

**CAPITALAND
CHINA
TRUST**

20
INTEGRATED SUSTAINABILITY REPORT

22



As part of our commitment to continuously improve CLCT's sustainability disclosures, our second Integrated Sustainability Report, prepared in accordance with the latest Global Reporting Initiative (GRI) Standards 2021, includes a progress update on our climate-related disclosures in line with TCFD recommendations and a new section summarising key environmental, social and governance (ESG) data.

We strive to create long-term value for our stakeholders by embedding sustainability objectives and practices in our daily operations whilst instilling a strong culture of sustainability within our employees. In 2022, CLCT achieved various sustainability and diversity milestones, from attaining green certifications and implementing green leasing across its assets, to increasing female representation on its Board. We are pleased to elaborate further on these achievements in various sections of this Report.

We welcome all feedback to improve CLCT's sustainability reporting. For any feedback or enquiries, please reach out to us at ask-us@clct.com.sg.



VISION

Sustainable and resilient REIT with a professionally managed portfolio of quality real estate across China



MISSION

Deliver sustainable income growth to our Unitholders and value-add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisition growth



As we continue to rejuvenate our portfolio, sustainability remains at the core of what we do. This commitment can be seen through our continuous effort to step up our efforts to contribute to the environmental and social well-being of the communities that we operate in.



TAN TZE WOOL
Chief Executive Officer

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Who We Are

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT) with total assets of approximately S\$5.2 billion as at 31 December 2022.

CLCT's portfolio constitutes 11 shopping malls, five business parks and four logistics parks. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 2.0 million square metre (sq m), located across 12 leading Chinese cities.

CLCT's 11 retail properties are strategically located in densely populated areas with good connectivity to transportation amenities, which provide stable recurring shopper footfall. The malls are positioned as one-stop family-oriented destinations that offer essential services and house a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. CLCT's portfolio comprises a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nanjing Impressions, TANYU, Nike, Sephora, Starbucks Coffee and Chow Tai Fook. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

The portfolio of five business parks is situated in high-growth economic zones, with high quality and reputable domestic and multinational corporations operating in new economy sectors such as biomedical, electronics, engineering, e-commerce, information and communications technology and financial services. The business parks and industrial properties exhibit excellent connectivity to transportation hubs, and are easily accessible via various modes of transport. The properties are Ascendas Xinsu Portfolio in Suzhou, Ascendas Innovation Towers and Ascendas Innovation Hub in Xi'an and Singapore- Hangzhou Science & Technology Park Phase I and Phase II in Hangzhou.

The portfolio of four high-quality modern logistics parks are located in key logistics hubs near transportation nodes such as seaports, airports and railways to serve the growing domestic logistic needs of China's Eastern, Central and Southwest regions. Fitted with high-tech and modern features to meet a wide range of e-commerce and logistics requirements, the properties are anchored by strong domestic tenants, including China's leading technology-driven supply chain solutions and logistics services providers. The tenants cater to a variety of sectors from logistics and warehouse, pharmaceuticals, manufacturing to e-commerce. The properties are Shanghai Fengxian Logistics Park in Shanghai, Kunshan Bacheng Logistics Park in Kunshan, Wuhan Yangluo Logistics Park in Wuhan and Chengdu Shuangliu Logistics Park in Chengdu.

Listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, CLCT's objective is to invest on a long-term basis, in a diversified portfolio of income-producing real estate and real estate-related assets in mainland China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

CLCT is managed by CapitaLand China Trust Management Limited (CLCTML), a wholly owned subsidiary of Singapore-listed CapitaLand Investment Limited (CLI), a leading global real estate investment manager with a strong Asia foothold.

About This Report

CLCT is Singapore's largest China-focused REIT. This is CLCT's second Integrated Sustainability Report (ISR), and it aims to provide a comprehensive overview of the organisation's Environmental, Social and Governance (ESG) performance. Published on 14 April 2023, this Report is available on <https://investor.clct.com.sg/isr.html>.

INTERNATIONAL STANDARDS AND GUIDELINES

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, an internationally recognised sustainability reporting framework that covers a wide range of disclosures that are relevant to CLCT. The ISR is in compliance with SGX-ST's Listing Manual Rules 711A and 711B.

Following the Integrated Reporting (IR) Framework of the Value Reporting Foundation (VRF), this Report incorporates elements of the framework and is aligned with Sustainable Development Goals (SDGs) of the United Nations (UN). The VRF has been incorporated into the International Financial Reporting Standards (IFRS) Foundation to support the new International Sustainability Standards Board.

This Report also outlines CLCT's risk management framework based on the Monetary Authority Singapore (MAS) Guidelines on Environmental Risk Management for Asset Managers. Together with our Sponsor, CLI, CLCT will continue to adopt a progressive approach in improving its climate-related disclosures based on the 11 recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

REPORTING SCOPE AND PERIOD

This Report discloses information on the 20 properties within CLCT's portfolio, unless otherwise stated, for the financial period from 1 January 2022 to 31 December 2022 (FY 2022). As at 31 December 2022, the portfolio comprised 11 retail properties, five business parks and four logistics parks, primarily located in Tier 1 and 2 cities in China.

CLCT adopts the Greenhouse Gas (GHG) Protocol Corporate Standard in disclosing performance data for Energy, GHG, Water and Waste of our 20 properties. As such, CLCT only reports the assets that are under the Manager's operational control. There is no restatement of information this year.

- 1 CapitaMall Shuangjing is not included in the environmental operational data reporting as the Manager does not have operational control over the asset.
- 2 As CLCT's logistics park assets are not operated by CLI, the energy and water data of these assets are not included in the portfolio's environmental performance. The emission data of these logistics assets are included under Scope 3.

Retail

- CapitaMall Xizhimen
- Rock Square
- CapitaMall Wangjing
- CapitaMall Grand Canyon
- CapitaMall Xuefu
- CapitaMall Xinnan
- CapitaMall Nuohemule
- CapitaMall Yuhuating
- CapitaMall Aidemengdun
- CapitaMall Qibao
- CapitaMall Shuangjing¹

Business Park

- Ascendas Xinsu Portfolio
- Ascendas Innovation Towers
- Ascendas Innovation Hub
- Singapore-Hangzhou Science & Technology Park (Phase I)
- Singapore-Hangzhou Science & Technology Park (Phase II)

Logistics Park²

- Shanghai Fengxian Logistics Park
- Kunshan Bacheng Logistics Park
- Wuhan Yangluo Logistics Park
- Chengdu Shuangliu Logistics Park

The Manager and property management teams are responsible for CLCT's performance and oversee its daily operations. We identify our Manager and property management teams as employees of the REIT, while members of the Board (which is part of the Manager) are independent and not be considered as employees of the REIT.

CLI has engaged an external assurer to carry out an independent assurance over its performance data for FY 2022, and CLCT's performance data has been verified as part of the Sponsor's external assurance engagement. The report will continue to be externally assured to AA1000 Assurance Standard, and will cover the Group's global portfolio and employees, including its listed REITs and business trusts. The scope of the assurance will cover CLCT's portfolio.

This Report is published annually and encouraged to be read with CLCT's Annual Report 2022 for a comprehensive view of its business and performance. In line with CLI's continued commitment to environmental sustainability, no hard copies of this ISR have been printed.

For any further inquiries, please contact:

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Sustainability Highlights

Overall ESG Performance

- » Awarded a 2-star rating in the GRESB Assessment 2022 and maintained an “A” for GRESB Public Disclosure 2022.
- » Established new annual green building certification targets that are tied to the remuneration of key management and staff, on top of the existing ESG targets.



Attained LEED Gold green certification for CapitaMall Wangjing and Rock Square

Environment

- » Attained LEED Gold certification for CapitaMall Wangjing and Rock Square.
- » Implemented green leasing for our retail and business parks from 4Q 2022.
- » Initiated the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park that can collectively generate 92 megawatt hours of energy annually.
- » Secured additional sustainability-linked loan of S\$300 million in FY 2022. CLCT is the leading REIT in Singapore to pioneer sustainability-linked loans for a China portfolio.
- » Achieved 63.0%, 56.9%, and 55.5% reductions in carbon emissions intensity, energy consumption intensity, and water consumption intensity compared to 2008 baseline respectively.



Initiated the installation of solar panels on the roof of Kunshan Bacheng Logistics Park

Sustainability Highlights

Social

- » 100% of CLCT staff in Singapore and 98.8% of CLCT staff in China participated in ESG-related training, averaging 43.9 hours.
- » 100% of contractors and suppliers attended in-house safety training, covering topics such as Environmental, Health and Safety and COVID-19 safety measures.
- » 100% of the main contractors appointed this year are ISO 45001 certified.
- » Achieved gender balance - 72.2% of the employees of the Manager in Singapore are female, and 41.3% of the employees of the property management teams in China are female.
- » Reported zero incidents resulting in a fatality and permanent disability for CLCT staff and contractors.

Governance

- » Ranked 11th in the Singapore Governance and Transparency Index 2022 and 23rd in the Governance Index for Trusts 2022.
- » Increased female representation on Board to 25.0% (2021: 11.1%).
- » Reported zero lapses in corporate governance, corruption or employee misconduct.



Organised Fitness Week at Ascendas Innovation Towers and Ascendas Innovation Hub

CEO Message

Dear Stakeholders,

In 2022, we continued our efforts in improving ESG performance to create long-term economic value for our stakeholders, and strived to translate our sustainability ambitions into actions that contribute to the targets set out under CapitaLand's 2030 Sustainability Master Plan (SMP). This year, we are pleased to share a progress update on our climate-related disclosure in line with TCFD recommendations in this Report.

As we continue to rejuvenate our portfolio, sustainability remains at the core of what we do. This commitment can be seen through our continuous effort to step up our efforts to contribute to the environmental and social well-being of the communities that we operate in.

In 2022, we were focused on enhancing CLCT's environmental performance by attaining green building certificates and implementing green leases across our portfolio. During the year, we obtained LEED Gold certification for CapitaMall Wangjing and Rock Square. CLCT also made significant progress by implementing green leasing for our retail and business parks from 4Q 2022.

Partnering with our network of financial institutions, CLCT obtained additional S\$300 million in sustainability-linked loans during the year, bringing our total sustainability-linked loans to 13% of our total loans outstanding in FY 2022.

CLCT is the leading REIT in Singapore to pioneer sustainability-linked loans for a China portfolio. CLCT will continue exploring ways to enhance its financial flexibility and resilience through sustainable financing instruments, demonstrating the REIT's commitment towards responsible growth.

CLCT participates in industry benchmarks, such as GRESB, which assesses the sustainability performance of real estate portfolios around the world. In 2022, we received a 2-star rating in the GRESB Assessment 2022 and maintained an "A" for GRESB Public Disclosure 2022.

We embrace diversity, equality, and inclusivity. As of 2022, our female representation on Board has increased to 25.0%, up from 11.1%. Additionally, we have improved gender diversity within our managers and property management teams in Singapore and China.

Sustainability continues to underpin our strategies at CLCT. Our ESG targets are weaved into investment and business decisions while we continuously improve our sustainability performance and step up our sustainable financing efforts. As we progress to greater heights, we remain committed to contributing to the environmental and social well-being of our communities.

Tan Tze Wooi
Chief Executive Officer



Board Statement

At CapitaLand China Trust, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 SMP, which was launched in 2020, and will be reviewed by the CapitaLand Investment Board of Directors together with Management every two years.

The CapitaLand 2030 SMP steers our efforts on a common course to maximise impact through building a resilient and resource-efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include

carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). During the first scheduled review in 2022, CapitaLand Investment revised its SMP targets to elevate its SBTi-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment, and enhance its focus on social indicators.

The CLCT Board is responsible for overseeing the REIT's sustainability efforts and takes ESG factors into consideration in determining its strategic direction and priorities. The CLCT Board also approves the executive compensation framework based on the principle of linking pay to performance. CLCT's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices, and are cascaded throughout the REIT.



Sustainability Approach

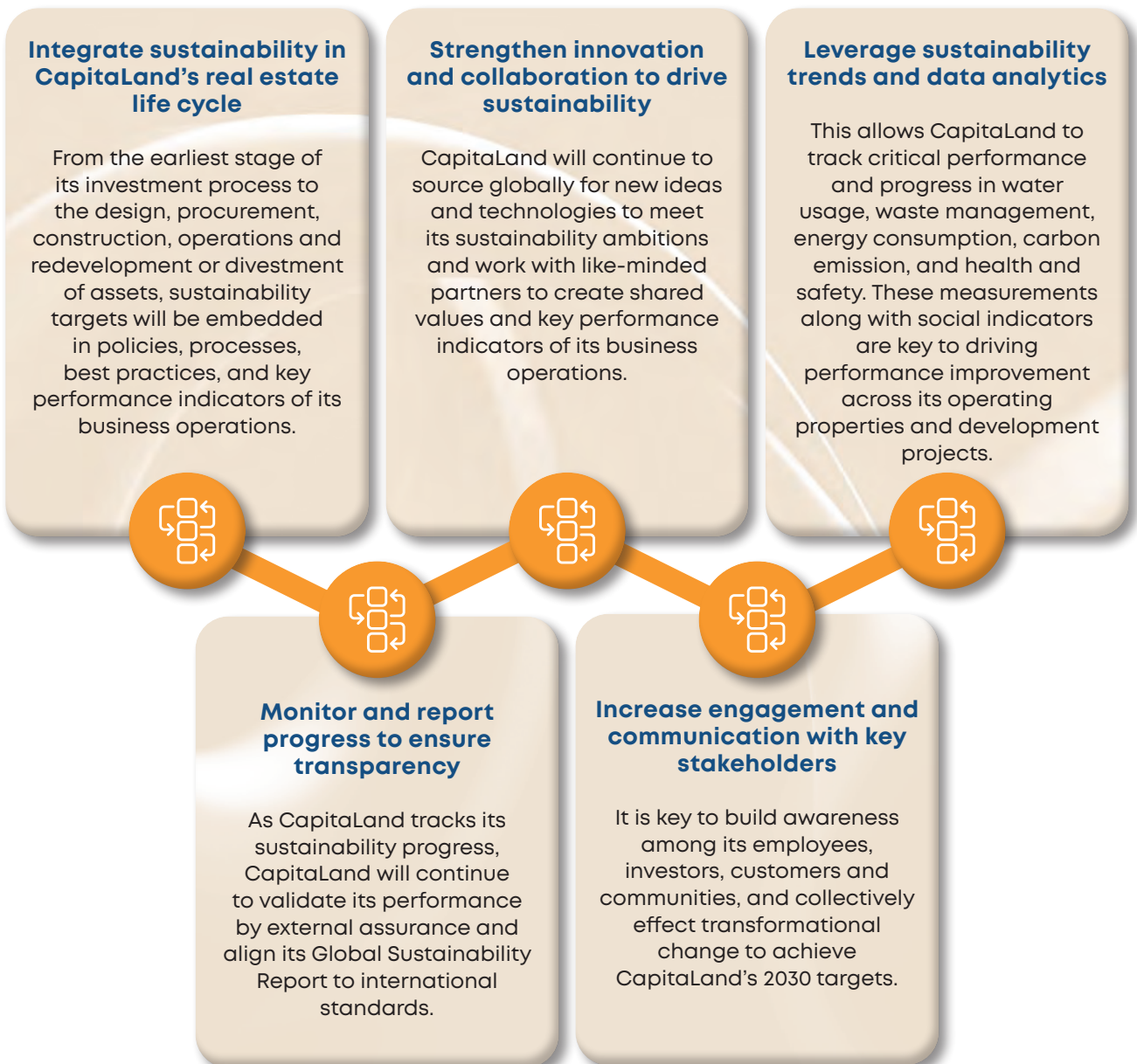
SUSTAINABILITY COMMITMENT

In 2020, CapitaLand unveiled its 2030 SMP to elevate its commitment towards global sustainability in the built environment. The Master Plan focuses on three key pillars to drive CapitaLand’s sustainability efforts in the ESG pillars, enabling CapitaLand to create a larger positive impact for the environment and society:

- ▶ Build portfolio resilience and resource efficiency,
- ▶ Enable thriving and future-adaptive communities, as well as
- ▶ Accelerate sustainability innovation and collaboration

As a CLI-listed REIT, CLCT aligns its sustainability objectives and strategies with CapitaLand Group. It is committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio operations and project development. The Manager works closely with the Asset & Property Managers in carrying out these strategies and relevant activities across its portfolio where possible.

CapitaLand has identified five pathways to achieve its sustainability objectives. CLCT is aligned with these objectives and will continually adapt its strategies as technologies evolve and new scientific data become available:



Sustainability Approach



Singapore-Hangzhou Science & Technology Park

CLCT is aligned with CapitaLand's 2030 SMP to elevate the Group's commitment to global sustainability in the built environment. The SMP drives CapitaLand's sustainability efforts in the ESG pillars, enabling the Group to create a larger positive impact for the environment and society.

CapitaLand's 2030 SMP is regularly reviewed where necessary to complement the Group's business strategy and align with climate science. The first scheduled review in 2022 is in progress and the outcome will be published before end May 2023.

CLCT is also aligned with CapitaLand's science-based targets set out in CapitaLand's 2030 SMP as we transit to a low-carbon business. CapitaLand's carbon emissions intensity reduction target is computed from the approved science-based target, to better track day-to-day operational efficiency. As part of the CapitaLand Group, CLCT is committed to working towards the long term and annual targets under CapitaLand's 2030 SMP Framework³. CapitaLand's long-term targets are as follows:

- ▶ Reduce carbon emissions intensity by 78% by 2030
- ▶ Reduce energy consumption intensity by 35% by 2030
- ▶ Reduce water consumption intensity by 45% by 2030

(Using 2008 as base year)

³ To operationalise its SBTi approved carbon emissions reduction target for Scope 1 and 2 emissions, CLCT is reviewing its carbon emissions intensity reduction targets and other environment targets, including changing reference to 2019 as the baseline year instead of 2008. The targets are being reviewed as part of the scheduled review of CapitaLand's 2030 SMP in 2022 and will be published before end May 2023.

Sustainability Approach

Committing To Net Zero by 2050 and Elevating CapitaLand's Carbon Emissions Reduction Target to 1.5°C Scenario

In 2022, CapitaLand Group elevated its Scope 1 and 2 carbon emissions reduction targets which were validated by SBTi to be in line with a 1.5°C trajectory⁴, currently the most ambitious designation available through the SBTi process. This will translate to Net Zero in 2050.

CLI commits to reducing its absolute Scope 1 and 2 emissions by 46% by 2030 from a 2019 base year and aims to achieve Net Zero by 2050, consistent with the effort required to limit global temperature increase to below 1.5°C.

To operationalise its SBTi approved carbon emissions reduction target for Scope 1 and 2 emissions, CLI is reviewing its carbon intensity reduction targets and other environment targets, including changing the reference to 2019 as the baseline year instead of 2008⁵. CLI also aims to conduct a comprehensive review of its Scope 3 emissions to better track and disclose its material Scope 3 emissions, and is committed to developing Scope 3 emission goals aligned to science-based targets.

Over the next decade, as part of CLI's roadmap to Net Zero, CLI will prioritise the decarbonisation levers below, and in particular, continue to source globally for new ideas and technologies to achieve higher energy efficiency and intensify its renewable energy integration efforts.

Responsible Business Conduct

Aligned to CLI's policies and commitments, CLCT advocates for respecting human rights and proactively addresses human rights concerns that may impact the REIT's operations. These policy commitments are approved by CLI's Board and management, as well as CLCT's Board and management and is applied to CLCT's activities and business relationships.

