detailed breakdown of CapitaLand's 2020 financial results, five-year financial summary, economic value-added statement, and value-added statement, please refer to the following sections in the CapitaLand Limited Annual Report 2020:

- ▶ 2020 Highlights, page 12
- ▶ Five-Year Financial Summary, page 14
- ▶ Performance Overview, page 52-59
- ▶ Economic Value-Added Statement, page 296
- ▶ Value Added Statement, page 297

MATERIAL TOPICS AND BOUNDARIES

Material Topics* (GRI102-47)	Topics Boundary: Internal and External	Management Approach References (GRI 103)
Economic		
Performance	CapitaLand Group (CL)	Financial Capital (pg 60-61)
Market Presence	CL, investors	Human Capital (pg 40)
Indirect Economic Impacts	CL, community	Social and Relationship Capital (pg 50-52)
Anti-Corruption	CL, investors, customers, communities	Organisational Capital (pg 56-57)
Environmental		
Materials	CL, contractors	Environment and Manufactured Capital (pg 14-23)
Energy	CL, contractors	
Water	CL, contractors	
Biodiversity	Relevant to the communities where CL operates	
Emissions	CL, contractors	
Effluents and Waste	CL, contractors and suppliers	
Environmental Compliance	CL, investors	
Supplier Environmental Assessment	CL, contractors and suppliers	
Social		
Employment	CL	Human Capital (pg 40-44)
Labour/Management Relations	CL	Human Capital (pg 41)
Occupational Health and Safety	CL	Human Capital (pg 32-34)
Training and Education	CL	Human Capital (pg 44)
Diversity and Equal Opportunity	CL	Human Capital (pg 40-44)
Non-Discrimination	CL	Human Capital (pg 40-41)
Child Labour	CL, contractors	Human Capital (pg 40), Social and Relationship Capital (pg 50)
Forced or Compulsory Labour	CL, contractors	Human Capital (pg 40), Social and Relationship Capital (pg 50)
Human Rights Assessment	CL, contractors	Human Capital (pg 40), Social and Relationship Capital (pg 50)
Local Communities	CL, communities	Environment Capital (pg 14), Human Capital (pg 32), Social and Relationship Capital (pg 50-52)
Supplier Social Assessment	CL, contractors	Human Capital (pg 32), Social and Relationship Capital (pg 50)
Customer Health and Safety	CL, tenants, contractors, suppliers, and communities	Human Capital (pg 32-39), Social and Relationship Capital (pg 51-53)
Marketing and Labelling	CL, customers	Organisational Capital (pg 58)
Customer Privacy	CL, customers, investors	Organisational Capital (pg 58)
Socioeconomic Compliance	CL, investors	Organisational Capital (pg 56-57), Human Capital (pg 33)

* GRI102-47



GRI Standards Content Index for 'In accordance' – Core

The GRI Content Index references CapitaLand Limited Sustainability Report 2020 and the Annual Report 2020 (AR).

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)				
General Disclosures				
GRI 102: General Disclosures 2016	102-1	Name of the organization	Introduction (pg 5)	
	102-2	Activities, brands, products, and services	Contents (pg ii)	
	102-3	Location of headquarters	Introduction (pg 5)	
	102-4	Location of operations	AR (pg 10-11)	
	102-5	Ownership and legal form	AR (pg 15)	
	102-6	Markets served	AR (pg 10-11, 60-67)	
	102-7	Scale of the organization	Introduction (pg 4) Financial Capital (pg 60) AR (pg 10-11, 60-67)	
	102-8	Information on employees and other workers	Human Capital (pg 40)	✓
	102-9	Supply chain	Introduction (pg 13) Environmental and Manufactured Capital (pg 14, 26-30) Human Capital (pg 32, 37-39) Social and Relationship Capital (pg 50)	✓
	102-10	Significant changes to the organization and its supply chain	AR (pg 16-21)	✓
	102-11	Precautionary Principle or approach	Environmental and Manufactured Capital (pg 14-23)	✓
	102-12	External initiatives	Introduction (pg 4, 7) Human Capital (pg 40) Social and Relationship Capital (pg 50) Organisation Capital (pg 54)	✓
	102-13	Membership of associations	Introduction (pg 4, 7) Human Capital (pg 40) Social and Relationship Capital (pg 50) Organisation Capital (pg 54)	✓
	102-14	Statement from senior decision-maker	Group CEO's Message (pg 2-3) AR (pg 16-21)	✓
	102-15	Key impacts, risks, and opportunities	Introduction (pg 9-13) Environmental and Manufactured Capital (pg 14-16) Human Capital (pg 32) Social and Relationship Capital (pg 47-51) Organisational Capital (pg 58-59) AR (pg 114-117)	✓
	102-16	Values, principles, standards, and norms of behavior	Introduction (pg 8-9) Organisational Capital (pg 54-58) AR (pg 109-111)	✓

¹ External assurance is only for Sustainability Report and does not cover CapitaLand Limited Annual Report 2020.

