CapitaLand Investment

SUSTAINABILITY NON-DEAL ROADSHOW 2023

16 November 2023



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Where do we stand today?

Key Global Trends

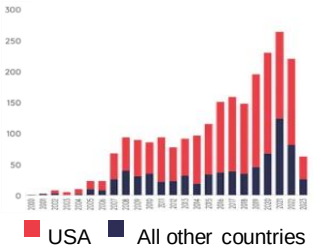
1 Stricter regulations

Europe leading the way with new regulations (SFDR, ESRS, CSRD, EU-DR, EU-CBAM)

Singapore carbon tax to increase 5x to S$25/tCO2e in 2024

2 Increasing litigations

# of climate litigation cases



Litigations by shareholders, NGOs and customers mainly on inadequacy of climate plans and greenwashing

3 Rising insurance costs

Natural catastrophe insured losses (USD B)



$108B of economic losses from natural disasters in 1H 2023; US property catastrophe reinsurance rates up by 50%

4 Turbulence in carbon offsets

> Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows

Concerns on integrity and quality of carbon credits leading to plummeting offset prices, greater scrutiny on voluntary markets & enhancement of offset frameworks

5 Growing green investments

- ✓ Net Zero transition requires $9.2T annually on low-emission assets and enabling infrastructure till 2050
- ✓ APAC to attract $1.7T in new solar and wind investments over the next decade

6 Anti-ESG sentiments



Asset managers cutting support for overly prescriptive ESG resolutions

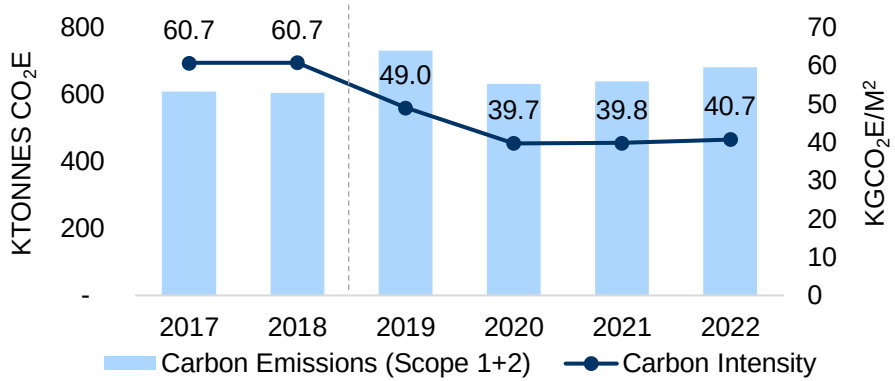
165 anti-ESG bills & regulations in 37 US states in 1H 2023

Source: Secondary Research

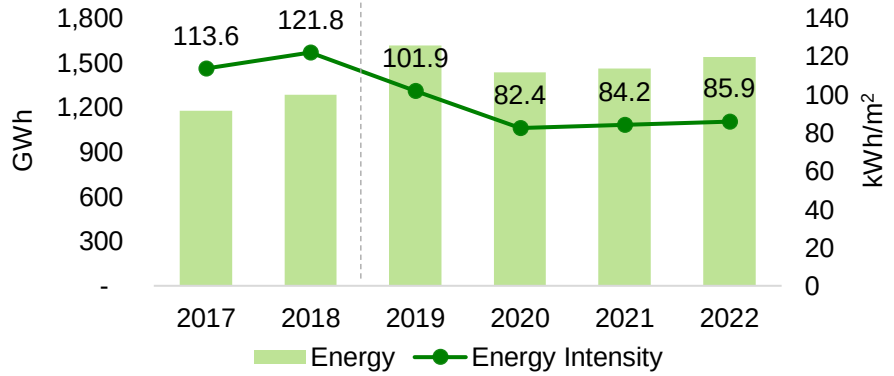
Our scope 1 and 2 carbon emissions have remained steady; detailed scope 3 inventory is under progress