CLCT leverages on CLI's Social Charter in its commitment to support the preservation of human dignity and self-respect of every individual. This Social Charter address issues from a myriad of topics such as human rights, child labour, forced labour, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance and is applicable to both our workforce and supply chain.

Other human rights related commitments such as grievance handling, harassment policies and remediation procedures have been embedded across different levels within the organisation.

Maintaining Diversity on the CLCT Board

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

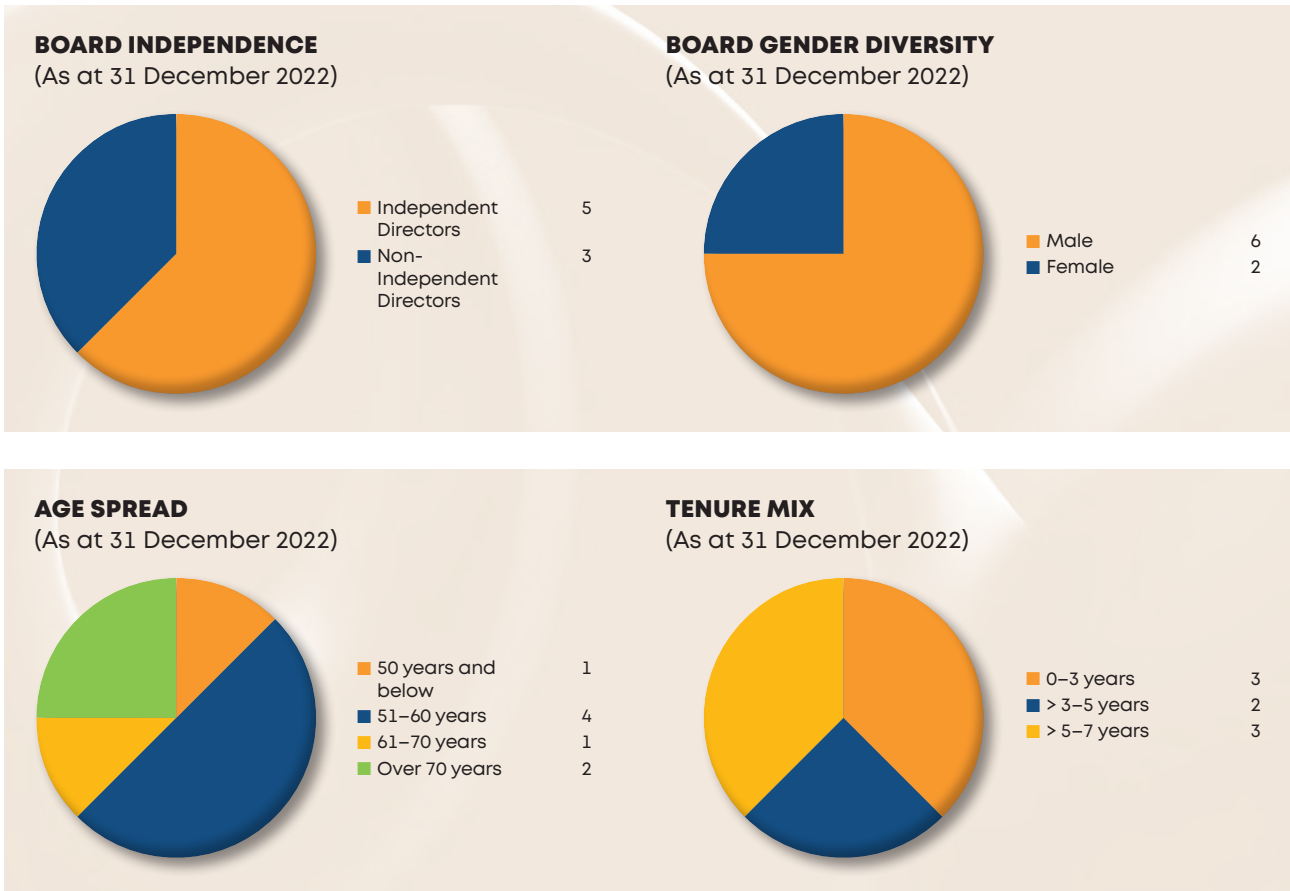
Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of CLCT's business and for ensuring long-term sustainable growth.

The Nominating and Remuneration Committee (NRC), in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, identifies possible candidates that bring a diversity of background and opinion from amongst candidates with the appropriate background and industry or related expertise and experience. In identifying possible candidates and making recommendations of board appointments to the Board, the NRC considers, amongst others, achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as age, educational, business and professional backgrounds of its members.

⁴ The carbon emissions reduction target in line with a 1.5°C trajectory was elevated from its target of a "well-below 2 °C" trajectory set in 2020.

⁵ It is reviewed as part of the scheduled review of CapitaLand's 2030 SMP in 2022 and will be published before end May 2023.

Sustainability Approach



Gender diversity is also considered an important aspect of diversity. There has been an increase in female representation on the Board in FY 2022 and progressively over the past financial years. The current Board has two female members representing 25% of the Board.

In line with the Board Diversity Policy, the current Board comprises eight members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting, finance, banking, capital markets, real estate, investment management, leadership, governance and the China market.

For more details on our Board Diversity Policy and performance, please refer to page 49 of CLCT’s Annual Report 2022.

Recognition by Global Benchmarks

CLI is a signatory to the United Nations (UN) Global Compact since 2015. In February 2023, CLI also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of its commitment to investing responsibly. CLI is listed on the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB, FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

Sustainability Approach



BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

The Sponsor's (CLI) Board recognises the importance of sustainability as a business imperative, and ensures that sustainability considerations are factored into CLI's strategy development.

On a regular basis, the CLI Board is updated through the Strategy and Sustainability Committee (SSC)⁶ on the sustainability management performance of the Group, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, through the Risk Committee and Audit Committee, the CLI Board is typically updated at least once a year and at ad hoc Board meetings on matters relating to sustainability risks, and relevant performance metrics, including carbon emissions performance, progress on achieving the reduction targets, green certification, human capital development, as well as stakeholders' expectations on climate change and/or other social matters. They are also informed of any work-related safety incidents, business malpractice incidents and environmental incidents, which may include climate-related damages or disruptions.

The SSC, a Board Committee chaired by the Lead Independent Director, is responsible for overseeing CLI's sustainability strategies and goals, including providing guidance to Management and monitoring progress against achieving the goals of sustainability initiatives. The SSC typically meets twice a year, with additional meetings convened as necessary.

The sustainability work teams comprise representatives from CLI business units and corporate functions. Each business unit also has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where it operates with support from various departments.

CLCT's Sustainability Management Structure

At CLCT, a Sustainability Management Committee (SMC) was established to ensure greater focus on sustainability and climate-related matters of CLCT's assets. The SMC is chaired by CLCT's CEO and comprises senior management team members to oversee CLCT's sustainability objectives and strategies directly. The SMC is responsible for providing timely and regular updates on the REIT's sustainability matters to CLCT's Board of Directors and its Chairman. Regular updates to the CLCT Board of Directors include value and mission statements, goals, strategies overviews, policies and progress related to sustainable development.

The SMC is supported by CLCT's Sustainability Working Committee (SWC), which comprises key members from various business functions, to implement sustainability-related activities and initiatives across CLCT's operations as per CLI's sustainability framework and policies.

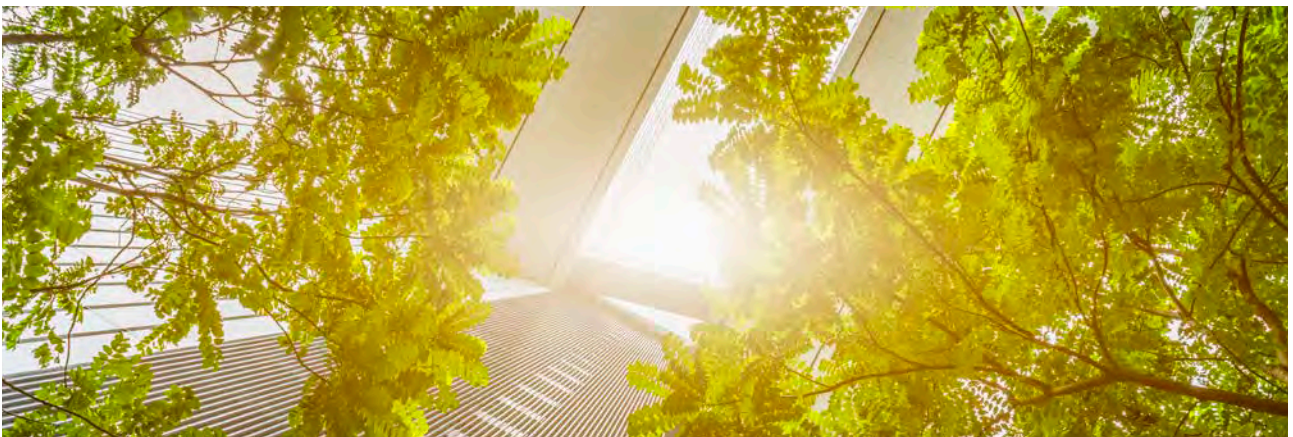
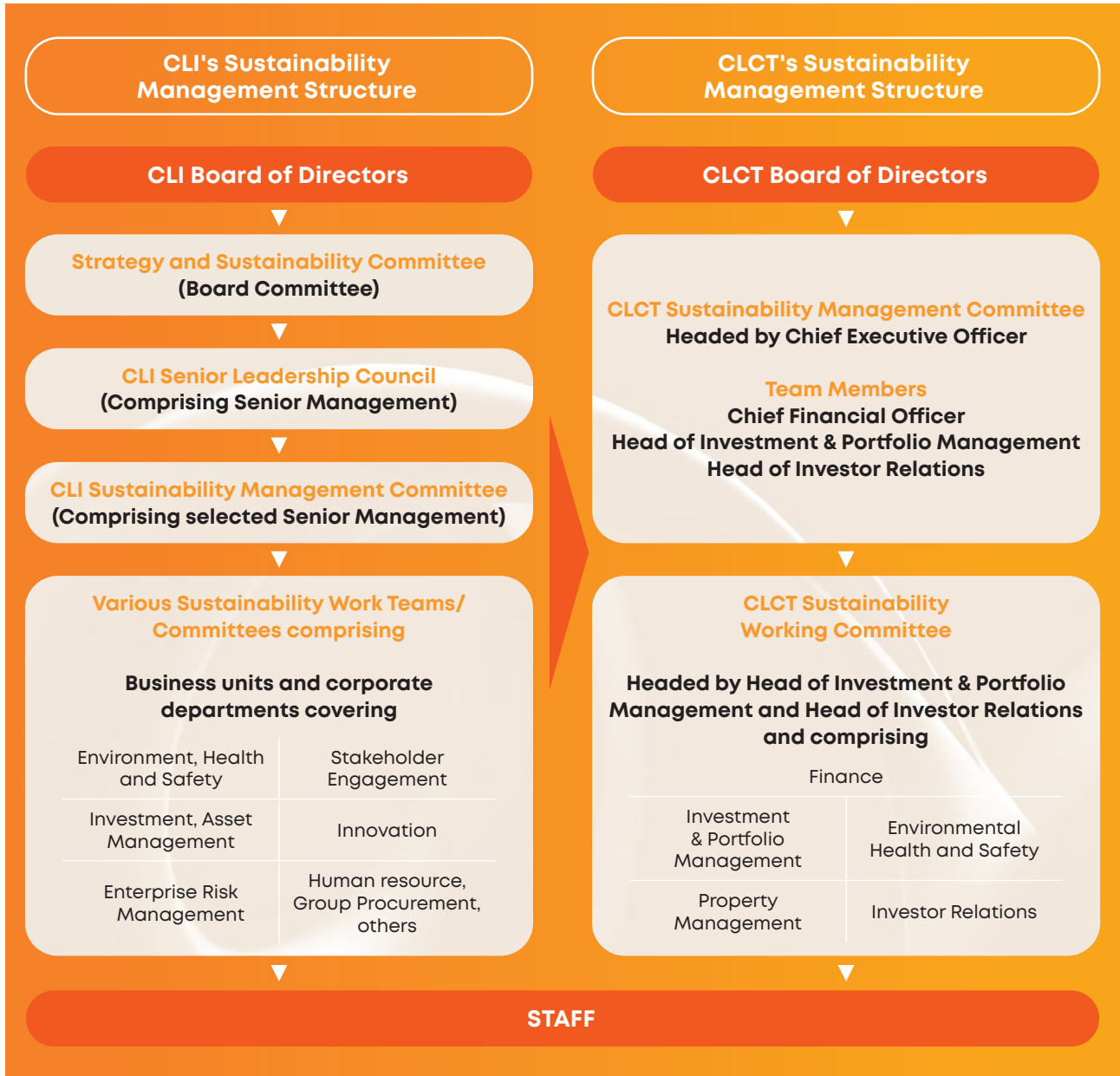
CLCT's sustainability governance is inter-linked with the Sponsor's sustainability management. The overall governance comes under the purview of the CLI Senior Leadership Council. CLCT is represented at the CLI Senior Leadership Council by CLCT's CEO who provides guidance on sustainability strategies and goals for CLCT.

This report's content, including the material topics, are reviewed and approved by the CLCT's Board of Directors. During board meetings, sustainability policies and strategies are discussed and reviewed as well.

⁶ With effect from 1 January 2023, the CapitaLand Investment Board Committee, Strategy Committee, was renamed to Strategy and Sustainability Committee.

Sustainability Approach

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE

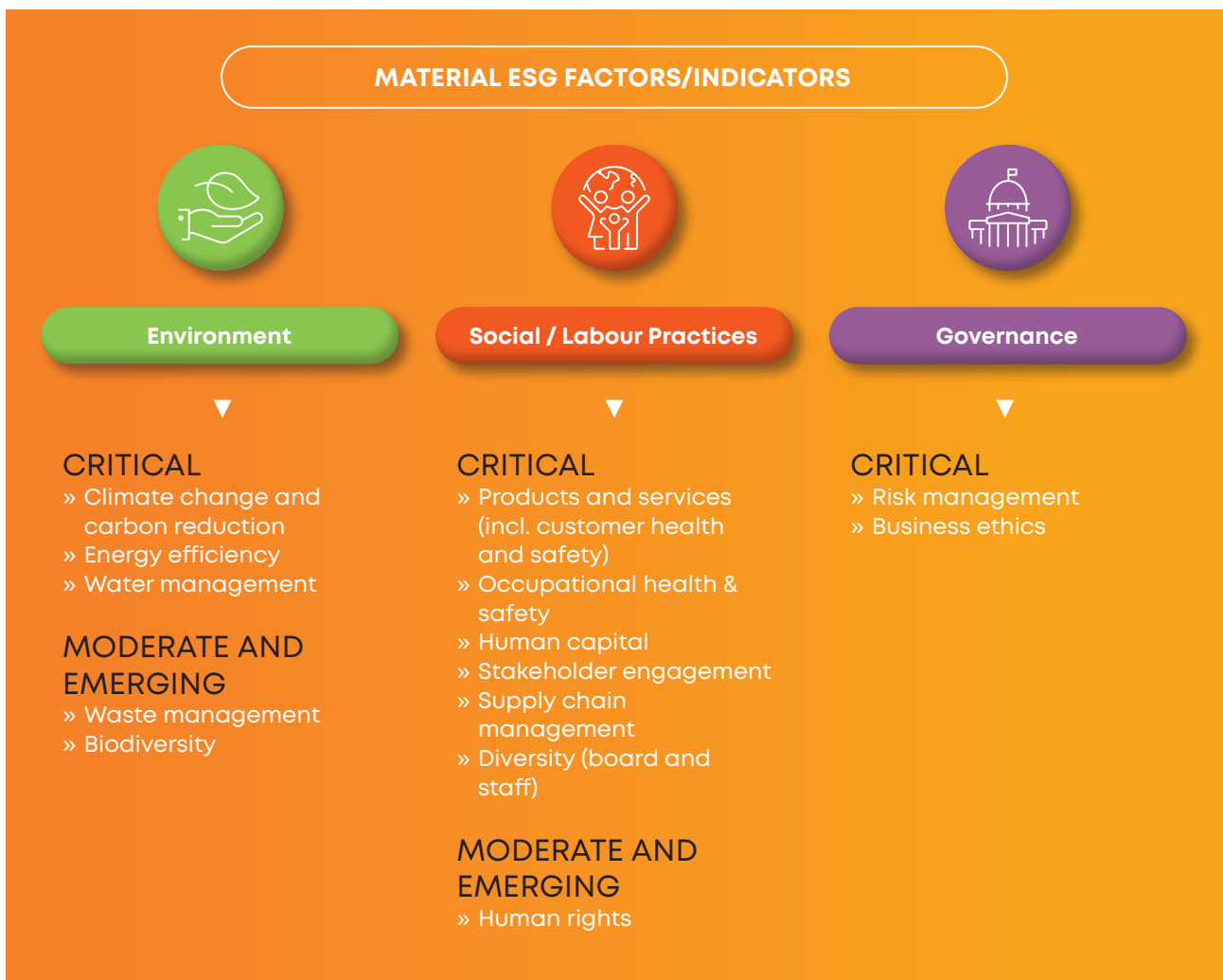


Sustainability Approach

CLCT is guided by CLI's materiality assessment process, which includes regular reviews, assessments and feedback 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.

Guided by CapitaLand's 2030 SMP to elevate the Group's commitment to global sustainability, CLCT, as a CLI-listed REIT, identifies and reviews material issues that are most relevant and significant to the Company and its stakeholders. These ESG material issues are assessed and prioritised based on the likelihood and potential impact of issues affecting the business continuity of CLCT. For external stakeholders, priority is given to issues important to the community and applicable to CLCT.

PRIORITISATION OF ESG MATERIAL ISSUES



Strategy and Key Objectives

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

As a CLI-listed REIT, CLCT's material ESG issues and the value created, aligned to CapitaLand's 2030 SMP focus areas and commitments⁷, are mapped to six integrated reporting Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is further mapped against eight UN SDGs that are most aligned with CapitaLand's 2030 SMP focus areas, and where CLI can achieve the greatest positive impact.

The UN SDGs call on companies everywhere to advance sustainable development through the investments they make, the solutions they develop, and the business practices they adopt. In doing so, the goals encourage companies to reduce their negative impacts while enhancing their positive contributions to the sustainable development agenda.

For more details of the value creation strategy, please refer to pages 26 to 29 of CLCT's Annual Report 2022.

INVESTMENT STRATEGY

As Singapore's largest China-focused REIT with a diversified portfolio of retail, business park and logistics park assets across 12 cities, CLCT is well poised to capture China's long term economic growth. We are committed to delivering long-term sustainable distributions to Unitholders. Our forward-looking portfolio reconstitution strategy is closely aligned with China's long-term economic direction, which focuses on domestic consumption and innovation-driven growth.

Our investment strategy is designed to Create, Unlock and Extract Value across our portfolio. Driven by disciplined portfolio reconstitution, proactive asset management, innovative asset enhancement, and underpinned by prudent capital and risk management, we continue our strong track record of enhancing value for our Unitholders.

Strategic advantages and growth potential is further realised by leveraging on our Sponsor's extensive pipeline of high-quality assets. Operational excellence is reinforced through CapitaLand's integrated real estate platform, strong local network, and professional property management capabilities.



⁷ CapitaLand's 2030 SMP is regularly reviewed and adjusted where necessary to complement the Group's business strategy and align with climate science. The first scheduled review in 2022 is in progress and will be published before end May 2023.

