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NEWS RELEASE

CapitaLand to install solar farms atop six properties in Singapore to generate over 10,000 megawatt hours of energy annually
Signs new sustainability-linked loans totalling S\$300 million to further the Group's commitment towards sustainability

Singapore, 9 July 2019 – CapitaLand will partner with Sembcorp Industries to install about 21,240 rooftop solar panels atop six CapitaLand properties by end 2019. The installation will form the largest combined rooftop solar facility in Singapore by a real estate company. These solar farms can collectively generate around 10,292 megawatt hours of energy annually, equivalent to powering about 2,300 four-room Housing & Development Board (HDB) flats each year¹. The six CapitaLand properties to install the solar panels are 1 Changi Business Park Avenue 1, 9 Changi South Street 3, 2 Senoko South Road, 40 Penjuru Lane, Techpoint and LogisTech. The properties are held under CapitaLand's business space and industrial real estate investment trust (Reit), Ascendas Reit.

The energy generated through this renewable source will significantly lower CapitaLand's carbon footprint. The combined rooftop solar facility will avoid over 4.3 million kg² of carbon emissions each year. These latest efforts will also bring the Group closer to its new sustainability targets to generate at least 20% energy consumption from renewable energy for its enlarged global portfolio by 2025. Furthermore, there is no installation cost incurred by the Group, making this initiative a good business case for sustainability.

Ms Lynette Leong, Chief Sustainability Officer for CapitaLand Group, said: "CapitaLand is committed to growing our business in a sustainable manner, and this initiative is an example that sustainability can create value-add propositions. Following CapitaLand's recent integration with Ascendas-Singbridge, we can now leverage a wider network of properties to contribute meaningfully towards sustainability. We are also exploring the use of Renewable Energy Certificates resulting from the excess energy generated by the solar panels installed at the six properties to offset the carbon emissions from CapitaLand's corporate operations at its Singapore headquarters in Capital Tower and Galaxis. We will further review opportunities within our enlarged global portfolio to deploy clean energy technologies to power our real estate operations."

¹ Average annual consumption of a four-room HDB household is based on Singapore's Energy Market Authority's (EMA) 2018 Singapore Energy Statistics – Page 34.
https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Publications/SES18/Publication_Singapore_Energy_Statistics_2018.pdf

² CO₂ emissions avoided is calculated based on EMA's latest grid emission factor.
https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Publications/ses/2018/other-energy-related-statistics/index.html

In India, rooftop solar panels have also been installed across 17 buildings in International Tech Park in Bangalore, International Tech Park Chennai and Cybervale IT Park in Chennai. Collectively, the panels can generate over 2,750 megawatts hours of energy on a yearly basis and has resulted in an estimated reduction of close to 1.95 million kg in carbon emissions annually. In Singapore, the Ascott Centre for Excellence, the global hospitality training centre of CapitaLand's lodging business, purchases electricity generated from renewable sources. The training centre is currently 100% powered by renewable energy.

In another move to dovetail its sustainability efforts with its cost of funding, the Group has signed new sustainability-linked loans with Credit Agricole Corporate & Investment Bank, Natixis Bank and Societe Generale to raise a total of S\$300 million. CapitaLand has the flexibility to use the sustainability-linked loans on green projects such as the installation of solar panels, as well as for general corporate purposes. The five-year multicurrency sustainability-linked loans will see interest rates reduced based on CapitaLand's achievements of environmental, social and governance metrics. CapitaLand is the first company in Asia to partner with Societe Generale for a sustainability-linked loan. It is also the first real estate partner in Asia for Credit Agricole Corporate & Investment Bank and Natixis for a sustainability-linked loan.

Mr Andrew Lim, Group Chief Financial Officer, CapitaLand Group said: "As one of Asia's largest diversified real estate groups, CapitaLand's leadership in sustainability is a defining aspect of who we are as a purpose-driven company. After securing the first and largest sustainability-linked loan in Asia's real estate sector last year, we are now even more convinced that good sustainability practices can reap positive tangible benefits for business. CapitaLand is delighted to have new like-minded partners on board with us on this journey to embed sustainability into our business in the long run. Together with Credit Agricole Corporate & Investment Bank, Natixis Bank and Societe Generale, we hope to demonstrate that financial returns can be in sync with the interests of our environment and the community."

Please refer to the **Annex** for details on the sustainability-linked loans and quotes from CapitaLand's sustainability-linked loans partners.

CapitaLand will make further efforts to reduce the intensities of the Group's energy usage, water consumption and carbon emission, and aims to have its carbon emission targets approved by the Science-Based Targets Initiative.