Scope 1 and 2

Carbon Emissions

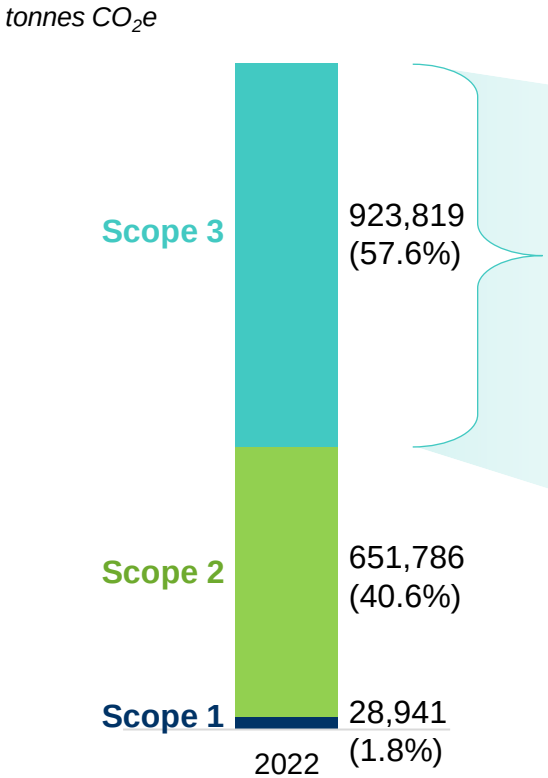


Energy Consumption

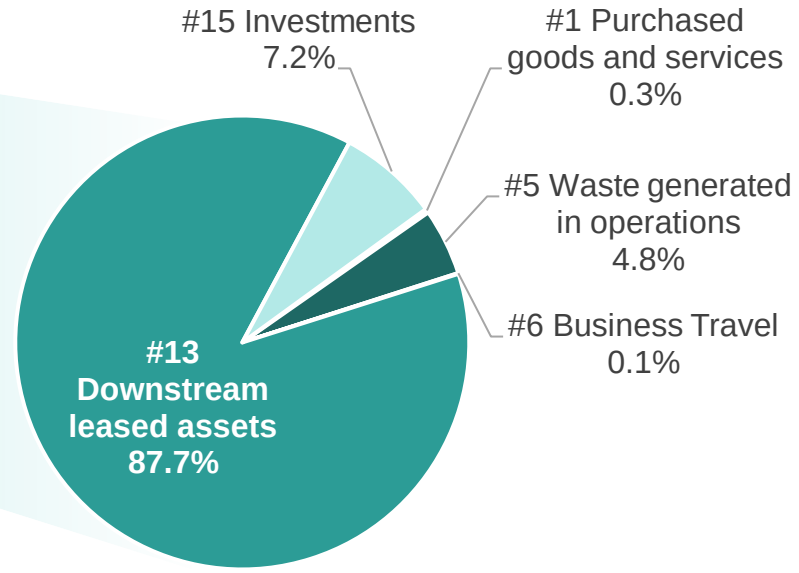


Scope 3

Carbon Emissions by Category



Scope 3 Breakdown by Category



Scope 3 comprises categories deemed to be material and/or optical to CLI & is based on currently available data. A study is ongoing to further quantify remaining material categories.

Notes:
1. Data is for CLI operationally managed properties (Landlord component), excludes CLI owned properties which are operationally managed by 3rd party operators.
2. Performance in 2020-2022 might be uncharacteristic due to impact of COVID-19 resulting in lower building occupancy/retail footfall.

Our Sustainability Master Plan (SMP) 2030 was updated this year to reflect 2050 Net Zero commitment and better "S" and "G" balance

Build
Portfolio Resilience & Resource Efficiency

Low Carbon Transition

- Achieve Net Zero emissions by 2050 for scope 1 and 2 greenhouse gas (GHG) emissions
- Reduce:
  - Absolute scope 1 & 2 GHG emissions by 46%[1]
  - Carbon emissions intensity by 72%[1]
  - Energy consumption intensity by 15%[1]
- Achieve 45% of total electricity consumption from renewable sources
- Work towards setting new scope 3 carbon emissions reduction target

Water Conservation & Resilience

- Reduce water consumption intensity in our day-to-day operations by 15%[1]

Waste Management & Circular Economy

- Reduce waste intensity in our day-to-day operations by 20%[1]
- Achieve 25%[1] recycling rate in our day-to-day operations

ENABLE
Thriving & Future-Adaptive Communities

Social Impact

- Contribute to communities' social well-being through outreach initiatives by staff & CapitaLand Group's philanthropic arm, CapitaLand Hope Foundation (CHF)

Human Capital Development New



- Female representation in senior management
- Staff engagement score[2]
- Staff to attend 1 ESG training

Health & Wellness

- Foster a safety culture with zero fatality, permanent disability, major injury
- Incorporate social integration design features in properties
- Implement wellness related initiatives & certifications for physical assets

Customer & Supplier Partnerships

- Green leases for new & renewal of leases; work with tenants to improve their sustainability performance
- Achieve high level of customer satisfaction
- Contractors & vendors to abide by CLI's Supply Chain Code of Conduct
- Zero tolerance to child labour/ forced labour

Steward New
Responsible Business Conduct & Governance

Corporate Governance

- Ensure sustainability targets integrated into CLI Performance Share Plan & Balanced Scorecard framework to determine executive remuneration & KPIs
- At least **85%** staff to attend 1 compliance related training

Transparent Reporting

- ESG reporting aligned & externally assured to international standards

ESG Risk Management

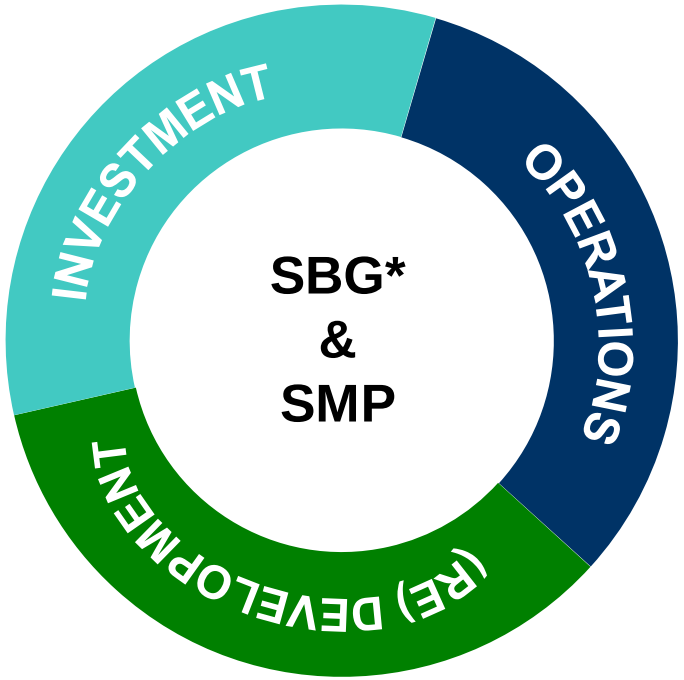
- Identify, assess & manage sustainability risks & opportunities
- Ensure sustainability risks & opportunities are managed in line with overall risk appetite & strategy