Strategy and Key Objectives

VALUE CREATION STRATEGY

Our Strategy Create, Unlock and Extract Value



Vision

Sustainable and resilient REIT with a professionally managed portfolio of quality real estate across China

Mission

Deliver sustainable income growth to our Unitholders and value-add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisition growth



Strategy and Key Objectives

VALUE CREATED

ENVIRONMENTAL CAPITAL

- ▶ 63.0%⁸ reduction in carbon emissions intensity
- ▶ 56.9%⁸ reduction in energy consumption intensity
- ▶ 55.5%⁸ reduction in water consumption intensity
- ▶ Achieved 12.6% waste recycling rate in day-to-day operations
- ▶ Obtained LEED Gold certification for CapitaMall Wangjing and Rock Square
- ▶ Continued to implement the recommendations of the TCFD and improve TCFD reporting - for more details, please refer to the TCFD chapter in this Report
- ▶ Initiated the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park that can collectively generate 92 megawatt hours of energy annually
- ▶ Retained ISO 14001 certification

MANUFACTURED CAPITAL

- ▶ Achieve higher returns through innovative asset enhancement initiatives in:
 - CapitaMall Wangjing: Recovered department store space and transformed it into ~7,100 sq m of high-quality experiential space that featured more than 70 new shops, achieving ~140% rental reversion for the area (Completed in 3Q 2022)
- ▶ Rejuvenate spatial usage and productivity to increase leasable area
 - CapitaMall Xizhimen: Redesigned a total of 879 sq m to bring in a refreshed tenant list that is aligned to the latest retail trends, registering 46.0% increase in total rent for reconfigured area (Completed in 1Q 2022)
- ▶ Refreshed amenities and facilities to increase stickiness of consumers and tenants to our properties
- ▶ Enhanced sustainability efforts and energy efficient initiatives

HUMAN CAPITAL

- ▶ Singapore and China workforce (18 employees in Singapore and 480 employees in China)
 - 57.6% male employees and 42.4% female employees
 - 73.9% of CLCT's workforce was aged between 30 and 50 years old
- ▶ 33.3% of Senior Management were women
- ▶ 83% staff engagement score, with 91% survey participation
- ▶ Recorded average of 76.6 training hours per staff, including 43.9 hours of ESG training
 - 100% staff in Singapore attended at least 1 ESG training
 - 99% staff in China attended at least 1 ESG training
- ▶ Zero staff work-related fatality and permanent disability
- ▶ Zero contractor work-related fatality and permanent disability
- ▶ No reported incidents relating to discrimination, child labour or forced labour in CLCT
- ▶ Retained ISO 45001 certification

SOCIAL & RELATIONSHIP CAPITAL

- ▶ Organised a series of green events at several malls to raise environmental awareness, such as Earth Hour 2022
- ▶ Launched the 'My First School Bag' programme to provide school bags and daily necessities to underprivileged school children, participated by employees at CapitaMall Aidemengdun
- ▶ Hosted numerous sporting activities, training programmes and events at CLCT's business parks to encourage healthy lifestyle among our tenants

ORGANISATIONAL CAPITAL

- ▶ Board has two female members representing 25.0% of the Board
- ▶ 97.0% of staff attended Fraud, Bribery & Corruption awareness online training
- ▶ 81.7% of staff attended Whistle-blowing training
- ▶ 83.6% of staff attended Cybersecurity training
- ▶ 100%⁹ of CLI's supply chain agreed to abide by CapitaLand's Supply Chain Code of Conduct

FINANCIAL CAPITAL

- ▶ Secured sustainability-linked loan of S\$300 million, forming 13% of the total outstanding loan of S\$2.0 billion
- ▶ Please refer to the following sections in the CLCT Annual Report 2022:
 - Financial Highlights
 - Financial Review
 - Capital Management
 - Financial Statements

⁸ Using 2008 as baseline. The reduction may not be reflective of CLCT's future performance due to lower activities amid COVID-19.

⁹ Property maintenance and project related contracts for CLCT properties and projects managed by CLI. This includes supply chain complying with their own code of conduct which is equivalent or more stringent than CapitaLand's Supply Chain Code of Conduct.

Stakeholder Engagement

CLCT proactively engages its stakeholders to better address their needs, build social and relationship capital, and create shared values for the long term. CLCT identifies its stakeholders as individuals, organisations, and communities that are directly or indirectly impacted by its operations. Its stakeholders include employees, investors, tenants, shoppers, contractors, vendors, governments and NGOs. Through the various engagement channels, CLCT seeks to understand its stakeholders' views, to effectively communicate with them and respond to their concerns.

Stakeholders	Engagement Channels	Topics	Addressed in Capitals
Employees	<ul style="list-style-type: none"> ▶ Regular dialogue sessions with senior management ▶ Regular staff engagement surveys ▶ Volunteer programmes ▶ Recreation club activities 	<ul style="list-style-type: none"> ▶ Work-life balance ▶ Remuneration and benefits ▶ Staff welfare 	<ul style="list-style-type: none"> ▶ Human Capital ▶ Social and Relationship Capital
Investors, analysts and media	<ul style="list-style-type: none"> › Annual general meetings › Half-yearly financial results announcements with business updates in between › Media releases and interviews › Annual reports and sustainability reports › Company website › Regular analyst and investor meetings › Responses to sustainability surveys 	<ul style="list-style-type: none"> › Operational efficiency, monetary savings, cost avoidance › Earnings, net property income, distribution per unit, business strategy, market outlook › ESG risks and opportunities 	<ul style="list-style-type: none"> › Financial Capital › Social and Relationship Capital
Customers (Tenants and shoppers)	<ul style="list-style-type: none"> › Tenants: Tenant satisfaction survey, green fit-out guide and joint promotions and strategic partnerships › Shoppers: mall campaigns, exhibition, social media campaigns› CapitaLand's social media channels 	<ul style="list-style-type: none"> › Facilities management › Customer experience 	<ul style="list-style-type: none"> › Social and Relationship Capital › Environmental Capital
Supply Chain (Main contractors, vendors, and suppliers)	<ul style="list-style-type: none"> › CapitaLand's Supply Chain Code of Conduct › Environmental, Health and Safety (EHS) management system › Quarterly EHS monitoring › Vendor evaluation, events, meetings and training 	<ul style="list-style-type: none"> › Design and quality › Occupational health and safety practices › Workers' welfare and well-being › Environmental compliance 	<ul style="list-style-type: none"> › Environmental Capital › Human Capital › Social and Relationship Capital
Community (Government/ national agencies/ Community and NGOs)	<ul style="list-style-type: none"> › Senior management representation on boards of various industry bodies and sustainability-related public discussions › Longstanding partner to various national programmes › Sustainability reports › Participation in external conferences/ forums to consult and share experience with academics, NGOs and business associations › Corporate advertisements 	<ul style="list-style-type: none"> › Sustainable building developments › Stakeholder programmes to advocate sustainable tenant/ customer behaviours › Advocacy of best practices 	<ul style="list-style-type: none"> › Social and Relationship Capital

For more details on how we engaged our stakeholders in 2022, please refer to pages 41 to 43 of this Integrated Sustainability Report.

Environmental

Environmental and Manufactured Capital

COMMITMENT TO MINIMISING ENVIRONMENTAL IMPACT

We are committed to building a resilient and resource-efficient portfolio with minimal environmental impact to create long-term economic value for our stakeholders.

Climate change is one of the greatest challenges that our planet and society is facing. Climate change risks are often top of mind for investors attempting to navigate an increasingly aggressive low-carbon agenda that can pose challenges to capital and operational consequences while maintaining sustainable profitability. Aside from identifying climate change risk and opportunities, CLCT recognises the impacts arising from climate change. The impacts identified are aligned to CLCT's TCFD findings and are addressed adequately to prevent cases of stranded assets and exorbitant insurance premiums.

CLCT is supported by its Sponsor, CLI, in the incorporation of environmental sustainability across acquisitions, asset enhancement initiatives, and operations. Integral to our business operations, we proactively monitor our portfolio's environmental footprint and implement necessary actions to mitigate the impact. Our ongoing capital expenditure review has improved our resource efficiency by reducing the utility cost and building energy intensity over the years. As we progress further towards our long-term environmental goals, we regularly monitor and review our environmental resources to respond to regulatory and market demands. The efficient use of environmental resources such as energy and water contributes to our operational efficiency and long-term sustainability.

The following are the material environmental aspects of CLCT's operations.

Material Issues



**CLIMATE CHANGE
AND CARBON
REDUCTION**



**ENERGY
EFFICIENCY**



**WATER
MANAGEMENT**



**WASTE
MANAGEMENT**



BIODIVERSITY

Policy

- ▶ CapitaLand 2030 Sustainability Master Plan
- ▶ CapitaLand Science-Based Targets
- ▶ Environmental, Health and Safety Policy

Accountability

- ▶ Chief Executive Officer of CLCT is the REIT's Environmental, Health and Safety Champion
- ▶ ISO 14001 certified Environmental Management Systems (EMS) ensures accountability of relevant managers and staff
- ▶ Environmental performance targets set are linked to remunerations of all staff; performance is monitored via the online CapitaLand Environmental Tracking System

Action Plan

- ▶ Ensure compliance with laws and regulations
- ▶ Identify and manage relevant environmental aspects and their impacts
- ▶ Implement Sustainable Building Guidelines (including the updated Environmental, Health and Safety Impact Assessment and consulting with stakeholders)
- ▶ Appoint ISO 14001-certified main contractors
- ▶ Ensure environmentally sustainable operations – implement EMS Standard Operating Procedures

Environmental

Environmental and Manufactured Capital

CLCT'S ENVIRONMENTAL TARGETS

As a CLI-listed REIT, CLCT is aligned with the science-based targets set out in CapitaLand's 2030 SMP¹⁰ to transit to a low-carbon business, improve resource use, and enable a circular economy.

CLCT strives to minimise impacts such as resource depletion, carbon emissions and waste generation. This is achieved by setting environmental performance targets and implementing various measures to achieve them. Our environmental targets are listed below.

2030 Target ^{10,11}	2022 Performance ¹²	2021 Performance
Reduce carbon emissions ¹³ intensity by 78%	○ 63.0% reduction in carbon emissions intensity	61.4%
Reduce energy consumption intensity by 35%	● 56.9% reduction in energy consumption intensity	54.2%
Reduce water consumption intensity by 45%	● 55.5% reduction in water consumption intensity	38.5%
Achieve 25% waste recycling rate in its day-to-day operations	○ 12.6% waste recycling rate	12.5%
100% of existing buildings to achieve a minimum green rating	○ Obtained green certification for CapitaMall Wangjing and Rock Square	-

○ In progress towards meeting 2030 targets

● Achieved/Exceed Targets

Annual Target	2022 Performance
ISO 14001 certification for its Environmental Management System	Retained ISO 14001 certification
Manage risks of environmental impact	CLI's EMS is externally audited annually, providing assurance to top management and external investors on CLI's compliance and alignment to best practices
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	All main contractors newly appointed in 2022 are ISO 14001 certified

10 To operationalise its SBTi approved carbon emissions reduction target for Scope 1 and 2 emissions, CLI is reviewing its carbon intensity reduction targets and other environment targets, including changing reference to 2019 as the baseline year instead of 2008. The targets are being reviewed as part of the scheduled review of CapitaLand Group's 2030 Sustainability Master Plan in 2022 and will be published before end May 2023.

11 Using 2008 as baseline.

12 The reduction may not be reflective of CLCT's future performance due to lower activities amid COVID-19.

13 Carbon Emissions mostly from purchased electricity consumption under Scope 2, and some direct energy consumption under Scope 1 as defined by the GHG Protocol (operational control approach).

Environmental

Environmental and Manufactured Capital

TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CLCT's SMC, chaired by CLCT's CEO and comprises of senior management team members, is responsible for overseeing the REIT's sustainability objectives and strategies directly. The SMC is supported by CLCT's SWC, which works closely with CLI's EHS Committee to implement sustainability-related initiatives across its operations. For more details on CLCT's Sustainability Management Structure, please refer to the Board, Top Management and Staff Commitment and Involvement section in this Report.

Key Performance Indicators (KPIs) Tied to Remuneration

The remuneration for all staff, including top management, are linked to CLCT's environmental targets. All staff 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.

MANAGING ITS ENVIRONMENTAL FOOTPRINT

CapitaLand Environmental, Health and Safety Policy

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



Carry out exemplary EHS practices to minimise pollution and health and safety risks



Seek continual improvement on its EHS performance



Comply with pertinent legislations and other requirements



Implement the CapitaLand Sustainable Building Guidelines and Occupational Health and Safety programmes

This policy is readily available to all staff, suppliers, service providers and partners.

* This includes implementing the Environmental, Health and Safety Management System.

RISK MANAGEMENT OF ENVIRONMENTAL ASPECTS AND IMPACTS

CapitaLand Environmental, Health and Safety Management System (EHSMS)

CapitaLand's Environmental Management System (EMS) is a tool used to manage CLCT's environmental footprint across our portfolio. The EMS is integrated with CLI's Occupational, Health and Safety Management System (OHSMS) to form CLI's EHSMS that is in compliance to ISO 14001 and ISO 45001 standards. The ISO 14001 and ISO 45001 standards are recognised internationally for environmental management of businesses and occupational health and safety management of businesses respectively.

The EHSMS provides a systematic process to manage CLCT's environmental impact and continuously improve its environmental performance, by identifying and managing potential risks that may result in a negative impact on the environment. The significance of each environmental aspect and impact is assessed using a risk assessment technique based on factors compromising the likelihood of occurrence, severity of impact and control measure to be implemented.

As part of the ISO 14001 certified EMS, new or updated legal requirements are reviewed quarterly and compliance is evaluated annually.

Environmental

Environmental and Manufactured Capital

Training

To facilitate effective implementation of CapitaLand's EHSMS, training and awareness programmes are conducted for all CLCT's staff. In FY 2022, CLCT achieved a participation rate of 85% from the property management teams in China, who attended EHS-related training sessions. It is mandatory for new employees from the property management teams to be introduced to CapitaLand's EHS Policy and EHSMS.

Internal and External Audit

As a CLI-listed REIT, CLCT taps on the internal and external audit system by CapitaLand to ensure that the implementation of its EMS is effective and aligned to the ISO 14001 and ISO 45001 standards. CapitaLand ensures that external audits are conducted annually by an accredited third-party certification body. An annual audit of the EMS provides assurance to CLCT's stakeholders on CLCT's commitment to best practices.

HIGH PERFORMING SUSTAINABLE ASSETS

Green Certification

Green building ratings and certifications help assure and demonstrate the quality of CLCT's portfolio. These ratings serve as an external validation that key environmental aspects have been considered and incorporated in new acquisitions, refurbishment, and operations.

As a CLI-listed REIT, CLCT is committed to a long-term target to achieve green certifications for all existing properties in the portfolio by 2030, with each property achieving a minimum certification level by a green rating system administered by a national government ministry/ agency or the World Green Building Council.

To elevate our green building commitment, a detailed work plan has been established with annual green certification targets tied to the remuneration of key management and staff. In 2022, we attained LEED Gold certification for CapitaMall Wangjing and Rock Square. As of 31 December 2022, 15%¹⁴ of CLCT's portfolio by GFA is green-certified.

Green Lease

Beyond operating environmentally sustainable properties, we actively collaborate with our tenants to achieve both CLCT's and their sustainability goals. Since 4Q 2022, we have implemented green leases for our retail and business parks. As at 31 December 2022, green leasing has been implemented for some of the new and renewed leases in our retail and business park properties.

Regular reviews are undertaken to assess the suitability of green leases for CLCT's remaining properties, with the long-term plan to implement it to more tenants across our portfolio. Additionally, a green fit-out guide is provided to all tenants to encourage greener fit-outs and promote green practices and behaviour.



14 Cover CLCT properties managed by CLI (by sq m)

Environmental

Environmental and Manufactured Capital

LIFE CYCLE MANAGEMENT: CAPITALAND'S SUSTAINABLE BUILDING GUIDELINES

CLCT adheres to CapitaLand's Sustainable Building Guidelines (SBG) for its new acquisitions and refurbishment works. The SBG is an in-house guide developed since 2007 to ensure that environmental considerations are factored in at all stages of a project, from feasibility, design, procurement, construction, operation to redevelopment. The SBG is regularly reviewed to ensure continuous improvement, with four key objectives in the real estate life cycle:

1. Minimise Carbon Footprint and Energy Consumption
2. Enhance Water Management
3. Reduce Waste Generation
4. Promote Biodiversity

Environmental, Health and Safety Impact Assessment (EHSIA)

A key component of the SBG is the mandatory EHSIA. The EHSIA is carried out prior to acquisitions, with significant findings and their cost implications, if any, incorporated in the investment paper submitted to the Board of Directors for approval. The Environmental Impact Assessment (EIA) focuses on identifying any environmental threats or opportunities related to the project site and its surroundings, covering matters such as floods, biodiversity, air quality, noise, connectivity, heritage, and resources. With the implementation of this process, CLCT identifies risks and opportunities related to Environmental, Health and Safety and adopts mitigation measures at an early stage. CLI is at the nascent stage of developing a new metric, Return on Sustainability (ROS) to quantify the risks and value-creation opportunities for each project.

Biodiversity

CLCT's properties are all located within urban areas. As CLCT does not have any sites located within protected areas, no material biodiversity risks have been identified.

As a CLI-listed REIT, CLCT leverages on CLI's commitment to preserve the environmental integrity of our sites as well as the wider area wherever possible. This is achieved by addressing any distinctive ecological features, taking into consideration nature reserves, protecting plant and animal species, and removing invasive plant species on or near the site. External experts are engaged to provide advice where appropriate.



ECOLOGICAL EXPLORATION ACTIVITY

Singapore-Hangzhou Science & Technology Park Phase I and II

In 2022, we organised an ecological exploration activity for children at our Singapore-Hangzhou Science & Technology Park Phase I and II, with the aim of increasing awareness on environmental conservation. With the guidance of an instructor, the young participants created their own butterfly specimens. Following this activity, the children explored the greenery around to find materials such as stones and branches to build an ecology specimen box while learning about different plants and animals in the autumn. A total of 40 children participated and we received numerous positive feedback for this activity.

Environmental

Environmental and Manufactured Capital

INTEGRATING SUSTAINABILITY IN CLI'S REAL ESTATE LIFE CYCLE

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



#1 Investment

- Align with 2030 Sustainability Master Plan (SMP)
- Conduct Environment, Health and Safety Impact Assessment (EHSIA) including an internal carbon price
- Quantify proprietary Return on Sustainability (ROS)

#2 Design, Procurement, Construction and Redevelopment

- Design in accordance with CapitaLand Sustainable Building Guidelines
- Testbed innovations
- Monitor and report performance

#3 Operations

- Align asset planning with 2030 SMP
- Sustainable operational excellence
- Innovate and collaborate
- Track and evaluate performance through Sustainability Implementation Committee

Training of staff
Stakeholder and community engagement

TRACKING OUR ENVIRONMENTAL RESULTS

Environmental Tracking System (ETS)

Since 2008, CLCT has been monitoring the environmental performance of its properties via CapitaLand's online ETS which tracks information on energy, water usage, carbon emissions and waste generation. The system is also used to assess energy and water efficiency measures, biodiversity and habitat risks, as well as physical risks, including flood risk and water management for initiatives implemented at our properties.

