CapitaLand

CapitaLand
Global Sustainability Report
2019

MAKING A SUSTAINABLE IMPACT

CORPORATE PROFILE

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 S$131.9 billion as at 31 December 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 seven 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 Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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FY 2019 HIGHLIGHTS

Three Sustainability-linked Loans by CapitaLand amounting to

S$300 million

1st Green Loan of

S$200 million

by CapitaLand Mall Trust

1st Green Bond of

S$124.7 million

by CapitaLand Commercial Trust

Climate Change

29.4%*

reduction in carbon emissions intensity since 2008

Energy and Water consumption reduction of

19.2%* and 22.4%*

(per m² from base year 2008) respectively

Utilities Cost Avoidance of

S$208 million

since 2009 due to operational efficiency

Waste Management

4,700 tonnes

of recyclable waste diverted from landfill

Diversity

About 34%

of senior management were women

Training Hours

Over 55 hours

per staff

Workplace Injury Rate

1.5

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

Dividend per Share

12 cents

Return on Equity

10.0%

Profit Attributable to Shareholders

S$2,135.9 million

Net Tangible Assets per Share

S$5,067.6 million

* These figures are computed per m² for operational properties for full year 2019. They exclude the data from the former Ascendas-Singbridge portfolio given that this report covers data from 1 July 2019 for these assets.

GROUP CEO'S MESSAGE

Dear Stakeholders,

2019 was a milestone year for CapitaLand. We completed our transformational merger with Ascendas-Singbridge which further expanded our scale and diversified our portfolio by geography and asset class, strengthening the resilience of our business. CapitaLand delivered a strong set of results – both in terms of financial returns for our shareholders, and environmental sustainability for our stakeholders.

The global COVID-19 pandemic has thrown many countries and companies off their stride. For CapitaLand, true sustainability is the ability to weather the storm and emerge stronger. As a responsible global real estate company, we place sustainability at the core of what we do by contributing to the environmental and social well-being of our communities as we deliver long-term economic value. We are committed to navigating these difficult times with our staff, tenants, customers and partners in the ecosystem whilst ensuring our efforts are sustainable for our shareholders.

To strengthen our sustainability as an organisation, we are mobilising concerted resources to ensure that we are on the vanguard of delivering high-quality real estate products and services that will continue to enrich people and communities in a post-COVID-19 world. We have also established a cross-functional, multi-geography "Future Taskforce" comprising energetic and thoughtful CapitaLand team members to help us think differently and turn challenges into business opportunities.

STEPPING UP THE "S" IN ESG IN NAVIGATING DIFFICULT TIMES WITH OUR STAKEHOLDERS

CapitaLand has a strong balance sheet and we stand ready to capitalise on strategic opportunities for long-term growth. As we support our stakeholders in the communities where we operate, we will continue to effectively manage our environmental, social and governance (ESG) efforts.

The safety and well-being of our staff, tenants, customers and contractors are of utmost importance. From the onset of COVID-19, we have ensured that all staff and contractors at our operational properties are fully equipped with protective equipment, as they play a critical role in ensuring essential services to our tenants and customers are not disrupted.

To date, CapitaLand has committed more than S$100 million to support our stakeholders, in the various markets in which we operate. Through our philanthropic arm, CapitaLand Hope Foundation (CHF) and our staff's contributions, we have pledged an additional S$6 million so far, to support communities impacted by COVID-19. This includes the provision of medical equipment, meals and necessities to support healthcare workers, underprivileged children and the vulnerable elderly. Our global lodging business unit, The Ascott Limited, has been accommodating returning nationals, workers affected by border closures, healthcare personnel and those seeking alternative work-from-home arrangements.

CapitaLand's philosophy remains one where we will first cut costs to save jobs, and not cut jobs to save costs. The Board and senior management have elected to take a reduction in their board fee and base salary, from 5% to 15% effective from 1 April 2020. The Group also instituted a wage freeze for staff at managerial level and above[1]. We have further implemented a disciplined reduction in operating costs and discretionary capital expenditure. These savings will go towards supporting our staff at large, business partners and the community.

ESG REMAINS INTEGRAL TO BUSINESS STRATEGY

CapitaLand is on track to meeting our sustainability commitment as an enlarged group. In 2019, we have achieved utilities cost avoidance in excess of S$208 million for the Group since 2009, from the reduction of our global property portfolio's energy and water consumption intensities by 19.2% and 22.4% respectively[2].

[1] These measures will be reviewed after six months or when the situation arising from the COVID-19 outbreak has stabilised.
[2] These figures are computed per m2 for operational properties for full year 2019. They exclude the data from the former Ascendas-Singbridge portfolio given that this report covers data from 1 July 2019 for these assets.

GROUP CEO'S MESSAGE

As we transit to a low carbon future, we have achieved a 29.4%[2] reduction in carbon emissions intensity in 2019 since 2008. In Singapore, we installed rooftop solar panels[3] atop six CapitaLand properties, potentially avoiding over 4,300 tonnes of carbon emissions every year. The clean energy generated will enable us to power our corporate headquarters in Singapore with 100% renewable energy.

CapitaLand has also achieved interest rate savings through our sustainable finance efforts. In twinning our sustainability and fundraising efforts, the Group raised a total of S$624 million through sustainable finance in 2019. In 2020, we announced another S$400 million in green loans and a S$500 million sustainability-linked loan.

In 2019, we invested over S$3.5 million through CHF to benefit underprivileged children and the vulnerable elderly. We also continue to upskill our staff, with more than 10,000 CapitaLand staff globally attending at least one digital training programme.

We are encouraged by the recognition worldwide for our sustainability efforts. CapitaLand remains listed in the Global 100 Most Sustainable Corporations in the World 2020 and The Sustainability Yearbook 2020. We also retained our listing on the Dow Jones Sustainability World Index for the 11th year and regained Global Sector Leader status in the Diversified sector for the Global Real Estate Sustainability Benchmark (GRESB) with the highest tier of a 5-star rating.

DRIVING LEADERSHIP IN SUSTAINABILITY AS A GLOBAL REAL ESTATE COMPANY

CapitaLand is a signatory to the United Nations Global Compact's (UNGC[4]) commitment. We adopt UNGC's universal principles on human rights, labour, the environment and anti-corruption, to create a positive impact aligned with the United Nations Sustainable Development Goals. We take this commitment seriously.

The COVID-19 pandemic has raised global awareness of the importance of ESG, as major disruptions to businesses can come from anywhere, including the environment. We are reviewing CapitaLand's sustainability strategy with a view to setting a more ambitious sustainability roadmap, which will allow CapitaLand to better future-proof our company. Steering the efforts is a CapitaLand Group Sustainability Council consisting of CapitaLand's independent directors and senior management – the Council will ensure that sustainability is built into our real estate life cycle from investment, design and construction, and procurement to operations.

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

LEE CHEE KOON
Group Chief Executive Officer
CapitaLand Group



Mr Lee Chee Koon joined CapitaLand staff volunteers in distributing hand sanitiser to the public at Raffles City Singapore. In March 2020, CapitaLand supported Temasek Foundation's Stay Prepared Initiative by rallying staff volunteers to distribute free hand sanitiser to the Singapore community at 16 participating CapitaLand malls.

2 These figures are computed per m² for operational properties for full year 2019. They exclude the data from the former Ascendas-Singbridge portfolio given that this report covers data from 1 July 2019 for these assets.
3 These properties are held under Ascendas Real Estate Investment Trust.
4 UNGC is the world's largest corporate sustainability initiative with 13,000 corporate participants and other stakeholders in over 170 countries. It is a non-binding United Nations pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. https://www.unglobalcompact.org/about.

SUSTAINABILITY DURING COVID-19

Navigating COVID-19 with Stakeholders

The safety and well-being of its stakeholders is a key priority for CapitaLand. It is taking all necessary precautionary measures in accordance with the guidelines from the World Health Organization and public health authorities in the respective countries it operates in. They include measures such as temperature screening, social distancing at property and increase in frequency of cleaning and disinfection.

Staff

CapitaLand implemented various precautionary measures to take care of the safety and total well-being of its staff. Frontline CapitaLand staff are provided with appropriate equipment such as surgical masks, hand sanitisers; and personal protective gear (where required). Enhanced cleaning measures were implemented in the work areas. Where possible, staff would work from home with the support of telecommuting technologies. To ensure the total well-being of its staff, CapitaLand has been engaging them via various online platforms including pulse surveys, virtual townhall and online activities such as online learning, staff competition, etc. Regular emails to staff include a summary of resources available such as where to seek financial assistance, other employee assistance programme and healthcare hotlines.

Customers

In Singapore, as a major landlord, CapitaLand has committed to passing all government rebates to qualifying tenants and extending rental assistance to retail and food and beverage tenants.

As a key player in the retail sector, CapitaLand works closely with its tenants to build greater resilience for its retail ecosystem. Through CapitaLand's real estate investment trusts, to date, CapitaLand Mall Trust has committed approximately S$114 million and CapitaLand Malaysia Mall Trust has committed up to RM35 million of rental relief for affected tenants.

For its lodging business, CapitaLand is committed to providing safe abodes to its guests as well as affected communities who need alternative accommodation.

Community

Since 27 January 2020, CapitaLand, its philanthropic arm CapitaLand Hope Foundation (CHF) and the Group's staff have pledged close to S$6 million globally to support the immediate needs of communities affected by COVID-19. They included healthcare workers, workers affected by border closures or city lockdowns, migrant workers and children of affected workers. Besides financial relief, funds went towards the procurement of medical supplies, protective clothing and equipment, groceries and the provision of accommodation.

Staff volunteerism has also been greatly encouraged. Some of the activities include the construction of alternative accommodation for migrant workers in Singapore, and delivery of meals to the vulnerable elderly.

ABOUT THIS GLOBAL REPORT

CapitaLand reiterates its commitment to sustainability with the publication of its 11th 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 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.

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) Protocol[1]. It is taking steps to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in its reporting.

REPORTING SCOPE AND PERIOD*

This report covers CapitaLand's global portfolio and staff in over 20 countries, including its listed real estate investment trusts CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust, from 1 January to 31 December 2019 unless otherwise indicated. With the completion of the integration between CapitaLand and Ascendas-Singbridge, the CapitaLand Global Sustainability Report will also include the latter's data and that of Ascendas Real Estate Investment Trust and Ascendas India Trust from 1 July 2019 onwards, pertaining to CapitaLand's expanded business portfolio and staff strength, unless otherwise indicated. The targets mentioned in this report apply to CapitaLand's global portfolio as at 30 June 2019 and are being reviewed in consideration of its enlarged size after its integration with Ascendas-Singbridge. The reporting period aligns with the Group's financial year. This report is to be read in conjunction with the Group's Annual Report 2019 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.

[2] Staff related data is from 1 January to 31 December 2019 unless otherwise indicated.

ABOUT THIS GLOBAL REPORT

INDEPENDENT ASSURANCE

CapitaLand 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 2019 to December 2019. 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 2018. 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 CapitaLand'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 is committed to sustainability and incorporates the key principles of environment, social and governance (ESG) in setting its business strategies and operations.

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 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

CapitaLand's sustainability strategy is to place sustainability at the core of what it does by contributing to the environmental and social well-being of its communities as it delivers long-term economic value. It is committed to improving the economic and social well-being of its stakeholders through the execution of development projects and management of its operations. In a rapidly changing business landscape, it actively embraces innovation to ensure commercial viability without compromising the environment for future generations.

CapitaLand upholds high standards of corporate governance and transparency to safeguard shareholders' interests. It has in place an adequate and effective Enterprise Risk Management Framework to enhance its business resilience and agility. Its proactive approach towards environmental, health and safety (EHS) management, which incorporates universal design into its developments, ensures that its properties are sustainable and future-proof. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

CapitaLand's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth for the Group. Community development is an important component of its commitment to sustainability. It focuses on providing support to enhance the lives of underprivileged children and the vulnerable elderly, through corporate philanthropy and employee volunteerism.

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 CapitaLand to overcome the challenges in sustainability reporting that may arise from its diversified asset types and geographical presence. CapitaLand is also a signatory to the United Nations (UN) Global Compact and its annual Global Sustainability Report serves as its Communication on Progress, which will be published at www.unglobalcompact.org.

For its efforts, CapitaLand is listed in The Sustainability Yearbook, Global 100 Most Sustainable Corporations in the World, Dow Jones Sustainability World Index and Asia Pacific Index (DJSI World and Asia Pacific), Global Real Estate Sustainability Benchmark (GRESB) (Global Sector Leader, Diversified- Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes, Euronext VigeoEiris Indices World 120 and STOXX® Global ESG Leaders Indices.

Some of the awards and accolades obtained by CapitaLand Group and its properties are listed on page 26 to 28 of the CapitaLand Annual Report 2019.

MANAGING SUSTAINABILITY

TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CapitaLand's sustainability management comes under the purview of its Sustainability Council.

In 2019, the CapitaLand Sustainability Council was reconstituted 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 our continued progress and improvement in the areas of ESG. The work teams comprise representatives from all business units.

The CapitaLand Board of Directors is 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.

CapitaDNA

CORE VALUES WINNING MINDSET | ENTERPRISING | RESPECT | INTEGRITY

COMMITMENT TO OUR STAKEHOLDERS

We develop high-performing people and teams through rewarding opportunities.	We deliver sustainable shareholder returns and build a strong global network of capital partners.	We create great customer value and experiences through high-quality products and services.	We care for and contribute to the economic, environmental and social development of communities.
For our	*For our*	*For our*	*For our*
People Staff	**Investors** Including business partners	**Customers** Tenants, shoppers, home owners, residents	**Communities** Government agencies/ NGOs, general public, the environment, suppliers/contractors

Sustainability Management Structure

Board of Directors

Sustainability Council*

CapitaLand Management Council

Various Sustainability Work Teams
covering environment, health and safety, corporate governance, enterprise risk management, human capital, investor relations, and corporate marketing

All Staff

* Includes two board members.

MANAGING SUSTAINABILITY

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		
› Energy efficiency › Climate change and emissions reduction › Water management	› Occupational health and safety › Employment › Stakeholder engagement › Supply chain management	› Compliance › Business ethics › Products and services*
Moderate and emerging		
› Building materials › Construction and operational waste › Biodiversity	› Diversity › Human rights	

* This includes customer health and safety

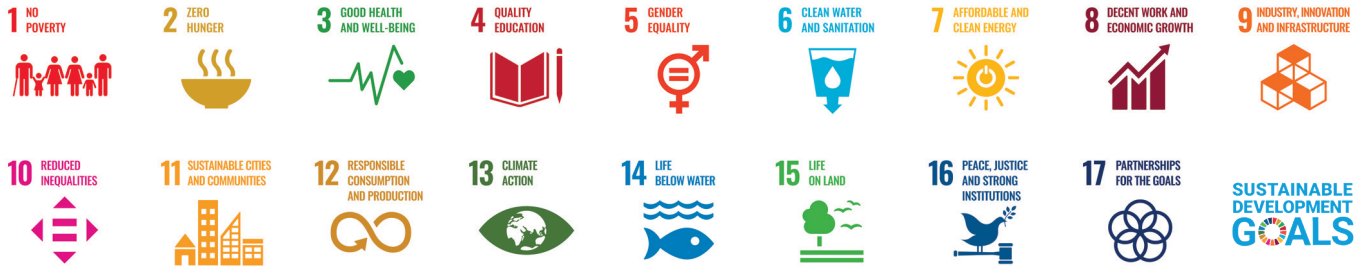
* GRI 102-46, 102-47

MANAGING SUSTAINABILITY

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

The Guiding Principles of the International Integrated Reporting Council (IIRC) Framework were 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 some of CapitaLand's key efforts and programmes in relation to the 13 key UN SDGs material to real estate.