Note: Enable & Steward targets are intended to reflect the organisation-wide goals set by CLI on a group basis, & are intended to be implemented subject to & taking into account (i) fair & equitable employment practices & principles under applicable laws & market practice & (ii) the business & operational needs of the company & the organisation, as applicable.

1. Using 2019 as the base year
2. Staff engagement with at least 85% participation

We integrate sustainability in the entire real estate life cycle

Embedding targets for low carbon transition, waste management & circular economy, water conservation & resilience, accessibility, healthy & safe building & supply chain management throughout the real estate life cycle



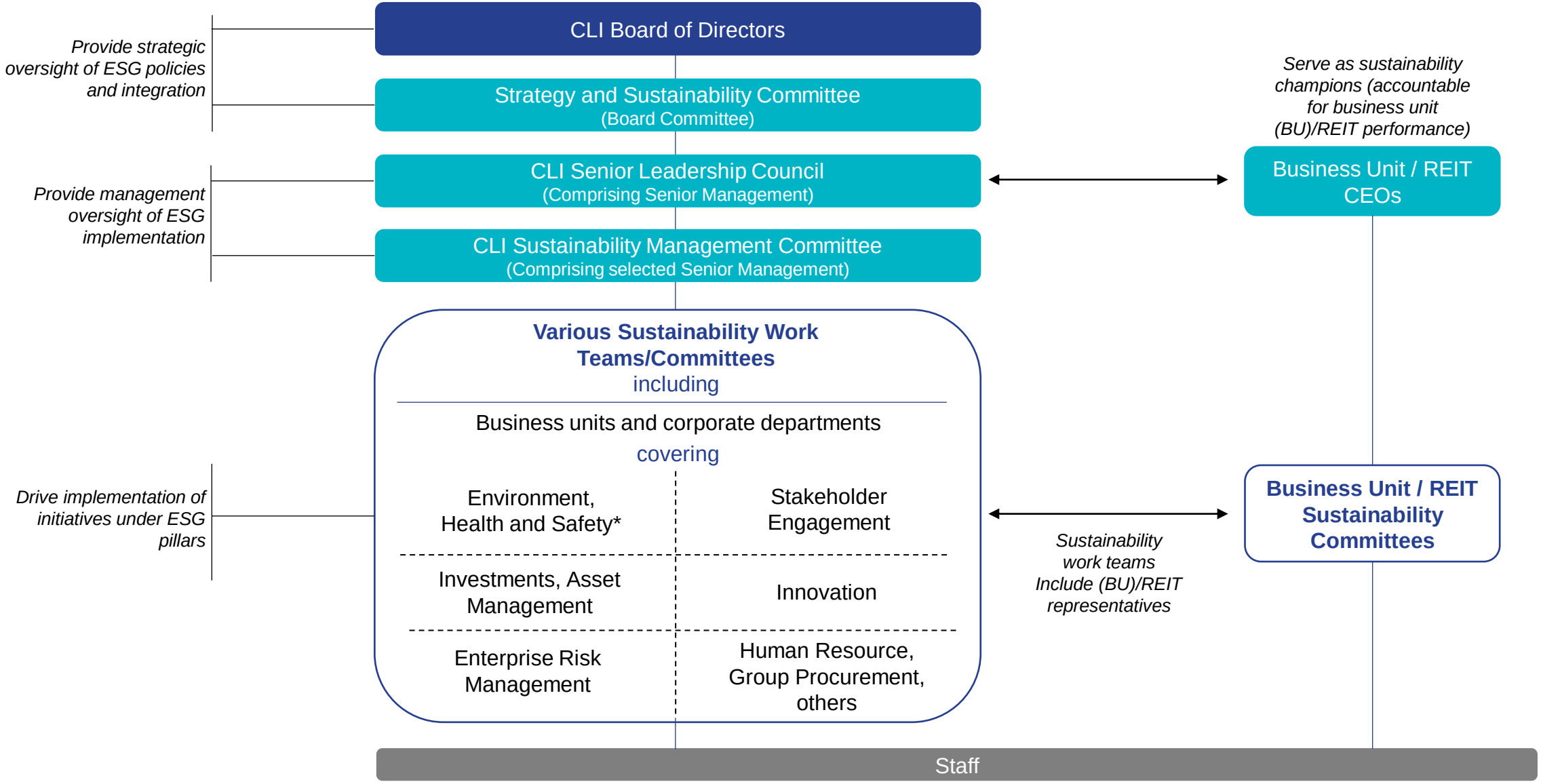
#1 Investment
- Align with CLI 2030 SMP
- Conduct EHSIA including an internal carbon price
- Quantify proprietary Return on Sustainability (ROS)