The ETS is a cloud-based platform that facilitates data tracking and benchmarking processes when identifying consumption patterns. Our property management teams submit monthly data and upload supporting documentation in the system. With the consolidated data, we conduct analysis of our properties against reduction targets and past trends to identify opportunities for operational efficiency improvements. Regular desktop audits are conducted to ensure data completeness and accuracy.

Environmental

Environmental and Manufactured Capital

Carbon Emissions and Intensity

As a CLI-listed REIT, reducing carbon emissions is a key part of CLCT's strategy to mitigate transition risks for a low-carbon economy. CLCT is aligned to CLI's commitment to reduce carbon emissions of its operations with a 1.5°C trajectory, with an aim to be net zero by 2050.

In 2022, CLCT's total Scope 1 and 2 emissions remain relatively stable at 41,700 tonnes CO₂e. This translates to a carbon emissions intensity of 2.44 kgCO₂e/m²/month, a decrease of 3.9% year-on-year. This is attributed to reduced operations due to the COVID-19 pandemic and effective energy-saving measures which have been implemented such as controlling indoor temperatures appropriately and ensuring equipment are switched off when not in use. CLCT monitors water and electricity consumption at the headquarter and regional level on a monthly basis to analyse trends, identify reasons for changes in consumption and develop effective energy and water saving measures.

This year, CLCT recorded a decline of 63.0% in carbon emissions intensity from our 2008 baseline, well on track to achieve our 2030 target to reduce carbon intensity by 78% from the same baseline.

CLCT recognises the need to measure and address its indirect Scope 3 emissions. This year, we commenced the tracking of emissions from corporate air travel, tenants' energy consumption in our retail malls, business parks, and logistics properties that are third-party managed. In 2022, CLCT recorded Scope 3 emissions of 91,404 tonnes CO₂e.

Energy Consumption and Intensity

Improving energy efficiency is one of the most impactful and cost-effective ways to mitigate emissions. In 2022, CLCT's total energy consumption of its operational properties was 88,029 MWh. In tandem with the reduction of our carbon emissions intensity, we registered an energy consumption intensity of 5.15 kWh/m²/month, a decrease of 5.8% year-on-year.

Compared to our 2008 baseline, CLCT recorded a decline of 56.9% in energy consumption intensity in 2022, surpassing our 2030 target to reduce energy consumption intensity by 35% from the same baseline. This is attributed to CLCT's efforts and circumstances mentioned in the carbon emissions and intensity reduction section.

CLCT will continue to implement various energy conservation measures across our portfolio to drive the reduction of energy consumption. In 2022, we initiated the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park to collectively generate 92 megawatt hours of energy annually.

As a CLI-listed REIT, CLCT implements various energy conservation measures including:

Focus	Initiatives
Consumption Reduction	Natural ventilation to reduce cooling demands. Use of sun shades to reduce solar heat and radiation
Energy Efficiency	<ul style="list-style-type: none">▶ Upgrade to more efficient air-conditioning equipment▶ Install time sensors on air conditioning systems to increase energy reduction▶ Use more efficient lighting such as LED (light-emitting diode) that are integrated with smart controls
Control, Metering and Monitoring	Implement IoT platform at our Business Parks, which enables centralized monitoring and data analytics-based insights towards optimising equipment performance

Environmental

Environmental and Manufactured Capital

Water Consumption and Intensity

CLCT is committed to reduce water usage across its portfolio. As part of CapitaLand's SMP 2030, these initiatives have been rolled out in CLCT's retail malls and business parks:

Focus	Initiatives
Consumption Reduction	<ul style="list-style-type: none">▶ Lowered flush volumes and water-efficient faucets▶ Replaced corroded fixtures▶ Installed automatic irrigation systems
Control, Metering and Monitoring	<ul style="list-style-type: none">▶ Installed remote meters on water supply and air conditioning systems to monitor water consumption in real-time▶ Water audit

Our property managers regularly conduct checks across facilities to monitor water usage, identify and address any fluctuations or anomalies. Additionally, CLCT conducts quarterly operational meetings with tenants and employees as part of our initiative to increase water-saving awareness. This initiative has helped to reinforce the importance of water conservation and share water reduction measures with our stakeholders.

As our operations were impacted by China's stringent pandemic restrictions this year, CLCT's water consumption decreased to 711,010 m³ in 2022. In terms of intensity, CLCT recorded a water consumption intensity of 0.042 m³/m²/month, which translates to a decline of 27.9% year-on-year. This is attributed to CLCT's efforts and circumstances mentioned in the carbon emissions and intensity reduction section.

This year, CLCT recorded a decline of 55.5% in water consumption intensity from our 2008 baseline, surpassing our 2030 target to reduce water intensity by 45% from the same baseline. Moving forward, CLCT will continue to implement various initiatives to ensure efficient operations and minimise water wastage across our portfolio.

Waste Management

CLCT acknowledges the importance of managing waste responsibly. As waste is mostly generated by our tenants, shoppers, and the general public, we engage these stakeholders through various platforms to reduce and recycle waste. For instance, recycling and disposal bins for each type of waste (construction, food, and all other waste) are made available at our properties.

Our main contractors are responsible for implementing appropriate procedures to minimise and dispose of construction waste. The waste collected and recycled are tracked by the property management teams of each property.

CLCT actively promotes the use of environmentally friendly practices such as returning used photocopier toner cartridges and using FSC certified paper (i.e., from sustainably managed forests, recycled and controlled sources) in our corporate office. As part of the drive to encourage sustainability practices, CLCT's ISR is not printed, and it is made available on our website.

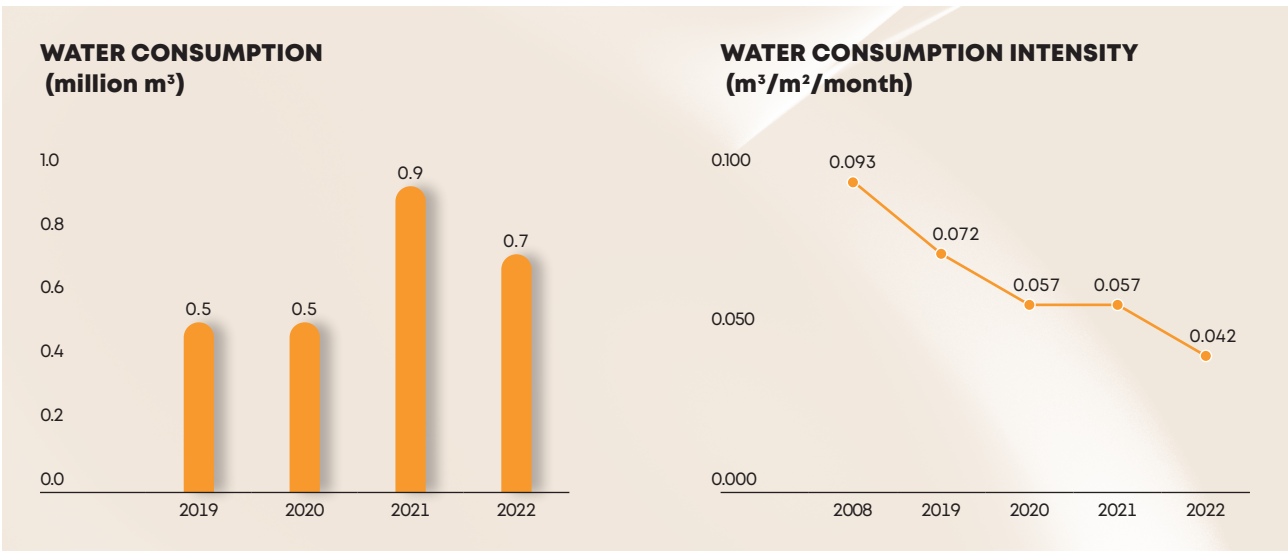
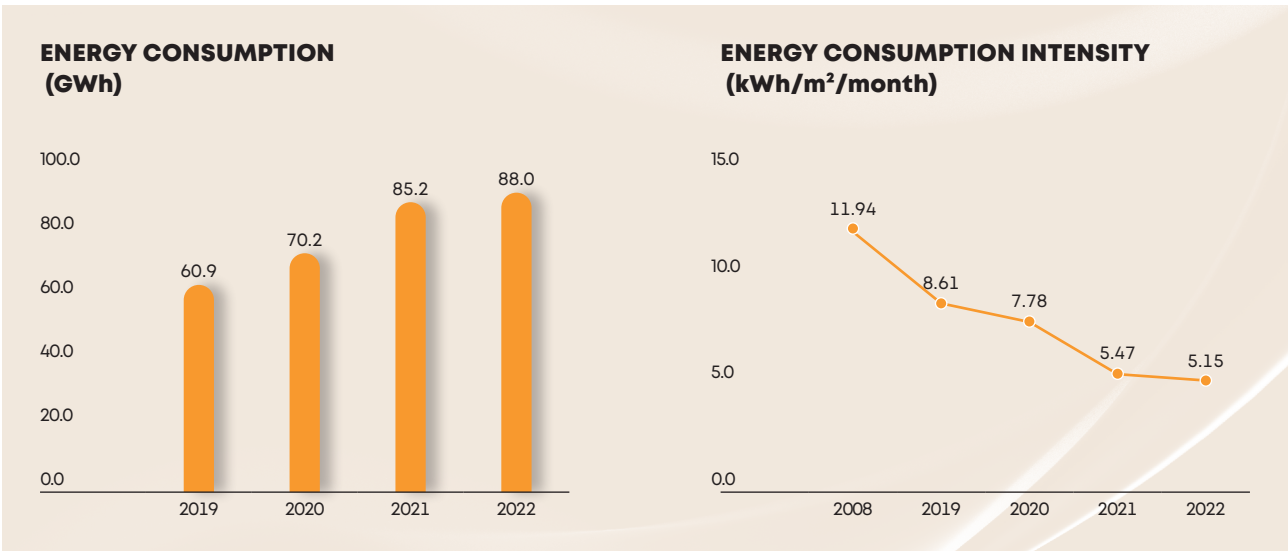
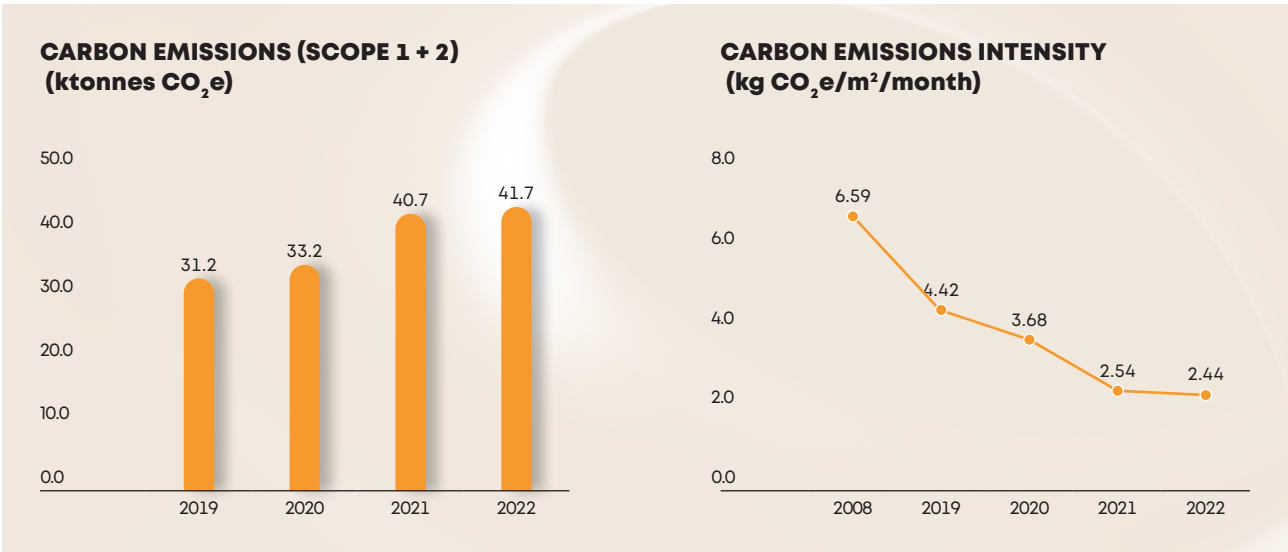
In 2022, CLCT collected a total of 8,125 tonnes of non-hazardous waste, of which 12.6% (equivalent to 1,021 tonnes) were recyclable waste comprising paper, plastic, metals and other materials. 13.3 kg of hazardous waste¹⁵ was collected in 2022.

15 Hazardous waste generated by CLCT includes waste engine oil/diesel oil, waste cotton yarn containing engine oil, waste fluorescent tubes, etc.

Environmental

Environmental and Manufactured Capital

MONITORING OUR ENVIRONMENTAL PERFORMANCE



Social

Human Capital | Social and Relationship Capital

COMMITMENT TO A HEALTHY AND SAFE WORKPLACE

CLCT places utmost importance on the occupational health and safety (OHS) of its staff, tenants, supply chain partners, and the communities who use its properties. Effective OHS management ensures safety and enhances staff productivity and morale.

The following are the material social aspects of CLCT's operations.

Material Issues



**OCCUPATIONAL
HEALTH &
SAFETY**



**HUMAN
CAPITAL**



**STAKEHOLDER
ENGAGEMENT**



**SUPPLY CHAIN
MANAGEMENT**



**DIVERSITY AND
HUMAN RIGHTS**



**PRODUCTS AND
SERVICES**

Policy

- ▶ EHS Policy
- ▶ CapitaLand Social Charter
- ▶ Diversity & Inclusion Policy
- ▶ Harassment Policy
- ▶ Procurement Policy
- ▶ Supply Chain Code of Conduct
- ▶ Unitholders' Communication and Investor Relations Policy

Accountability

- ▶ The CEO of CLCT is accountable
- ▶ ISO 45001 certified OHS Management System ensures accountability to relevant managers and staff
- ▶ KPIs are linked to remuneration of CLCT staff

Action Plan

- ▶ Ensure compliance with laws and regulations
- ▶ Identify hazards and risk assessments
- ▶ Align with Sustainable Building Guidelines – Design for Safety
- ▶ Ensure safe operations through implementation of OHS Standard Operating Procedures
- ▶ Appoint ISO 45001-certified main contractors or require OHS legal compliance audit
- ▶ Give preference to ISO 45001 certified supply chain (vendors/ service providers)
- ▶ Stakeholder engagement – Share CapitaLand EHS Policy with suppliers and service providers, as well as educate shoppers, tenants, and the public
- ▶ KPIs:
 - OHS performance of CLCT's staff and contractor
 - Stakeholder engagement

Social

Human Capital

MEASURING OUR SAFETY PERFORMANCE

2022 Occupational Health and Safety Targets and Performance

Annual Targets	2022 Performance
All main contractors appointed are to be ISO 45001 certified (or to comply fully with local OHS laws and regulations, and annually audited by an independent accredited assessor)	All main contractors are covered by OHSMS, of which, all newly appointed main contractors in 2022 are ISO 45001 certified
Zero incidents resulting in CLCT's staff fatality and permanent disability	Zero CLCT's staff work-related fatality and permanent disability
Zero incidents resulting in contractor staff fatality and permanent disability	Zero contractor staff work-related fatality and permanent disability

Work-Related Injuries

Our OHS performance monitoring includes all staff (both full-time and part-time) and contractors involved in the daily operations. In 2022, there were zero incidents of work-related injuries¹⁶, work-related fatalities, high consequence injuries and occupational diseases involving CLCT staff and contractors.

To ensure a safe working environment for all, we continue to monitor our OHS performance, reinforce OHS standards and improve our standard operating procedures (SOPs).

Employees	2022			2021	2020
	Singapore	China	Overall	Overall	Overall
Fatalities	0	0	0	0	0
Lost-day injuries	0	0	0	1	1
Injury rate (number of injuries per million hours worked)	0	0	0	0.9	0.8
Lost day rate (number of lost man-days per million hours worked)	0	0	0	315.8	22.0
Absentee rate ¹⁷ (% of total workdays scheduled)	1.3%	1.5%	1.5%	1.3%	1.2%

Workers Who Are Not Employees	2022	2021	2020
Fatalities	0	0	0
Injuries	0	0	0

¹⁶ Based on work-related incidents that resulted in more than three days of medical leave or more than 24 hours of hospitalisation.

¹⁷ Absentee rate was based on medical leave taken by CLI staff, regardless of whether it was a work-related illness or not. In 2022, the absentee rate was 1.5% and 1.4% of scheduled workdays for male and female staff respectively.

Social

Human Capital

TOP MANAGEMENT COMMITMENT AND STAFF INVOLVEMENT

CLI champions OHS with commitment from the top management and staff participation through an integrated EHSMS and stakeholder engagement activities. CLCT's CEO is accountable for the OHS performance of CLCT. All staff are required to take ownership of OHS issues and be proactive in reporting all OHS-related incidents, including non-compliances and nonconformities.

Additionally, CLI conducts quarterly EHS Committee meetings. These meetings are attended by CLCT's EHS representatives, who provide feedback gathered from the remaining employees on EHS-related matters. To encourage open communication between employees and management, employees who provided feedback will be protected against any reprisal. Staff are also consulted through various committee meetings, and CLI considers their feedback when making decisions on its EHS policies and EHSMS.

Key Performance Indicators Tied to Remuneration

CLCT incorporates OHS KPIs which are linked to the remuneration of CLCT's staff, including top management.

ROBUST OHS MANAGEMENT SYSTEM

Going above and beyond minimum regulatory requirements, CLCT adopts CLI's OHSMS that is accredited to the international ISO 45001 Standards to put in a place a structured framework to improve OHS, reduce OHS risks, and tap on OHS opportunities.

As a CLI-listed REIT, CLCT is guided by the CapitaLand's EHS Policy which outlines its commitment to manage OHS issues. For more details on CapitaLand's EHS Policy, please refer to the Environmental Capital chapter in this Report.

Certified to International Standards

Since 2009, CapitaLand's OHSMS has been externally audited to recognise international standards for OHS Management Systems by third-party accredited certification bodies. CLI has achieved ISO 45001 OHSMS certification in 15 countries including China, where CLCT operates in. This certification encompasses all business functions consisting of property management and operations, project development and corporate office management.

Internal and External ISO Audits

CLCT taps on the audit system by CLI to ensure that the implementation of its OHSMS has been effective and is well aligned to the ISO 45001. Legal requirements relating to our operations are reviewed on a quarterly basis, and compliance to these requirements are evaluated annually.

Internal audits are scheduled at least once a year in China for 50% of CLI's sites including CLCT's properties. In addition, external audits are scheduled annually with an accredited third-party certification body. The annual EHSMS audits provide assurance to stakeholders on our EHS legal compliance and commitment to best practices.

Risk Management of OHS Hazards

Key components in CLI's OHSMS include identifying OHS hazards and assessing their risks. Through the implementation of Hazards Identification and Risk Assessment (HIRA), CLCT strives to provide a systematic approach for employees to:

1. identify hazards;
2. evaluate the risks;
3. determine the level of risks; and
4. prepare action plan to eliminate, contain or control the risks.

Social

Human Capital

The process to determine corrective actions to eliminate, contain or control the risks is based on the risk control hierarchy. In prioritised order, they are Elimination, Substitution, Engineering controls, Administrative practice and Personal Protective Equipment.

Focus	Initiatives
Elimination	If possible, eliminate all areas of unacceptable hazard by eliminating the work process or change the technology
Substitution	Where possible, substitute less hazardous substances or equipment
Engineering Controls	Implement controls to restrict access or contain the hazard (i.e., auto shut down system, alarm system, build in redundancy)
Administrative Practices	Implement practices to increase awareness on hazards and course of action in the event of danger (i.e., education, signage, develop procedures)
Personal Protective Equipment	To be used in situations where other control measures are not practicable, or where it is used in conjunction with other measures to increase protection.