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	Material ESG Issues	What we do	2019 Value Created
Environmental Capital › Carbon emissions › Energy management › Water stewardship › Waste and resource management **Manufactured Capital** › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies *SDG 3: Good Health and Well-being* *SDG 6: Clean Water and Sanitation* *SDG 7: Affordable and Clean Energy* *SDG 9: Industry, Innovation and Infrastructure* *SDG 11: Sustainable Cities and Communities* *SDG 13: Climate Action* *SDG 15: Life on Land*	› Energy efficiency › Climate change and emissions reduction › Water management › Building materials › Construction and operational waste › Biodiversity	CapitaLand is committed to › Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern › Reduce energy consumption through improved energy efficiency and encourage use of renewable energy › Green its global operational portfolio by 2030 › Actively embrace innovation to ensure commercial viability without compromising the environment for future generations › Future-proof its developments by addressing the risks of climate change right from the design stage › Preserve the biodiversity of its sites as well as the wider area where possible › Build safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence guests, homeowners and members of the community	› Achieved 31 green building ratings for its new development projects and existing buildings › S$208 million in utilities cost avoidance since 2009, arising from 19.2% and 22.4% energy and water reduction (per m2 from base year 2008) respectively › 29.4% reduction in carbon emissions intensity since 2008

MANAGING SUSTAINABILITY

Capitals	Material ESG Issues	What we do	2019 Value Created
Human Capital › Health and safety › Job creation and security › Learning and development › Benefits and remuneration *SDG 3: Good Health and Well-being* *SDG 8: Decent Work and Economic Growth* *SDG 10: Reduced Inequalities*	› Occupational health and safety › Supply chain management › Employment › Diversity › Human rights	› CapitaLand believes that regardless of age, religion, gender, race, nationality and family status, staff can make a significant contribution based on their talent, expertise and experience. It adopts 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 its staff › Occupational health and safety of its stakeholders is of utmost importance to CapitaLand. This includes CapitaLand staff, tenants, contractors, suppliers and the communities that use its properties	› Global workforce - more than 80 nationalities working within the Group - males and females at a ratio of 47:53 - 67% of CapitaLand's global workforce was aged between 30 and 50 › About 34% of senior management are women › Over 55 training hours per staff › Zero staff fatality or permanent disability › 18 main contractors appointed for new development projects were both ISO 14001 and OHSAS 18001/ ISO 45001 certified
Social and Relationship Capital › Stakeholder relations › Social licence to operate › Community development *SDG 1: No Poverty* *SDG 2: Zero Hunger* *SDG 4: Quality Education* *(Above SDGs are applicable to CHF activities)*	› Stakeholder engagement › Products and services (include customer health and safety)	› CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence guests, homeowners and members of the community › CapitaLand is committed to activities that are aligned with its focus on community investment. CapitaLand engages its stakeholders, raising awareness in the areas of philanthropy, environment, health and safety	› More than 260 CapitaLand properties worldwide participated in the World Wide Fund for Nature (WWF) Earth Hour initiative with 272 activities and by switching off the façade and non-essential lights through the night. In Singapore, 15 participating properties also collected over 22,800 kg of e-waste in 2019 › Invested more than S$3.48 million through CapitaLand Hope Foundation (CHF), CapitaLand's philanthropic arm, to benefit underprivileged children and vulnerable elderly

MANAGING SUSTAINABILITY

Capitals	Material ESG Issues	What we do	2019 Value Created
Organisational Capital › Leadership and culture › Corporate governance › Risk management *SDG 16: Peace, Justice and Strong Institutions*	› Compliance › Business ethics › Stakeholder engagement	› 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 › Requires certain of its agreements with third-party service providers and vendors to incorporate anti-bribery and anti-corruption provisions › Requires main contractors to ensure no child labour and/or forced labour at CapitaLand project sites	› Refer to Corporate Governance chapter on page 73 to 108 of the CapitaLand Annual Report 2019 › No reported incident relating to staff discrimination; child labour and/or forced labour in CapitaLand project sites
Financial Capital › Earnings › Equity › Investments › Assets		› 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	› Refer to Financial Highlights on page 10 of the CapitaLand Annual Report 2019

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	Addressed in Capitals
People (Staff)	› Regular dialogue sessions with senior management › Regular staff engagement surveys › Volunteer programmes › Recreation club activities	› Work-life balance › Remuneration and benefits › Staff welfare	› Human Capital › Social and Relationship Capital
Investor (Investors, analysts and media)	› 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	› Operational efficiency, monetary savings, cost avoidance › Return on equity, earnings, business strategy, market outlook › ESG risks and opportunities	› Organisational Capital › Financial Capital › Social and › Relationship Capital
Customers (Homebuyers and residents, tenants, shoppers)	› Homebuyers: welcome parties, welcome kits › Residents: resident activities including exercise and volunteer events › Tenants: survey, green fit-out guide, enrichment events such as Biz+ events › Shoppers: mall campaigns, exhibitions, social media campaigns › CapitaLand's social media channels	› Workmanship, design › Facilities management › Customer experience	› Environmental Capital › Social and Relationship Capital
Community (Supply Chain – main contractors, vendors, suppliers)	› CapitaLand's Supply Chain Code of Conduct › Environmental, Health and Safety (EHS) management system › Quarterly EHS monitoring › Vendor evaluation, events, meetings and trainings	› Design and quality › Occupational health and safety practices › Workers' welfare and well-being › Environmental compliance	› Environmental › Capital › Human Capital › Social and Relationship › Capital
Community (Government/ national agencies/ Community and NGOs)	› 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 to consult and share experience with academics, NGOs and business associations › Corporate advertisements	› Sustainable building developments › Stakeholder programmes to advocate sustainable tenant/guest/customer behaviours › Advocacy of best practices	› Social and Relationship Capital

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

ENVIRONMENTAL AND MANUFACTURED CAPITAL

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 value for its stakeholders.

It incorporates environmental sustainability in its life cycle management, in all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. Monitoring environmental impacts 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 elements are CapitaLand's material environmental aspects of its business functions including investment, property development, property management as well as corporate office management.

FRAMEWORK*

Material Issues, Context and Business Case

Climate Change and Energy	Water	Waste	Biodiversity
› Global greenhouse gas (GHG) emissions at unsustainable level › Rising demands for energy, compounded by finite resources	› Water scarcity, accessibility and security	› Waste generation at unsustainable rates › Land scarcity for waste disposal › Cost pressure from resource scarcity	› Interdependence between ecosystems and the well-being of the community

The efficient use of environmental resources such as energy and water contributes to the operational efficiency and long-term sustainability of the company, mitigates risks such as compliance and climate change, and presents new opportunities in differentiating the company in the markets that it has a presence in.

Policy and Objectives

› Identify opportunities in managing its property portfolio to deliver long-term benefits
› Identify and respond to climate change risks
› Reduce energy consumption and encourage renewable energy sources
› Reduce water consumption and encourage the use of treated/recycled water and rainwater harvesting
› Manage waste through construction efficiency and encourage recycling
› Manage biodiversity to contribute positively to the natural environment
› Engage stakeholders to play their part

Accountability

› Chief Executive Officers (CEO) of respective business units within CapitaLand Group are Environment, Health and Safety (EHS) Champions
› ISO 14001 certified Environmental Management System (EMS) ensures accountability to relevant managers and all staff
› Set key performance indicators (KPIs) linked to remuneration for all staff; track performance via an Environmental Tracking System (ETS)

Method/Action Plan

Environmental Management System (EMS)
› Legal compliance
› Identify environmental aspects and manage impact
› Sustainable Building Guidelines - including Environmental Impact Assessment (EIA) and stakeholder consultation
› Appoint ISO 14001 certified main contractors or conduct EMS legal compliance on-site
› Green operations – EMS Standard Operating Procedures

KPIs
› Green rating target for new buildings and major refurbishments
› Green existing property portfolio
› Eco-efficiency targets: improve performance through tracking of energy and water usage, waste generation and carbon emissions
› Stakeholder engagement

Stakeholder Engagement

› Be part of national policy-making
› Collaborate with non-governmental organisations (NGOs)
› Require and indicate preference for ISO 14001 main contractors/vendors
› Share CapitaLand Environmental, Health and Safety (EHS) policy with suppliers and service providers
› Share and encourage end users, including tenants, shoppers, guests and the general community, to adopt environmentally sustainable habits

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

ENVIRONMENTAL AND MANUFACTURED CAPITAL

MITIGATING CLIMATE CHANGE RISKS AND IDENTIFYING OPPORTUNITIES

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). CapitaLand is positioned to face such challenges as it has in place a target to achieve green certification of existing properties worldwide by 2030. It is also ISO 14001 certified for its EMS in 15 countries.

Task Force On Climate-Related Financial Disclosures (TCFD)

CapitaLand understands the impact that climate change can have on its portfolio and has been reporting on climate-related risks in its Sustainability Report. CapitaLand has pledged its support for the recommendations and has voluntarily disclosed some of its climate-related financial disclosures in four key areas as recommended by the TCFD[1].

Key Area	CapitaLand's Approach
Governing Climate-Related Risks and Strategy	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). 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.
Strategy and Risk Management	**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. 2019 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. **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. The Singapore government announced that facilities producing 25,000 tonnes or more of GHG in a year have to pay a carbon tax from 2020 at S$5 per tonne of GHG. Singapore 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. In 2020, 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 (MtCO2e) around 2030. Singapore's long-term low-emissions development strategy aspires to halve emissions from its peak to 33 MtCO2e by 2050, with a view to achieving net-zero emissions as soon as viable in the second half of the century.

[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.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Key Area	CapitaLand's Approach
Strategy and Risk Management	In 2019, the government enacted legislative measures to tighten the control on hydrofluorocarbons (HFC) refrigerants as a means to reduce carbon emissions, and announced that large commercial premises are required to incorporate on-site food waste treatment systems. In 2019, the China government unveiled a set of regulations for the administration of a national carbon emissions trading scheme, with plans to make the first trade in 2020. The government launched the second round of a four-year nationwide environmental inspection that covers aspects including wastewater pollution, solid waste pollution, noise pollution, ecology, and more. It is expected that such regulations will increase overtime, and will impact inefficient end users with increased operational costs. **Response** Climate-related risks and opportunities are identified and mitigated through CapitaLand's ERM framework, and its externally certified ISO 14001 EMS. 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 of 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. 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 price of carbon, to better anticipate and manage climate risks, as well as identify climate-related opportunities. CapitaLand is 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.
Metrics and Targets	**Operational** 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* GHG of CapitaLand global portfolio. It has a long-term carbon emissions target to reduce its carbon emissions intensity by 30% by 2030 from its 2008 baseline. It is also reviewing the feasibility in setting a science-based carbon reduction target and an internal carbon price. **Green Building Investment** › CapitaLand aims to future-proof its developments by addressing the risks of climate change right from the design stage › Green rating target for all new developments › Green certification of its existing properties in its global portfolio by 2030

* 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.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CapitaLand's Environmental, Health and Safety (EHS) Committee maintains the Group's EHS Management System[2]. 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 of 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.

2019 Key Performance Indicators

Indicator	Targets	Performance
Environmental Management System (EMS)	ISO 14001 certification for its EMS in all markets with investment properties managed by CapitaLand Manage risks of environmental impact	Retained ISO 14001 certification in 15 countries covering all markets with investment properties managed by CapitaLand[2] 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	18 main contractors appointed in 2019 are ISO 14001 certified
Resource Consumption Management	All new development projects to meet minimum green rating target set › 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 projects[3] to be one level higher than certification	Total of 31 green building ratings[4] achieved for new development projects and existing buildings, including LEED (Leadership in Energy and Environmental Design), Green Mark and Green Building Evaluation Label[5] Estimated energy and water reduction exceeding S$46 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 97 million $kgCO_2e$/year Six projects under development have been designed to harvest renewable energy on-site

[2] Integration of the CapitaLand EHS Management System is still ongoing. Former Ascendas-Singbridge (ASB) Singapore and ASB China achieved ISO 14001 and 45001 certification in 2019, and ASB India targets to achieve its certification in 2020.
[3] Iconic projects refer to Raffles City developments, Grade A offices and projects involving a world-renowned architect.
[4] Includes 13 green building ratings achieved by former ASB sites during July to December 2019.
[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
	All existing buildings to achieve a minimum green rating › Singapore offices, malls, integrated developments and serviced residence – by 2020[7] › Other buildings in Singapore and overseas – by 2030	97% of CapitaLand's existing offices, malls, integrated developments and serviced residences in Singapore (by m^2) have achieved a green rating 58% of CapitaLand's global portfolio (by m^2) has achieved a green rating[8].
Operational Efficiency[9]	0.2% energy reduction and 0.2% water reduction per m^2 (vs. 2018 for like-for-like set of properties)	2.2% and 0.7% reduction in energy and water consumption per m^2 (vs. 2018 like-for-like set of properties) Reduced 2.1% carbon emissions intensity (vs. 2018 like-for-like set of properties)
	Reduce carbon emissions intensity by 23% by 2020, and 30% by 2030 Reduce energy intensity by 20% by 2020, and 25% by 2030 Reduce water intensity by 20% by 2020, and 30% by 2030 (using 2008 as the base year)	Achieved 29.4% carbon emissions reduction, 19.2% energy reduction and 22.4% water reduction per m^2 (using 2008 as the base year). Achieved cost avoidance in excess of S$208 million[10] from utilities savings since 2009 for its operational properties. Energy and water saving initiatives implemented in 2019 may lead to an estimated reduction of 9,200 MWh (5,600 tonnes CO_2e) and 80,000 m^3 of potable water per year[11]. * *CapitaLand will recalibrate upwards its energy, water and carbon emissions targets for its enlarged group.*
Stakeholder Engagement	Organise environmental outreach activities to encourage an environmental conscious mindset among staff and stakeholders	Over 260 CapitaLand properties participated in the WWF's Earth Hour, pledging to go beyond the hour with year-long sustainable initiatives

[7] The target for Singapore excludes former ASB operating properties. These properties will aim to achieve 100% green certification by 2030.
[8] Refers to its owned and managed properties and includes business parks, industrial and logistics buildings. Excluding former ASB operating properties, 70% of CapitaLand's global offices, malls, integrated developments and serviced residences have achieved a green rating.
[9] Computation of consumption per m^2 and intensity performance considered only operating properties with full year data. It excludes the acquired ASB operating properties, new properties which have been in operation for less than 12 months, properties undergoing asset enhancement initiatives and corporate offices.
[10] This is based on computation of data from 126, 142, 148, 164, 161, 172, 174, 178, 192, 175 and 198 properties for the period from 2009 to 2019 respectively. Excluded properties undergoing asset enhancement initiatives, and newly acquired operational properties. Cost avoidance is computed by multiplying the absolute energy (kWh) and water (m^3) savings against the annual average tariff rate for Singapore on a business-as-usual (BAU) basis.
[11] Energy and water saving initiatives implemented in 2019 by former ASB operating properties may additionally lead to an estimated reduction of 1,800 MWh (900 tonnes CO_2e) and 30,000 m^3 of potable water per year.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

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. This EMS is integrated with CapitaLand's Occupational, Health and Safety Management System (OHSMS) to form CapitaLand's Environmental, Health and Safety Management System[12] (EHSMS). CapitaLand's EHSMS is audited by a third-party accredited certification body to ISO 14001 and OHSAS 18001 standards. ISO 14001 and OHSAS 18001 are internationally recognised standards for the environmental management of businesses and occupational health and safety management of businesses respectively.