#2 Operations
- Align asset planning with 2030 SMP targets
- Sustainable operational excellence including sustainable procurement practices to meet 2030 SMP targets
- Testbed innovations & collaborate with partners
- Track, evaluate & disclose performance

#3 (Re) Development
- Design in accordance with CapitaLand Sustainable Building Guidelines (*SBGs) to meet 2030 SMP targets
- Testbed innovations & collaborate with partners
- Track, evaluate & disclose performance

Training of Staff
Stakeholder Engagement

CLI Sustainability Management Structure

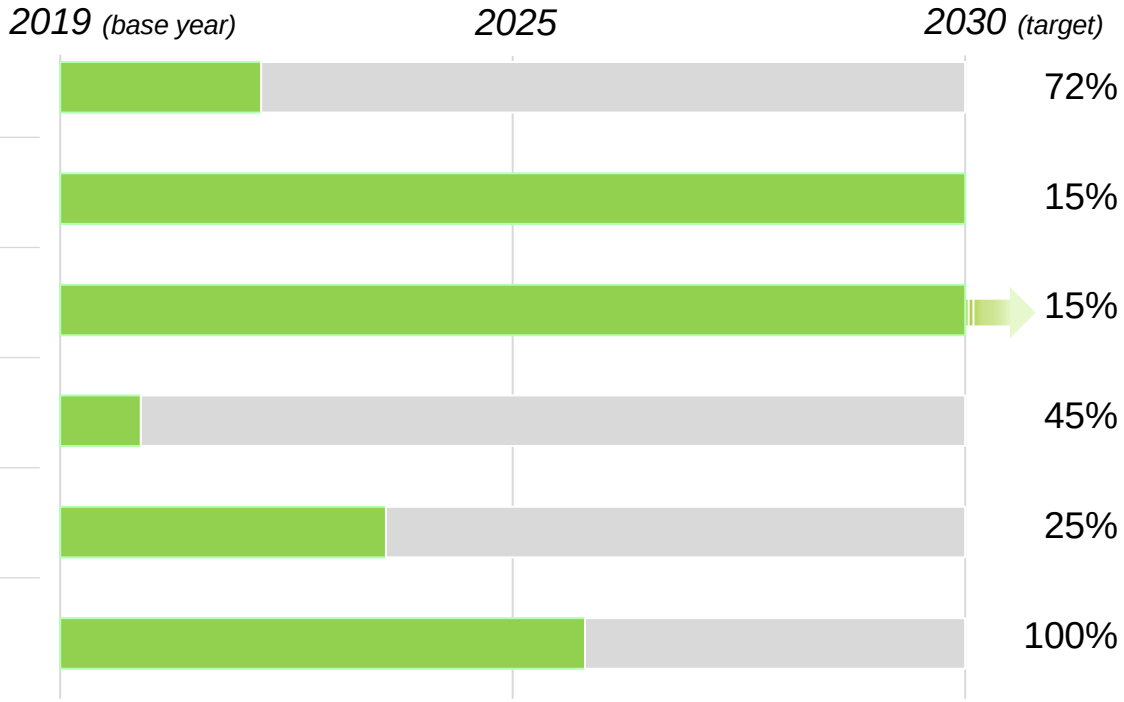


* Include EHS Internal Audit Committee and Environment Tracking System (ETS) Committee

While CLI is on track for most parameters, renewable energy remains a key area of focus

CLI Performance vs. SMP targets, 1H 2023

Carbon Intensity Reduction[1]	CO_2	↓ 16%
Energy Intensity Reduction[1]		↓ 15%
Water Intensity Reduction[1]		↓ 22%
% Renewable Electricity		4%
Recycling Rate		9%
% Green Portfolio[2]		58%



Note: Data is for 1H FY 2023, at data coverage of 94% of CLI operationally managed properties (Landlord component), and excludes CLI owned properties which are operationally managed by third party operators
1. All changes in intensity performance are from 2019 base year. Performance might be uncharacteristic due to impact of COVID-19 resulting in lower building occupancy/retail footfall
2. CLI owned and CLI operationally managed assets only

Recap of key focus areas for 2023

1 **Portfolio Decarbonisation – Scope 1 and 2**	• Technology pilots and scale ups – CSXC/CIF • Renewable energy procurement • Strategy on Offsets, RECs and other last mile options
2 **Portfolio Decarbonisation – Scope 3**	• Enhance coverage and depth of data across all material categories • Scale up efforts on green leases, supply chain decarbonization and embodied carbon reduction
3 **Enhanced Reporting**	• Deepen TCFD reporting by including climate scenario analysis and calculating climate value at risk
4 **Social Impact**	• Further deepening the efforts of CapitaLand Hope Foundation in building caring, inclusive and resilient communities
5 **Culture & Capabilities**	• Strengthen a culture of sustainability within the organization and deepening ESG skillsets

CLI's sustainability strategy has 4 pillars



Improve energy efficiency through green upgrades, deploy innovative technologies and create new energy models