The HIRA is reviewed annually, or following an incident, or a significant change in processes.

Since October 2020, the EHSIA was made mandatory when evaluating new investments. The results of the EHSIA enable businesses investment teams to consider OHS risks and opportunities upfront and to identify early mitigating measures.

Key measures taken through OHSMS

When utilising OHSMS, CLCT ensures compliance to ISO 45001 across all our projects and follows the measures below

For Employees	<ol style="list-style-type: none">1 Identify potential hazard sources and conduct risks assessments based on the nature of each building (i.e., Commercial, Office, industrial parks, logistic parks). Safety measures should be outlined and taken according to safety regulations.2 Before each work operations, employees will be provided with safety technology disclosure (training) and equipped with personal protective equipment (safety shoes, safety helmets, safety belts, etc.).3 The department head will regularly inspect the work site and supervise the safety behaviour of employees.
For Tenants	<ol style="list-style-type: none">1 Safety production agreement is to be signed alongside with lease contract. This is to inform tenants of the safety required within the rented area, and safety measures have to be followed.2 Requires tenants to identify potential hazard sources and take risks assessment that are relevant to their businesses. Safety measures should also be outlined and taken according to safety regulations.3 Similar to CLI, a SOP for safety management has been developed that focuses on secondary renovation, fire safety, warehouse safety management. In addition, safety inspections for tenants will also be conducted. CLCT strictly enforces these regulations through regular inspections to ensure the health and safety of our stakeholders.

To enhance our OHS performance, we will continue to review and improve the suitability, adequacy, and effectiveness of the OHSMS.

Social

Human Capital

Training and Awareness

To facilitate the effective implementation of the OHSMS, more than 50 online courses have been developed for CLCT employees, including safety production, emergency response, fire protection, special equipment safety management, electrical safety, and infectious disease prevention. The OHS of employees were improved through the study of various safety and health courses.

Training sessions are also conducted for CLCT's contractors and suppliers, as part of our efforts to foster a more environmentally conscious and safe culture for our stakeholders. In 2022, 100% contractors and suppliers attended in-house safety training, covering topics such as Environmental, Health and Safety and COVID-19 safety measures.

In addition, operational management processes that are currently in place enforces contractors to comply with strict safety regulations. A safety briefing is conducted before any work begins, and all relevant personnel must be equipped with appropriate personal protective equipment, including safety boots, helmets, and gloves. CLCT strictly enforces these regulations through regular inspections to ensure the health and safety of stakeholders.

Measures to Mitigate COVID-19 Risks

In 2022, CLCT implemented proactive measures for various stakeholder groups to mitigate economic impacts of the pandemic. By coordinating with the local government on its COVID-19 measures, we revised our standard operating procedures timely, thereby ensuring minimal interruptions to our operations.

We ensured that our properties undergo frequent cleaning, specifically in key visited areas such as elevators and lavatories. The air conditioning and ventilation systems were also disinfected and cleaned weekly as part of our commitment to provide a healthy space for our customers. CLCT also conducted in-house safety training covering topics including Environmental, Health and Safety, COVID-19 safety measures for all our contractors and suppliers.



ENHANCING SAFETY THROUGH ADOPTION OF NEW TECHNOLOGY

CapitaMall Xizhimen

CapitaMall Xizhimen installed an automated air conditioning filter that helps to ensure a safe environment for indoor tenants by blocking out viruses and harmful bacteria. CapitaMall Xizhimen engaged a third-party agency to determine the effectiveness of the automated disinfection device. The third-party agency has certified that the air conditioning filter has met all the necessary requirements.

Social

Human Capital

OHS AND WELLNESS OF STAKEHOLDERS

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

Employee Wellness

To build a healthier workplace and a culture of holistic well-being, a refreshed CapitaLand Wellbeing Programme was introduced in 2022 covering six dimensions of wellness – Emotional (Mental) Wellness, Financial Wellness, Purposeful (Community) Involvement, Social Wellness, Career Wellness and Physical Wellness.

Throughout the year, CLI has invited subject-matter experts to conduct various health and wellness talks covering topics such as fostering inclusion, workplace mental health, financial planning, self-care, and healthy eating. A collection of resources and tools are available on the intranet to help staff gain awareness on the different aspects of mental health. Within CLI, there are also mental wellness ambassadors who have volunteered their time for staff who require emotional support. These initiatives are communicated to all CLCT's staff through email correspondences and the intranet.

Annual health screening programmes are available to all employees in Singapore and China. Within CLCT, 44.4% of the employees in Singapore and 59.4% of the employees in China participated in health screening in FY 2022.

Tenants and Community

As part of the OHSMS, emergency response procedures are in place to address potential OHS risks. Periodic briefings and annual evacuation drills are conducted to familiarise tenants and the wider community with the emergency response actions.

ENGAGING TENANTS AND THE WIDER COMMUNITY

Wuhan Yangluo Logistics Park

This year, all properties managed by CLI conducted two large-scale emergency drills covering fire safety, elevator safety, anti-terrorism, and anti-riot. In conjunction with Wuhan Yangluo Fire Squadron, our tenants at Wuhan Yangluo Logistics Park conducted drills to improve their emergency response capabilities in the event of a fire.

CapitaMall Grand Canyon

To raise awareness on health and safety among our employees, tenants and the wider community, a seminar on fire safety was conducted in CapitaMall Grand Canyon, attracting close to 5,000 participants from the public and our tenant community.



Social

Human Capital

Supply Chain Management

CLCT works closely with its contractors and suppliers who are committed to high-quality environmental, health and safety standards. CLCT adopts CapitaLand Supply Chain Code of Conduct and Procurement policies, which form the basis of CLCT's engagement with its supply chain partners to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management.

Through a structured procurement process, contracts are awarded to contractors after a rigorous tender selection that includes a balanced evaluation of financial and non-financial criteria comprising safety requirements. Contractors are only appointed upon meeting these stringent environment, health and safety requirements. Preference is given to ISO 14001 and ISO 45001 certified companies or equivalent. Additionally, in line with CapitaLand's global commitment to human rights, it is mandatory for main contractors appointed by CLCT to ensure that there is no child labour and/or forced labour engaged.

In 2022, 100% of CLCT's supply chain contractors agreed to abide by the CapitaLand's Supply Chain Code of Conduct.

Supply Chain – Contractors in Operational Properties

CLI's in-house contractor management guidelines stipulate that all contractors are obligated to comply with local government and other legal requirements. Vendors are required to submit a copy of their risk assessments where their activities may affect the occupational health and safety of staff or visitors.

Contractors are also provided with a copy of CapitaLand's EHS Policy and are required to ensure that their staff are sufficiently trained or briefed on environmental, health and safety measures such as the deployment of personal protective equipment, reporting of accidents and proper disposal of debris and toxic waste.

To ensure compliance with CLCT's EHS requirements, all tenants and suppliers are required to endorse the Occupational Health Notice. The notice highlights potential hazards and shares control measures that can be implemented.

Monthly evaluations are conducted, in the form of interviews, for key service providers such as security, cleaning, landscape maintenance, elevator maintenance and fire protection agencies to ensure consistent service quality. Factors such as safety control measures and equipment usage status are monitored and graded against a scoring system agreed in the contract.

HUMAN RIGHTS

CLCT adopts CLI's integrated human capital strategy to recruit, develop and motivate staff. KPIs for the business as well as people development are in place to ensure that staff's performance goals are aligned with the Group's business objectives. Staff are provided with the appropriate development opportunities to perform well in their jobs.

CLI has a Social Charter which sets out commitments to support the preservation of human dignity and self-respect of every individual, covering topics on human rights, child labour, forced labour, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance. Other human rights related policies such as grievance handling and harassment policies have been put in place. As a CLI-listed REIT, these policies are also applicable for all CLCT's staff. The Social Charter guides the REIT towards ensuring a supportive and respectful environment for individuals across all aspects of CLCT's business and operations.

To facilitate ease of access, 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 the intranet portal.

Social

Human Capital

Anti-Child Labour and Anti-Forced Labour

CLI is a signatory of the United Nations Global Compact (UNGC) and is committed to the 10 principles in the areas of human rights, labour, environment, and anti-corruption. These 10 Principles of the UNGC are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

In 2022, CLCT had no reported incident relating to discrimination, child labour or forced labour, and no staff was below the age of 16¹⁸.

Diversity, Equity and Inclusion

CLCT has a total of 498 employees in Singapore and China as at 31 December 2022, of which 14.5% are below 30 years old, 73.9% are aged between 30 and 50 years old, and 11.6% are above 50 years old.

As part of CLI, CLCT embraces diversity and inclusivity regardless of age, religion, gender, race, nationality, and family status. We believe that all staff can make significant contributions based on their talent, expertise, and experience. CLCT adopts a localisation strategy for its overseas operations, where reasonable and practicable. This ensures that the ground teams have a good grasp of the local socio-political and cultural sensitivities to help deliver the REIT's business outcomes.

Our diversity and inclusion policy applies to all employees and all aspects of our businesses and operations in CLI. It is the responsibility of all employees to adhere to the policy and ensure that it is adhered to by all parties acting for or on behalf of CLI.

CLCT employees are expected to foster a culture of diversity and inclusion, where different perspectives, experiences and skillsets are respected and valued. Specific responsibilities include:

- i. ensuring that colleagues, customers, and other stakeholders are treated fairly and equally within the workplace.
- ii. ensuring that business practices and processes allow people from diverse backgrounds to have equal opportunity within CLCT.
- iii. promoting and encouraging a diverse and inclusive workforce drawing on the differing knowledge, perspectives, ways of thinking, experiences and working styles present in our global community.
- iv. striving to create an inclusive environment which is respectful of all cultural backgrounds and beliefs, across the business.

Gender Diversity and Pay Parity

As at 31 December 2022, CLCT's workforce in Singapore and China comprises 57.6% male employees and 42.4% female employees, with 53.2% female managerial staff represented at the middle and senior management levels.

CLCT adopts CLI's incentive system that focuses on performance and is gender-agnostic. CLCT rewards male and female employees fairly based on merit, ability, and experience for comparable roles across the organisation's hierarchy.

Job Creation and Employment

CLCT is committed to talent mobility, where staff are given opportunities to rotate across different job functions, subject to skills/competency requirements and business needs. CLCT also adopts CLI 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 the REIT.

¹⁸ In 2020 to 2022, CLCT had no reported incident relating to discrimination, child labour or forced labour, and no staff was below the age of 16.

Social

Human Capital

Respect for Freedom of Association

We respect our staff's right to freedom of association and being members of trade unions. In Singapore, CLI is compliant to the Industrial Relations Act that allows the representation of staff by trade unions for collective bargaining, thus providing them with an avenue to seek redress for any industrial disputes. CLI 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 44.4% of CLCT's workforce in Singapore is covered by collective agreements.

Talent Management

We seek innovative, dynamic, and talented staff to take CLCT into its next phase of growth, adopting a multi-pronged approach to manpower planning, i.e., developing internal talent and hiring young talent, mid-career professionals and industry veterans. Our Sponsor, CLI, recruits talent through a network of local and overseas universities, attracting young talent with less than two years of working experience through its Graduate Development Programme. We continuously build our management bench strength through the identification of high potential talent as part of our regular leadership development and succession planning process.

Employees

As at 31 December 2022, there were a total of 498 full-time and permanent employees¹⁹.

In 2022, CLCT's new hire rate was 22.2% in Singapore and 11.0% in China, totalling 11.4% for both countries.

New Hire – Total

Employees	Total New Hire	Total Employees	New Hire Rate
Singapore	4	18	22.2%
China	53	480	11.0%
Total	57	498	11.4%

New Hire – by Gender

Employees	Male	Female	Total
Singapore	1	3	4
China	26	27	53
Total	27	30	57

New Hire – by Age Group

Employees	<30 years old	30–50 years old	>50 years old	Total
Singapore	2	2	0	4
China	22	31	0	53
Total	24	33	0	57

¹⁹ Based on headcount.

Social

Human Capital

In 2022, our staff turnover rate, including both voluntary and involuntary, was 22.2% in Singapore and 19.2% in China. This translates to a total turnover rate of 19.3% for both countries.

Turnover – Total

Employees	Total Turnover	Total Employees	Turnover Rate
Singapore	4	18	22.2%
China	92	480	19.2%
Total	96	498	19.3%

Turnover – by Gender

Employees	Male	Female	Total
Singapore	3	1	4
China	47	45	92
Total	50	46	96

Turnover – by Age Group

Employees	<30 years old	30–50 years old	>50 years old	Total
Singapore	2	2	0	4
China	19	59	14	92
Total	21	61	14	96

We interview exiting staff as part of our continuing efforts to improve our retention policies and initiatives. 38.9% of staff in Singapore and 50.9% in China have been with CLCT for five years or longer. There were no temporary employees, non-guaranteed hours employees or part-time employees directly employed by CLCT in 2022.

Workers Who Are Not Employees

Interns and temporary workers are assigned to CLCT's office in Singapore to take on various REIT management roles. As of 31 December 2022, there were 2 workers who are not employees assigned to CLCT's Finance department, and their work was controlled by CLCT. There were no significant changes in the number of workers who are not employees in 2022.

This year, a total of 1,871 term contractors were engaged by our property management team as security officers, cleaners and engineering maintenance personnel for our properties in China.

Training and Development

CLCT takes on CLI's initiatives to ensure that all staff understand CLI's core values and principles that shape the way we work and function. To facilitate employees' development, comprehensive training and development programmes at multiple levels are organised for CLCT's staff. In FY 2022, 100% of Singapore's and China's staff attended at least one learning event, and the average training hours completed for male and female employees were 87.5 hours and 61.8 hours, respectively. The average training hours by employee category in 2022 is 33.8 hours, 48.4 hours, 79.6 hours by senior management, management, and non-management respectively.

To make it convenient for employees to obtain learning resources, CLI have also launched its own online learning platform. CLCT's employees can access different types of courses and can freely arrange their time to learn and improve their business capabilities. Various internal and external speakers have been invited to give virtual talks on topics pertaining to digital fluency, career resilience, holistic well-being, sustainability, and lifestyle and leisure, which are made available for all CLCT's employees.

Social

Human Capital

Positive Work Environment

We recognise that a positive work environment is essential to attract, motivate and retain talent. CLCT leverages on CLI's overall well-being programme that promotes personal development, health, and work-life harmony. Initiatives of the programme includes a range of medical and benefits plans, flexible work arrangements, staff engagement initiatives and subsidised rates for staff staying at CLI's wholly owned lodging business unit's properties. Our robust performance management system ensures that all staff receive regular performance and career development reviews.

All eligible CLCT staff are entitled to parental leave. In 2022, all 15²⁰ eligible female staff who took maternity leave in 2022 returned to work²¹. CLI also provides paid paternity leave to all male staff in Singapore and other countries where practicable. In 2022, all 6²⁰ eligible male staff who took paternity leave in 2022 returned to work²¹.

Over and above legal requirements, CLI provides Family Event Leave for staff to care for their loved ones, including children, spouses, parents, parents-in-law, or siblings. Additionally, Child Care Leave is provided for eligible CLCT staff.

CLCT adheres to the respective social security contribution or pension plan obligations of the countries where it operates in. 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, it is compulsory for CLCT and its Singapore employees to make monthly contributions to the employees' CPF account based on the prevailing regulations.

Social security contributions are also mandatory for Chinese employees in China. According to the China's Social Security Law, the employer and employee shall jointly contribute to the basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance. Depending on which jurisdiction the employees are employed in, the monthly social security contribution rates for each of the insurance may vary and are updated by the respective jurisdictions annually.

Harassment and Grievance Handling

As a CLI-listed REIT, CLCT practises an open-door policy that allows all staff to obtain a fair review and prompt response to problems or concerns relating to any aspect of their employment with the Group. This includes harassment and grievance handling policies applicable to all staff. CLCT staff can raise their concerns to a higher-level management or to the Human Resource (HR) department.

The harassment policy ensures mediation action and strong enforcements are taken towards harassment in the basis of gender, race, and religion. Unlawful harassment is defined as:

- ▶ Verbal conduct, such as derogatory comments, slurs, unwanted sexual invitations or advances.
- ▶ Physical conduct, such as unwarranted or offensive touching, impeding, or blocking an employee's movement, or assault.
- ▶ Visual conduct, such as derogatory or offensive photographs, posters, cards, cartoons, graffiti, drawings or gestures.
- ▶ Threats and demands that an employee submit to sexual requests in order to keep his or her job, or to avoid some other loss, as well as offers of job benefits in return for sexual favours;
- ▶ Retaliatory actions taken against an employee for reporting or threatening to report harassment.

All complaints of harassment will be investigated and resolved promptly. The following actions will be taken by CLCT should there be any harassment cases:

- ▶ Any employee who is found to be responsible for harassment will be subject to appropriate disciplinary action, which may include termination. The severity of the disciplinary action will be based upon the circumstances of the infraction.
- ▶ The company will notify the employee who filed the complaint the appropriate action taken and if necessary, will take appropriate remedial steps toward the harasser. No employee shall be retaliated against for bringing a complaint of harassment.

20 This figure excludes staff whose paternity/maternity leave crossed over into 2023 and hence have not returned to work in 2022.

21 In 2021, 12 female and 5 male staff who took parental leave (maternity and paternity leave) continued to work in CLCT 12 months after they returned from parental leave.

Social

Human Capital

Fair Remuneration

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

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

Staff are rewarded and motivated with a comprehensive and competitive compensation package and benefits programmes. CLI observes a pay-for-performance philosophy that rewards for superior performance, which aligns staff and shareholder interests to deliver business results. Sustainability targets have been integrated into CLI Performance Share Plan and Balance Scorecard framework, which are used to determine individual remuneration outcomes (financial and non-financial). CLCT's overall annual variable bonus pool is determined based on the Group's achievement against a holistic set of quantitative and qualitative targets in the Balanced Scorecard dimensions of Financials, Execution, Future Growth, Talent Management and Sustainability (including Environmental, Social and Governance factors).

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

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

Staff pay is also benchmarked against the market based on job roles using gender-neutral pay surveys provided by independent remuneration consultants.

STAFF ENGAGEMENT

CLCT attaches great importance to employee communication. CLCT 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. Regular staff communication sessions by CLI's leadership team allow the Group's senior management team to communicate and interact with staff. These sessions are broadcast live to CLI's offices globally. During these sessions, information on CLI's financial results and key business focus are shared with the staff. Staff can then pose questions via an online platform prior and during the sessions, or in person during the sessions. Within CLCT, regular interaction sessions are held between the CEO and the team to ensure there is regular two-way communication.

As part of CLI's commitment to provide a positive work environment for its employees, the office at Capital Tower undergone renovation to create a seamless workplace that fosters an open culture. A staff communication session on "Workplace of the Future" was held physically and virtually in 2022 to showcase what employees can expect post renovation. A total of 419 employees attended the session, with about 88% of the total participants attending the session virtually.

In 2022, CapitaLand organised its first in-person staff appreciation dinner 3 years after the pandemic and gathered close to 2,000 employees in Singapore to celebrate achievements and show appreciation for employees. During the event, staff enjoyed performances by senior management and talent show performances by their colleagues.