In 2018, CapitaLand achieved utilities cost avoidance in excess of S\$170 million for the Group since 2009 by reducing its energy intensity (per m²) and water intensity (per m²) by 17.6% and 20.9% respectively for its operational properties since 2008. CapitaLand also reduced its carbon emission intensity by 29.8% since 2008, exceeding its 2020 target of 23%.

For more on CapitaLand's new sustainability targets and achievements, read CapitaLand's 10th Global Sustainability Report here: https://www.capitaland.com/international/en/about-capitaland/newsroom/inside/2019/may/10th_Global_Sustainability_Report_PGCEO_Message.html

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S\$103 billion³ as at 31 March 2019. 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 200 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 eight listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust, CapitaLand Malaysia Mall Trust and Ascendas Hospitality Trust.

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³ CapitaLand's assets under management is over S\$123 billion with the completion of its acquisition of Ascendas Singbridge by end June 2019.

Annex

Ms Dominique Duval, Head of Sustainable Banking APAC, Credit Agricole Corporate & Investment Bank

“This new financing transaction confirms the strong and long-term sustainability commitments of CapitaLand and our support of the transition to a low carbon economy and to act as a global sustainable strong player. CACIB has been very pleased to accompany CapitaLand in the green and ESG finance fields with the structuring of a sustainability-linked loan. Supporting our clients in this field and developing innovative and tailor-made sustainable finance solutions for them are in the heart of CACIB’s strategy.”

Mr Chua Pin, Senior Country Manager Singapore and Head of South East & South Asia, Natixis Corporate & Investment Banking

“As an active participant in the green and sustainable financing space, we are delighted to have worked with CapitaLand on this multi-currency ESG/sustainability-linked term loan facility – the first of its kind for us in the real estate sector. We are seeing increasing appetite for sustainable lending in the corporate and finance communities, particularly from companies like CapitaLand, which are staunch in their commitment to strong ESG principles, and which believe that investing sustainably makes good business sense. While largely still considered innovative products today, from our perspective ESG-linked loans are a win-win for companies, their investors and society as a whole, and we hope to see these loans and similar products become more commonplace as more and more companies appreciate their broad reaching value.”

Mr Pascal Lambert, Group Country Head of Singapore and Head of South East Asia and India, Societe Generale

“Societe Generale is pleased to partner CapitaLand in this sustainability-linked loan facility and to demonstrate its continued commitment to contributing to the financing of a more sustainable economy. By leveraging its environmental & social expertise and its structured financing know-how, the Bank aims to support the local development of ESG-linked loans that offer corporates an innovative financing solution fully adapted to their sustainable objectives.”

Difference between a sustainability-linked loan and a green loan

A sustainability-linked loan, or ESG (environment, social and governance) loan, extends beyond the typical concept of environmental sustainability. A company’s social and governance efforts are also taken into consideration, offering a more stringent and holistic assessment of the company’s overall impact to its stakeholders and the communities it operates in. Proceeds from a green loan can be used only for green projects while a sustainability-linked loans can be also be used for general corporate purposes.

CapitaLand’s continued exemplary ESG efforts will lower the interest rate of the loans on a tiered basis, contingent on CapitaLand’s ongoing sustainability efforts. The efforts will be quantified and benchmarked against a rigorous set of ESG indicators agreed between CapitaLand and the lenders. CapitaLand is also required to retain its listing in the Dow Jones Sustainability World Index (DJSI World) or the Dow Jones Sustainability Asia-Pacific Index (DJSI Asia Pacific).

CapitaLand is the highest ranked Singapore company on the 2018 DJSI World Index and has been listed in the Index since 2012⁴. CapitaLand has also retained its listing in the DJSI Asia Pacific Index for 10 consecutive years. CapitaLand remains the longest-standing Singapore company recognised in DJSI Asia Pacific Index, having been the first in the country to be listed when the regional index was launched in 2009. The ESG indicators, and CapitaLand's inclusion in DJSI World Index and DJSI Asia Pacific Index will be assessed by RobecoSAM, an investment specialist focused on sustainability investing. RobecoSAM is considered to be a leading ESG rating in terms of quality and usefulness in a recent industry survey by SustainAbility.⁵

⁴ DJSI World and DJSI APAC track the performance of the world's leading companies in their ESG efforts.

⁵ Rate the Raters 2019: Expert Views on ESG Ratings, 25 Feb 2019, SustainAbility, <http://sustainability.com/our-work/reports/rate-raters-2019/>