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
	102-18	Governance structure	Introduction (pg 8) AR (pg 27-40)	✓
	102-40	List of stakeholder groups	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 36-39, 45) Social and Relationship Capital (pg 47-51)	✓
	102-41	Collective bargaining agreements	Human Capital (pg 42)	✓
	102-42	Identifying and selecting stakeholders	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 36-39) Social and Relationship Capital (pg 47-51)	✓
	102-43	Approach to stakeholder engagement	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 36-39, 45) Social and Relationship Capital (pg 47-51)	✓
	102-44	Key topics and concerns raised	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 36-39, 45) Social and Relationship Capital (pg 47-51)	✓
	102-45	Entities included in the consolidated financial statements	Introduction (pg 4)	✓
	102-46	Defining report content and topic Boundaries	Introduction (pg 9)	✓
	102-47	List of material topics	Introduction (pg 9) Material Topics and Boundaries (pg 62)	✓
	102-48	Restatements of information	Nil	✓
	102-49	Changes in reporting	There are no significant changes from previous reports.	✓
	102-50	Reporting period	FY 1 January to 31 December 2020 Introduction (pg 4)	✓
	102-51	Date of most recent report	Published on 28 May 2020	
	102-52	Reporting cycle	Introduction (pg 4)	
	102-53	Contact point for questions regarding the report	Introduction (pg 5)	
	102-54	Claims of reporting in accordance with GRI Standards	Introduction (pg 4)	✓
	102-55	GRI Content Index	GRI Content Index (pg 63-71)	✓
	102-56	External assurance	Introduction (pg 5) Independent Assurance Statement (pg 78- 82)	✓

¹ External assurance is only for Sustainability Report and does not cover CapitaLand Limited Annual Report 2020.

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
Topic-Specific Standards				
Economic Benefit to Stakeholders				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 40, 50-51, 60	✓
	103-3	Evaluation of the management approach	pg 40, 50-51, 60	✓
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Capital (pg 60) AR (pg 12-13, 52-56)	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from local community	Human Capital (pg 40)	✓
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Environmental and Manufactured Capital (pg 25, 31) Social and Relationship Capital (pg 51-53)	✓
Business Ethics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 56-58	✓
	103-1	Explanation of the material topic and its boundary	pg 56-58	✓
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Organisational Capital (pg 54-55)	✓
	205-2	Communication and training on anti-corruption policies and procedures	Organisational Capital (pg 56-58)	✓
	205-3	Confirmed incidents of corruption and actions taken	Organisational Capital (pg 57)	✓
GRI 415: Public Policy 2016	415-1	Political contributions	Organisational Capital (pg 57)	✓
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	No instances of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period.	✓
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	No substantiated complaints regarding breaches of customer privacy and losses of customer data	✓

¹ External assurance is only for Sustainability Report and does not cover CapitaLand Limited Annual Report 2020.

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
Energy Efficiency				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23	✓
	103-3	Evaluation of the management approach	pg 14-23	✓
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental and Manufactured Capital (pg 27, 31)	✓
	302-2	Energy consumption outside of the organization	Environmental and Manufactured Capital (pg 27)	✓
	302-3	Energy intensity	Environmental and Manufactured Capital (pg 27, 31)	✓
	302-4	Reduction of energy consumption	Environmental and Manufactured Capital (pg 17-18, 21, 24, 27-28)	✓
	302-5	Reductions in energy requirements of products and services	Environmental and Manufactured Capital (pg 17-18, 21, 24)	✓
Water Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23	✓
	103-3	Evaluation of the management approach	pg 14-23	✓
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental and Manufactured Capital (pg 14, 23, 29)	✓
	303-2	Management of water discharge-related impacts	Environmental and Manufactured Capital (pg 29)	✓
	303-3	Water withdrawal	Environmental and Manufactured Capital (pg 29)	✓
	303-4	Water discharge	Environmental and Manufactured Capital (pg 29)	✓
	303-5	Water consumption	Environmental and Manufactured Capital (pg 29) Majority of water usage is for cooling towers, toilets, washing activities, water features, and irrigation.	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
Biodiversity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23	✓
	103-3	Evaluation of the management approach	pg 14-23	✓
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None during the reporting period. Environmental and Manufactured Capital (pg 22)	✓
	304-2	Significant impacts of activities, products, and services on biodiversity		✓
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		✓
Climate Change and Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23	✓
	103-3	Evaluation of the management approach	pg 14-23	✓
GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	Environmental and Manufactured Capital (pg 26, 31)	✓
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental and Manufactured Capital (pg 26, 31)	✓
	305-3	Other indirect (Scope 3) GHG emissions	Environmental and Manufactured Capital (pg 26)	✓
	305-4	GHG emissions intensity	Environmental and Manufactured Capital (pg 26, 31)	✓
	305-5	Reduction of GHG emissions	Environmental and Manufactured Capital (pg 17-18, 21, 24, 26-28)	✓
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Environment Capital (pg 14-16, 22-23)	✓
Construction and Operational Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23	✓
	103-3	Evaluation of the management approach	pg 14-23	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Wastewater is discharged into the public sewerage system or sewage treatment plant.	✓
	306-2	Waste management	Environmental and Manufactured Capital (pg 29-30)	✓
	306-3	Significant spills	None during the reporting period.	✓
	306-4	Transport of hazardous waste	Disclosure is not applicable as the Company does not transport, import, export or treat hazardous waste.	✓
	306-5	Discharge and runoffs affecting protected water bodies	None during the reporting period. Wastewater is discharged into the public sewerage system or sewage treatment plant.	✓
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Weight of 10 construction materials was collated for computation of embodied carbon. CapitaLand does not purchase the building materials directly, as they are purchased by builders (main contractors). CapitaLand encourages the use of recycled and/ or sustainable building materials. See page 24, 26.	✓
Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23, 32, 37-39	✓
	103-3	Evaluation of the management approach	pg 14-23, 32, 37-39	✓
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental and Manufactured Capital (pg 19)	✓
Supply Chain Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 14-23, 32, 37-39, 50	✓
	103-3	Evaluation of the management approach	pg 14-23, 32, 37-39, 50	✓
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers screened using environmental criteria	Environmental and Manufactured Capital (pg 17)	✓
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Human Capital (pg35)	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 40-44	✓
	103-3	Evaluation of the management approach	pg 40-44	✓
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Capital (pg 42, 44, 46)	✓
	401-3	Parental leave	Human Capital (pg 43)	✓
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Human Capital (pg 43) In the event of significant operational changes, CapitaLand will ensure the unions and staff are engaged in advance for consultation and minimise potential operational disruption and impact to affected.	✓
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital (pg 44)	✓
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital (pg 44)	✓
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital (pg 43)	✓
Occupational Health & Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 32-34	✓
	103-3	Evaluation of the management approach	pg 32-34	✓
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Human Capital (pg 32)	✓
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital (pg 33-35, 37-39)	✓
	403-3	Occupational health services	Human Capital (pg 36)	✓
	403-4	Worker participations, consultation, and communication on occupational health and safety	Human Capital (pg 33-34, 42) During the year, the unions did not express any concerns on staff health and safety issues as the CapitaLand OHS management system is externally audited.	✓
	403-5	Worker training on occupational health and safety	Human Capital (pg 33-34)	✓