Social

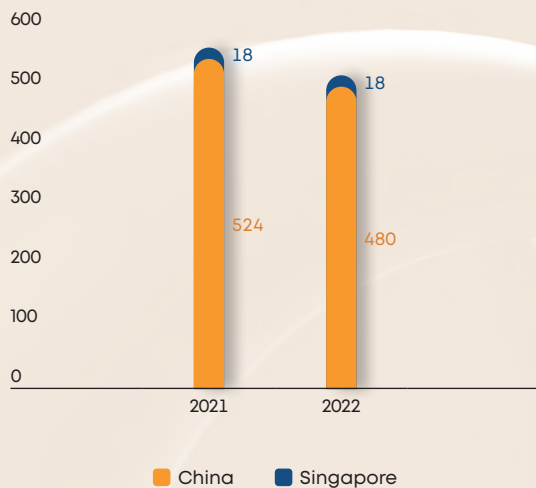
Human Capital

2022 Employee Engagement Survey

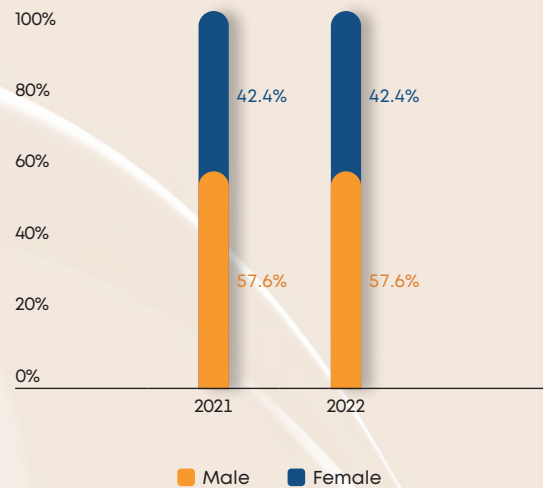
Apart from the staff communication sessions, all CLCT staff were encouraged to participate in the Employee Engagement Survey (EES) administered by an independent third-party vendor. Launched virtually from 5 September to 3 October 2022, the EES comprised of 24 closed-ended and two open-ended questions, to assess seven key engagement drivers: Collaboration and Teamwork, Core Values and Culture, Empowerment and Accountability,

Growth and Development, Employee Wellbeing, 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. This organisation wide EES recorded an engagement score of 83% and participation score of 91%.

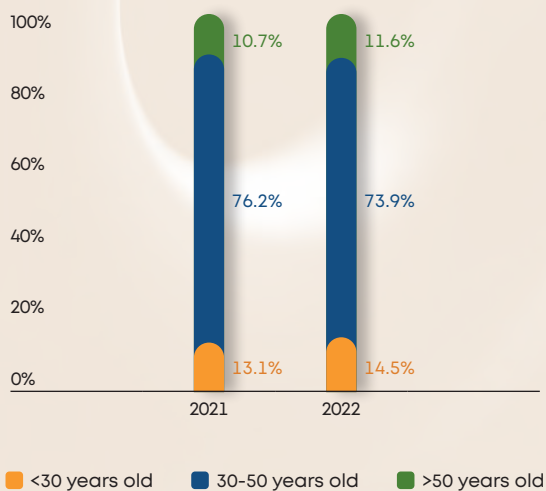
Total Employees by Region



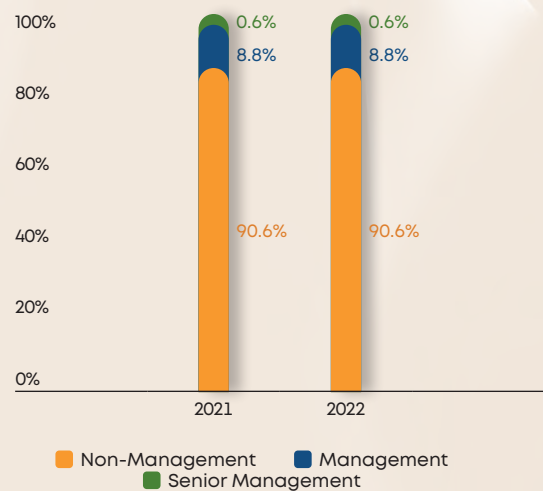
% of Employees by Gender



% of Employees by Age



% of Employees by Employee Category



Social

Social and Relationship Capital

STAKEHOLDER ENGAGEMENT

To enhance our relationship with our stakeholders and create long-term shared values, CLCT engages with our stakeholders on a regular basis to better understand and address their needs. Our stakeholder engagement activities are listed below.

Employees

CLCT actively engages our staff through various avenues, including regular staff communication sessions and employee engagement survey carried out by CLI. For more details on the employee engagement survey and programmes, please refer to the Human Capital chapter in this Report.

Investors, Analysts and Media

Strong corporate transparency and two-way communication will enhance confidence from our investment community. CLCT's investor relations (IR) policy, which is available on our website at www.clct.com.sg, provides the framework to execute our communications activities effectively.

Our key objectives are firstly, to ensure stakeholders are equipped with accurate and timely information to make sound judgements about the REIT; and secondly, to cultivate trust and confidence through regular and clear communication with our stakeholders.

CLCT strives to disclose information that pertains not only to our financials and operations but also to our ESG matters, which has increasingly become a deciding factor for many investment mandates. This engagement is managed via multiple touchpoints, including one-on-one meetings, website, investor roadshows and participation in industry conferences and forums.

All material information is announced in a timely manner on SGXNet and on CLCT's corporate website, including financial results, business updates, annual reports as well as presentation decks used at conferences and roadshows. Investors may also sign up for email alerts to receive timely updates on CLCT's latest announcements and press releases. A dedicated "Ask Us" email address (ask-us@clct.com.sg) is also available to address queries from investors and the general public. CLCT organised various events, and participates in conferences throughout the year, providing opportunities for the investment community and the media to interact with the senior management team and learn more about the REIT's operations.

For more details on CLCT's investor and media relations efforts, please refer to Investor & Media Relations section, page 81 to 83 in the CLCT Annual Report 2022.



Social

Social and Relationship Capital

Customers (Tenants and Shoppers)

In line with CapitaLand's sustainability strategy, tenant and shopper engagement remains a key focus at CLCT. CLCT actively organises community-building initiatives to enhance tenant stickiness. Numerous events were conducted in 2022 to foster greater interaction and build a thriving community.



PROMOTING FAMILY BONDING THROUGH FAMILY FRIENDLY EVENT

CapitaMall Nuohemule

To attract the younger crowd and promote family bonding, CapitaMall Nuohemule organised a large scale bouncy castle event featuring different animals and a gigantic ball pit, providing an afternoon of fun and laughter to more than 150,000 shoppers.



PROMOTING HEALTHY LIVING AMONGST TENANTS

Ascendas Innovation Towers and Ascendas Innovation Hub

As part of CLCT's continuous efforts to promote healthy living among the tenant community, Ascendas Innovation Towers and Ascendas Innovation Hub held a two-part fitness event including a friendly competition in the afternoon and a workout session in the evening.

CLCT strives to create meaningful relationships with our customers. To maintain the relevance of our malls, the REIT conducted a tenant satisfaction survey at 9 of our retail malls in 2022, with an overall participation rate of 98.3%. CLCT garnered feedback on a range of matters from cleanliness, security, mall ambience to the adequacy of car park lots. On average, 97.4% of the respondents expressed satisfaction with CLCT's services, an improvement from 97.1% attained in the previous year. The survey is useful in providing specific and actionable feedback, which allows us to better address our tenants' needs and concerns. The feedback obtained is reviewed and relevant follow up actions are taken to improve the experience and service levels to our tenants and shoppers.

Social

Social and Relationship Capital

Supply Chain

As a CLI-listed REIT, CLCT has incorporated sustainable procurement principles in CLI Procurement Policy. This is in alignment with CLI's commitments as a signatory to the UNGC. Our supply chain providers (suppliers) are assessed during the admission and pre-qualification stage for demonstrated ability to align with CLI's sustainability practices. The appointed suppliers are evaluated periodically on their performance to ensure their continuous compliance with CLI's procurement policy. Non-compliances will be flagged out for correction and high sustainability risk suppliers with performance issues will be monitored closely for improvement. Suppliers that contravened or attempted to contravene any Anti-Corruption Laws will be subjected to termination of contract.

Government Agencies and Regulators

CLCT is committed to regulatory compliance. Procedures are in place to ensure that its activities and operations comply with existing regulatory requirements through regular monitoring, evaluation and audit of the CLI EHSMS.

Community / NGOs

CLCT organises activities that are aligned with our focus on community investment, raising awareness and stakeholder engagement in the areas of philanthropy, environment, health and safety. In China, members of the public and tenants can sign up for these events at CLCT's retail malls and business parks. The social capital generated in these focus areas support CLCT's business growth.



CAPITALAND MY FIRST SCHOOL BAG

CapitaMall Aidemengdun

The "CapitaLand My First Schoolbag" campaign has been running in China since 2010, donating school bags and school supplies to underprivileged first-grade children. The project aims to provide children with school essentials before their school semester to better equip them for the term.

Working with the community, CapitaMall Aidemengdun launched the 'My First School Bag' programme, which provided school bags and daily necessities to underprivileged school children from Shoushan Village Primary School in support of their educational endeavours.

Community Integration Survey

As a member of the community, CLCT conducted a community integration survey in 2022. The objective of the exercise is to understand the impact of our business on the surrounding communities and environment, improve the health and well-being of the surrounding communities of our projects, as well as enhance the integration of the project into the communities. The survey collected feedback on matters such as the malls' integration with community, tenant inclusivity, ease of access and improvement of indoor and outdoor public spaces.

Governance

Organisational Capital | Financial Capital

DRIVING EXCELLENCE IN GOVERNANCE

Material Issues



RISK MANAGEMENT



BUSINESS ETHICS

Policy

- ▶ Board Diversity Policy
- ▶ Fraud, Bribery and Corruption (FBC) Risk Management Policy
- ▶ Anti-Money Laundering and Countering the Financing of Terrorism Policy
- ▶ Ethics and Code of Business Conduct Policies
- ▶ Whistle-blowing Policy and other procedures

Accountability

- ▶ CLCT Board of Directors & CLCT CEO as management representative

Action Plan

Employees:

- ▶ FBC guides available to all employees via CapitaLand's intranet
- ▶ Annual declaration through the "CapitaLand Pledge", to uphold CapitaLand's core values, and not to engage in any corruption practices
- ▶ Governance-related trainings
- ▶ Enterprise Risk Management Framework and relevant risk policies reviewed annually
- ▶ Whistle-blowing reporting channels

Supply Chain/ Partners:

- ▶ FBC Risk Management Policy
- ▶ Anti-corruption clause in key contracts
- ▶ Group Procurement
- ▶ Anti-Money Laundering and Countering Terrorism Financing
- ▶ Supply Chain Code of Conduct

Governance

Organisational Capital

CLCT'S GOVERNANCE TARGETS

Annual Target	2022 Performance
Achieve zero lapses in corporate governance, corruption / employee misconduct	Zero lapses in corporate governance, corruption/ employee misconduct
All licensed representatives for the Manager to fulfil the mandatory training obligations	All licensed representatives for the Manager fulfilled the mandatory training obligations

CORPORATE GOVERNANCE

Board Independence, Diversity and Performance

Board Composition and Renewal

The Board, through the NRC, strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to the CLCT Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the CLCT Group. The Board has a few members who have prior working experience in the sectors that CLCT operates in. The channels used in the search and nomination process for identifying appropriate candidates, and the channels via which the eventual appointee(s) were found, and the criteria used to identify and evaluate potential new directors, are set out below.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long term to achieve CLCT's strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Board progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The NRC also considers contingency planning to prepare for sudden and unforeseen changes. In reviewing succession plans, the NRC has in mind CLCT's strategic priorities and the factors affecting the long-term success of CLCT. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Manager continues to attract and retain highly qualified individuals to serve on the Board. The NRC aims to maintain an optimal Board composition by considering the trends affecting CLCT, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with CLCT's strategy and environment. The process includes considerations that will provide an appropriate balance and contribute to the collective skills and competencies of the Board, such as (a) the current size and composition of the Board and Board committees; (b) the independence of potential ID candidates; (c) the suitability of potential candidates for appointment to various Board committees; and (d) diversity factors such as business or professional experience, age and gender.

The Board supports the principle that Board renewal is a necessary and continual process, both for good governance and for ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of the CLCT Group's business.

Board succession planning is carried out through the annual review by the NRC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of that review is reported to the Board. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be reviewed by the Board through the NRC on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

Governance

Organisational Capital

The NRC identifies suitable candidates for appointment to the Board. Searches for possible candidates are conducted through contacts and recommendations. In this regard, the Manager may rely on external consultants from time to time to assist the NRC in identifying candidates. Candidates are identified based on the needs of CLCT and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. The candidates will be assessed against a range of criteria including their demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background). The NRC also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLCT. In addition, the NRC assesses the candidates' ability to commit time to the affairs of CLCT, taking into consideration their other current appointments. The NRC uses a board competency matrix as a guide in determining if there are gaps in the skills of the Board as a whole and if the skills, expertise and experience of a candidate would complement those of the existing Board members.

In FY 2022, no alternate director to any ID was appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors to IDs.

For more details on board profile and details on other positions and commitment they hold, please refer to page 30 to 36 of CLCT Annual Report 2022.

Board Performance

The Manager believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

Whilst Board performance is ultimately reflected in the long-term performance of the CLCT Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Directors to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which are essential to effective stewardship and attaining success for CLCT.

The NRC recommends for the Board's approval the objective performance criteria, and the Board undertakes a process to evaluate the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors for every financial year. As part of the process, a questionnaire is sent to the Directors. The evaluation results are aggregated and reported to the NRC, and thereafter to the Board. The findings are considered by the Board and follow-up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities. As and when required, external facilitators may be appointed to assist in the evaluation process of the Board, Board committees and the individual Directors. For FY 2022, the evaluation process was conducted without involving any external facilitator.

Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are held by separate individuals to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decisionmaking. The non-executive independent Chairman is Mr Soh Kim Soon, whereas the CEO is Mr Tan Tze Wooi. They do not share any family ties. The Chairman and the CEO enjoy a positive and constructive working relationship between them, and support each other in their respective leadership roles.

The Chairman provides leadership to the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of Board meetings, ensuring that there is sufficient information and time at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the CEO on strategic issues.

Governance

Organisational Capital

The Chairman devotes considerable time to understanding the business of CLCT, as well as the issues and the competition that CLCT faces. He plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. He also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for the CEO on strategic and significant operational matters.

The Chairman also presides over the Annual General Meeting (AGM) each year and other general meetings where he plays a crucial role in fostering constructive dialogue between the Unitholders, the Board and Management.

The CEO has full executive responsibilities to manage the CLCT Group's business and to develop and implement policies approved by the Board.

The separation of the roles and responsibilities of the Chairman and the CEO, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the CLCT Group's business activities and the exchange of ideas and views to help shape the strategic process.

As the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, and the Chairman is an ID, no lead ID has been appointed. Moreover, the Board has a strong independent element as five out of eight directors (including the Chairman) are non-executive IDs. There are also sufficient measures in place to address situations where the Chairman is conflicted as he is required to recuse himself from deliberations and abstain from voting on any matter that could potentially give rise to conflict. The foregoing is consistent with the intent of Principle 3 of the Code.

Conflict of Interest

Under the SFA, the Manager and Directors of the Manager are required to act in the best interest of CLCT and give priority to the interest of CLCT over the interests of the shareholders of the Manager, and this would further mitigate any potential conflicts of interests. Save for the Special PSP Award, the NRC will continue to assess and reward the key management personnel based on the performance of CLCT. Accordingly, the Manager is of the view that there would not be any conflicts of interest arising from the arrangement, nor would the arrangement result in any misalignment of interest with those of Unitholders. There was no new Special PSP Award in FY 2022. In respect of the Special PSP Award granted in FY 2021, the qualifying performance period has not ended as at the date of this Annual Report.

In FY 2022, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.



Governance

Organisational Capital

In FY 2022, there were no employees of the Manager who were substantial shareholders of the Manager, substantial Unitholders of CLCT or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial Unitholder of CLCT. “Immediate family member” refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

The Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to CLCT and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meetings or written resolutions.

Meetings of Board and Board Committees

Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives. The Constitution of the Manager (Constitution) permits the Directors to participate in Board and Board Committee meetings via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he or she may provide his or her comments to the Chairman or the relevant Board Committee chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions.

The non-executive Directors (which for the avoidance of doubt, exclude the CEO as he is an executive Director and part of Management), led by the independent Chairman or other independent director as appropriate, also meet regularly about two times in a year without the presence of Management. In FY 2022, the non-executive Directors, led by the independent Chairman, met twice for discussions without the presence of Management. The chairman of these meetings was the independent Chairman and he provided feedback to all members of the Board and/or Management as appropriate.

At each scheduled Board meeting, the Board is apprised of the significant matters and any risk management issues that materially impact CLCT’s operations or financial performance. This allows the Board to develop a good understanding of the progress of the CLCT Group’s business as well as the issues and challenges faced by CLCT, and also promotes active engagement with Management.

Fraud, Bribery and Corruption (FBC) Risk Management Framework

As a CLI-listed REIT, CLCT adopts a zero-tolerance stance against any FBC in the conduct of our business activities and expects all our 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.



Governance

Organisational Capital

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

- ▶ offering a fair compensation package to staff, based on practices of pay-for-performance and promotion based on merit; and providing various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures faced by our 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 our core values, educating our staff on business conduct and ethical values.

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

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

CapitaLand's zero-tolerance policy on FBC extends to our business dealings with third parties (including contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of CapitaLand).

As a holder of a Capital Markets Services Licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism.

The Manager has in place a policy on the prevention of money laundering and terrorism financing and remains alert at all times to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, all relevant records or documents relating to business relations with the CLCT Group's customers or transactions entered into must be retained for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and CMSL Representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS. Periodic training is provided by the Manager to its Directors, employees and CMSL Representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

Governance

Organisational Capital

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

A whistle-blowing policy and other procedures are in place to provide CLCT 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, and for the independent investigation of any reported incidents and appropriate follow up action. It also allows for the independent investigation of any reported incidents and determination of appropriate actions for follow up. The whistle-blower is given the option to make such reports anonymously, and the Manager ensures that the identity of the whistle-blower is kept confidential regardless. The objective of the whistle-blowing policy is to encourage the reporting of such matters – that CLCT 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 FY 2022, there were no substantiated cases of FBC, significant instances of non-compliance with laws and regulations and cases involving anti-competition or money laundering behaviour within CLCT. More details of CLCT's FBC practices can be found on page 70 of CLCT's Annual Report 2022.

Other Ethical Management Issues

As a CLI-listed REIT, CLCT is committed to best practices and complies with the relevant legislations and requirements.

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 CLI.

Training

Initiatives are implemented to ensure that all CLCT staff understand the company's core values and principles that shape the way the company works and functions. This is a compulsory module in the new staff onboarding training such as the CapitaLand Immersion Programme, staff orientation for new staff from various countries. For existing staff, there are dedicated training courses in Singapore where specific examples and applications of the Company's core values in the workplace are shared. This training module is also offered in China via an e-learning platform for CLCT staff who are based there.

Enterprise Risk Management (ERM)

Risk management is an integral part of CLCT'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. Adopting CapitaLand's ERM Framework enables CLCT to identify, manage, monitor and report material risks in an integrated, systematic and consistent manner.

CLCT's ERM Framework is adapted from the ISO 31000 International Risk Management Standards and is benchmarked against other relevant best practices and guidelines. It is reviewed annually to ensure its continued relevance and practicality.