Green Capex Upgrades

- Upgrade to higher energy and water efficient M&E equipment and deploy greener engineering solutions
- *Key areas:* HVAC, Heat Exchange, Lighting, BMS, Green Cert
- LogisTech, Funan, CapitaSky, RCS, Aperia, Plaza Singapura
- CapitaMall Minhang, Raffles City Hangzhou, Suzhou Centre
- ITPB, ITPH, ITPV, Cybervale, ITPP, VITP
- 100 Arthur St, Manchester DC, 101 Miller St, Croydon DC

Sourcing Climate-Tech Innovation

CAPITALAND SUSTAINABILITY X CHALLENGE

2 completed and 5 under-trail pilots with energy savings of 10-30% and ROI of 2-3 years

CapitaLand Innovation Fund

Projects across construction, smart buildings, engineering solutions under pilot

smart urban co-innovation lab
discover . develop . demonstrate . deploy
Powered by ascendas

Smart energy mgmt systems to optimize both landlord and tenant energy consumption

Smart Building Analytics

- Deepen and scale up Smart Building Automation IoT / AI SaaS solutions
- Expand smart building platforms Singapore and India, and scale custom-solutions across China
- Piloting 2 new smart building solutions targeting 10-20% energy savings, and 2 PMaaS solutions with further optimize maintenance expenses

New Energy Models

District Cooling Systems > 11 assets already on DCS and one future expansion signed up; New projects under evaluation

Cooling-as-a-Service > CaaS tender ongoing in Singapore with potential to expand further by 2025

Accelerating renewable energy solutions

Procurement efforts on offsite Power Purchase Agreements (PPAs) underway in each major geography

Europe

- Ascott's serviced residences in Belgium, Germany and UK (12 properties), four Europe colocation data centres and one business park in UK procured 100% of their electricity from renewable sources

China

- Installation of rooftop solar panels at a Kunshan Bacheng Logistics Park which is expected to generate 92 MWh of electricity annually



India

- Onsite generated and purchased solar energy accounted for ~40% of the total electricity consumption by business parks
- Rooftop solar panels totaling 3.8 MWp in capacity were installed across 8 business parks
- Ascott's serviced residences source >90% of their electricity from an offsite wind farm

Singapore

- >15 MWp of rooftop solar panels generating ~18,000 MWh of electricity on 19 properties, with plans to extend this initiative to more properties in 2023
- CLI's corporate office has been powered by 100% renewable power since 2020

Source: CLI Global Sustainability Report 2022



Global CSXC 2023

>680 entries (⬆~100%) from ~80 countries (⬆~54%)

- NEW! Sandbox partners in collaboration with tenants – DBS, DFI Retail Group, KPMG
- NEW! Tenant challenge statements
- NEW! Expanded challenge statements include embodied carbon, & occupational health & safety
- 10 innovations selected for piloting within CapitaLand's buildings located across > 260 cities in over 40 countries
- NEW! 4 Special Recognition Awards with additional funding – High Impact Award; Most Innovative Award; Most Scalable Award; and Enterprise Singapore's Emerging Startup Award

About CSXC

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



CSXC 2023 top 10 finalists information

FOCUS AREA	STARTUP NAME & TECHNOLOGY	SUMMARY
Health, Safety & Wellness in Buildings	HIGH IMPACT AWARD viAct **Technology: AI powered Video Analytics**	An AI-powered video analytics tool to provide granular insights that enhance safety, productivity and compliance with environmental standards at the workplace
Health, Safety & Wellness in Buildings	MOST INNOVATIVE AWARD HealthWay Family of Brands **Technology: Disinfecting Filtration System (DFS)**	A patented low-pressure drop filtration technology that replaces existing media filters to improve the performance and system-level filtration efficiency of existing air handling units while reducing energy load on fans' motors
Low carbon transition	MOST SCALABLE AWARD Ralos Enterprise Corporation (Enamil LLC Japan) **Technology: Corrugated Solar Roof**	A lightweight flexible solar module integrated with corrugated steel that can be installed horizontally or vertically as a Building Integrated Photovoltaic (PV) or as a conventional solar PV
Waste Management & Circular Economy	EMERGING STARTUP BY ENTERPRISE SG Magorium **Technology: Magorium**	A technology that converts contaminated and unsorted plastic waste into a sustainable construction material that can potentially be used for the construction of roads within CapitaLand's business parks
Low carbon transition	Carnot Innovations Limited **Technology: AI Chiller Plant Optimization**	A chiller plant and air side HVAC optimisation solution that integrates seamlessly with the building management systems and utilises artificial intelligence (AI) for energy optimisation and predictive fault diagnostics
Low carbon transition	CLEAN CARBON (Beijing) Tech. Co. Ltd **Technology: Carbon Mineralization Concrete Tech (CCUS)**	A carbon dioxide mineralised concrete technology that creates low-carbon green building materials with carbon dioxide captured and stored in concrete during its manufacturing process
Water Conservation & Resilience	Eco-zone Technology Pte Ltd **Technology: Auto Sprinkler Test - CP52**	An automated sprinkler system flow-switch test that can be activated with just a key, reducing manpower required and energy and water usage
Low carbon transition	L-Qube Pte Ltd **Technology: Solar Hybrid Air-con**	An air-conditioner solution that runs directly on solar power on a sunny day and integrates both solar and grid energy on a rainy day, thus reducing grid energy consumption
Low carbon transition	Miredo Asia Private Limited **Technology: Refleshine Novel Heat-Reflecting Film**	A clear and low absorption film that reflects solar heat, improves thermal insulation and can be installed on any smooth facade window or glass surface, minimising energy consumption
Water Conservation & Resilience	Shanghai Emperor of Cleaning Hi-Tech Co. **Technology: Nano-crystal Reverse Scaling Technology**	A nano-crystal reverse scaling technology that solves the challenges of scaling and wastewater challenges in central air-conditioning system cooling towers, effectively reducing water discharge and saving cooling water usage