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
	403-6	Promotion of worker health	Human Capital (pg 36)	✓
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (pg 32, 33-34, 36-39)	✓
	403-8	Workers covered by an occupational health and safety management system	Human Capital (pg 33)	✓
	403-9	Work-related injuries	Human Capital (pg 35, 38-39)	✓
Diversity and Human Rights				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 40-44, 50	✓
	103-3	Evaluation of the management approach	pg 40-44, 50	✓
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Human Capital (pg 40-41, 46)	✓
	405-2	Ratio of basic salary and remuneration of women to men	Human Capital (pg 41)	✓
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	Human Capital (pg 40)	✓
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Capital (pg 40) Social and Relationship Capital (pg 50)	✓
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour, and measures taken to eliminate it	Human Capital (pg 32-36, 40) Social and Relationship Capital (pg 50)	✓
GRI 412: Human Rights Assessment 2016	412-1	Operations subjected to human rights reviews	Human Capital (pg 40) Social and Relationship Capital (pg 50)	✓
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Environmental and Manufactured Capital (pg 22) Human Capital (pg 36-39) Social and Relationship Capital (pg 47-53)	✓
GRI 414: Supplier Social Assessment 2016	414-1	Suppliers screened using social criteria	Human Capital (pg 35, 37-39) Social and Relationship Capital (pg 50)	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance ¹ (pg 78-82)
Products and Services				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pg 9, 62	✓
	103-2	The management approach and its components	pg 32-39, 51-53	✓
	103-3	Evaluation of the management approach	pg 32-39, 51-53	✓
GRI 416: Customer Health and Safety 2016	416-1	Health and safety impacts assessment of products and services	Human Capital (pg 32, 36-39) Social and Relationship Capital (pg 51-53)	✓
	416-2	Incidents of non-compliance	Human Capital (pg 33) There were four non-compliant incidents relating to fire safety.	✓
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Environmental and Manufactured Capital (pg 22) Social and Relationship Capital (pg 48-53)	✓

This report may contain forward-looking statements. Forward-looking statement is subject to inherent uncertainties and is based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events.

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UNITED NATIONS GLOBAL COMPACT

10 Principles of the UN Global Compact

Principles		Report Page
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	40
Principle 2	Make sure that they are not complicit in human rights abuses	
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	42
Principle 4	Elimination of all forms of forced and compulsory labour	40
Principle 5	Effective abolition of child labour	
Principle 6	Elimination of discrimination in respect of employment and occupation	
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	14-31
Principle 8	Undertake initiatives to promote greater environmental responsibility	
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	56-57