Governance

Organisational Capital

Board Oversight and Senior Management Involvement

The Board of Directors (the Board), assisted by Audit Committee (AC), approves CLCT Group's risk appetite (risk tolerance) which determines the nature and extent of material risks the Manager is willing to take to achieve its strategic objectives.

The Board also regularly reviews CLCT Group's risk profile, material risks and mitigation strategies; and ensures the adequacy and effectiveness of the risk management framework and policies.

CLCT Group's management team directs and monitors the implementation and practice of risk management across CLCT Group, including monitoring the risk exposure through key risk indicators.

Robust Internal Control System

CLCT Group ERM Framework operates within a risk governance structure based on three lines of defence. Employees have an important role as the first line of defence and are accountable for the effective management of risks that arise from their business activities. The first and second lines of defence are responsible for the design and implementation of effective internal controls using a risk-based approach.

Risk management and Compliance departments as part of the second line of defence provide oversight and governance over risk management and compliance practices, promote and embed a culture of risk ownership and accountability.

Regular Independent Review and Audit

Internal and External Audit as the third line of defence review the adequacy and effectiveness of risk management and internal control systems design and implementation so as to provide reasonable assurance to the Board.

A Strong Culture of Risk Awareness

The Manager works closely with the risk management and compliance departments at CLI as well as various specialist support functions, to ensure risk management practices are implemented effectively and consistently across CLCT Group.

Risk workshops are conducted regularly to ensure these practices are embedded in our decision-making and business processes.

Management reinforces the culture by setting the right 'tone at the top', leading by example, and communicating our risk strategy.

A Group-wide Risk and Control Self-Assessment (RCSA) exercise is conducted annually to identify key material risks, including new and emerging risks, that CLCT Group faces in delivering our strategic objectives, its mitigating measures and the opportunities. For more details regarding Risk Management, please refer to the CLCT Annual Report 2022 page 74 to 80.

Governance

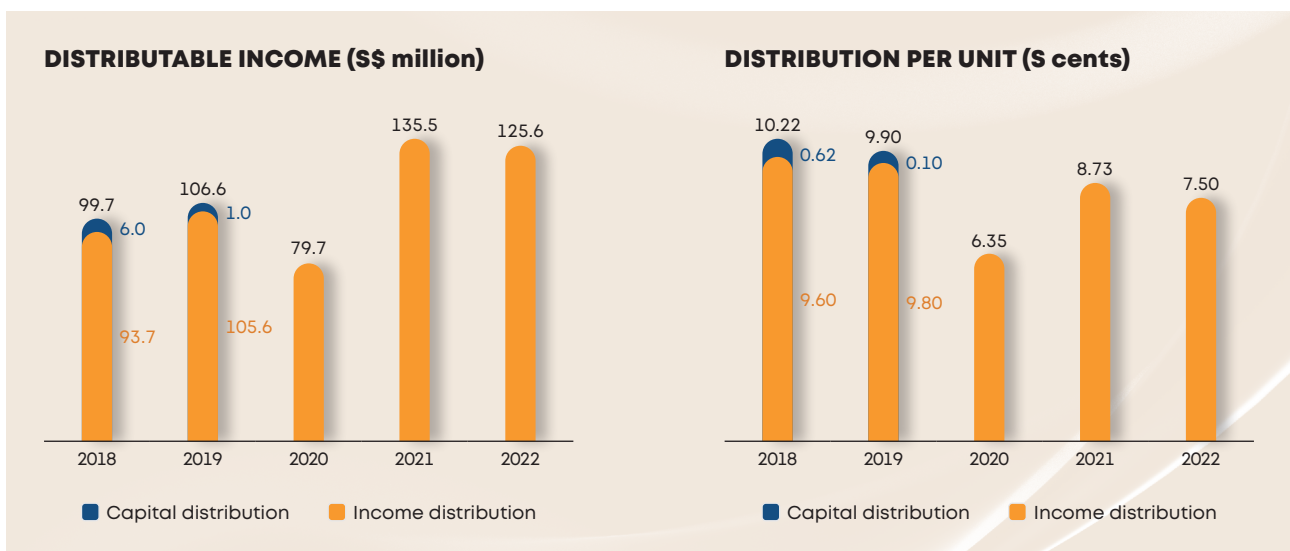
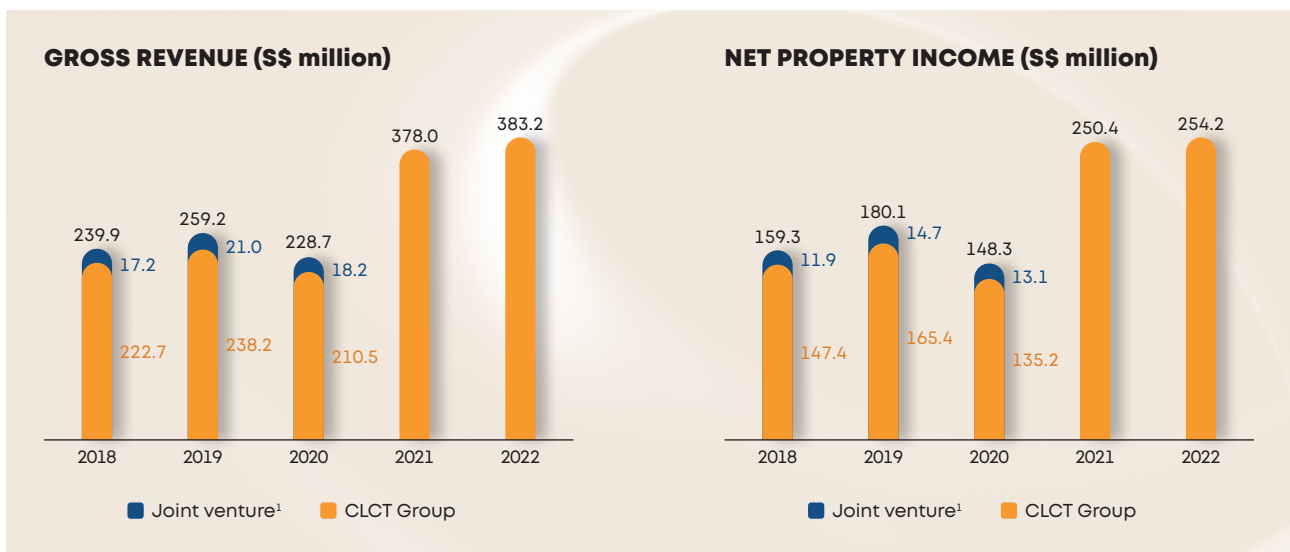
Financial Capital

FINANCIAL PERFORMANCE

In FY 2022, gross revenue rose 1.4% year-on-year to reach S\$383.2 million, while net property income (NPI) recorded a 1.5% increase to S\$254.2 million despite the challenging COVID-19 environment, particularly in 2H 2022. Improvements in gross revenue and NPI were boosted by full-year contributions from our business and logistics parks, validating our strategy of diversifying our asset classes. The increase, however, was offset by a weaker retail business landscape, where we supported our retail tenants with higher rental relief.

Distributable income for the year stood at S\$125.6 million due to lower retail performance, higher interest expense as well as the absence of one-off proceeds²². Distribution per unit (DPU) on an enlarged unit base was 7.50 Singapore cents.

Underpinned by a proactive capital management strategy and supported by diversified funding sources, we continued to maintain a healthy financial position. Our cost of debt remained competitive at 2.97%²³ per annum at the close of the year and we recorded a gearing of 39.6%²⁴, below the regulatory limit of 50.0%.



22 In reference to one-off compensation relating to CapitaMall Nuohemule and insurance proceeds received for CapitaMall Grand Canyon in FY 2021.

23 Ratio of the consolidated YTD interest expense for the respective financial year reflected over weighted average borrowings on balance sheet for that financial year.

24 In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.

Appendix

TCFD Recommendations

TCFD Recommendations

CLCT is making a 2022 progress update of its climate-related disclosure in line with TCFD recommendations. CLCT's sponsor and substantial unitholder, CLI, had started to align its climate-related disclosures with TCFD recommendations in the four key areas of governance, strategy, risk management and metric and targets since 2017 and further declared its support for TCFD and its recommendations in 2019. As such, CLCT is aligned to CLI's reporting where applicable and is committed to continue aligning to TCFD recommendations.

Governance

CLI groupwide sustainability management comes under the purview of a CLI Board Committee, the SSC. The CLI SSC, chaired by Lead Independent Director, is responsible for overseeing sustainability strategies and goals including providing guidance to management and monitoring progress against achieving the goals of any sustainability initiatives in 2022. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. The work teams comprise representatives from CLI business units and corporate functions.

As a CLI-listed REIT, the Board of the Manager of CLCT (the Board) considers sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees the management and monitoring of the material ESG factors.

The Board sets the REIT's risk appetite, which determines the nature and extent of material risks that CLCT is willing to take to achieve their strategic and business objective. As part of the material risk issues being highlighted, climate change has been identified as critical. The Board regularly reviews climate change risks as part of its ERM Framework.

The Board is actively involved in discussions on climate-related initiatives. Taking the lead from CLI, the Board is updated on any environmental incidents which may include climate-related damages or disruptions, and relevant performance metrics, e.g. carbon emissions performance and progress on the reduction targets and green certification. As EHS factors are considered as part of the asset investment evaluation process and strategy, they are presented to the Board where relevant.

At the REIT level, CLCT works closely with CapitaLand China's EHS Committee. This EHS committee drives initiatives related to climate-related risks and opportunities, as well as the broader environmental issues. In CLCT, the SMC was established to ensure greater focus on sustainability and climate-related matters of CLCT's assets. The SMC is chaired by CLCT's CEO and comprises senior management team members to oversee CLCT's sustainability objectives and strategies directly. The SMC is responsible for providing timely and regular updates on the REIT's sustainability matters to CLCT's Board of Directors and its Chairman. Regular updates to the CLCT Board of Directors include value and mission statements, goals, strategies overviews, policies and progress related to sustainable development. The SMC is supported by CLCT's Sustainability Working Committee (SWC), which comprises key members from various business functions, to implement sustainability-related activities and initiatives across CLCT's operations as per CLI's sustainability framework and policies.

Members of CLCT's senior management and relevant stakeholders will undergo annual training to further build capacity with respect to climate-related risk and opportunity management. The frequency and content of these capacity building trainings will be reviewed regularly to incorporate emerging issues relating to environmental risk management.

For more details on CLCT's sustainability management structure, please refer to pages 12 to 13 of this Report.

Appendix

TCFD Recommendations

Strategy

As a CLI-listed REIT, CLCT's identified ESG issues are aligned and adapted from CLI's list. The selected ESG issues have been deemed to be material and applicable to CLCT's business and operations and will be guided by CLI and CLCT's regular review, assessment and feedback process in relation to ESG topics moving forward.

Since 2016, climate change and emissions reduction are one of the key ESG material issues identified as relevant and critical for CLCT and CLI. This has been confirmed with this year's CLI ESG factors materiality review. Climate change risk has been identified as a key risk as part of the ERM Framework and includes both physical and transition risks. Physical risks are a result of climate change and can be acute or chronic in climate patterns, such as rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. Transition risks result from a transition to a lower-carbon economy, which could entail potentially more stringent regulations and increased expectations from customers and stakeholders.

In line with CLI, the REIT's strategy to identify and address climate-related risks and opportunities spans all areas of its real estate life cycle, from the earliest stage of the investment process to design procurement, construction, operations and redevelopment or divestment.

- All new investments into operational assets and development projects undergo the EHS Impact Assessment during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset/project site and its surroundings. The assessment covers performance metrics such as energy efficiency, as well as transition and physical risks and opportunities considerations. Significant findings from the assessment would be incorporated in the investment paper submitted to CLCT's Board for approval.
- Through the implementation of the CLI SBG, the aim is to identify and address the risks and opportunities of climate change right from the design stage. The local context of each project will be studied in detail, and appropriate measures will be taken into consideration with regards to adaptation of climate change. SBG also sets guidelines for buildings to be more energy efficient, e.g. setting green rating targets, specifying minimum equipment efficiency, and requiring the use of onsite renewable energy whenever possible.
- At the operational asset level, the CLI EHSMS, which is audited by a third-party accredited certification body to ISO 14001 standard, serves to monitor transition risks relating to climate regulations via EHS legal registers updates and regular stakeholder engagements. Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of the Trust's portfolio.
- The CapitaLand 2030 SMP further outlines the targets and pathways for transition to a low-carbon business that is aligned with climate science. Energy use and carbon reduction targets, as well as green certification targets are set for its operational assets. Initiatives are put in place to improve the environmental performance, resilience and durability of its assets through system upgrades, system optimization, effective maintenance and changes to user behaviour. The continued achievement of high green building ratings as well as energy and water efficiency measures put in place to achieve the reduction targets would help to mitigate the impact of changing weather conditions.

As part of the 2030 SMP implementation, CLCT generally considers short-to-medium term time frames to be until 2030, and long term beyond 2030 in relation to the identification of climate-related risks and opportunities.

Appendix

TCFD Recommendations

CLI and its REITs, including CLCT, commenced its climate scenario analysis in 2022 for its global portfolio to understand how the identified climate-related risks and opportunities could impact future operations. This analysis considers scenarios based on the latest global and scientific developments, and the scenarios from 1.5°C to 3°C scenarios for current to long-term time frames, to draw conclusions on the financially material physical and transition risks and validate its current strategy. CLI and the REITs will then review their mitigation and adaptation plans, and identify opportunities, in alignment with CapitaLand's 2030 SMP. The SMP was designed to build resilience throughout its operations and futureproof CLI's real estate portfolio to guard against climate change risks and to avoid premature obsolescence and adopt available opportunities.

Scenario analysis on future climate-related risks and opportunities

The climate scenario analysis for CLI' global portfolio considered the parameters listed below:

Key physical risk scenarios	NGFS ²⁵ 1.5°C Orderly NGFS 2°C Orderly NGFS 3°C Hot House World (NDC ²⁶)
Key transition risk and opportunities scenarios	CRREM ²⁷ 1.5°C CRREM 2°C NGFS 3°C SSP2 ²⁸ Hot House World
Geographical coverage	All assets* within operating regions
Time horizon	2050, 2100
* As of 31 December 2022; China for CLCT	
<p>25 The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) 26 Nationally Determined Contributions (NDC) 27 Carbon Risk Real Estate Monitor (CRREM) 28 Shared Socioeconomic Pathways (SSP)</p>	

The analysis includes both quantitative and qualitative assessments. The quantitative assessments of potential financial impacts are being conducted based on available climate-related projections and assumptions under the abovementioned scenarios. Six physical risks, including fluvial flooding, coastal flooding, extreme heat, tropical cyclones, wildfires and extreme cold and one transition risk, shifts in carbon price, were assessed during the process. For other risk areas which are identified to be material, but difficult to quantify, such as changes in consumer and investor preferences, a qualitative assessment is conducted based on internal stakeholder consultation within CLI and CLCT.

Potential impacts of climate-related risks and opportunities assessed across the portfolio are identified under different scenarios, as shown in Table 1 and 2. The REIT faces more exposure to physical risks under the 3°C scenario in the long term, as minimal transition policies are expected to be in place while the development of low-carbon technology or related market changes may be slower. Under the 1.5°C and 2°C scenarios, the REIT faces higher levels of transition risks as more stringent climate-related policies are expected to be introduced and implemented.

The insights on both quantitative and qualitative assessments of the risks identified provide a basis for the next steps in understanding the severity of risk impacts across time horizons.

Appendix

TCFD Recommendations

Table 1: Material physical risks assessed under the 3°C scenario

Risk type	Primary risk driver	Potential impacts
Coastal flooding	Properties in coastal areas may be exposed to steady and continuous sea level rise	<ul style="list-style-type: none"> ▶ Increase in assets exposed to coastal flooding ▶ Increase in capital expenditures to construct coastal defence and flood control infrastructure
Tropical cyclones	Properties may face more frequent and severe tropical cyclone	<ul style="list-style-type: none"> ▶ Higher chance of damage to specific asset locations that are tropical cyclone-prone ▶ Increase in operating costs (e.g. business interruption)
Extreme cold	Cold days and extreme cold could become more common and/or severe	<ul style="list-style-type: none"> ▶ Increase in warming demand leading to higher electricity costs
Extreme heat	Hot days and extreme heat could become more common and/or severe	<ul style="list-style-type: none"> ▶ Increase in cooling demand leading to higher electricity costs
Wildfires	Risk of wildfires could increase in extremely dry conditions, such as drought, and during high winds	<ul style="list-style-type: none"> ▶ Increase in assets exposed to wildfires ▶ Increase in operating costs (e.g. filtration demand, business interruption)
Fluvial flooding	Water level rise of the river could occur due to excessive rain or snowmelt, leading to losses from assets located in high flood risk zones	<ul style="list-style-type: none"> ▶ Increase in assets exposed to growing severity of river floods ▶ Increase in operating costs (e.g. repair costs, business interruption)

Table 2: Material transition risks and opportunities under the 1.5°C scenario

Risk type	Primary risk / opportunity driver	Potential impacts
Shifts in carbon prices	Carbon emissions are being priced through taxation or emissions trading schemes	<ul style="list-style-type: none"> ▶ Increase in operational costs associated with carbon pricing
Changes in regulator expectations	Regulators with more stringent policies and regulations around climate change for the buildings industry	<ul style="list-style-type: none"> ▶ More comprehensive disclosures expected on climate change actions and metrics
Changes in customer expectations	Consumer preferences could change and shift towards greener buildings	<ul style="list-style-type: none"> ▶ Increase in number of tenants seeking for assets with high-performing green credentials
Shifts in electricity prices	Growing adoption of renewable energy could drive changes in electricity costs	<ul style="list-style-type: none"> ▶ Increase in capital investment in renewable energy ▶ Fluctuations in operating costs from electricity price variability
Use of new technologies	Investment in technologies for improving energy and water	<ul style="list-style-type: none"> ▶ Reduced exposure to increases in carbon price, electricity price and water price ▶ Reduction in operating costs
Increased demand for green products and services	Shift in consumer preferences and development of low emissions goods and services	<ul style="list-style-type: none"> ▶ Increase in revenue by tapping on the green rental premium created by increased demand for sustainable buildings ▶ Increase in asset value for low carbon buildings

As an ongoing process, the Group and the REIT will review and update, if appropriate, the processes associated with risk management in order to account for the material environmental and climate-related risks identified.

Appendix

TCFD Recommendations

Risk Management

CLCT conducts an annual Trust-wide RCSA exercise that requires supporting business units and corporate functions to identify, assess and document material risk which includes ESG relevant risks, along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed at the REIT level before they are presented to the REIT's Audit and Risk Committee and the REIT's Board. This exercise is based on CLI's annual Group-wide RCSA exercise, review of the Risk Appetite Statement and Key Risk Indicator on Climate Change and Environmental Risk. Such climate-related risks and opportunities are identified and mitigated through CLI's ERM framework, and its externally certified ISO 14001 EMS.

CLCT's risk management process to address its key risks and uncertainties, including climate change, is discussed further in its Annual Report, Risk Management section from pages 74 to 80.