CapitaLand's EHS Committee and the SBU EHS Committees are responsible for driving the EHSMS.

CapitaLand Environmental, Health and Safety Policy[13]

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 Environmental, Health and Safety practices to minimise pollution and health and safety risks
- Seek continual improvement on its Environmental, Health and Safety 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 an EHS Management System.*

Since 2012, the Group achieved ISO 14001 certification for its EMS in 15 countries[14] – Singapore, Australia, Belgium, China, France, Germany, India, Indonesia, Japan, Malaysia, Philippines, Spain, Thailand, United Kingdom (UK) and Vietnam – covering all markets with investment properties managed by CapitaLand. 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 2019, CapitaLand complied with the environmental laws and regulations in Singapore, Australia, Belgium, France, Germany, India, Indonesia, Japan, Philippines, Spain, Thailand, and UK. Despite all efforts to ensure compliance, there was one non-compliance in Vietnam where a property's discharge to the municipal sewer exceeded the stipulated standards and one due to potential mosquito breeding at a property in Malaysia[15]. Thorough investigations were conducted and all necessary follow-up actions 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 "2019 Key Performance Indicators" above.

[12] In this section, reporting on CapitaLand EMS refers to the CapitaLand portfolio as at 30 June 2019 prior to the merger with Ascendas-Singbridge (ASB). This is because the integration of the CapitaLand Group EHSMS is still ongoing. ASB Singapore and ASB China achieved ISO 14001 certification in 2019, and the business park business in ASB India targets to achieve its certification in 2020.
[13] This EHS Policy was developed for the understanding and implementation by all staff in CapitaLand.
[14] This excludes countries where CapitaLand does not have any investment projects.
[15] Former ASB sites had three fines due to mosquito breeding issues at three properties in Singapore.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Training

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are planned and conducted for all staff. New staff are inducted to the EHSMS, as well as CapitaLand's EHS policy and briefed on 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 more detailed training. In 2019, more than 7,900 CapitaLand staff attended at least one EHS-related training amounting to more than 100,000 training hours.

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 travelling by trainees. An e-learning module on "Introduction to EHS" was launched in 2016.

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 the 15 markets where it has investment properties managed by CapitaLand, covering at least 50% of the sites in each country. External audits are conducted annually by a third-party accredited certification body.

HIGH PERFORMANCE SUSTAINABLE DEVELOPMENTS AND ASSETS

Green building ratings and certifications help assure and demonstrate the quality of CapitaLand projects and 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 projects[16]. This aids in resource management as green rated buildings are more resource efficient to construct and operate.

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

Greening Existing Buildings

In Singapore, CapitaLand is committed to achieving minimum Green Mark certification for its existing stock of properties by 2020, in support of the Singapore government's Green Building Master Plan. It has also set a target to green all its existing properties outside Singapore by 2030 with each achieving minimum certification level by a green rating system administered by a national government ministry/agency or a WGBC recognised Green Building Council.

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.

[16] This is for new projects or development projects with gross floor area of at least 2,000 m^2.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

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 fresh water 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 encourage 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 by stakeholders.

Environmental Impact Assessment (EIA)

A key component of the SBG is the mandatory Environmental Impact Assessment (EIA). An EIA is carried out during the feasibility study stage of any 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.

Biodiversity

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.

With its focus on gateway cities in Asia, most CapitaLand projects and properties are located in urban and built-up areas. There are no sites located within protected areas and 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. In China, a number of CapitaLand residential projects feature composite wood or engineered wood for their interior finishings.

Some possible concerns to biodiversity include the flow out of waste or toxic materials from construction sites and properties. With CapitaLand's EMS, this flow out (e.g. waste water), if any, is monitored and minimised.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Life Cycle Management

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

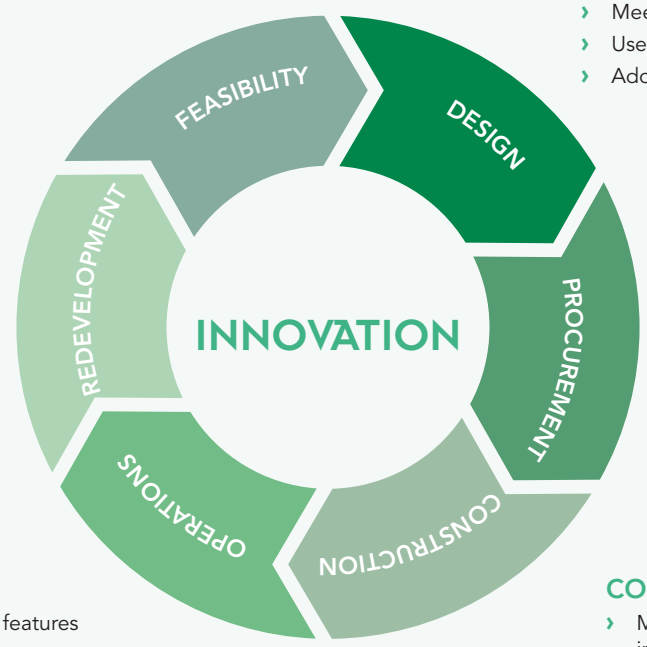
Minimise Resource Depletion
- Reuse grey water and harvest rainwater
- Use water-efficient fittings

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 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

FEASIBILITY
- Conduct environmental impact assessment
- Identify opportunities for innovation
- Set targets

DESIGN
- Embed environmental targets
- Meet green building rating target
- Use more sustainable material
- Adopt BIM



REDEVELOPMENT
- Carry out feasibility studies

PROCUREMENT
- Appoint ISO 14001 certified main contractors
- Procure more sustainable material

OPERATIONS
- Evaluate green features
- Track performance
- Ensure sustainable operations

CONSTRUCTION
- Monitor environmental indicators

TRAINING OF STAFF
STAKEHOLDER AND COMMUNITY ENGAGEMENT

ENVIRONMENTAL AND MANUFACTURED CAPITAL

RAFFLES CITY CHONGQING, CHINA

Gold Level Pre-Certification
LEED - CS (Core & Shell)
US Green Building Council



Raffles City Chongqing, China is an eight-tower mixed use development comprising a 235,000 m^2 shopping mall, 150,000 m^2 of Grade A office space, 1,400 residential apartments, Ascott Raffles City Chongqing serviced residence and a hotel. Four of the towers are linked by a 280-metre Conservatory. Various innovative sustainable strategies will be implemented in Raffles City Chongqing, in relation to water efficiency, energy optimisation, material resources and indoor air quality.

Energy Efficiency and Water Conservation
Raffles City Chongqing uses a district cooling and heating system which delivers air conditioning and heating services to consumers through an integrated underground pipe network. Solar heat gain analysis was conducted to ensure the building facade performance and cooling load of each tower is optimised to reduce heat gain and cooling requirement. The observatory uses high-performance low-emissivity glass which reduces the heat transfer load of the high-permeability curtain wall glass to achieve energy savings. Utilisation of large temperature-difference chilled water loop, heat recovery, demand control ventilation and high efficiency lightings further improves overall energy efficiency.

An integrated rainwater management system linking to the podium roofs and roads will help to reduce stormwater runoff thereby minimising impact on natural hydrology. It also acts as a reservoir which collects, filters and reuses the rainwater for greenery irrigation and washing purposes. By adopting comprehensive rainwater recycling systems, high-efficiency water-saving appliances, water-saving irrigation, and the use of native plants, more than 30% of water fixture usage compared to the LEED benchmark is estimated to be saved. The selection of native and climate-tolerant plants for its landscaping is estimated to reduce irrigation water requirements by 50%.

Total operational energy usage reduction is expected to exceed 12%, or 23,300 MWh/year[17] compared with the LEED benchmark model. This will help to mitigate more than 14,600 tonnes of carbon emissions per year. Total water savings annually is expected to be about 136,000 m^3. Overall, the estimated annual utility savings is RMB 19.7 million (S$3.9 million).

Sustainable Building Material (Embodied Carbon) and Construction Waste Management
Regionally sourced materials from within 800 km of the project accounts for over 30% of total material cost. This includes building materials and products such as concrete, glass, window frames and reinforcements. Materials with recycled content constitutes over 20% of total materials cost used during construction. As of end 2019, the main contractors have recycled 75% of construction waste, thus diverting this amount from landfill.

Connectivity and Green Transport
Raffles City Chongqing is well-connected to public transport options. More than 160 (or 5%) preferred parking spaces for low emissions and fuel-efficient vehicles, located near carpark elevators, are provided.

Indoor Air Quality and Stakeholder Comfort
MERV[18] 13 filters, which reduce PM2.5 by 75% to 90%, are additionally installed in each three-metre long entryway at all main entrances, effectively reducing outdoor pollutions and avoiding further cross-contamination.

Numerous analyses have been conducted during the design and construction phase to optimise the building's micro-environment and indoor environment quality. These cover solar heat gain and glare, thermal comfort, kitchen exhaust, and chimney effect. Twenty percent of the plot area was set aside for landscaping and greenery. Green open space on the ground and podium roof, and light-colored paving and roofs, mitigate potential heat island effect.

[17] This includes the district cooling plant and 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).
[18] 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

TRACKING OUR ENVIRONMENTAL RESULTS

Enhanced CapitaLand Environmental Tracking System

In 2019, CapitaLand further enhanced its Environmental Tracking System (ETS) by migrating it to a new cloud-based platform, with improved data analytics, better end-user experience, and is more scalable, in alignment with CapitaLand's growth strategy. This would further reduce data entry inaccuracies, expedite benchmarking on consumption patterns and help identify opportunities for further operational efficiency improvements. With the merger of CapitaLand and ASB, data from 1 July 2019, from the newly acquired portfolio has also been uploaded onto the ETS.

This platform was first launched in 2008 to better track energy and water usage, waste generation and carbon emissions of its managed and owned operational properties. These include CapitaLand's office buildings, shopping malls, serviced residences and integrated developments worldwide.

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.

Since 2012, ETS includes the tracking of energy and water usage of CapitaLand development sites as well as energy and paper consumption of CapitaLand's corporate offices in Singapore and overseas. Regular desktop audits are conducted to further minimise data entry inaccuracies.

CapitaLand Eco-efficiency Commitments

CapitaLand established long-term and annual targets for the reduction of carbon emissions, energy and water usage per m^2 in its properties worldwide.

- Long-term targets (using 2008 as base year):
- Reduce carbon emissions intensity by 23% by 2020, and 30% by 2030
- Reduce energy intensity by 20% by 2020, and 25% by 2030
- Reduce water intensity by 20% by 2020, and 30% by 2030

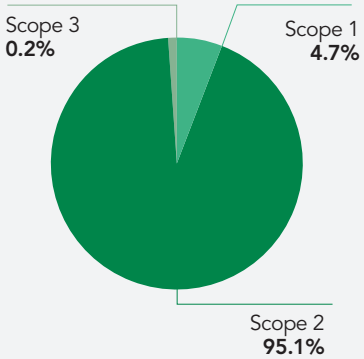
It is recalibrating its 2030 carbon, energy, and water targets for its enlarged group and reviewing its carbon emissions intensity to set a science-based carbon reduction target[19].

Carbon Emissions

CapitaLand is committed to address 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 final energy use and nearly 40% of energy-related CO_2 emissions[20]. 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 carbon emissions[21] (Scope 1, 2 and 3) in 2019 was 665,181 tonnes CO_2e[22]. Operational properties[23] 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 0.4% of total carbon emissions[24].

Total Carbon Emissions
Scope 1, 2 and 3 (%)



[19] This will be based on the Science Based Target Initiative (SBTi). SBTi is a collaboration between CDP, World Resources Institute, World Wide Fund for Nature (WWF) and the UNGC. The initiative recognises organisations aligned with the COP21 Paris Agreement to keep the rise in global temperature to below 2°C.

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

[21] 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 CO_2 emission factors retrieved from the International Energy Agency (IEA) Statistics – CO_2 emission factors from fuel combustion 2019 edition. Scope 3 emissions are computed from staff business travel by air.

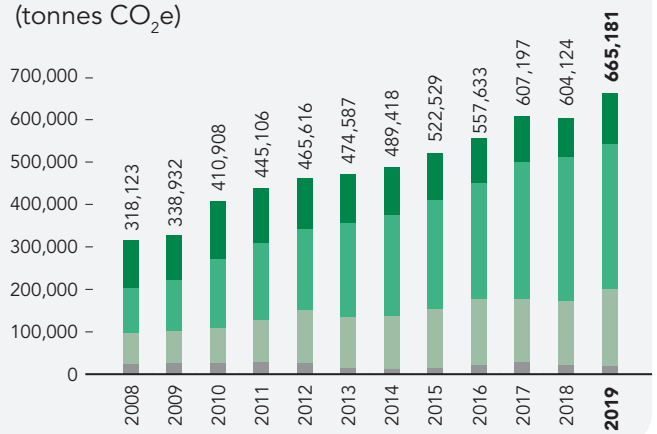
[22] Data includes former ASB operating properties' carbon emissions for the period of July to December 2019, which is about 9% or 63,384 tonnes CO_2e of the Group's total.

[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 and 257 in 2018. As of end 2019, there are 353 operational properties, including 100 owned and managed business parks, industrial and logistics buildings.

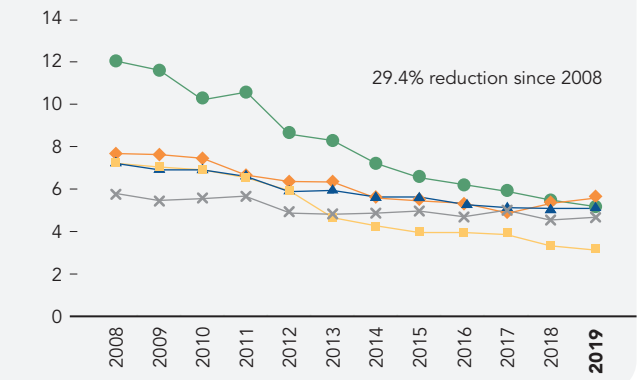
[24] This computation includes emissions from CapitaLand staff air travel (scope 3 emissions).