ISO 26000 GUIDANCE ON SOCIAL RESPONSIBILITY

Core Subjects		Report Page
6.2	<p>Organisational governance The system by which an organisation makes and implements decisions to achieve its objectives.</p>	Introduction (pg 8-13), Social and Relationship Capital (pg 47-50), Organisation Capital (pg 54-59), AR (pg 76-113)
6.3	<p>Human rights Respect for human rights including civil and political rights as well as economic, social and cultural rights.</p>	Human Capital (pg 32-46)
6.4	<p>Labour practices Policies and practices relating to work performed within, by or on behalf of the organisation, including sub-contracted work.</p>	Human Capital (pg 32-36, 40-46)
6.5	<p>The environment Environmental impact of an organisation's decisions and activities, such as use of resources, generation of pollution and wastes.</p>	Environmental and Manufactured Capital (pg 14-31)
6.6	<p>Fair operating practices Ethical conduct in dealings with other organisations such as anti-corruption, socially responsible behaviour, fair competition and respect for property rights.</p>	Environmental and Manufactured Capital (pg 14, 17), Human Capital (pg 37-39), Organisational Capital (pg 56-57)
6.7	<p>Consumer issues Responsibilities to customers including having accurate, fair and transparent marketing information and contractual processes, as well as promoting sustainable consumption and designing products that are accessible by all.</p>	Environmental and Manufactured Capital (pg 14, 18, 20-24, 28-30), Human Capital (pg 32-34), Social and Relationship Capital (pg 51-53), Organisational Capital (pg 58)
6.8	<p>Community involvement and development Support for and building relationship with the community, so as to contribute to community development.</p>	Human Capital (pg 32, 36, 42), Social and Relationship Capital (pg 47-53)

TCFD RECOMMENDATIONS

CapitaLand has pledged its support for the recommendations by the Task Force on Climate Related Financial Disclosures (TCFD) and has voluntarily disclosed some of its climate-related financial disclosures in four key areas (i. governance, ii. strategy, iii. risk management, and iv. metric and targets) as recommended by the TCFD since 2017.

Key Area	CapitaLand's Approach
<p>i. Governing Climate-Related Risks and Strategy</p>	<p>The CapitaLand Board sets the Group's risk appetite, which determines the nature and extent of material risks that the Group is willing to take to achieve its strategic and business objectives. The risk appetite incorporates ESG factors such as Environment (including climate change).</p> <p>CapitaLand's sustainability management comes under the purview of its Sustainability Council. In 2019, the CapitaLand Sustainability Council was re-constituted to include two independent board members and four CapitaLand Executive Committee (EXCO) members. Chaired by an independent board member, the Council is supported by the Sustainability office as secretariat and various work teams to ensure continued progress and improvement in the areas of ESG. The work teams comprise representatives from all business units.</p>
<p>ii and iii. Strategy and Risk Management</p>	<p>Physical Risks Climate change brings about different effects in different geographies including rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. 2020 was the second hottest year on record according to NASA (National Aeronautics and Space Administration of the United States) data. The ways in which CapitaLand's portfolio could be impacted by such physical risks are diverse, complex and uncertain.</p> <p>Transitional Risks The challenge for each nation is to strengthen its resilience against climate change risks, manage its GHG emissions and achieve economic growth in a sustainable manner. More stringent regulations may be expected, and companies may be faced with increased expectations from stakeholders.</p> <ul style="list-style-type: none"> • The Singapore government imposed a carbon tax of S\$5 per tonne of GHG on facilities producing 25,000 tonnes or more of GHG in a year and will review the carbon tax rate by 2023, with plans to increase it to between S\$10 and S\$15 per tonne of emissions by 2030. The Singapore government submitted its enhanced Nationally Determined Contribution (NDC) under the Paris Agreement, and committed to peak its absolute emissions at 65 million tonnes of carbon dioxide equivalent (tonnes CO₂e) around 2030, aspiring to halve emissions from its peak to 33 million tonnes CO₂e by 2050, with a view to achieving net-zero emissions as soon as viable in the second half of the century. Singapore aims to review the trajectory and level of its carbon tax and review its outcome in Singapore's Budget 2022. In 2021, Singapore unveiled the SG Green Plan 2030². Under the Energy Re-set segment, built environment targets were set including 80% of new buildings to achieve a 'Super Low Energy' green rating by 2030. • In 2020, China announced its plan to peak emissions before 2030 and achieve carbon neutrality by 2060. There will be an estimated 75% increase in the demand for green energy in efforts to replace the gaps left by fossil fuels. It has given priority to solar, wind, storage and nuclear power projects to help achieve its targets. In its five-year target, China has also prioritised green finance and will strengthen information disclosure on climate issues to encourage financial institutions to cut emissions and strengthen international cooperation to meet global targets. • India has announced its plan to achieve net zero by 2050. The country aims to increase renewable power to 450 GW by 2030 through its investment in the solar and agricultural sectors. Targets have also been set to reduce emissions intensity of GDP by 33-35% by 2030. • Europe has set its plan to reduce GHG by at least 55% by 2030 and achieve climate neutrality by 2050. Targets are currently being drafted on revising and expanding the EU Emission Trading System, adapting the Effort Sharing Regulation and the framework for land use emissions, reinforcing energy efficiency and renewable energy policies. <p>Transitional risks towards a low-carbon economy will see increase carbon costs to businesses through the implementation of carbon tax and higher energy costs, higher expectations on energy efficiency due to change in regulations and increasing expectations from stakeholders. It is expected that such regulations will increase over time and will impact inefficient end users with increased operational costs.</p>

2 The Green Plan charts targets over the next 10 years, to strengthen Singapore's commitments under the UN's 2030 Sustainable Development Agenda and Paris Agreement.