Climate-related risks and opportunities are identified and mitigated through CLI's ERM Framework. The Trust prioritises material ESG issues based on the likelihood and potential impact of the issues affecting business continuity and development. Notably, CLCT is cognizant of the risk posed by existing and emerging regulatory requirements with relation to climate change as it is outlined in CapitaLand's ERM Framework as a transitional climate change risk. Some of these risks include:

- Regulatory or compliance risk, prompted by certain regulations in the countries of operation. These include but are not limited to the Environmental Risk Management Guidelines introduced by the MAS in 2020 requiring financial institutions and asset managers to place greater emphasis on both physical and transition environmental risks; and the Singapore Exchange mandate introduced in December 2021 that all issuers must provide climate reporting that is aligned to the recommendations of the TCFD in their sustainability reports from the financial year commencing 2024 for the materials and buildings industry. For now, this requirement is on a 'comply or explain' basis for CLI and CLCT. Another development to keep in view is the International Sustainability Standards Board, which aims to form a comprehensive global baseline of sustainability disclosures and a harmonized set of standards for reporting on sustainability performance.
- Market risks, including shifts in carbon and electricity prices, or customer expectations, prompted by the conclusions of conferences such as COP27 in November 2022, where it was further stressed that urgent action is needed to combat global warming, and this can only be done through global action from governments and businesses. Other developments, such as Singapore's Green Plan 2030 that charts ambitious and concrete targets that will strengthen Singapore's commitments under the United Nation's 2030 Sustainable Development Agenda and Paris Agreement, and position Singapore to achieve its long-term net zero emissions aspiration by 2050, are also monitored by CLCT as they affect the day-to-day operations and practices of the REIT.

Physical risks are observed through the regular monitoring of incidents across the portfolio, for example cases of floods. In 2020, CLI had conducted a global portfolio baseline study to better understand its portfolio's physical climate risk in relation to floods. This included insights into whether properties were located in low lying plains, encountered flooding in previous years, had equipment located in the basement, and had exposure to other flood risks. Globally, most of CLI's properties already have flood control features/measures in place, such as flood barriers, sensors, water level pumps and flood emergency response plans.

Through CLI's ERM Framework and the implementation of the EHS Impact Assessment for all new investments, certain physical risks are prioritised, e.g. floods are highlighted in the due diligence reports and plans to integrate climate change resilience and adaptation considerations into the design, development and management of its properties. To further strengthen climate resilience to flood risk, CLCT, through CLI regularly engages its operation teams to ensure flood emergency response plans are implemented across its portfolio.

Appendix

TCFD Recommendations

Metrics & Targets

At the Group level, CLI has tracked and reduced the carbon emissions of its managed and owned operational properties, including those of CLCT, via its cloud-based Environmental Tracking System. All related metrics have been regularly disclosed in CLI's annual Global Sustainability Report. Since 2010, CapitaLand has been disclosing Scope 1, 2 and 3 GHG emissions of its global portfolio and the data has been externally assured.

Furthermore, in 2022, the Group had their carbon emissions reduction targets approved by the SBTi for a 1.5°C scenario. This target is in line with the goals of the Paris Agreement to keep global temperature rise to 1.5°C in this century. CLI has also committed to Net Zero by 2050 for its Scope 1 and 2 emissions, which includes the Trust's assets. Please refer to the CapitaLand Investment Global Sustainability Report 2022 which will be published by May 2023.

At the REIT level in FY 2022, direct Scope 1 carbon emissions amounted to 2,557 tonnes CO₂e. Indirect Scope 2 carbon emissions amounted to 39,143 tonnes CO₂e for FY 2022. Overall carbon emissions intensity (tCO₂e/m²/month) for Direct Scope 1 and Indirect Scope 2 carbon emissions was reduced by 63.0% from the 2008 baseline. To calculate its carbon emissions, CLCT takes guidance from the operational control approach as defined by the GHG Protocol Corporate Standard, in line with the Group. For more details, please refer to the Key ESG Data Summary.

Aligned with CLI, CLCT has set sustainability and climate-related performance metrics and targets that are linked to the remuneration policies for members of senior management, such as the Balance Scorecard (BSC) framework for FY 2022 which had included both quantitative and qualitative targets relating to climate change.

CLI has implemented a shadow internal carbon price since 2021 to quantify climate-related risks and opportunities for its new investments.

CLI will continue to explore new metrics to measure climate-related risks and opportunities which CLCT will assess and adopt where relevant for its portfolio.



Appendix

Key ESG Data Summary

This report's ESG data summary list is aligned with SGX recommendations on a common and standardised set of ESG metrics.

ENVIRONMENTAL DATA

Metric	Unit	2019	2020	2021	2022
Greenhouse Gas Emissions					
Scope 1	tonnes CO ₂ e	978	881	1,997	2,557
Scope 2	tonnes CO ₂ e	30,261	32,310	38,700	39,143
Scope 3²⁹:	tonnes CO ₂ e	52,682	48,917	86,500	91,404
comprising of the following:					
Corporate air travel ³⁰	tonnes CO ₂ e	-	-	-	5
Tenants' energy consumption	tonnes CO ₂ e	52,682	48,917	86,500	87,328
Properties managed by third-party	tonnes CO ₂ e	-	-	-	4,071
Total Carbon Emission (Scope 1 and 2)	tonnes CO ₂ e	31,239	33,190	40,698	41,700
Emission intensity, Scope 1 and Scope 2	kgCO ₂ e/m ² /month	4.42	3.68	2.54	2.44
Energy Consumption					
Total energy consumption	MWh	60,853	70,231	85,176	88,029
Direct fuel combustion ³¹	MWh	5,315	4,785	10,850	13,899
Purchased energy	MWh	55,538	65,446	74,326	74,130
Electricity	MWh	45,264	46,765	57,794	57,609
Heating	MWh	10,274	18,681	16,532	16,521
Energy consumption intensity	kWh/m ² /month	8.61	7.78	5.47	5.15
Water Consumption					
Total water consumption ³²	m ³	507,493	514,263	866,520	711,010
Water consumption intensity	m ³ /m ² /month	0.072	0.057	0.057	0.042
Waste and Recycling					
Total waste generated	tonnes	1,579	6,891	8,400	8,125
Waste disposed	tonnes	1,578.8	6,515	7,353	7,104
Waste recycling	tonnes	0.2	376	1,047	1,021
Waste recycling rate	%	0.0	5.5	12.5	12.6

SOCIAL DATA

Metric	Unit	2021	2022
Diversity (gender and region)			
Employees			
Total Employees	Number	542	498
Male	Number, (%)	312 (57.6%)	287 (57.6%)
Female	Number, (%)	230 (42.4%)	211 (42.4%)
Singapore	Number, (%)	18 (3.3%)	18 (3.6%)
China	Number, (%)	524 (96.7%)	480 (96.4%)
New Hires (gender, age group, and region)			
Male	Number, (%)	53 (50.5%)	27 (47.4%)
Female	Number, (%)	52 (49.5%)	30 (52.6%)
<30 years old	Number, (%)	39 (37.1%)	24 (42.1%)
30-50 years old	Number, (%)	65 (61.9%)	33 (57.9%)
>50 years old	Number, (%)	1 (1.0%)	0 (0.0%)
Singapore	Number, (%)	7 (6.7%)	4 (7.0%)
China	Number, (%)	98 (93.3%)	53 (93.0%)

29 This is based on currently available data and deemed to be material and or optical Scope 3 categories. CLCT aims to conduct a comprehensive review of its Scope 3 emissions to better track and disclose its material Scope 3 emissions.

30 Air travel from Singapore.

31 Natural gas and small amount of diesel fuel.

32 Municipal water supply.

Appendix

Key ESG Data Summary

Metric	Unit	2021	2022
Turnover³³ (gender, age group, and region)			
Total Turnover	Number, (%)	155 (28.6%)	96 (19.3%)
Male	Number, (%)	86 (27.6%)	50 (17.4%)
Female	Number, (%)	69 (30.0%)	46 (21.8%)
<30 years old	Number, (%)	40 (56.3%)	21 (29.2%)
30-50 years old	Number, (%)	99 (24.0%)	61 (16.6%)
>50 years old	Number, (%)	16 (27.6%)	14 (24.1%)
Singapore	Number, (%)	4 (22.2%)	4 (22.2%)
China	Number, (%)	151 (28.8%)	92 (19.2%)
Development & Training			
Employees			
Average training hours per employee	Hours/ employee	103.4	76.6
Male	Hours/ employee	114.5	87.5
Female	Hours/ employee	88.7	61.8
Occupational Health & Safety			
Employees			
Fatalities	Number of cases	0	0
High-consequence injuries (Injuries resulting in permanent disability)	Number of cases	0	0
Recordable injuries	Number of cases	1	0
Recordable work-related ill health cases (Occupational disease)	Number of cases	0	0
Injury Rate ³⁴	per million manhours worked	0.9	0
Lost Day Rate ³⁵	per million manhours worked	315.8 ³⁶	0
Contractors			
Fatalities	Number of cases	0	0
High-consequence injuries (Injuries resulting in permanent disability)	Number of cases	0	0
Injury Rate ³⁴	per million manhours worked	0	0
Lost Day Rate ³⁵	per million manhours worked	0	0

GOVERNANCE DATA

Metric	Unit	2021	2022
Board Composition			
Board independence	%	66.7%	62.5%
Women on the board	%	11.1%	25.0%
Management Diversity			
Women in the management team	%	45.5%	53.2%
Ethical Behaviour			
Anti-corruption disclosures	Discussion and number of standards	ISR 2021 (Pg 38 - 39)	ISR 2022 (Pg 48 - 50)
Anti-corruption training for employees	Number and %	-	483 (97.0%)

33 This percentage is against total headcount of the respective breakdown.

34 Number of work-related injuries over total scheduled work hours for all employees for the year per million hours worked.

35 Number of lost man-days over total scheduled work hours for all employees for the year per million hours worked.

36 Includes lost days for an injury occurred in December 2020 as the employee's recovery spanned across 2020 and 2021.

Appendix

GRI Content Index

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 1: Foundation 2021			Integrated Sustainability Report 2022
General Disclosures			
GRI 2: General Disclosures 2021	The Organisation and its Reporting Practices		
	2-1	Organisational details	Who We Are (Pg 2)
	2-2	Entities included in the organisation's sustainability reporting	Who We Are (Pg 2) About This Report (Pg 3)
	2-3	Reporting period, frequency and contact point	About This Report (Pg 3)
	2-4	Restatements of information	About This Report (Pg 3)
	2-5	External assurance	About This Report (Pg 3)
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	Strategy and Key Objectives (Pg 16 - 17) Human Capital (Pg 34)
	2-7	Employees	Human Capital (Pg 36, 40) Key ESG Data Summary (Pg 59 - 60)
	2-8	Workers who are not employees	Human Capital (Pg 37 - 38)
	Governance		
	2-9	Governance structure and composition	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 46)
	2-10	Nomination and selection of the highest governance body	Organisational Capital (Pg 45 - 46)
	2-11	Chair of the highest governance body	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 47)
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 46)
	2-13	Delegation of responsibility for managing impacts	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 46)
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 47)
	2-15	Conflicts of interest	Organisational Capital (Pg 47 - 48)
	2-16	Communication of critical concerns	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 46, 48 - 50)
	2-17	Collective knowledge of the highest governance body	Sustainability Approach (Pg 12 - 13) Organisational Capital (Pg 45 - 47) Appendix - Governance (Pg 53)
	2-18	Evaluation of the performance of the highest governance body	Organisational Capital (Pg 46 - 47)
2-19	Remuneration policies	Board Statement (Pg 7) Human Capital (Pg 30, 39)	
2-20	Process to determine remuneration	Human Capital (Pg 39)	
2-21	Annual total compensation ratio	Not disclosing due to confidentiality constraints	

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GRI Content Index

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 2: General Disclosures 2021	Strategy, Policies and Practices		
	2-22	Statement on sustainable development strategy	Board Statement (Pg 7) Sustainability Approach (Pg 8)
	2-23	Policy commitments	Human Capital (Pg 34 - 36) Organisational Capital (Pg 49 - 50)
	2-24	Embedding policy commitments	Environmental and Manufactured Capital (Pg 21) Human Capital (Pg 34 - 39) Organisational Capital (Pg 50 - 51)
	2-25	Processes to remediate negative impacts	Human Capital (Pg 38) Organisational Capital (Pg 49 - 51)
	2-26	Mechanisms for seeking advice and raising concerns	Human Capital (Pg 38) Organisational Capital (Pg 49 - 51)
	2-27	Compliance with laws and regulations	Organisational Capital (Pg 50)
	2-28	Membership associations	Human Capital (Pg 36)
	Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	Social and Relationship Capital (Pg 41)
2-30	Collective bargaining agreements	Human Capital (Pg 36)	
Material Topics			
GRI 3: Material Topics 2021	Management Approach		
	3-1	Process to determine material topics	Materiality (Pg 14)
	3-2	List of material topics	Materiality (Pg 14)
GRI 3: Material Topics 2021	Business Ethics		
	3-3	Management of material topics	Strategy and Key Objectives (Pg 17) Organisational Capital (Pg 44, 48 - 50)
GRI 205: Anti- Corruption 2016	205-1	Operations assessed for risks related to corruption	Organisational Capital (Pg 48 - 50)
	205-2	Communication and training on anti-corruption policies and procedures	Strategy and Key Objectives (Pg 17) Organisational Capital (Pg 48 - 50)
	205-3	Confirmed incidents of corruption and actions taken	Organisational Capital (Pg 48 - 50)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints, leaks, thefts or losses of customer data during the FY 2022.
GRI 3: Material Topics 2021	Risk Management		
	3-3	Management of material topics	Organisational Capital (Pg 44)
GRI 2: General Disclosure 2021	2-27	Compliance with laws and regulations	Organisational Capital (Pg 50 - 51)

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GRI Content Index

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 3: Material Topics 2021	Economic Benefits to Stakeholders		
	3-3	Management of material topics	Social and Relationship Capital (Pg 41 - 43)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Please refer to Financial Statements in CLCT's Annual Report 2022.
	203-1	Infrastructure investments and services supported	Social and Relationship Capital (Pg 41 - 43)
GRI 3: Material Topics 2021	Products and Services		
	3-3	Management of material topics	Human Capital (Pg 28, 30 - 33)
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Human Capital (Pg 31)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Organisational Capital (Pg 50)
GRI 417: Marketing and Labelling 2016	417-3	Incidents of non-compliance concerning marketing communications	Organisational Capital (Pg 50)
GRI 3: Material Topics 2021	Climate Change and Carbon Reduction		
	3-3	Management of material topics	Sustainability Approach (Pg 8 - 13) Environmental and Manufactured Capital (Pg 19, 25, 27)
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental and Manufactured Capital (Pg 25, 27) Key ESG Data Summary (Pg 59)
	305-2	Energy direct (Scope 2) GHG emissions	Environmental and Manufactured Capital (Pg 25 - 27) Key ESG Data Summary (Pg 59)
	305-3	Other indirect (Scope 3) GHG emissions	Environmental and Manufactured Capital (Pg 25) Key ESG Data Summary (Pg 59)
	305-4	GHG emissions intensity	Environmental and Manufactured Capital (Pg 25, 27) Key ESG Data Summary (Pg 59)
	305-5	Reduction of GHG emissions	Environmental and Manufactured Capital (Pg 25 - 27) Key ESG Data Summary (Pg 59)
GRI 3: Material Topics 2021	Energy efficiency		
	3-3	Management of material topics	Sustainability Approach (Pg 8 - 13) Environmental and Manufactured Capital (Pg 19, 25 - 27)
GRI 302: Energy 2016	302-1	Energy consumption within the Organisation	Environmental and Manufactured Capital (Pg 25 - 27) Key ESG Data Summary (Pg 59)
	302-3	Energy intensity	Environmental and Manufactured Capital (Pg 25 - 27) Key ESG Data Summary (Pg 59)
	302-4	Reduction of energy consumption	Environmental and Manufactured Capital (Pg 25, 27) Key ESG Data Summary (Pg 59)

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GRI Content Index

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 3: Material Topics 2021	Water management		
	3-3	Management of material topics	Sustainability Approach (Pg 8 - 13) Environmental and Manufactured Capital (Pg 19, 26)
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	303-2	Management of water discharged-related impacts	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	303-3	Water withdrawal	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	303-4	Water discharge	Wastewater is discharged into the sewerage system.
	303-5	Water consumption	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
GRI 3: Material Topics 2021	Waste management		
	3-3	Management of material topics	Sustainability Approach (Pg 8 - 13) Environmental and Manufactured Capital (Pg 19, 26)
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	306-2	Management of significant waste-related impact	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	306-3	Waste generated	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	306-4	Waste diverted from disposal	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
	306-5	Waste directed to disposal	Environmental and Manufactured Capital (Pg 26) Key ESG Data Summary (Pg 59)
GRI 3: Material Topics 2021	Biodiversity		
	3-3	Management of material topics	Sustainability Approach (Pg 8 - 13) Environmental and Manufactured Capital (Pg 19, 23)
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity values outside protected areas	Environmental and Manufactured Capital (Pg 23)
	304-2	Significant impacts of activities, products, and services on biodiversity	Environmental and Manufactured Capital (Pg 23)

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GRI Content Index

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 3: Material Topics 2021	Stakeholder Engagement		
	3-3	Management of material topics	Human Capital (Pg 28) Social and Relationship Capital (Pg 41 - 43)
	Occupational Health & Safety		
	3-3	Management of material topics	Human Capital (Pg 28 - 34)
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Human Capital (Pg 30 - 32)
	403-2	Hazard identification, risks assessment, and incident investigation	Human Capital (Pg 30 - 31)
	403-3	Occupational health services	Human Capital (Pg 30 - 31)
	403-4	Worker participations, consultation, and communication on occupational health and safety	Human Capital (Pg 30 - 31)
	403-5	Worker training on occupational health and safety	Human Capital (Pg 30 - 32)
	403-6	Promotion of worker health	Human Capital (Pg 30 - 34)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (Pg 30 - 32)
	403-8	Workers covered by an occupational health and safety management system	Human Capital (Pg 29 - 31)
	403-9	Work-related injuries	Human Capital (Pg 29) Key ESG Data Summary (Pg 60)
	403-10	Work-related ill health	Human Capital – Social (Pg 29) Key ESG Data Summary (Pg 60)
GRI 3: Material Topics 2021	Human Capital		
	3-3	Management of material topics	Human Capital (Pg 28 - 40)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Capital (Pg 36 - 37) Key ESG Data Summary (Pg 59 - 60)
	401-3	Paternal leave	Human Capital (Pg 38)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital (Pg 37, 40) Key ESG Data Summary (Pg 60)
	404-2	Programs for upgrading skills and transition assistance programs	Environmental and Manufactured Capital (Pg 22) Human Capital (Pg 37) Organisational Capital (Pg 50)
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital (Pg 39)

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GRI Content Index

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and Remarks
GRI 3: Material Topics 2021	Diversity and Human Rights		
	3-3	Management of material topics	Sustainability Approach (Pg 10 - 11) Human Capital (Pg 28, 34 - 36) Organisational Capital (Pg 45 - 46)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Approach (Pg 10 - 11) Human Capital (Pg 35) Organisational Capital (Pg 45 - 46)
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective action taken	Human Capital (Pg 28, 34 - 36)
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 35)
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 34 - 35)
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Stakeholder Engagement (Pg 41 - 43)
GRI 3: Material Topics 2021	Supply Chain Management		
	3-3	Management of material topics	Human Capital (Pg 28, 34)
GRI 308: Supplier Environmental Assessment 2016	308-1	New supplier screened using environmental criteria	Human Capital (Pg 34)
GRI 414: Supplier Social Assessment 2016	414-1	New supplier that were screened using social criteria	Human Capital (Pg 34)