ENVIRONMENTAL AND MANUFACTURED CAPITAL

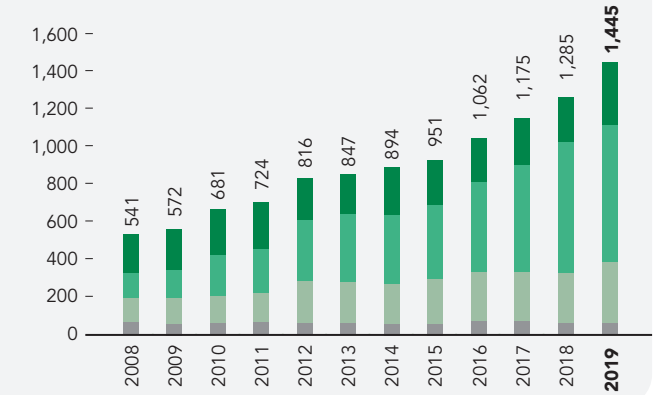
Total Carbon Emissions*
(tonnes CO_2e)



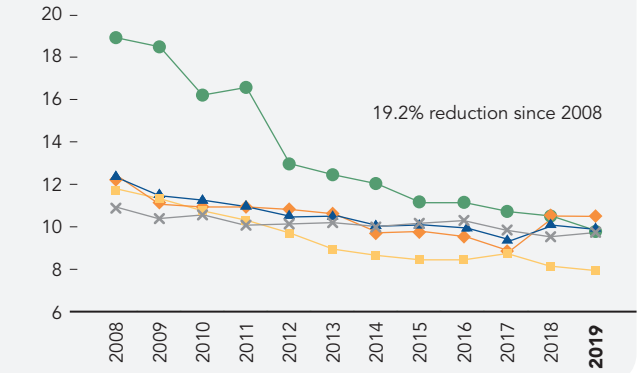
Carbon Intensity
($kgCO_2e/m^2$/month)



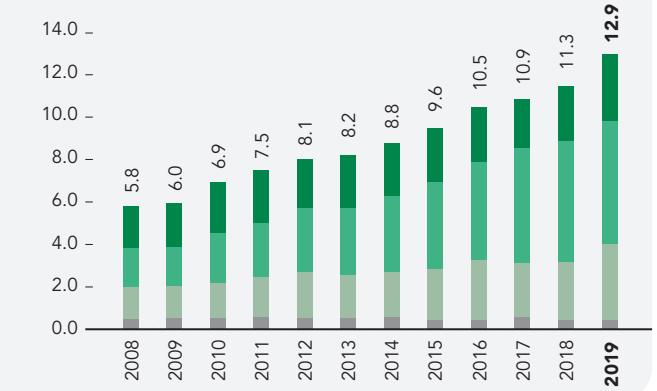
Energy Usage*
(GWh)



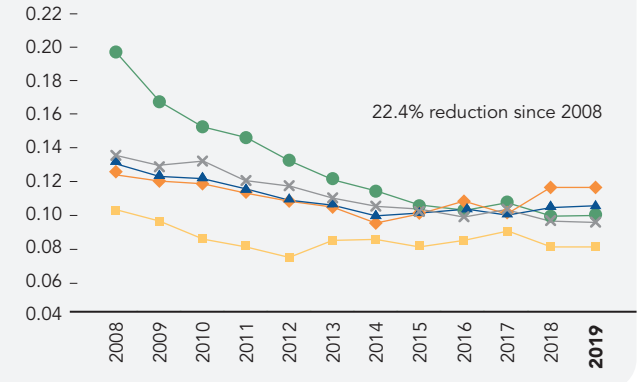
Energy Intensity
(kWh/m^2/month)



Water Usage
(million m^3)



Water Intensity
(m^3/m^2/month)



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

- CapitaLand Group Average
- Integrated Developments
- Shopping Malls
- Commercial
- Serviced Residences

* GRI 102-48

Note: Intensity figures are computed for operational properties for full year 2019. They exclude the data from the former Ascendas-Singbridge portfolio given that this report covers data from 1 July 2019 for these assets.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Operational Properties Carbon Emissions Intensity ($kgCO_2e/m^2$)

CapitaLand reduced its carbon emissions intensity[25] to 5.06 kg CO_2e/m^2/month, a 29.4% reduction compared to 2008 baseline intensity levels. It avoided an estimated 185,000 tonnes of carbon emissions in 2019, compared to baseline intensity levels.

Development Projects

The carbon emissions from its main contractors' energy consumption at 20 construction projects[26] was approximately 22,200 tonnes in 2019.

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 operation activities but also from the embodied carbon in the production and distribution of building materials. For 11 projects in Singapore and China that were completed in 2019, embodied carbon emissions arising from materials usage at these projects was about 1,384,000 tonnes[27] or 1,174 kg/m^2. The data collated is based on the entire construction period.

For its new development projects in China, it will aim to source 20% of construction materials within 800 km and use at least 10% of building materials with recycled content, low carbon emissions or certified products.[28]

Energy

In 2019, the Group's total energy consumption for its operational properties and corporate offices was 1,445,125 MWh (5.2 million GJ). Indirect energy consumption accounted for about 88% (4.6 million GJ) and total fuel consumption accounted for about 12% (0.6 million GJ[29]) of total energy consumption.[30]

CapitaLand's corporate offices in over 10 countries accounted for 0.2% of the Group's total energy consumption in 2019. The offices consumed 3,000 MWh of electricity, a 25% improvement in electricity consumption per m^2 compared to 2009.

Twenty CapitaLand projects under construction[31] in Singapore, China, Indonesia and Vietnam consumed about 42,500 MWh of energy.

Operating Properties' Energy Intensity (kWh/m^2)

Despite an increase in total energy use due to the expansion of its operational portfolio, CapitaLand reduced its energy intensity[32] measured in kWh per m^2 by 19.2% from base year 2008. Using a 'Business as Usual' (BAU[33]) methodology, it is estimated that more than 860,000 MWh of energy consumption was avoided, resulting in an estimated cost avoidance of S$200 million since 2009.

The reduction in energy intensity or energy usage per m^2 is computed at the property and SBU level. The reduction targets are KPIs for the property managers and the SBU CEOs.

[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 and 198 for the period from 2008 to 2019 respectively.

[26] Construction data excludes former ASB construction sites that commenced before the merger.

[27] The materials are concrete, cement, sand and aggregate, steel, bricks, aluminum, 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.

[28] Computation by cost of construction materials.

[29] Direct energy consumption from gas, diesel and other fuels (gasoline) are approximately 575,696 GJ, 29,423 GJ and 9,033 GJ respectively.

[30] Data includes former ASB operating properties' energy consumption for the period of July to December 2019, which is about 157,499 MWh (526,879 GJ from indirect energy consumption and 40,132 GJ from direct energy consumption).

[31] Construction data excludes former ASB construction sites.

[32] 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 and 198 for the period from 2008 to 2019 respectively.

[33] The assumption is that energy consumption in subsequent years will continue at 2008 levels (base year) unless energy improvement measures are adopted.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

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	› Natural ventilation to reduce air-conditioning demands › Sun shading, cool paints to reduce heat gain › Use of daylight, sun pipes/light shelves to reduce the need for artificial lighting
Energy Efficiency	› Upgrade to more efficient air-conditioning equipment › Use more efficient lighting such as T5 with electronic ballast, LED (light-emitting diode) › Conduct energy audits at properties to improve energy efficiency
Control, Metering and Monitoring	› Test bed a centralised Intelligent Building Platform (IBP) with analytical capabilities › Dimmers/occupancy sensors/daylight sensors, sub-metering systems to provide detailed energy, Building Management Systems
Renewable Energy	› Encourage use of renewable energy and purchase of green power

Renewable Energy

While energy efficiency is the most cost-effective and material way for CapitaLand to reduce carbon emissions, the use of renewable sources to avoid emissions is also encouraged. However, this remains challenging due to limited rooftop space where renewable sources of energy such as solar energy could be optimally installed. In 2019, about 2% (22,593 MWh) of the Group's total electricity use was from renewable energy sources, which helps to mitigate about 15,600 tonnes of carbon emissions[34]. This was attributed to the 10 properties in Singapore, China, Belgium, India, and four business parks in India; as well as one corporate office in Singapore that that are fully or partially powered by renewable energy, via on-site renewable energy systems or purchased partial or full green power (component of electricity generated from renewable sources).

Leading the way in Singapore and India

In 2019, CapitaLand partnered Sembcorp Industries to install about 21,240 rooftop solar panels atop six CapitaLand properties in Singapore. These solar farms can collectively generate around 10,290 MWh of energy annually and potentially avoid over 4,300 tonnes of carbon emissions each year when completed.

In India, rooftop solar panels have also been installed at International Tech Park Bangalore (ITPB), International Tech Park Chennai, CyberVale IT Park in Chennai and CyberPearl IT Park in Hyderabad. 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. Collectively, the installed solar panels and the purchased solar and wind energy accounted for approximately 37% of the total electricity consumption for CapitaLand properties in India which will result in an estimated avoidance of about 15,000 tonnes of carbon emissions annually.



Rooftop solar panels at CapitaLand India business parks

[34] The increase is due to former ASB operating properties, mainly business parks in India, which had 17,342 MWh of electricity usage from renewable energy sources for the period of July to December 2019.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Water

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 supplies[35]. It is test bedding a global water risk mapping tool developed by World Resources Institute (WRI), to understand water risks and opportunities of its global portfolio and impact of climate change on water resources. Based on studies by WRI Aqueduct Projected Water Stress Country Rankings[36], Singapore and China are among the top 50 most water-stressed countries by 2040.

In 2019, the Group's operating properties' total water consumption was about 12.9 million m^3. The increase in water consumption is largely attributed to the expansion of the Group's property portfolio[37]. This includes the use of about 1.56 million m^3 of recycled water[38], accounting for 12% 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. Twenty CapitaLand projects under construction in Singapore, China and Vietnam consumed about 518,700 m^3 of water. At its Singapore development sites, wastewater is generally recycled and reused for vehicular washing.

Operating Properties' Water Intensity (m^3/m^2)

CapitaLand reduced its water intensity[39] measured in m^3/m^2 by 22.4% from baseline year 2008. The reduction in water usage per m^2 is computed at the property and SBU level. This forms a critical part of the KPI for the property managers and the SBUs.

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

Focus	Initiatives
Consumption Reduction	› 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	› Water audit; sub-metering to track consumption and early leak detection
Recycling	› Rainwater harvesting; condensate recovery; grey water recycling

[35] Two properties extract groundwater for use with the appropriate treatment system in place. Meters are installed to monitor water usage. This usage accounts for about 35,700 m^3 or 0.3% of CapitaLand's total water usage. Surface water extraction due to rainwater harvesting accounts for less than 0.01% of its total water usage.

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

[37] Data includes former ASB operating properties' total water consumption of approximately 1.8 million m^3 for the period of July to December 2019.

[38] Mostly NEWater, 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.

[39] 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 and 195 for the period from 2008 to 2019 respectively.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

Waste Management

Waste Recycled

CapitaLand aims to manage 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 serviced residence guests.

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. In 2019, more than 4,700 tonnes of recyclable waste[40] was collected from 181 properties in 15 countries.

E-waste Management

The Global E-Waste Monitor 2017[41] highlighted increasing levels of e-waste and that improper and unsafe treatment and disposal could pose considerable environmental and health risks. With the proliferation of electrical devices and newer models being launched regularly, the amount of e-waste is expected to increase a further 17% to 52.2 million tonnes by 2021.

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 2019, the total amount of e-waste collected at 15 office buildings and malls in Singapore was 22,800 kg.

CapitaLand's serviced residences in Australia and Europe also offer similar e-waste recycling programmes where the collected e-waste is sent to appointed vendors or local collection points for proper processing.

Paper Consumption Management in CapitaLand Corporate Offices

Paper accounts for most of the waste generated from CapitaLand corporate offices. It reduced paper usage by 66% per staff in corporate offices compared to 2009. Initiatives implemented included the use of "Follow-me" printing to better track paper usage and minimise wastage, and work processes moved online to reduce paper consumption. Recycling bins (including secured bins) are conveniently located at corporate offices to encourage staff to recycle used paper. It has also implemented several initiatives such as e-signature, working towards its paperless target for corporate functions by 2020.

CapitaLand actively promotes the use of environmentally-friendly paper. There is no printing of the CapitaLand Global Sustainability Report which is available on CapitaLand's website.

[40] 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 2019, about 117,400 tonnes of non-recyclable waste was generated at 243 properties. These included integrated developments, shopping malls, serviced residences, office buildings, business parks, industrial and logistics buildings. About 124 tonnes of recyclable waste and 9,500 tonnes of non-recyclable waste was generated at former ASB operating properties for the period July to December 2019.

[41] Report by International Telecommunication Union, the UN University and the International Solid Waste Association providing a comprehensive overview of global e-waste statistics.

ENVIRONMENTAL AND MANUFACTURED CAPITAL

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. An estimated 56,000 tonnes of construction waste was recorded for its development projects in Singapore, China and Indonesia in 2019. For its China development projects targeting LEED certification, the projects have set a target of at least 75% of construction waste to be diverted from landfill.

CapitaLand continues to leverage Building Information Modelling (BIM) technology to improve the design and construction process 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 wastage. BIM is implemented in 10 projects under development in Singapore and China.

Supporting Low Carbon Transportation

The transport sector accounts for 23% of global energy related greenhouse gas emissions 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 2019, CapitaLand increased its electric vehicle (EV) charging stations from 160 to 240 in 26 CapitaLand managed properties in Singapore, China, Belgium, Germany and Japan. The total electricity charged at these stations exceeded 303 MWh (estimated travel distance of more than 1.4 million km[42]) in 2019.

Over 90% of CapitaLand 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. More than 14,000 bicycle parking facilities are available at almost 100 of its properties[43].

[42] This is computed using "2018 Tesla Model S" efficiency of 4.87 km/kWh (FuelEconomy.gov).
[43] CapitaLand owned and managed offices, retail malls, serviced residences and integrated developments only.

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 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.

FRAMEWORK

Material Issues, Context and Business Case



Workplace health and safety of CapitaLand staff

Safety of its properties for stakeholders including staff, residents, shoppers, tenants and the public



Supply chain management

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

Policy and Objectives

- Identify and reduce occupational injury rates to achieve zero harm
- Provide a robust OHS Management System
- Meet and exceed OHS legal requirements
- Promote a culture of individual ownership and responsibility for OHS management
- Seek proactive support and participation from CapitaLand's top management, staff and stakeholders including tenants and supply chain (contractors and suppliers)
- Drive continuous improvement in OHS performance through active participation in industry and national programmes to raise OHS standards

Accountability

- CEOs are accountable
- Occupational Health and Safety Assessment Series (OHSAS) 18001 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

Method/Action Plan

OHS Management System

- Legal compliance
- Identification of hazards and risk assessment
- Sustainable Building Guidelines – Design for Safety (DfS)
- Safe operations – OHS Standard Operating Procedures (SOPs)
- Training and awareness

KPIs

- OHS performance of staff
- Stakeholder engagement

- Appoint OHSAS 18001/ International Organization for Standardization (ISO) 45001 certified main contractors or carry out OHS legal compliance audit on-site
- Give preference to OHSAS 18001/ ISO 45001 certified supply chain (vendors/ suppliers); in Singapore, non-OHSAS 18001/ ISO 45001 certified supply chain (vendors/ suppliers) are encouraged to achieve bizSAFE Level 3 and above.

Stakeholder Engagement

- Be part of national policy-making
- Educate key stakeholders, including tenants, shoppers, residents and the wider community

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 activities. 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. This list is updated in the CapitaLand intranet.

Key Performance Indicators (KPIs) Tied to Remuneration

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

ROBUST OHS MANAGEMENT SYSTEM

CapitaLand's approach to health and safety is guided by its OHS Management System[1]. 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. 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 OHSAS 18001 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 countries – covering markets with investment properties managed by CapitaLand[2]. This coverage encompasses all business functions including property management, property development, corporate management and operations.

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 which is aligned with the OHSAS 18001 standards. Internal audits are conducted at least once a year in 15 countries where CapitaLand has investment properties that it manages, 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 OHS Management System provides assurance to top management and external investors of CapitaLand's OHS Management System, legal compliance requirements and commitment to best practices.