TCFD RECOMMENDATIONS

Key Area	CapitaLand's Approach
	<p>Response</p> <p>Climate-related risks and opportunities are identified and mitigated through CapitaLand's ERM framework, and its externally certified ISO 14001 EMS. CapitaLand is well-positioned to face such challenges as it has in place a target to achieve green certification of its existing properties in its global portfolio by 2030. It is ISO 14001 certified for its EMS in 15 countries. It recognises the importance of innovation in managing its environmental footprint and differentiating the Company from its peers. It encourages the use of innovative green features in its developments.</p> <p>CapitaLand has been reducing its energy and water consumption and encouraging the use of renewable sources in its operational properties. It aims to future-proof its developments by addressing the risks of climate change right from the design stage through the implementation of its CapitaLand Sustainable Building Guidelines (SBG). SBG aims to address issues of adaptation and mitigation. The local context of each project will be studied in detail, and appropriate measures will be taken into consideration with regards to climate change. SBG also sets guidelines for buildings to be more energy efficient, e.g. setting green rating targets above legal requirements, and encouraging the use of renewable energy whenever possible.</p> <p>In 2020, CapitaLand unveiled its 2030 Sustainability Master Plan to elevate the Group's commitment to global sustainability in the built environment. It outlines the targets and pathways for transition to a low-carbon business that is aligned with climate science. It has set an elevated carbon emissions reduction target for a 'well-below 2°C' scenario, approved by the Science Based Targets Initiative (SBTi), linking its carbon reduction targets with the science of climate change. It will build resilience throughout its operations and future-proof its real estate portfolio to guard against climate change risks and to avoid premature obsolescence.</p> <p>CapitaLand is looking into conducting climate-related scenario analysis consistent with the recommendations, wherever possible, using commonly agreed sector/subsector scenarios and time horizons. It will also explore the feasibility of setting an internal carbon price, to better anticipate and manage climate risks, as well as identify climate-related opportunities.</p>
<p>iv. Metrics and Targets</p>	<p>Operational</p> <p>CapitaLand has tracked and reduced its operational carbon emissions since 2008, and has disclosed related metrics in its annual Global Sustainability Report. Since 2010, CapitaLand has been disclosing scope 1, 2 and 3 GHG³ of its global portfolio.</p> <p>In November 2020, it had its new elevated 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.</p> <p>CapitaLand's new long-term carbon emissions intensity reduction target of 78% by 2030 (from a 2008 base year) is computed from the approved science-based target, to better track its day-to-day operations efficiency improvements. It also established a new target to increase the proportion of total electricity consumption from renewable sources to 35% by 2030.</p> <p>Green Building Investment</p> <ul style="list-style-type: none"> • CapitaLand aims to future-proof its developments by addressing climate change risks right from the design stage • Green rating target for all new developments • Green certification of its existing properties in its global portfolio by 2030

3 Scope 3 emissions covered in this report include emissions computed from staff business travel by air, energy consumption at construction sites and embodied carbon from building materials for completed projects.

SASB DISCLOSURE INDEX

CapitaLand seeks to provide material sustainability information in line with the recommendations of the Sustainability Accounting Standards Board (SASB). It considered SASB's Real Estate Sustainability Accounting Standards in developing the following table of key sustainability metrics for its global managed properties, it is aligned to the reporting scope as detailed in CapitaLand Global Sustainability Report (CL GSR) page 4, which includes coverage of over 350 operating properties in over 20 countries, covering all asset types including commercial, shopping malls, business park, industrial and logistics; integrated development and serviced residences.

SASB Code	Accounting Metric	CapitaLand Information and Page Reference																								
Energy Management																										
IF-RE-130a.	Energy consumption data coverage as a percentage of total floor area, by property subsector	100% coverage, as aligned to CL GSR reporting scope. (pg 4)																								
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Total energy consumed by CL's global portfolio was 5.16 million GJ in 2020, of which grid electricity accounted for 74% and percentage renewable was 2%. (pg 27)																								
		<table border="1"> <thead> <tr> <th></th> <th>Total energy (million GJ)</th> <th>% Total energy from grid electricity</th> <th>% Total energy from renewable</th> </tr> </thead> <tbody> <tr> <td>Commercial⁴</td> <td>0.29</td> <td>73%</td> <td>2%</td> </tr> <tr> <td>Shopping malls</td> <td>1.52</td> <td>82%</td> <td>0.3%</td> </tr> <tr> <td>Serviced residences</td> <td>1.12</td> <td>76%</td> <td>2%</td> </tr> <tr> <td>Integrated development</td> <td>1.35</td> <td>66%</td> <td>-</td> </tr> <tr> <td>Business park, industrial and logistics</td> <td>0.88</td> <td>68%</td> <td>11%</td> </tr> </tbody> </table>		Total energy (million GJ)	% Total energy from grid electricity	% Total energy from renewable	Commercial ⁴	0.29	73%	2%	Shopping malls	1.52	82%	0.3%	Serviced residences	1.12	76%	2%	Integrated development	1.35	66%	-	Business park, industrial and logistics	0.88	68%	11%
	Total energy (million GJ)	% Total energy from grid electricity	% Total energy from renewable																							
Commercial ⁴	0.29	73%	2%																							
Shopping malls	1.52	82%	0.3%																							
Serviced residences	1.12	76%	2%																							
Integrated development	1.35	66%	-																							
Business park, industrial and logistics	0.88	68%	11%																							
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Like-for-like change in energy consumption is 25.9% for 2019-2020. Significant reduction partly due to COVID-19 impact in 2020 (e.g. closure of properties, safe distancing measures), as such, like-for-like percentage change by property subsector will be reported when performance is comparable against a normal operating year. (pg 18, 31)																								
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	CapitaLand integrates energy management considerations in all stages of the real estate lifecycle, from investment, design, development to operation. (pg 22-23, 27-28)																								
Water Management																										
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	100% coverage as aligned to CL GSR reporting scope. (pg 4) CapitaLand notes that Singapore, China and India will be among the top 50 most water-stressed countries by 2040.																								
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	CapitaLand monitors its total water consumption, including water extraction and recycled water. Like-for-like change in water consumption is 30.1% for 2019-2020. Significant reduction partly due to COVID-19 impact in 2020 (e.g. closure of properties, safe distancing measures), as such, like-for-like percentage change by property subsector will be reported when performance is comparable against a normal operating year. (pg 18, 29, 31)																								