Updates on CSXC 2021/2022 projects

CAPITALAND SUSTAINABILITY X CHALLENGE

COMPLETED

CONTINEWM® (Patented ceramic net, scaling up at LogisTech, Singapore)
Up to 51% reduction of fan energy usage | Up to 16% reduction in cooling load energy usage | Up to 153 kWh/day energy savings across 2 AHUs

Climatec Corp (Unique, chemical-free & electricity-free cooling tower water treatment that maximizes blowdown savings)
99.8% reduction blowdown water | Up to 27.7 Cycle of Concentration (CoC) | 2.8% improvement chiller plant efficiency | ROI of 17 months

New Generation Bio Water Saving Stick (Irrigation via transfer of humidity from air to ground)
Up to 33% irrigation water savings

INTERIM RESULTS

INOVUES Inc (Insulating glass retrofit technology reduces heat gain in building during summer & heat loss during winter)
Over 10% reduction of energy consumption (for cooling & heating buildings)

WI.Plat (Custom high-precision acoustic IoT sensor technology that detect leaks with a machine learning algorithm)
>2 detection & locations of unobserved water leakages | Interim results: 1 detection & repair of sprinkler pipes leakage

COMPLETED BY 2024

Blade Air (previously CleanAir.AI, Blade Air Pro Filter sensors & active polarisation provide buildings with HEPA-class air quality)
10% improvement in IAQ | Up to 6,000 kWh energy savings per AHU

Aeroseal (Air duct sealing technology using airborne adhesive particles injected into HVAC ducts to seal leaks)
~30% reduction in AHU energy consumption

Loh and Sons Paint Co (in partnership with SOLCOLD) (Nanoparticle material using sunlight for active cooling)
10% reduction of cooling tower energy consumption

Hydroleap (On-site electro-oxidation to reduce cooling tower blowdown)
40% reduction in blowdown water

SlideLuvre (Smart voltaic louvres)
Solar energy yield up to 200 kWhe/m^2 slat area/year

Invoiea (Waterless solar panels self cleaning system)
Increase in over 30% solar energy generation | Reduction in water consumption & maintenance cost

Sunman Energy (World's 1st glass-free, lightweight & flexible solar panel, can be used on roofs that are unable to support glass modules for structural reasons)
Comparable performance to standard glass solar panel with 70% reduced weight of panel

Maini Renewables (Efficient micro wind turbine)
Up to 15,000 kWh energy generation

Taichu (Glassfiber Reinforced Polyurethane (GRPU) curtain wall)
Up to 85% embodied carbon reduction | Enhanced heat & wind resistance

EcoFlow (Air-compression valve to improve water meter accuracy)
10% reduction in water cost

Trashbot (Sorting Waste with Artificial Intelligence and Robotics)
>80% accuracy in waste sorting | Improved deployment of manpower

Targets as provided by innovators; CLI is currently working with them to establish the savings targets for the pilots at CapitaLand assets

Scope 3 emissions are the next key area of focus for CLI's decarbonization strategy

1 Enhance GHG scope 3 data coverage



- ✓ Enhance tracking & disclosure of material Scope 3 categories, especially on supply chain; Currently working with a 3rd party consultant (Project Zero)
- ✓ Establish new CLI Scope 3 target that can be validated by SBTi

2 Decarbonize tenant energy consumption



- ✓ Standardise green lease implementation, focusing on the definitions and levels of requirements in the green leases across the Group
- ✓ Expand coverage in other markets: Prioritise customers based on their strategic importance and ESG maturity; Consider minimum requirements to start with

3 Influence supply chain



- ✓ Strengthen ESG screening of suppliers and enhance CLI supply chain ESG awareness & safety standards through targeted briefings/training
- ✓ Explore sustainable financing to incentivize CLI supply chain with strong ESG credentials

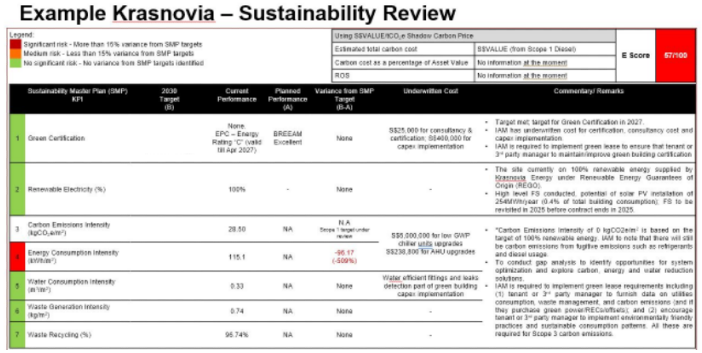
4 Deep-dive on embodied carbon



- ✓ Enhance embodied carbon targets and processes in CL Sustainable Building Guidelines
- ✓ Explore new emerging & innovative construction technologies/methods in collaboration with contractors