In 2018, ISO introduced a new international standard, ISO 45001 for OHS, which will replace OHSAS 18001 by March 2021. CapitaLand has successfully completed the third-party gap analysis audit for Singapore and will commence migration of its group OHS certified Management System to the ISO 45001 standard.

[1] Reporting on CapitaLand OHSMS refers to the CapitaLand portfolio as at 30 June 2019 prior to its merger with Ascendas-Singbridge. This is because the integration of the CapitaLand Group EHSMS is still ongoing. ASB Singapore and ASB China achieved ISO 45001 certification in 2019, and the business park business in ASB India targets to achieve its certification in 2020.

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

HUMAN CAPITAL

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, China and Vietnam incurred four non-compliant incidents relating to building and fire safety. Thorough investigations were conducted and all necessary follow-up actions were immediately undertaken. 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 though 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 poor ergonomics, falling from height, falling objects and working in an enclosed space. The SBUs have put in place various standard operating procedures (SOPs) to minimise the occurrence of such hazards.

Training and Awareness

To facilitate the effective implementation of its OHS Management System, training and awareness programmes are organised for staff. 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 part of CapitaLand's staff well-being initiatives, it organises weekly wellness day emphasising the importance of mental, physical, and emotional wellness for CapitaLand staff. Staff have the option to participate in wellness related activities and programmes such as body wellness talks, fun run, health screening and more. This includes financial resilience talks such as financial planning, as well as parenting talks where more than 65 staff were in attendance. In addition, in Singapore and China, an annual complimentary health screening is scheduled for its staff. Over 4,000 CapitaLand staff participated in this complimentary health screening.

Measures to Mitigate Risks of Serious Diseases

CapitaLand responds 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 for all staff on the intranet. For more information on CapitaLand's COVID-19 response, please refer to Introduction chapter.

HUMAN CAPITAL

MEASURING OUR SAFETY PERFORMANCE

2019 Occupational Health and Safety Targets and Performance

Targets	Performance
OHSAS 18001 certification for its OHS Management System in all markets with investment properties managed by CapitaLand	› Maintained OHSAS 18001 certification in 15 countries, covering all markets with investment properties managed by CapitaLand[3]
Zero incident resulting in staff permanent disability or fatality	› Zero staff work-related fatality › Zero staff work-related permanent disability
All main contractors appointed to be OHSAS 18001/ ISO 45001 certified (or to comply fully with local OHS laws and regulations, annually audited by an independent accredited assessor)	› 18 main contractors appointed in 2019 for new development projects[4]

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

In 2019, there were 45 work-related injuries[5] by CapitaLand staff, mostly from the operations teams. Thorough investigations were conducted, and all necessary follow-up actions have been undertaken. As part of its OHS Management System, CapitaLand will continue to monitor its OHS performance, reinforce safety standards and fine-tune its SOPs for improvement.

	2019				2018	2017
CapitaLand Staff	Singapore	China	Rest of the world	Group Overall	Group Overall	Group Overall
Number of work-related injuries	12	12	21	45	47	57
Work-related fatalities/ permanent disabilities	0	0	0	0	0	1
Injury rate[6] (number of work-related injuries per million hours worked)	2.1	0.9	2.0	1.5	1.8	2.1
Lost day rate (number of lost man-days per million hours worked)	17.2	42.1	46.3	38.8	44.7	315.4[7]
Absentee rate[8] (% of total work days scheduled)	1.8	0.8	1.3	1.2	1.6	1.6

[3] Reporting on CapitaLand OHSMS refers to the CapitaLand portfolio as at 30 June 2019 prior to its merger with Ascendas-Singbridge. This is because the integration of the CapitaLand Group EHSMS is still ongoing. ASB Singapore and ASB China achieved ISO 45001 certification in 2019, and the business park business in ASB India targets to achieve its certification in 2020.

[4] Includes seven certified main contractors appointed by former ASB sites during July to December 2019.

[5] This is based on work-related incidents that resulted in more than three days of medical leave or more than 24 hours of hospitalisation, and include former ASB staff.

[6] In 2019, injury rate was 1.5 and 1.5 per million hours worked for male and female staff respectively. Injury rate and lost day rate is computed based on scheduled work hours.

[7] The spike in lost day rate in 2017 was a result of a fatal injury. A fatal injury is equivalent to a loss of 6,000 man-days, as defined by the U.S. National Institute for Occupational Safety and Health. This is also adopted by Singapore's Ministry of Manpower.

[8] Absentee rate is based on medical leave taken by staff, regardless of whether it is a work-related illness or not. In 2019, absentee rate was 0.8% and 1.5% of scheduled work-days for male and female staff respectively. Absentee rate of the Group is 1.4% of scheduled work-days in 2016.

HUMAN CAPITAL

Staff Wellness

CapitaLand aims to provide a work environment that is safe and contributes to the well-being of its staff. In Singapore, CapitaLand implemented a Total Well-Being Programme, which included an annual free on-site health screening[9] in Singapore and China. In Singapore, high total cholesterol indicator worsened compared to the year before but remains better than the national average, whilst weight management remains 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 yoga classes, running and circuit training. Tips on healthy living and exercise are also updated on the CapitaLand intranet.

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 participates actively 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 collaborated with more than 130 local fire departments, government agencies and associations to organise fire drills at 42 malls to raise safety awareness among more than 35,600 participants including tenants and shoppers. The fire drills included simulation of fire and evacuation, and involvement of local fire departments. They were well-received by the local authorities.

CapitaLand also conducted service quality surveys at 40 China retail malls and commercial buildings with 98% participation rate. Through these surveys, CapitaLand garnered feedback on areas such as cleanliness, security, lift and escalator safety, car parking, thermal comfort, ambience, lightings, as well as the features and facilities provided. On average, 92% of the respondents in China were satisfied with the services rendered. The overall participation and satisfaction rate have also increased compared to 2018.

CapitaLand Commercial Trust (CCT) launched a signature tenant programme in Singapore aimed at promoting a holistic approach to health, well-being and environmental conscientiousness to the office community. The programme featured over 50 wellness and environmental sustainability activities in three weeks culminating in a CCT Live It Up! Race. The race garnered 60 registered teams, with about 240 participants. The three-week programme attracted over 700 participants.

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

[9] Optional screening packages were made available to staff who wanted more testing.

HUMAN CAPITAL

Supply Chain Management

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

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

Vendors and Service Providers

For building operations, CapitaLand's contractor management guidelines require all contractors to comply with local government and other legal requirements. Contractors 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 bizSAFE[10] 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 offices. In 2019, over 90% of CapitaLand appointed vendors and service providers[11] in Singapore were bizSAFE Level 3 and above certified[12].

Main Contractors

CapitaLand requires main contractors appointed for its development projects to be OHSAS 18001 certified (or equivalent) or to engage an independent accredited assessor to conduct OHS legal compliance audits on-site. Eleven main contractors appointed in 2019 fulfilled these requirements[13].

CapitaLand also tracked the health and safety performance of its main contractors at its worksites in Singapore and overseas. In 2019, injury rate at its Singapore construction sites is 0.8 cases per million work hours[14].

Despite best efforts to ensure site safety, there were three workplace fatalities involving CapitaLand's contractor staff in China[15]. Detailed investigations were undertaken, and it ensured that the contractor quickly completed all necessary follow-up actions. Appropriate actions were also taken against the contractor by the local authorities. 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)[16] awards and for overseas main contractors to apply for accredited local safety awards. In 2019, its La Botanica project in Xi'An, China was recognised by the local authority for its exemplary site safety management and performance.

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

[10] 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.
[11] This refers to term contractors/service providers where their work is on-site at CapitaLand properties or offices.
[12] More than 90% of former ASB operating properties' vendors and service providers were bizSAFE Level 3 and above certified.
[13] Reporting on CapitaLand OHSMS refers to the CapitaLand portfolio as at 30 June 2019 prior to its merger with Ascendas-Singbridge. This is because the integration of the CapitaLand Group EHSMS is still ongoing. ASB Singapore and ASB China achieved ISO 45001 certification in 2019, and the business park business in ASB India targets to achieve its certification in 2020. Former ASB sites appointed seven certified main contractors from 1 July 2019.
[14] Former ASB Singapore construction site injury rate is 4 per million work hours for the period of July to December 2019.
[15] Former ASB had one fatality at its business park.
[16] 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.

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 appropriate development opportunities to perform well in their job.

Anti-Child Labour and Anti-Forced Labour

With a global workforce of more than 13,900 staff[1], CapitaLand is committed to be a workplace of choice for its staff. CapitaLand is a signatory of the United Nations Global Compact and is committed to the 10 principles in the areas of human rights, labour, environment and anti-corruption. In Singapore, CapitaLand signed the Employers Pledge for Fair Employment Practices with The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP[2]) and is committed to the five key principles of fair employment[3].

In 2019, there was no reported incident relating to discrimination, child labour or forced labour in CapitaLand, and the company had no staff below the age of 16[4].

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. More than 80 nationalities are working within the Group.

CapitaLand adopts a localisation strategy for its overseas operations where reasonable and practical. 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 2019, locals accounted for about 86% of the staff based in Singapore and 99% of staff based in China. Of these locals, 46% held managerial and senior management positions in Singapore and 17% 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 at an early stage 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 26% of the total headcount in 2019[5].

CapitaLand's vibrant, motivated and qualified workforce has given the Group a competitive edge. About 67% of CapitaLand's global workforce is aged 30 to 50. About 86% of new hires in 2019 were born from 1978 onwards. 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 This includes staff from the former Ascendas-Singbridge (ASB), with the completion of the merge between CapitaLand and ASB in 2019. Staff related data in this chapter includes ASB staff from 1 January to 31 December 2020.

2 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.

3 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.

4 In 2018 and 2017, CapitaLand had no reported incident relating to discrimination, child labour or forced labour, and also reported no staff 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.

5 Singapore and China account for about 10% and 46% of the total number of new hires respectively.

HUMAN CAPITAL

CapitaLand's global workforce comprises an almost equal proportion of males and females, at a ratio of 47:53 (In Singapore, the proportion of male to female staff is 43:57; in China, the ratio is 46:54). 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 2019, about 34% of senior management were female with eight of them holding C-suite appointments within the Group. Over the past three years, between 31% and 35% of the senior management were females.

CapitaLand rewards men and women fairly for comparable roles across the organisation's hierarchy. The gap reflects the lower representation of women at the more senior levels of the organisation. The average gender pay gap[6] is about 7% in favour of females at non-executive levels; 2% in favour of males at executive levels; and 7% in favour of males at middle management levels. At senior management levels with female representation[7], the average gender pay gap ranges from 6% in favour of males for one level to about 16% in favour of females in another level.

Re-Employment Opportunities

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 CapitaLand[8]. This policy is applicable to all staff globally. In 2019, there was 114 staff above retirement age[9] who were rehired post their retirement.

Respect for Freedom of Association

CapitaLand respects its staff's right to freedom of association and be members of trade unions. In Singapore, CapitaLand is guided by the Industrial Relations Act that allows 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 58% of the workforce in Singapore[10] and 46% of the global workforce are covered by collective agreements*.

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 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

[6] This comparison is for base salary and other cash incentives.
[7] There are 2 levels with no female representation
[8] The Singapore government implemented the retirement and re-employment legislation in 2012 to enable more people to work beyond the current statutory retirement age of 62, up to 67 years old. Before the legislation, CapitaLand already had a re-employment policy.
[9] This is based on the retirement age in the respective countries.
[10] 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 total well-being programme promotes personal development, health and work-life harmony. Initiatives include a flexible medical and benefits plan, flexible work arrangements, staff engagement initiatives and subsidised rates for staff staying at Ascott's serviced residences and hotels. Part-time staff are entitled to the same benefits on a pro-rata basis. CapitaLand advocates a pay-for-performance philosophy to drive ownership of collective goals, leading to a high-performance culture which creates long-term shareholder value. Its robust performance management system ensures that all staff receive regular performance and career development reviews.

All staff are entitled to parental leave. In 2019, 379 eligible female staff went on maternity leave and 326[11] returned to work. CapitaLand also provides paid paternity leave to all male staff in Singapore and countries where practicable. In 2019, 196 eligible male staff took paternity leave.

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.

Fair Remuneration

All staff sign employment contracts with the key employment terms and conditions clearly spelt out, so that staff fully understand the terms and conditions. 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, and (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 taking into consideration these benchmarks as well as the specific job scope and responsibilities of each staff.

All regular full-time staff 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 benefit programmes. The Group observes a pay-for-performance philosophy that rewards for superior performance, which aligns staff and shareholder interests to deliver business results. The Group's overall annual variable bonus pool is determined based on the Group's achievement against a holistic set of financial and non-financial targets in the balanced scorecard dimensions of Financials, Execution, Future Growth and Sustainability. 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 subject 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.

[11] Excludes staff whose paternity/maternity leave crosses over into 2020 and hence have not returned to work in 2019.

HUMAN CAPITAL

CapitaLand monitors the movement of its workforce closely. In 2019, staff turnover[12] rate was 15.2%. In Singapore, the turnover rate was 11.3%, which was below the national average of 21.6%[13]. In China, the turnover was 15.3%, which was comparable to the national average of 15.1%[14]. Given CapitaLand's business in the labour-intensive hospitality industry and the large number of non-executive staff, the staff movement is deemed normal.

More than 42% 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.

Job Security

CapitaLand is committed to talent mobility where staff are given opportunities to rotate to 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).

In the event of termination or staff resignation, there is a minimum notice period of one to three months, depending on the staff's job grade. Due to operational requirements, senior management staff are required to serve a notice period of three to six months.

The company committed to no staff layoffs as a result of the merger between CapitaLand and Ascendas-Singbridge (ASB) in 2019 and strived to match staff skills and capabilities with business needs.

Learning and Development

Staff are provided with appropriate training to be better equipped to contribute at optimal levels and contribute effectively to the Group's performance. Full-time staff are allowed up to 10 days of examination leave per calendar year. In 2019, almost 98% of the workforce[15] attended at least one learning event, and the average number of training hours completed by each staff for the year was more than 55 hours[16].

Upskilling The Workforce For The Future

In anticipation of technological changes and its impact on the skillsets of its staff, CapitaLand has a series of programmes to upskill its staff to ensure they remain relevant and contribute to the company. CapitaLand organised a series of sessions where industry experts were invited to share insights on topics and trends related to its business, such as building retail of the future. More than 10,000 CapitaLand staff globally attended at least one digital training programme. By organising these activities, the company hopes to inculcate a spirit of lifelong learning and help equip staff with the knowhow to navigate a constantly changing world. More than 2,500 staff invested over 19,000 hours attending sessions on analytics and innovation in 2019. More than 700 staff spent over 3,400 hours participating in change management and diversity-related training.

[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] This is based on 84% of CapitaLand's global workforce.
[16] Include former ASB July to December 2019 training hours.

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 and during the sessions, or in person during the 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, iHub.

2019 Employee Engagement Survey (EES)

In 2019, 93% of CapitaLand Group's staff across over 20 countries participated in the Employee Engagement Survey (EES) administered by an independent third-party vendor. The EES comprised 30 closed-ended and three open-ended questions, to assess eight key engagement drivers: Collaboration and Teamwork, Core Values and Culture, Empowerment and Accountability, Future Readiness, Growth and Development, Managing Change, Performance and Recognition and Work Process. Open-ended questions allowed staff to share areas for improvement, and for the company to analyse staff sentiments beyond numeric scores through text analytics. Each open-ended question received about 3,000 staff responses. CapitaLand employee engagement score increased by one percent point in 2019 (from 79% to 80%), which also exceeded the High-Performance World Norm score of 77%[17].