⁴ Includes energy consumption by CapitaLand corporate offices globally.

SASB DISCLOSURE INDEX

SASB Code	Accounting Metric	CapitaLand Information and Page Reference
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	CapitaLand takes a strategic approach to water management to enhance the efficiency, resilience and long-term value of the Group's portfolio. (pg 14, 19, 29)
Management of Tenant Sustainability Impacts		
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	CapitaLand aims to work together with its tenants to improve their sustainability performance. Green lease is implemented at its business park tenants and retail tenants in Singapore where minimum equipment and lighting efficiency requirements are stipulated. For its other properties in Singapore and globally, a green fit-out guide is given to new tenants to encourage tenants to adopt green fit out and promote green practices and behaviour. In 2020, more than 52% of its Singapore business park and industrial tenants' lease contracts ⁵ included an ESG-specific clause. (pg 21)
Climate Change Adaptation		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	A global baseline study was conducted to better understand the flood risk and mitigation measures for CapitaLand owned and managed properties. This included understanding if the properties were located in low lying plains, encountered flooding in previous years, has equipment located in the basement, etc.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	CapitaLand has pledged its support for Task Force on Climate-Related Financial Disclosure (TCFD) recommendations and has voluntarily disclosed some of its climate-related financial disclosures in four key areas as recommended by the TCFD since 2017. (pg 74-75)

⁵ Refers to net lettable area of its owned and managed business park and industrial properties in Singapore.

INDEPENDENT ASSURANCE STATEMENT

To the Management of CapitaLand Limited

CapitaLand Limited (CapitaLand) engaged Ere-S Pte Ltd (Ere-S) to carry out an independent assurance of CapitaLand Global Sustainability Report 2020 (the Report). The engagement took place between March and May 2021.

Scope

The assurance encompassed the entire Report and focused on all figures, statements and claims related to sustainability during the reporting period January 2020 to December 2020. This covers the information provided with reference to the following GRI Standards disclosures listed in the Report's GRI Content Index:

- **General disclosures:** organisation profile (102-8, 102-9, 102-11, 102-12, 102-13, 102-14, 102-15, 102-16, 102-18), stakeholder engagement (102-40, 102-41, 102-42, 102-43, 102-44) and reporting practice (102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-54, 102-55, 102-56)
- **Economic benefit to stakeholders:** market presence (202-2), indirect economic impacts (203-1)
- **Business ethics:** anti-corruption (205-1, 205-2, 205-3), public policy (415-1), marketing communications (417 3), customer privacy (418-1)
- **Energy efficiency:** energy (302-1, 302-2, 302-3, 302-4, 302-5)
- **Water management:** water and effluents (303-1, 303-2, 303-3, 303-4, 303-5)
- **Biodiversity:** biodiversity (304-1, 304-2, 304-4)
- **Climate change and emissions:** financial implications and other risks and opportunities due to climate change (201-2), emissions (305-1, 305-2, 305-3, 305-4, 305-5)
- **Construction and operational waste:** materials (301-1), effluents and waste (306-1, 306-2, 306-3, 306-5)
- **Compliance:** environmental compliance (307-1)
- **Supply chain management:** supplier environmental assessment (308-1), supplier social assessment (414-1)
- **Employment:** employment (401-1, 401-3), labour/management relations (402-1), training and education (404 1, 404-2, 404-3)
- **Occupational health & safety:** occupational health and safety (403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9)
- **Diversity and human rights:** diversity and equal opportunity (405-1, 405-2), non-discrimination (406-1), child labour (408-1), forced or compulsory labour (409-1), human rights assessment (412-1), local communities (413-1), supplier social assessment (414-1)
- **Products and services:** customer health and safety (416-1, 416-2), local communities (413-1)

Ere-S also checked all management approach disclosures associated with the above topics.

A verification on the alignment of the entire Report with the Singapore Exchange (SGX)'s rules on sustainability reporting for listed companies was also included as part of the assurance process. Ere-S also verified that the figures and references found in the SASB Disclosure Index of the Report satisfy the SASB key requirements for the ten listed accounting metrics.