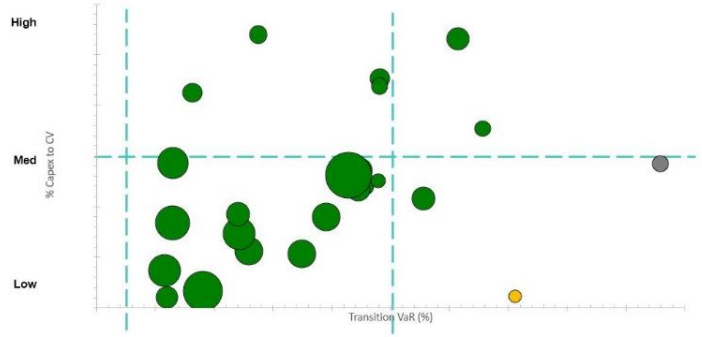
Focus on data analytics-driven portfolio management to facilitate informed decision-making

EHSIA Review



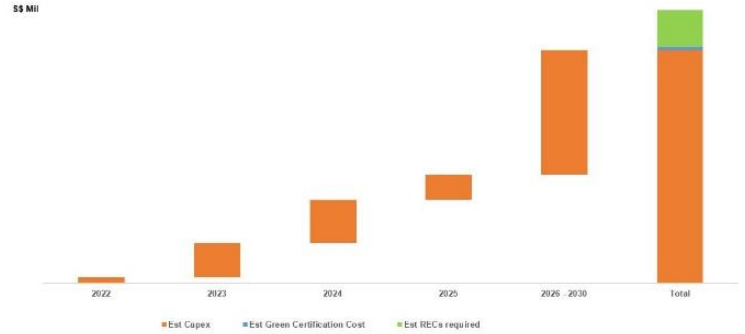
Expand EHSIA to new product types, further integrate carbon price into underwriting, and enhance Return on Sustainability calculation

Value at Risk Analysis



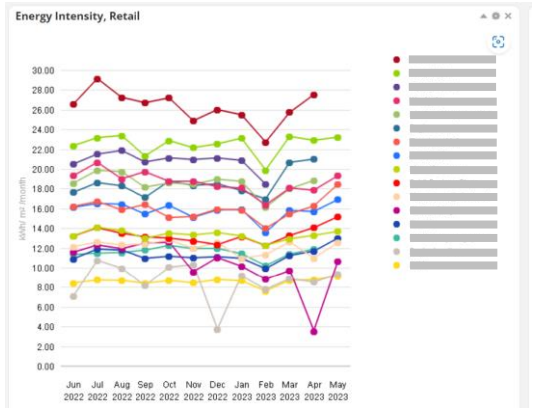
Calculate Physical and Transition value at risks for different business units and map against capex plans to formulate asset level strategies

Portfolio Capex Tracking



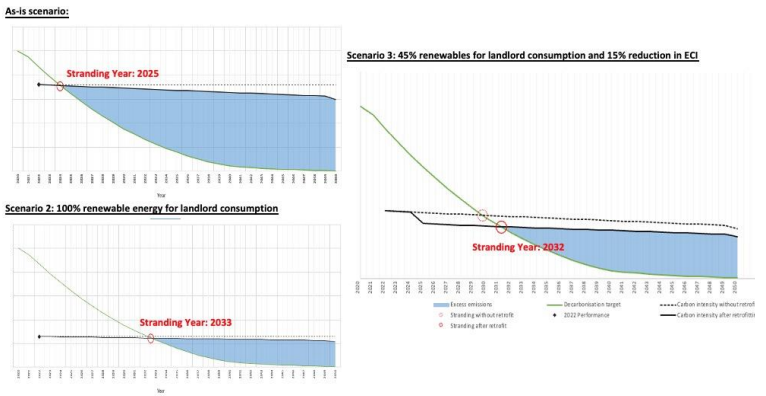
Track green capex by business units that is needed every year in order to meet SMP 2030 targets

Portfolio Dashboards



Analyze energy, water and waste dashboards by geographies and business units for real-time operational decision making

Net Zero Pathway Tracking



Plot assets against CRREM net zero pathways to better understand risks and accordingly engage investors and stakeholders on NZ plans

CapitaLand Hope Foundation has successfully undertaken many social impact projects across our core markets

OUR IMPACT



donated
>S$58M



funded
>100
initiatives across geographies



contributed
>220,000
volunteer hours since 2007



supported
>510,000
beneficiaries including children & seniors in need

Note: Figures as of 31 Dec 2022 and including CHF India

#LoveOurSeniors

- Improved the quality of life of >80,000 seniors through better nutrition, enhanced well-being, improved living conditions
- Developed social infrastructure projects for seniors to live active, healthy & meaningful lives

CapitaLand-Bright Horizons Fund Ready for School Programme

- Supported pre-school children from low-income families to prepare for primary school education
- Reduced the number of children requiring learning support in Primary One