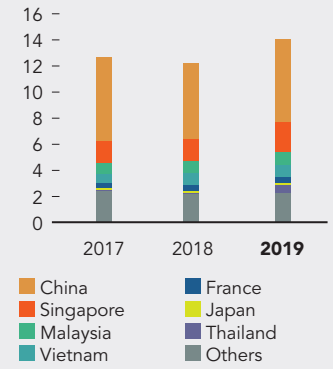
Following the survey, the HR Business Partners will be working with the respective CEOs to address the key issues within the respective business units. On the Group level, initiatives will be rolled out to address concerns in the areas of work processes, collaboration and teamwork.

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

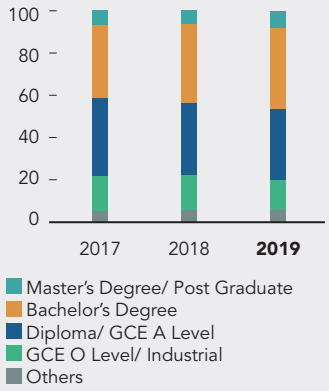
[17] In 2015, 93% of the Group's staff in over 20 countries participated in the Group's third Employee Engagement Survey (EES) and employee engagement score was 87 points. This exceeded the global real estate, property and asset management norm. An independent consultancy firm was appointed to administer the survey and to ensure confidentiality in soliciting honest responses from the staff.

HUMAN CAPITAL

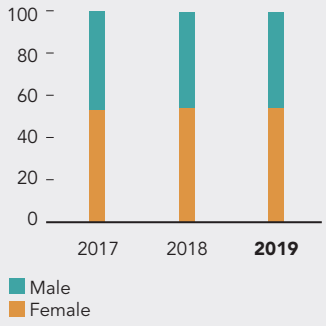
Global Staff By Nationality ('000)



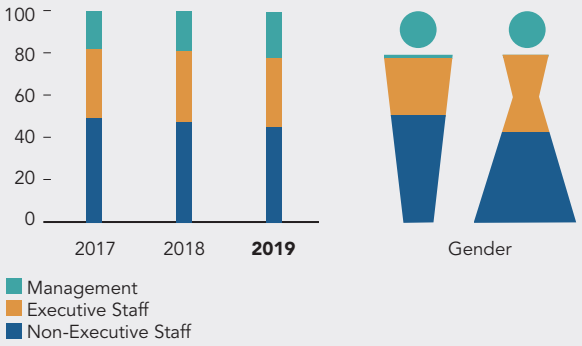
Global Staff By Educational Qualifications (%)



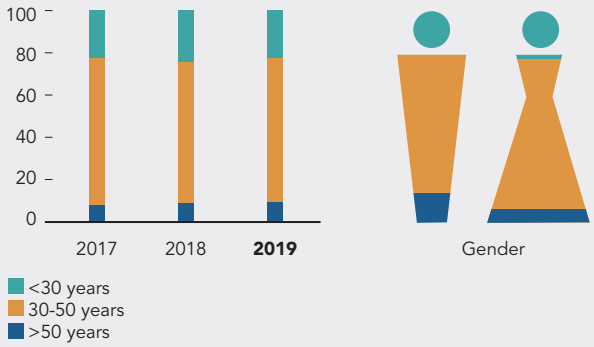
Global Staff By Gender (%)



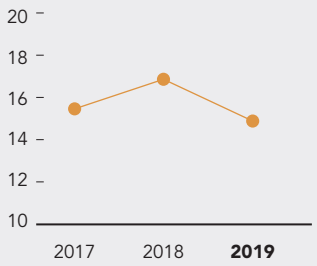
Global Staff by Seniority and Gender Profile (%)



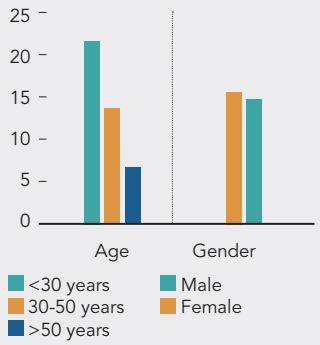
Global Staff by Age and Gender Profile (%)



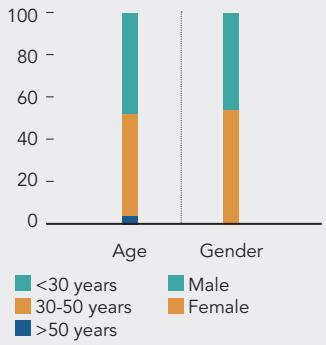
Global Staff: Voluntary Turnover Rate (%)



Voluntary Turnover by Gender and Age (2019) (%)



Global Staff: New Hires by Gender and Age (2019) (%)



SOCIAL AND RELATIONSHIP CAPITAL

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

Stakeholders are groups that our business has a significant impact on and those with a vested interest in our operations. Our key stakeholders include employees, 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.

Through the various engagement channels, CapitaLand seeks to understand our stakeholders' views, communicate effectively with them and respond to their concerns. Issues that are of interest to our 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. For more details, please refer to staff engagement section in the Human Capital chapter.

Customers

CapitaLand conducts regular satisfaction surveys at its shopping malls, office buildings, 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 improve service levels to tenants.

CapitaLand's lodging business unit, The Ascott Limited (Ascott), tracks and monitors its properties' service performance via two platforms. It subscribes to 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. Guests can also provide specific feedback via another platform which help ensure that the properties respond promptly on specific feedback furnished.

A tenant satisfaction survey was conducted at 40 CapitaLand malls and offices in China. About 98% of the malls' and offices' tenants participated. CapitaLand garnered feedback on matters pertaining to cleanliness, security, mall ambience and comfort, adequacy of car park lots, and frequency of building maintenance. On average, 92% of the respondents in China were satisfied with the services rendered and actionable feedback provided have been addressed.

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 was rolled out to 12 development projects and two operational 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 on service quality, response time, resolution, staff service level, etc. In 2019, CapitaLand Vietnam handled 364 feedback through this system and achieved an overall 90% satisfaction rate.

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

SOCIAL AND RELATIONSHIP CAPITAL

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 do these things 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.

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 registered to be on the 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, please refer to Investor and Media Relations chapter, page 22 to 25 in CapitaLand Limited's Annual Report 2019.

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 OHSAS 18001/ ISO 45001 certified companies.

CapitaLand requires main contractors appointed for its development projects to be ISO 14001 and OHSAS 18001/ ISO 45001 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 and Manufactured 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 auditing of the CapitaLand EHS management systems. For more details, please refer to the Environmental Capital chapter.

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

SOCIAL AND RELATIONSHIP CAPITAL

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 WWF's Earth Hour campaign since 2008.

Demographic Shifts

As people lead longer lives, countries will increasingly encounter challenges of ageing populations in their urban spaces. The pace in which the world population is ageing is accelerating. By 2030, many middle-income countries would have aged considerably. By 2050, those aged 60 years or above are projected to account for 35% of the population of Europe, 28% of Northern America, 26% of Latin America and the Caribbean, 24% of Asia, 23% of Oceania, and 9% of Africa[1].

In this regard, CapitaLand has taken the lead in implementing social integration designs into its Sustainable Building Guidelines. For its new projects in Singapore, a target has been set to achieve Universal Design (UD) Gold as assessed by Singapore's Building & Construction Authority (BCA).

In response to this mega trend, CapitaLand has also established a S$2 million CapitaLand Silver Empowerment Fund (CSEF), to improve the quality of life for the vulnerable elderly in Singapore through healthcare, deeper social integration and better living conditions. Since its establishment in 2005, this marks the first time that CapitaLand Hope Foundation (CHF), CapitaLand's philanthropic arm, has expanded its mandate, from supporting underprivileged children to also include caring vulnerable elderly in Singapore.

COMMUNITY DEVELOPMENT INVESTMENT AND VALUE

Community development is a key focus of CapitaLand's sustainability strategy. This has built strong social capital and goodwill for CapitaLand in the communities where it operates. It supports various stakeholder engagement activities which include environmental sustainability, health and safety, social integration as well as helping underprivileged children and the vulnerable elderly in the community.

Helping Underprivileged Children and Vulnerable Elderly

CHF, the philanthropic arm of CapitaLand, was established in 2005 to further CapitaLand's community development commitment to 'Building People. Building Communities.', CHF invests in the fundamental needs of education, healthcare and shelter of underprivileged children to relieve them of hardship and help them to eventually break the poverty cycle, as well as to improve quality of life for the vulnerable elderly in Singapore through healthcare, deeper social integration and better living conditions[2].

It focuses on communities where CapitaLand operates 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 2019, CapitaLand invested more than S$3.48 million through CHF to benefit underprivileged children and the vulnerable elderly. CapitaLand measures the impact of its community development investments in sustained programmes.

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

1 World Population Ageing 2017 report, United Nations, Department of Economic and Social Affairs, Population Division (2017).
2 It does not donate to politicians or political parties for any political purpose.

SOCIAL AND RELATIONSHIP CAPITAL

Governance

CHF is a corporate foundation governed under the Singapore Charities Act. It engages with the Inland Revenue Authority of Singapore and Singapore's Ministry of Culture, Community and Youth to ensure legal compliance. CHF undergoes an annual audit of financial accounts and statements for submission to the Commissioner of Charities, Singapore and Inland Revenue Authority of Singapore (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).

Initiative	Impact
CapitaLand Young Architect Programme (Chongqing) Empowers high school students with architecture, design thinking and participatory design skills to contribute to the transformation and urban renewal of local communities. (SDG 3)	After two successful years in Singapore, the CapitaLand Young Architect Programme was launched in Chongqing, China. Close to 100 high school students from five counties in Chongqing participated in the week-long summer camp from 6 to 13 July 2019. Supported by CHF and Raffles City Chongqing, the initiative saw more than 60 CapitaLand staff and volunteers work alongside lecturers and students from Chongqing University's Faculty of Architecture and Urban Planning to organise and guide the high school participants in using design thinking and participatory design approaches to rejuvenate the community spaces and improve the quality of life of the local community in an old neighbourhood in the densely populated Yuzhong district.
CapitaLand-Bright Horizon Fund Ready for School Programme Prepare pre-school children from low-income families for primary school education by providing them with a holistic growth and development support. (SDG 4)	CHF launched the S$750,000 CapitaLand-Bright Horizons Fund Ready-For-School Programme – in partnership with Bright Horizons Fund to support the needs of pre-school children from low-income families in Singapore over three years. The programme aims to prepare these pre-school children for primary school education by expanding the classroom support programme for pre-school children with learning and developmental support needs, and celebrate the completion of their pre-school with a learning journey through educational programmes and provision of school necessities. In the first year, the fund supported 199 children from Nursery to K2 in seven My First Skool centres. Out of which, 98% of the K2 children graduated from pre-school and started Primary 1 in January 2020. A total of 581 K2 graduating children from 130 centres also received schooling essentials for their upcoming Primary 1 education, out of which 425 attended a specially curated learning journey at Jewel Changi Airport. One young beneficiary of the programme, Eileen Liu, came from a family with financial difficulties and was almost taken out of school. When this shy and soft-spoken girl first entered My First Skool, she did not understand English and was unable to recognise letters and numbers. She could not express herself well and did not have many friends. Under the patient guidance of her Classroom Co-Facilitator, Eileen saw improvement in her numeric and linguistic abilities.

SOCIAL AND RELATIONSHIP CAPITAL

Advocating Staff Volunteerism

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, CHF donates S$500[3] 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 2019, over 2,100 staff in CapitaLand properties tapped on the VSL policy to volunteer more than 16,700 hours[4] in various activities in Asia and beyond. The estimated salary cost to CapitaLand in 2019 based on VSL taken was over S$288,000.

CapitaLand encourages its staff to volunteer during their personal time and over 520 staff dedicated more than 3,500 hours of their personal time on CapitaLand initiatives.

In 2019, 124 staff qualified for this donation incentive and CHF pledged to donate about S$48,500.

Based on post-volunteer event surveys, more than 95% of the respondents feel proud working in CapitaLand, and enjoy working in a company with a positive and vibrant corporate culture.

RAISING PUBLIC AWARENESS AND COMMUNITY OUTREACH

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. The social capital generated in these focus areas supports CapitaLand's business and sustained growth.

Initiative	Impact
CapitaLand International Volunteer Expedition This initiative brings together CapitaLand staff from around the world to improve the learning and development environment of CapitaLand Hope Schools in communities where CapitaLand operates, promoting the social growth and development of vulnerable children with respect to their education needs.	In 2019, CapitaLand organised its 27th and 28th International Volunteer Expeditions to CapitaLand Xiecun Hope School in Zhejiang, China and CapitaLand Tan Tay Hope Kindergarten in Long An, Vietnam respectively. About 150 international staff, community volunteers, and partners participated in both expeditions to refurbish the schools and donate schooling essentials to the underprivileged children. More than S$350,000 was contributed to building a new school block to accommodate over 300 children in CapitaLand Tan Tay Hope Kindergarten, providing for the growing demographic of pre-school children in the district.

[3] 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.

[4] The Group calculated its VSL based on leave taken during office hours.

SOCIAL AND RELATIONSHIP CAPITAL

Initiative	Impact
CapitaLand Giving Marketplace This initiative provides a venue for social enterprises and charities to promote their causes and products, as well as for staff and office tenants to support social causes by purchasing their products and/or volunteering with the charities. For every sales transaction made at the marketplace, CHF donated S$6 to participating charities.	CapitaLand Giving Marketplace was held for the third time in 2019. More than 110 staff supported the event which took place at Capital Tower and Galaxis, Singapore. A post event survey conducted showed that 98% of the respondents felt that the event helped them learn more about giving and volunteering for the community. CHF donated S$9,558 to the participating charities.
CapitaLand Earth Hour Campaign CapitaLand has participated in the annual global sustainability movement for 10 years to raise awareness on climate change and encourage individual action to reduce their environmental footprint.	More than 260 CapitaLand's properties worldwide participated in the WWF Earth Hour initiative by turning off the façade and non-essential lights through the night on 30 March 2019. The properties also organised activities to engage tenants, shoppers, guests and the public to play their part for environmental sustainability in various ways such as saving energy and water, taking public transport, community clean ups, recycling and tree planting.
Venue sponsorship for health events at CapitaLand properties	Members of the public and tenants can sign up for free health events at CapitaLand malls and office buildings in Singapore.

SOCIAL INTEGRATION OF CAPITALAND PROPERTIES

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

These criteria are integrated into the CapitaLand's Sustainable Building Guidelines to ensure that they are considered at the start of the project development process.

Universal Design (UD) considerations 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.

SOCIAL AND RELATIONSHIP CAPITAL

CapitaLand champions the UD concept in Singapore.

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 properties[5].

- Almost 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 90% 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 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 provide communal spaces to 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 utilised the Urban Redevelopment Authority (URA) Community/Sports Facilities Scheme which promotes the integration of community facilities. To date, seven CapitaLand shopping malls have tapped the URA Community/Sports Facilities Scheme. They 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, and the Westgate Wonderland – a thematic outdoor playground touted as the largest rooftop mall playground in Singapore – designed by Adirondack Studios, an established U.S. theme park designer.

CapitaLand was also one of the first to create "interactive" water features at its shopping malls. The first of such features was introduced at the plaza of Bugis Junction. Since then, CapitaLand has developed Splash Parks – interactive water features designed especially for children at shopping malls – IMM and Lot One Shoppers' Mall and extended this to its overseas malls such as The Mines, Malaysia.