Limitations

The assurance did not include financial data and statements or corporate governance and risk management structures described under the Organisational Capital and Financial Capital sections of the Report. Neither did it include technical descriptions of buildings, equipment and production processes or other information not related to sustainability or already supported by existing documents, such as CapitaLand's Annual Report or third-party audits and certifications, such as ISO 14001, OHSAS 18001, ISO 45001 and Green Mark.

Ere-S did not verify that all elements required by the GRI Standards (what to report) on each disclosure listed in the Report's GRI Content Index had been fully reported, or whether CapitaLand's material issues, approaches and outcomes presented in the Report were specifically aligned with the Sustainability Development Goals (SDGs), the Guiding Principles of the International Integrated Reporting Council Framework or the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). Ere-S did not check the content of CapitaLand's Annual Report referred to in the GRI Content Index.

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Stakeholder groups or their representatives were not interviewed during the engagement and Ere-S's findings on stakeholder engagement were essentially based on internal documentation and feedback and confirmation from interviewed data owners.

Type of assurance and criteria

The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) and in line with the requirements of a Type 2 assurance of the latest AA1000 Assurance Standard (AA1000AS v3 2020).

A moderate (or limited) level of assurance under AA1000AS was provided for this engagement. A moderate assurance is restricted to desktop review, management-level evidence gathering and data verification.

AA1000AS consists of evaluating the company's sustainability framework and processes using the criteria of the AA1000 AccountAbility Principles (AA1000APS 2018), namely inclusivity, materiality, responsiveness and impact. Under AA1000AS, an evaluation of the quality of the reported sustainability performance information is also required. For this, Ere-S employed the reporting principles of the GRI Standards (reliability, accuracy, balance, comparability, timeliness, clarity, sustainability context and completeness).

The verification on SGX's reporting rules was based on clauses 3 to 6 of the "SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide", which include SGX reporting principles and the required five primary components of a report (material ESG factors, policies practices and performance, targets, sustainability reporting framework and board statement).

Assurance methodology

The assurance procedures and principles used for this engagement are compliant with ISAE 3000 and were drawn from a methodology developed by Ere-S, which consists of the following steps:

1. Identify statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Carry out interviews with key functional managers and data owners from CapitaLand's corporate office in Singapore. Data verification included the following:
 - Enquiring about the quantitative and qualitative aspects of the Report disclosures, including performance information, policies, procedures and underlying management systems.
 - Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims. This includes limited sampling of quantitative data to validate relevant sources and other supporting documents.
 - Challenging the claims made in the Report and, where possible, confirming the presented evidence, including calculation methods, criteria and assumptions, with multiple data owners and other documentation from internal and external sources, such as previous CapitaLand sustainability reports, and public documents, websites and articles.
3. Assess the collected information and provide recommendations for immediate correction where required or for future improvement to the Report content.

For statements about the number (or absence) of complaints, incidents, and cases of non-compliance to policies and regulations related to corruption (GRI 205-3), environment (303-4, 304-1, 304-2, 304-4, 306-1, 306-3, 306-5, 307-1) and society (GRI 406-1, 408-1, 415-1, 416-2, 417-3, 418-1), Ere-S assessment was founded on confirmation by key data owners and, where applicable, internal documents from CapitaLand's accounting, internal audit, feedback and reporting systems.

INDEPENDENT ASSURANCE STATEMENT

Responsibility and independence

This statement represents the independent opinion of Ere-S, whose responsibility was to provide the assurance, to express conclusions according to the agreed scope, and to prepare the assurance report and this assurance statement for the management of CapitaLand alone and for no other purpose. The management of CapitaLand has been responsible for the preparation of the Report and all statements and figures contained within it. Ere-S has not been involved in the development of the Report or the disclosed management processes; neither has Ere-S been engaged by CapitaLand for other projects. The activities of Ere-S are independent of CapitaLand and contain no financial interest in CapitaLand's business operations.

FINDINGS AND OBSERVATIONS

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity - *How the organisation engages with stakeholders and enables their participation in identifying material sustainability topics and developing an appropriate strategic response.*

Sustained engagement with key stakeholders could be observed globally through diverse platforms, including regular surveys, meetings and various feedback channels. Based on the evidence presented, engagement with employees, customers and investors was stronger than for other key stakeholder groups, where active participation in decision-making processes, could not be substantiated at Group level.

Solid engagement with all relevant stakeholders, including employees, unions, governments and community partners, was evidenced for the measures implemented to mitigate the impact of the COVID-19 outbreak. This included an employee survey to assess the impact of the outbreak on well-being and evaluate the associated challenges of future work norms.

Materiality - *How the organisation recognises and prioritises the most relevant sustainability topics based on their effect to it and its stakeholders.*

Key mechanisms to identify and evaluate material issues based on their environmental and social impacts could be observed for the reporting period. Sustainability-related risks, including environmental impact, climate change, health and safety, and corruption, have been prioritised and are regularly assessed through CapitaLand's Enterprise Risk Management framework. This framework includes regular non-compliance assessment and sharing information on identified issues, mitigation measures and best practices. In day-to-day operations, material issues are also identified and reviewed by the Group sustainability management structure, which comprises sustainability work teams at key operations who engage with stakeholders and report to CapitaLand Sustainability Council.