CapitaLand Hope School Programme

- Support the educational needs of >28,500 underserved children from 32 schools in China, India and Vietnam by providing them with a safe and conducive environment, and improving their access to learning and development opportunities

 # List is not exhaustive

Multiple efforts are underway across four pathways to strengthen our safety culture and performance



Build Strong Safety Capabilities

- Booster shot …
  - More than 500 participants
  - Over 2,000 training hours
- Moving ahead …
  - Digitizing learning on-demand
  - Learning on-the-go



Inculcate Pervasive Safety Mindset

- Safety on the agenda
  - Balanced Safety Dashboard
- Safety on the ground
  - Safety inspections
  - Visible Safety Leadership



Promote Technology-enabled Safety

- Making safety easy …
  - Safety One-Stop-Shop (OSS)
  - Available 24x7 & on-the-go
- Engaging 10,000 pairs of eyes
  - 7 days a week
  - Through iSafe



Grow Safety Partnerships

- Putting back to communities where we operate
  - Leading national safety committees

Enabling Safety … Executing the Safety 2.0 Strategy for a sustainable interdependent safety culture

Build a culture of sustainability and strengthen ESG capabilities across the Group

Sustainability Roadshows

Bring sustainability 101 to our employees by introducing the basic concepts of sustainability and what is CapitaLand doing for sustainability



Brown Bag Sessions

Curate a sustainability brown bag series for employees to learn more about specific sustainability topics in a cosy setting with subject matter experts from Group Sustainability



CLIMB Programmes/ Learning CAREnival/ E-Learning

Variety of programmes incl series of in-person & virtual talks covering topics under the Environmental, Social & Governance (ESG) areas *e.g. encouraging support for local produce, safety, mental wellness, Diversity, Equity & Inclusion (DEI), & ESG in Private Equities*



Learning & Development

- Develop a Sustainability 101 course for all employees in the form of a self-paced e-learning module with sub modules that can be customised to individual business unit's requirements, e.g sustainability in a hospitality context for Ascott. Planned to be rolled out in Q1 2024
- Partner with institutes and universities to offer detailed sustainability courses for eligible staff

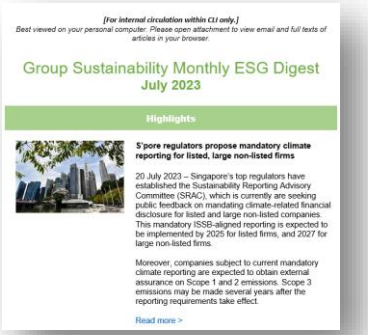
Quarterly EDMs & Videos

Bite sized updates & tips to regularly engage global staff & showcase on-ground case studies



Capability Building

Share knowledge & best practices with Board, senior management & business units through regular briefings, various sustainability work teams/committee meetings, ESG market intelligence, internal sustainability e-newsletters


[For internal circulation within CLI only.]
Best viewed on your personal computer. Please open attachment to view email and full texts of articles in your browser.

Group Sustainability Monthly ESG Digest
July 2023

Highlights

S'pore regulators propose mandatory climate reporting for listed, large non-listed firms

20 July 2023 – Singapore's top regulators have established the Sustainability Reporting Advisory Committee (SRAC), which is currently are seeking public feedback on mandating climate-related financial disclosure for listed and large non-listed companies. This mandatory ISSB-aligned reporting is expected to be implemented by 2025 for listed firms, and 2027 for large non-listed firms.

Moreover, companies subject to current mandatory climate reporting are expected to obtain external assurance on Scope 1 and 2 emissions. Scope 3 emissions may be made several years after the reporting requirements take effect.

Read more >

There are different avenues through which green investments can provide financial benefits to us

1 Operating Expenditure

- ✓ **Utilities:** Investments in technology to increase energy efficiency in buildings can yield operational savings of 5% – 20%
- ✓ **Renewables:** Procuring renewable power today is gaining price parity with brown grid power in some geographies
- ✓ **Carbon Tax:** Increasing carbon tax will increase opex of less green buildings and raise cost of construction material
- ✓ **Offsets:** Greener buildings will have a lesser requirement of purchasing expensive offsets to meet their net zero targets

2 Revenue & Valuations

- ✓ **Leasing:** Institutional tenants may not prioritise buildings that do not meet their minimum green standards; green buildings lease faster and with better quality clients
- ✓ **Green Premium:** Grade-A buildings with green certifications can command rental premium of 2% - 20% across different Asian cities according to some IPC research reports
- ✓ **Asset Valuation:** Investors may expect higher valuation for greener building all other things alike; or buyers may attribute a brown discount to the purchase price
- ✓ **Stranded Assets:** Brown buildings may lose both customers and investors over time, facing significant write-offs

3 Financing

- ✓ **Interest Rates:** Corporates whose portfolios meet sustainability performance targets can access Sustainability-Linked Loans, which offer interest rate discounts
- ✓ **Project Financing:** Green capex investments/AEIs can avail Green Loans from banks
- ✓ **Investor Pool:** Companies with higher ESG ratings and qualifications are attracting a larger pool of equity investors
- ✓ **Credit Ratings:** Better credit ratings are enjoyed by companies that better manage their environmental risks

Thank You

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