Its Singapore malls and office buildings continue to collaborate with the Health Promotion Board, Singapore in hosting weekly exercise classes such as kickboxing, Zumba and yoga, to encourage a healthy lifestyle in the communities.



Westgate Wonderland at Level 4, Westgate, Singapore

[5] Percentage coverage computed based on gross floor area of CapitaLand owned and managed properties. Data included former ASB operating properties unless otherwise stated.

ORGANISATIONAL CAPITAL

CapitaLand 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 (including its subsidiaries) embraces the tenets of good corporate governance including accountability, transparency and sustainability. It is committed to enhancing long-term shareholder value and has the appropriate people, processes and structure to direct and manage the business and affairs of the company. The policies and practices it has developed to meet the specific business needs of the Group provide a firm foundation for a trusted and respected business enterprise. The company remains focused on complying with the substance and spirit of the principles of the Code of Corporate Governance 2012 while achieving operational excellence and delivering the Group's long-term strategic objectives. The Board of Directors (Board) is responsible for the company's corporate governance standards and policies, underscoring their importance to the Group.

To demonstrate its commitment in upholding the highest standards of corporate governance, CapitaLand and its Singapore-listed real estate investment and business trusts, joined the Securities Investors Association (Singapore) (SIAS) and its partners in making the following public Statement of Support:

"As an Organisation, we are committed to upholding high standards of corporate governance to enhance shareholder value. We believe practising good corporate governance is central to the health and stability of our financial markets and economy."

CapitaLand was the Platinum Sponsor at the Singapore Corporate Governance Week (organised by the SIAS) in September 2019 where business leaders, academics and policy makers shared corporate governance perspectives and experiences.

CapitaLand continued to receive accolades from the investment community for excellence in corporate governance. It was accorded the Golden Circle Award for Corporate Governance, Most Transparent Company Award (Properties) and the Singapore Corporate Governance Award at the SIAS 19th Investors' Choice Awards.

CapitaLand was ranked 3rd out of 589 listed companies in the Singapore Governance and Transparency Index 2019. 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 application of its corporate governance practices with reference to the Code, please refer to the Corporate Governance chapter on page 73 to 109 in the CapitaLand Limited Annual Report 2019.

ORGANISATIONAL CAPITAL

Board Independence, Diversity and Performance

All Board committees are chaired by independent non-executive Directors. The Audit Committee, Executive Resource and Compensation Committee, Nominating Committee and Risk Committee comprise only independent non-executive Directors. For more information, please refer to the CapitaLand Limited Annual Report 2019, page 79-83.

Female representation is also considered an important aspect of diversity. The current Board comprises 11 members who are corporate and business leaders, and are professionals with varied background, expertise and experience in industries including finance, banking, real estate, legal, accounting, general management and technology. The current Board has one female member. It has adopted the Board Diversity Policy which calls 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. For more information, please refer to CapitaLand Limited Annual Report 2019, page 83 to 84.

Each year, the Nominating Committee (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, Aon Hewitt Singapore Pte Ltd, is engaged to facilitate the evaluation process. 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 is 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 performance, strategy review, Board Committee effectiveness, GCEO performance and succession planning, Director development and management, and managing risk and adversity. For FY 2019, in addition to questionnaires, one-to-one interviews were conducted with each Director to obtain more in-depth feedback on the performance of the Board. Members of Senior Management were also interviewed for their perspectives on the effectiveness of the Board. Senior Management members also participated in the evaluation and provided their feedback on areas including developing strategy, managing risks and working with Management. The findings and recommendations of the consultant which include benchmarking information and best practices of other boards, were considered by the Board and follow-up actions were taken, where necessary.

In respect of individual Directors, a formal evaluation is also carried out on an annual basis. For FY 2019, 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.

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.

ORGANISATIONAL CAPITAL

Fraud, Bribery and Corruption (FBC) Risk Management Framework

CapitaLand adopts a zero-tolerance stance against any FBC[1] 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.

FBC Risk Management Framework		
Board Oversight & Senior Management Involvement		
FBC Risk Management Strategy		
Prevention › Process-specific Controls › Risk Assessment › Know & Manage Third Party › Managing Conflicts of Interest › Hiring	**Detection & Monitoring** › Detection of Irregularities › Monitoring of Fraud Risk Profile › Independent Review & Audit › Report Fraud Incident	**Response** › Investigation › Insurance & Recovery › Protocol to observe when contacted by Authorities › Disclosure to Authorities & Media › Disciplinary Actions › Review of Controls
Risk-Aware Culture		

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 staff fair compensation packages, 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 perpetuated 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 includes:

- 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 and grievances are also in place[2];
- 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	
› 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	› FBC Risk Management Policy › CapitaLand Supply Chain Code of Conduct[3], and anti-corruption clause in key contracts
Feedback Channels	
› Whistle-blowing reporting	› 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 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 2019, six cases were substantiated[4]. CapitaLand staff involved in five of these cases were either terminated and/or reported to appropriate external authorities. Some had 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 its projects to be judged on their merits.

[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.

ORGANISATIONAL CAPITAL

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 residential, commercial and serviced residence 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 staff are based in China, this training module is also offered there. In 2019, more than 150 new staff participated in the CIP and more than 2,500 staff attended the CapitaDNA courses. In addition, over 10,000 CapitaLand staff, as well as 400 third party staff, clocked in over 20,000 hours of training pertaining to ethics and code of conduct, such as preventing and detecting money laundering, profiling and investigation techniques. Over 1,400 staff clocked more than 4,000 hours of training relating to enterprise risk management. This has a component on 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.

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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, Audit Committee and the CapitaLand Board.

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 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; and
- Conduct annual Disaster Recovery Plan exercise to ensure timely recoverability of business critical IT systems.

CapitaLand has in place Group-wide policies and procedures which set out the governance and controls of IT/Cyber Security risks.

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, and to promote a culture of risk awareness which embeds risk management principles in decision making and business processes. 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 2019, page 109 to 113.

FINANCIAL CAPITAL

CapitaLand Limited achieved a total PATMI of S$2,135.9 million in FY 2019, 21.2% higher than the S$1,762.5 million for FY 2018. This was driven by contributions from Ascendas-Singbridge (ASB) businesses, assets acquired in FY 2018 and assets that turned operational in FY 2019. Full-year return on equity (ROE) rose to 10.0% from 9.3% in FY 2018, the Group's first double-digit ROE in almost 10 years.

Year	2019	2018	2017	2016	2015
Revenue (S$ million)	6,234.8	5,602.4	4,618.2	5,252.3	4,761.9
Earnings before interest and tax (EBIT) (S$ million)	5,067.6	4,145.0	3,302.2	2,359.5	2,316.0
Profit attributable to shareholders (PATMI) (S$ million)	2,135.9	1,762.5	1,569.6	1,190.3	1,065.7
Operating PATMI (S$ million)	1,057.2	872.2	927.2	865.3	823.6
Earnings per share (cents)	46.4	42.1	37.0	28.0	25.0
Net Tangible Assets per Share (S$)	4.44	4.40	4.20	4.05	4.11
Return on Equity (ROE) (%)	10.0	9.3	8.6	6.6	6.1
Ordinary dividend per share (cents)	12.0	12.0	10.0	9.0	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 and 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 2019, the Group's gross debt stood at S$31.4 billion. With a cash balance of S$6.2 billion, the net debt as at 31 December 2019 was S$25.2 billion and the Group's net debt-to-equity ratio was 0.63 times (FY 2018: 0.56 times). The net debt position increased by S$6.6 billion mainly due to the consolidation of ASB, as well as additional loans taken to fund the Group's investments and ongoing development expenditure for projects under construction. The Group maintains a healthy balance sheet and has unutilised bank facilities of about S$11.5 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.

The Group continued to explore new ways to improve its financial flexibility and resilience. With the Group retaining its listing on the DJSI World Index, this resulted in a reduction of the interest rates of its S$300 million sustainability-linked loan. This sustainability-linked loan extends beyond the conventional concept of being 'green' or attaining a green rating. With this sustainability-linked loan, CapitaLand has the flexibility to use the loan for general corporate purposes, unlike green loans where proceeds are applied towards the funding of specific projects. Building on CapitaLand's inaugural sustainability-linked loan, CapitaLand clinched sustainability-linked loans with Crédit Agricole Corporate and Investment Bank, Natixis Bank and Société Générale to raise a total of S$300 million in 2019. CapitaLand Commercial Trust (CCT) set up a Sustainability Financing Framework which allowed CCT to secure funding from like-minded sustainability-centric investors. Under the Framework, CCT issued its first green bond comprising JPY10.0 billion (S$124.7 million) of unsecured bonds due in November 2027. CapitaLand Mall Trust also made its first foray into green financing by securing a S$200 million, five-year green loan from OCBC Bank to finance or refinance its properties that have achieved Singapore's Building & Construction Authority's Green Mark certification.

For a detailed breakdown of its 2019 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 2019:

- 2019 Highlights, page 10
- Five-Year Financial Summary, page 12
- Performance Overview, page 46-53
- Economic Value-Added Statement, page 306
- Value Added Statement, page 307

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 56)
Market Presence	CL, investors	Human Capital (pg 37)
Indirect Economic Impacts	CL, community	Social and Relationship Capital (pg 45-49)
Anti-Corruption	CL, investors, customers, communities	Organisational Capital (pg 52-53)
Environmental		
Materials	CL, contractors	Environment and Manufactured Capital (pg 14-22)
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 37-40)
Labour/Management Relations	CL	Human Capital (pg 38)
Occupational Health and Safety	CL	Human Capital (pg 31-33)
Training and Education	CL	Human Capital (pg 40)
Diversity and Equal Opportunity	CL	Human Capital (pg 37-40)
Non-Discrimination	CL	Human Capital (pg 37)
Child Labour	CL, contractors	Human Capital (pg 37), Social and Relationship Capital (pg 44)
Forced or Compulsory Labour	CL, contractors	Human Capital (pg 37), Social and Relationship Capital (pg 44)
Human Rights Assessment	CL, contractors	Human Capital (pg 37), Social and Relationship Capital (pg 44)
Local Communities	CL, communities	Environment Capital (pg 14), Human Capital (pg 31), Social and Relationship Capital (pg 45-49)
Supplier Social Assessment	CL, contractors	Human Capital (pg 31), Social and Relationship Capital (pg 44)
Customer Health and Safety	CL, tenants, contractors, suppliers, and communities	Human Capital (pg 31-36), Social and Relationship Capital (pg 48-49)
Marketing and Labelling	CL, customers	Organisational Capital (pg 54)
Customer Privacy	CL, customers, investors	Organisational Capital (pg 54)
Socioeconomic Compliance	CL, investors	Organisational Capital (pg 52-53), Human Capital (pg 33)

* GRI 102-47

GRI CONTENT INDEX

GRI Standards Content Index for 'In accordance' – Core

The GRI Content Index references CapitaLand Limited Sustainability Report 2019 and the Annual Report 2019 (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 68-72)
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)				
General Disclosures				
GRI 102: General Disclosures 2016	102-1	Organisation's name	Introduction (pg 6)	
	102-2	Primary brands, products, and services	Inside cover (pg ii)	
	102-3	Location of headquarters	Introduction (pg 6)	
	102-4	Location of operations	AR (pg 2-3)	
	102-5	Ownership and legal form	AR (pg 13)	
	102-6	Markets served	AR (pg 2-3, 54-70)	
	102-7	Scale of the organisation	Introduction (pg 5) Financial Capital (pg 56) AR (pg 2-3, 54-70)	
	102-8	Workforce figures	Human Capital (pg 37)	✓
	102-9	Organisation's supply chain	Introduction (pg 13) Environmental and Manufactured Capital (pg 14, 26-39) Human Capital (pg 31, 36) Social and Relationship Capital (pg 44)	✓
	102-10	Significant changes during the reporting period	AR (pg 24-25)	
	102-11	Report whether and how the precautionary approach or principle is addressed by the organisation	Environmental and Manufactured Capital (pg 14-22)	✓
	102-12	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes	Introduction (pg 7) Human Capital (pg 37) Social and Relationship Capital (pg 45) Organisation Capital (pg 50)	✓
	102-13	Memberships of associations and national or international advocacy organisations	Introduction (pg 7) Human Capital (pg 37) Social and Relationship Capital (pg 45) Organisation Capital (pg 50)	✓
	102-14	Statement from senior decision-maker	Group CEO's Message (pg 2-3) AR (pg 14-20)	✓
	102-15	Description of key impacts, risks, and opportunities	Introduction (pg 9-13) Environmental and Manufactured Capital (pg 14-16) Human Capital (pg 31) Social and Relationship Capital (pg 43-44) Organisational Capital (pg 54-55) AR (109-113)	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
GRI 102: General Disclosures 2016	102-16	Organisation's values, principles, standards and norms of behaviour	Introduction (pg 8) Organisational Capital (pg 50-54) AR (pg 105)	✓
	102-18	Governance structure	Introduction (pg 8) AR (pg 29-42, 73-108)	✓
	102-40	List of stakeholder groups	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 35-36, 41) Social and Relationship Capital (pg 43-45)	✓
	102-41	Collective bargaining agreements	Human Capital (pg 38)	✓
	102-42	Identifying and selecting stakeholders	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 35-36) Social and Relationship Capital (pg 43-45)	✓
	102-43	Approach to stakeholder engagement	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 35-36, 41) Social and Relationship Capital (pg 43-45)	✓
	102-44	Key topics and concerns raised through stakeholder engagement	Introduction (pg 13) Environmental and Manufactured Capital (pg 14) Human Capital (pg 35-36, 41) Social and Relationship Capital (pg 43-45)	✓
	102-45	Entities included in the organisation's consolidated financial statements	Introduction (pg 5)	✓
	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 57)	✓
	102-48	Effect of any restatements of information provided in previous reports	Restatement of 2017 and 2018 carbon emissions and total energy figures (pg 25)	✓
	102-49	Significant changes from previous reports in the material topics and boundaries	There are no significant changes from previous reports.	✓
	102-50	Reporting period	FY 1 January to 31 December 2019 Introduction (pg 5)	✓
	102-51	Date of previous report	Published on 29 May 2019	
	102-52	Reporting cycle	Introduction (pg 5)	
	102-53	Contact point	Introduction (pg 6)	
	102-54	Claims of reporting in accordance with GRI Standards	Introduction (pg 5)	✓
	102-55	GRI Content Index	GRI Content Index (pg 58-65)	✓
	102-56	Assurance	Introduction (pg 6) Independent Assurance Statement (pg 68- 72)	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
Topic-Specific Standards				
Economic Benefit to Stakeholders				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 56, 37, 45-46, 48	✓
	103-3	Evaluation of the management approach	pg 56, 37, 45-46, 48	✓
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Financial Capital (pg 56) AR (pg 10, 46-50)	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from local community	Human Capital (pg 37)	✓
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Environmental and Manufactured Capital (pg 23, 30) Social and Relationship Capital (pg 48-49)	✓
Business Ethics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 52-54	✓
	103-1	Explanation of the material topic and its boundary	pg 52-54	✓
GRI 205: Anti-Corruption 2016	205-1	Risk assessment for corruption	Organisational Capital (pg 52-53)	✓
	205-2	Communication and training on anti-corruption policies and procedures	Organisational Capital (pg 52-54)	✓
	205-3	Incidents and action taken	Organisational Capital (pg 53)	✓
GRI 415: Public Policy 2016	415-1	Political contributions	Organisational Capital (pg 53)	✓
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	✓
Energy Effeciency				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 14-22	✓
	103-3	Evaluation of the management approach	pg 14-22	✓