Regular assessments to identify material topics specific to the local context (e.g. activities, supply chain, and impacted stakeholders) could not be observed at all key overseas locations. However, it was noted that CapitaLand had carried out its first supply chain baseline study during 2020 to evaluate the presence of migrant workers and the provision of facilities at construction sites.

Responsiveness - *How the organisation responds to material sustainability topics and stakeholder feedback through decisions, actions, performance and communication.*

Based on the assurance findings, key stakeholder concerns were addressed by CapitaLand during the reporting period. The new 2030 Sustainability Master Plan, and its associated targets, was the most significant initiative implemented by CapitaLand in 2020 to respond to material issues. Other actions in response to stakeholder concerns or ongoing material issues included: a new health and cleanliness standard implemented at Ascott properties; the establishment of the Building Capabilities Framework; the implementation of resource-efficient technologies and processes; the continued use of green energy, and investigations and information sharing following safety incidents and cases of non-compliance or malpractice. With the exception of some mitigation and relief measures related to the COVID-19 outbreak, there was no evidence of major actions or operational changes resulting directly from stakeholder concerns.

Platforms such as the corporate website, events, intranet and surveys continued to be used to share information about CapitaLand's sustainability performance, strategy and policies with its stakeholders.

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Impact - *How the organisation monitors, measures and is accountable for the direct and indirect impacts it has on its broader ecosystems.*

Systems and processes to assess impact and monitor performance could be observed at most of CapitaLand's key operations and locations, most of which included metrics and targets. Mechanisms observed during the reporting period included: Environment, Health and Safety Impact Assessment (EHSIA); Environmental Tracking System (ETS); the certified Environmental Health and Safety (EHS) structure; human resource and training systems; the Fraud, Bribery and Corruption (FBC) framework, and CapitaLand's Sustainable Building Guidelines (SBG).

Although reporting on environmental performance in CapitaLand's supply chain has improved in recent years, monitoring and measurement of the Group's indirect impact could still benefit from additional effort. For example, further improvement could be achieved in reporting on Scope 3 emissions, material use, waste disposal and social practices pertaining to key contractors and sub-contractors. Effort in this direction is evidenced by CapitaLand's first supply chain baseline study.

Evaluation of adherence to GRI reporting principles (quality of the Report content)

Overall, the Report provides comprehensive, accurate and clear coverage of CapitaLand's environmental and social management approaches and performance for all its key operations and locations, including parts of its supply chain. The content and topics of the Report are fairly consistent within the sustainability context and best reporting practices of the sector. However, further improvement could be made by providing a more detailed and expanded coverage of indirect sustainability performance in CapitaLand's value chain (see above observations under Impact).

The content of the Report is, in Ere-S opinion, moderately balanced, with some statements and numbers showing negative information. These pertain to work-related injuries sustained by employees and others in the supply chain, as well as incidents of non-compliance and business malpractice.

Based on the data sets and source documents assessed within the scope of the assurance, the Report content shows overall good to high levels of accuracy, reliability and traceability. The provided evidence, particularly the ETS and other data sets extracted from in-house data systems, assisted Ere-S to effectively examine reported performance and data trails.

The limited inconsistencies in assessed data found during the assurance and sampling were promptly corrected by the reporting team. All other major recommendations by Ere-S to improve the accuracy and clarity of Report disclosures were addressed by the reporting team. The final version of the Report was crosschecked by Ere-S to validate the applied recommendations.

Evaluation of adherence to SGX and SASB requirements on sustainability reporting

According to Ere-S evaluation, the Report content adheres adequately to SGX sustainability reporting principles and rules, including the required five primary components. Ere-S also considers that the content of the Report's SASB Disclosure Index presents a sufficient alignment with the requirements of SASB accounting metrics.

INDEPENDENT ASSURANCE STATEMENT

Conclusion

On the basis of a moderate assurance engagement consistent with the above-listed criteria, nothing has come to our attention that causes us not to believe that, in all material respects, CapitaLand's Global Sustainability Report 2020

- ▶ provides a credible and fair representation of the organisation's sustainability profile and application of the AA1000 AccountAbility Principles.
- ▶ includes statements and figures that achieve an adequate level of reliability and accuracy.

The assurance findings also provide confidence that the Report has been prepared in accordance with the Reporting Principles of GRI Standards and the requirements on sustainability reporting of SGX and SASB.

The findings summarised in this assurance statement, together with additional suggestions for improvement, have been presented to the management of CapitaLand in a more detailed assurance report.



AA1000 Statement Ref# V3-G16D6

Singapore, 25 May 2021

A handwritten signature in blue ink, appearing to read "JDallaPalma".

Jean-Pierre Dalla Palma
Director and Lead Certified Sustainability Assurance Practitioner

Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and training. Our assurance team is composed of assurance practitioners with expertise in corporate sustainability and each member is required to follow Ere-S' assurance code of conduct, which can be found at www.ere-s.com/assurance-code-of-conduct. Ere-S is not responsible for any actions taken by other parties as a result of the findings presented in this assurance statement.

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