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GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Environmental and Manufactured Capital (pg 25-27)	✓
	302-2	Energy consumption outside of the organisation	Environmental and Manufactured Capital (pg 26)	✓
	302-3	Energy intensity	Environmental and Manufactured Capital (pg 25, 26)	✓
	302-4	Reduction of energy consumption	Environmental and Manufactured Capital (pg 17-18, 23, 26-27)	✓
	302-5	Reductions in energy requirements of products and services	Environmental and Manufactured Capital (pg 17-18, 23)	✓
Water Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 14-22	✓
	103-3	Evaluation of the management approach	pg 14-22	✓
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental and Manufactured Capital (pg 14, 21, 28)	✓
	303-2	Management of water discharge-related impacts	Environmental and Manufactured Capital (pg 28)	✓
	303-3	Water withdrawal	Environmental and Manufactured Capital (pg 28)	✓
	303-4	Water discharge	Environmental and Manufactured Capital (pg 25, 28)	✓
	303-5	Water consumption	Majority of water usage is for cooling towers, toilets, washing activities, water features, and irrigation.	✓
Biodiversity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 14-22	✓
	103-3	Evaluation of the management approach	pg 14-22	✓
GRI 304: Biodiversity 2016	304-1	Operational sites in or adjacent to protected areas or areas of high biodiversity value	None during the reporting period. Environmental and Manufactured Capital (pg 21)	✓
	304-2	Significant impact on biodiversity		✓
	304-4	IUCN Red List species and national conservation list species affected		✓

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
Climate Change and Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 14-22	✓
	103-3	Evaluation of the management approach	pg 14-22	✓
GRI 305: Emissions 2016	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	Environmental and Manufactured Capital (pg 24-25)	✓
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental and Manufactured Capital (pg 24-26)	✓
	305-3	Other indirect (Scope 3) GHG emissions	Environmental and Manufactured Capital (pg 24-26)	✓
	305-4	GHG emissions intensity	Environmental and Manufactured Capital (pg 25, 26)	✓
	305-5	Reduction of GHG emissions	Environmental and Manufactured Capital (pg 17-18, 23, 26, 27)	✓
GRI 201: Economic Performance 2016	201-2	Financial implications, risks and opportunities due to climate change	Environment Capital (pg 14-16, 21-22)	✓
Construction and Operational Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 14-22	✓
	103-3	Evaluation of the management approach	pg 14-22	✓
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. Environmental and Manufactured Capital (pg 21)	✓
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 23 and 26.	✓

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 14-22, 31, 36	✓
	103-3	Evaluation of the management approach	pg 14-22, 31, 36	✓
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, 57	✓
	103-2	The management approach and its components	pg 14-22, 31, 36, 44	✓
	103-3	Evaluation of the management approach	pg 14-22, 31, 36, 44	✓
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	Suppliers screened using social criteria	Human Capital (pg 34)	✓
Empolyment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 37-40	✓
	103-3	Evaluation of the management approach	pg 37-40	✓
GRI 401: Employment 2016	401-1	New hires and employee turnover	Human Capital (pg 38, 40, 42)	✓
	401-3	Parental leave	Human Capital (pg 39)	✓
GRI 402: Labor/ Management Relations 2016	402-1	Notice period regarding operational changes	Human Capital (pg 40)	✓
GRI 404: Training and Education 2016	404-1	Average hours of training	Human Capital (pg 40)	✓
	404-2	Employee skills upgrade and transition assistance programmes	Human Capital (pg 40)	✓
	404-3	Performance and career development reviews	Human Capital (pg 39)	✓
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 31-33	✓
	103-3	Evaluation of the management approach	pg 31-33	✓

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Human Capital (pg 31)	✓
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital (pg 32-34, 36)	✓
	403-3	Occupational health services	Human Capital (pg 35)	✓
	403-4	Worker participations, consultation, and communication on occupational health and safety	Human Capital (pg 32-33, 38) 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)	✓
	403-6	Promotion of worker health	Human Capital (pg 35)	✓
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (pg 31, 33, 35-36)	✓
	403-8	Workers covered by an occupational health and safety management system	Human Capital (pg 32)	✓
	403-9	Work-related injuries	Human Capital (pg 34, 36) Zero workplace fatality and high consequences incident (permanent disability) in CapitaLand managed development sites in Singapore, Malaysia, Indonesia and Vietnam.	✓
Diversity and Human Rights				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 37-40, 44	✓
	103-3	Evaluation of the management approach	pg 37-40, 44	✓
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Human Capital (pg 37-38, 42)	✓
	405-2	Ratio of basic salary and remuneration of women to men	Human Capital (pg 38)	✓
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	Human Capital (pg 37)	✓
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour and measures taken to the effective abolition of child labour	Human Capital (pg 37) Social and Relationship Capital (pg 44)	✓

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GRI Standards	Disclosure Number	Disclosure Title	Page Reference and Remarks	External Assurance[1] (pg 68-72)
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 31-35, 37) Social and Relationship Capital (pg 44)	✓
GRI 412: Human Rights Assessment 2016	412-1	Operations subjected to human rights reviews	Human Capital (pg 37) Social and Relationship Capital (pg 44)	✓
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Environmental and Manufactured Capital (pg 21) Human Capital (pg 35-36) Social and Relationship Capital (pg 43-49)	✓
GRI 414: Supplier Social Assessment 2016	414-1	Suppliers screened using social criteria	Human Capital (pg 34, 36) Social and Relationship Capital (pg 44)	✓
Products and Services				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	pg 9, 57	✓
	103-2	The management approach and its components	pg 31-36, 48-49	✓
	103-3	Evaluation of the management approach	pg 31-36, 48-49	✓
GRI 416: Customer Health and Safety 2016	416-1	Health and safety impacts assessment of products and services	Human Capital (pg 31, 35-36) Social and Relationship Capital (pg 48-49)	✓
	416-2	Incidents of non-compliance	Human Capital (pg 33) There were four non-compliant incidents relating to building and fire safety, and two incidents which were not associated to any non-compliance.	✓
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Environmental and Manufactured Capital (pg 21) Social and Relationship Capital (pg 43-49)	✓

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	37
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	38
Principle 4	Elimination of all forms of forced and compulsory labour	38
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	14-30
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	52-53

ISO 26000 GUIDANCE ON SOCIAL RESPONSIBILITY

Core Subjects		Report Page
6.2	**Organisational governance** The system by which an organisation makes and implements decisions to achieve its objectives.	Introduction (pg 7-13), Social and Relationship Capital (pg 43-44), Organisation Capital (pg 50-55), AR (pg 73-108)
6.3	**Human rights** Respect for human rights including civil and political rights as well as economic, social and cultural rights.	Human Capital (pg 31-42)
6.4	**Labour practices** Policies and practices relating to work performed within, by or on behalf of the organisation, including sub-contracted work.	Human Capital (pg 31-35, 37-42)
6.5	**The environment** Environmental impact of an organisation's decisions and activities, such as use of resources, generation of pollution and wastes.	Environmental and Manufactured Capital (pg 14-30)
6.6	**Fair operating practices** Ethical conduct in dealings with other organisations such as anti-corruption, socially responsible behaviour, fair competition and respect for property rights.	Environmental and Manufactured Capital (pg 14, 17), Human Capital (pg 36), Organisational Capital (52-53)
6.7	**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.	Environmental and Manufactured Capital (pg 14, 18, 20-23, 29-30), Human Capital (pg 31-33), Social and Relationship Capital (pg 48-49), Organisational Capital (pg 54)
6.8	**Community involvement and development** Support for and building relationship with the community, so as to contribute to community development.	Human Capital (pg 31, 35, 38), Social and Relationship Capital (pg 43-49)

APPENDIX

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 2019 (the Report). The engagement took place between March and May 2020.

Scope

The assurance encompassed the entire Report and focused on all figures, statements and claims related to sustainability during the reporting period January 2019 to December 2019. 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 (4173), 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 (201-2, 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 (4041, 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, as well as new or updated historical performance data that was not verified during last year's assurance engagements by Ere-S for CapitaLand's previous sustainability report. This includes performance data from the Ascendas-Singbridge (ASB) merger.

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.

Limitations

The assurance did not include financial data, risk management structures, 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 provided in the GRI Standards (what to report) on each disclosure had been fully reported, or whether CapitaLand's material issues, approaches and outcomes listed in the Creating Value and Alignment to the Sustainability Development Goals (SDGs) table were specifically aligned with the SDGs. Ere-S did not check the content of CapitaLand's Annual Report referred to in the GRI Content Index.

APPENDIX

INDEPENDENT ASSURANCE STATEMENT

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 2018).

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).

A moderate 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.

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), EreS assessment was founded on confirmation by key data owners and, where applicable, internal documents from CapitaLand's accounting, internal audit, feedback and reporting systems.

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 EreS are independent of CapitaLand and contain no financial interest in CapitaLand's business operations.

INDEPENDENT ASSURANCE STATEMENT

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.*

Evidence of dialogue between CapitaLand and its stakeholders was observed during the reporting period, with engagement appearing more sustained with the Group's employees and customers. Observed feedback platforms included the Employee Engagement Pulse Survey, regular satisfaction surveys, meetings with top management, and a global whistle-blowing system. Engagement was also observed with other stakeholder groups, such as with key contractors on environmental and safety issues, and with community partners on philanthropic initiatives. Active and engagement was evidenced during the reporting period between CapitaLand management and unions in Singapore to discuss employees' concerns related to the ASB merger. However, similar stakeholder participation in decision-making processes could not be substantiated at overseas operations.

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

During the reporting period, CapitaLand applied management approaches to identify and assess issues material to its operations and stakeholders. Key approaches included CapitaLand's Enterprise Risk Management (ERM) framework, in which a series of sustainability-related risks, including environmental impact, climate change, health and safety, and corruption, are recognised and regularly reassessed. Materiality is also assessed through the Group's sustainability management structure, which is overseen by the Board and includes sustainability teams at key operations.

Other efforts to prioritise material topics were observed in the evaluation of the ASB merger's impact on the workforce and a global water survey. There was evidence of assessment and reporting mechanisms applied overseas to ensure environmental and social compliance with the Group's policies and local regulations. However, regular assessments to identify material topics specific to the local context (e.g. activities, supply chain, and impacted stakeholders) could not be observed globally at key overseas locations. Similarly, material issues specific to the entities, assets and value chains arising from the ASB merger have yet to be identified and evaluated.

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

Actions taken by CapitaLand to address concerns expressed by stakeholders were observed during the reporting period. These included initiatives resulting from engagement with employees, such as the talent development programme, building capability framework, as well as post-merger improvements in the payroll system. Other observed ongoing or new initiatives to mitigate material issues included increased usage of solar energy, implementation of resource-efficient technologies and processes, new certifications, and the strengthening of internal policies, including cyber security. Investigations and information sharing following safety incidents and cases of non-compliance or malpractice were also evidenced.

Platforms to communicate CapitaLand's sustainability strategy, initiatives and performance to its stakeholders were comprehensive and consistent with previous years, and included the corporate website, internal portals, reports and newsletters, as well as external publications and social media. It appears that consistent communication and feedback concerning the merger's impact was provided throughout the reporting period.

The Report would benefit from additional case studies to communicate the effectiveness and speed with which CapitaLand mitigates new stakeholder concerns, including specific performance indicators to illustrate progress.

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

Evidence shows that CapitaLand has established several mechanisms to evaluate its impact on the broader ecosystem. These mechanisms include the human resource and training systems, the certified Environmental Health and Safety (EHS) structure, the Fraud, Bribery and Corruption (FBC) framework and CapitaLand's Sustainable Building Guidelines (SBG). Detailed metrics and targets measure and monitor the social and environmental impact of the Group's operations and parts of its supply chain. Several of these targets are linked to staff remuneration.

INDEPENDENT ASSURANCE STATEMENT

Improvements in CapitaLand's Environmental Tracking System (ETS) were observed for the reporting year, with the ETS now providing more effective monitoring and evaluation of the Group's environmental impact. The effectiveness of CapitaLand Hope Foundation's methodology for monitoring and reporting the progress and impacts of some philanthropic initiatives was also noticeably improved.

Although reporting on energy, emissions, water, material and waste in CapitaLand's supply chain has improved in recent years, comprehensive monitoring and measurement of the Group's indirect impact still requires more effort. For example, reporting on scope 3 emissions and the social practices of key contractors and sub-contractors, as well as the supply chain activities of new assets acquired as a result of the merger could be improved.

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

The content of the Report is relatively comprehensive and presents both new and historical information that is aligned with CapitaLand's previous sustainability reports and consistent within the sustainability context of the sector. The completeness of the Report could be further improved with the inclusion of performance data from key activities not yet covered, particularly in the supply chain (see above observations under Impact).

The Report is also relatively balanced, presenting negative information, such as figures on cases of business malpractice, non-compliance, work-related injuries and fatalities, as well as ratios that show disparities between groups of employees. Balance could be further improved with the inclusion of information on other negative outcomes, such as specific impacts or issues raised by stakeholders within the Group's global value chain.

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. As in previous years, the provided evidence, and particularly the ETS and other data sets extracted from in-house data systems such as the HR and training databases, assisted Ere-S to effectively examine reported performance and data trails.

Although they were mainly minor, several inconsistencies in data were found through the assurance assessment and sampling. The number of inconsistencies was higher than in previous engagements, with many found through the new ETS features allowing more effective data validation and error detection. Ere-S commends CapitaLand's reporting team for identifying gaps in the collection and compilation of historical data, including for the base year (energy, emissions, and water), revising calculation formulas, and updating the relevant disclosures of the Report accordingly.

All Ere-S major recommendations for improving 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 rules 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.

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 2019

- 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 SGX requirements on sustainability reporting.

INDEPENDENT ASSURANCE STATEMENT

Moving forward

To further improve CapitaLand's sustainability reporting, Ere-S proposes the following recommendations:

- In line with the efforts made during the reporting period to fine-tune and strengthen the measurement of environmental and social impact of operations under CapitaLand's direct control, the next sustainability report will benefit from more detailed and expanded coverage of indirect sustainability performance. Priority may be given to the most material topics, such as energy use, scope 3 emissions, material use and waste disposal pertaining to the supply chain, as well as labour conditions and the wellbeing (in addition to safety performance) of contractors and sub-contractors' personnel working at CapitaLand's construction sites.

  It is understood that measuring indirect performance in the supply chain entails significant difficulties, as resources, availability and completeness of measurement channels, as well as the level of influence to enforce data collection, vary greatly according to the type of supplier, the activity and the location. Nevertheless, a gradual and tailored approach, demonstrating consistent support and engagement with suppliers, should allow CapitaLand to expand its reporting boundaries progressively and effectively within the value chain.

- There has been a significant increase in the number of CapitaLand's assets and activities to be monitored for sustainability reporting. Therefore, it is important that collection, compilation, and calculation procedures for sustainability data continue to be regularly checked and, where applicable, more finely tuned to activity-specific or location-specific requirements. These considerations will be particularly critical when finalising the incorporation of the ASB merger's assets and operations into the Groups reporting framework. Based on discussion with the reporting team during the assurance interviews, it appears that additional efforts in that aspect have already been initiated.

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.

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Singapore, 22 May 2020



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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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